



Pomegranate Investment portfolio update.

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Pomegranate Investment AB (publ) ("Pomegranate" or "the Company") is pleased to report on a number of recent investments and significant developments among its portfolio companies in the last quarter of 2017 (Q4). Pomegranate continues to invest in some of Iran's most exciting growth companies which are driving economic growth and knowledge transfer in their sectors.

Portfolio Company Event: Investment in Café Bazaar and Divar

The Company has increased its indirect see-through economic interest in Café Bazaar group, Iran's largest App Store and multi-brand platform, which includes Divar - Iran's largest online classifieds platform, from 3% to 4.5%. The deal included EUR 38 million for an increased 10 per cent shareholding in Café Bazaar group for investors, with a corresponding 1.5% increase in indirect shareholding for Pomegranate.

Café Bazaar and Divar continue to develop their well-known online services. The deal was made in order to raise capital for expansion into new areas such as micro payments and new urban services as well as strengthening of their current businesses. This investment will spur economic growth and employment as well as increased transfer of know-how to help scale these businesses.

The new investment was announced in connection with the visit to Café Bazaar headquarters by Dr. Sattari, the Vice President for Science and Technology of Iran.

Portfolio Company Event: Zoraq Merger with Alibaba – valued at EUR 82 million.

In the 4thquarter of 2017, the largest online travel business in Iran (Alibaba Travel) and one of the pioneers in that space (Zoraq) merged to form the largest OTA in the country. The announced merger will result in creating employment opportunities and adding value by information sharing and using the experience and know-how of the investors in this field.

This merger between the leaders of Iran's online travel, "Alibaba" and "Zoraq", and integration with Alibaba's other businesses such as "Jabama", a hotel booking website, will further lead to growth and expansion in the field of online travel booking in the Country. The merged entities will be consolidated under a holding company called "Tusha". The valuation of Tusha online travel holding is approximately EUR 82 million after investment of EUR 18.5 million into the holding. Pomegranate will be holding an indirect see-through stake of 3.3% in this business post the merger.

The deal was announced at a ceremony held during the first Technology Investment Meeting organised by the D-8* Organization for Economic Development at the Pardis

Technology Park in Tehran, and is one of the first mergers between two top Iranian startups in the online space.

The merger between Alibaba Travel and Zoraq was facilitated by Griffon Capital, another of Pomegranate's portfolio companies, which had exclusive fundraising mandate with the online travel booking site Alibaba.

**Developing-8, is an organization for development cooperation among the following countries: Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey.*

New and follow-on investments

Sheypoor, the online classifieds specialist, closed a funding round of EUR 7 million as usage grows 122% year-on-year:

In Q4 2017, Sheypoor - active within the online classifieds field in Iran, successfully closed a funding round of EUR 7 million led by Pomegranate, which invested another EUR 3.7 million, including conversion of the previously extended short-term loan facility of EUR 2.0 million. Pomegranate was also joined in the funding round by two prominent external investors, including one Iranian listed VC. Pre-money valuation was EUR 42.3 million. After the transaction Pomegranate's shareholding in Sheypoor amounts to 44.6% with a post-money valuation of EUR 49.3 million.

Sheypoor has grown significantly during 2017 and the total number of Unique Monthly Users in 2017 was 122% above 2016. The number of page views in December 2017 stood at about 704 million and total amount of page views in 2017 was 205% above 2016. The total number for monthly new listings in 2017 was 138% higher than in 2016.

First Fintech Investment:

Pomegranate agreed EUR 500 thousand investment in fintech start-up **Bahamta**:

In Q4 2017, Pomegranate concluded the agreement for an investment of EUR 500 thousand into the Iranian fintech start-up - Bahamta, active in the field of mobile based peer-to-peer monetary transfers. The investment is payable in two tranches for a total shareholding of 14.3% upon completion. The investment will help Bahamta to recruit more talent and grow as a company and continue to develop its offering in the now emerging fintech industry in Iran. Bahamta has previously received funding from one of the most successful local VC companies.

Management Comments

Florian Hellmich, CEO of Pomegranate Investment AB (publ), commented:

“Q4 2017 was a key period for Pomegranate as we continued to invest in some of Iran’s most exciting growth sectors. We are very pleased with the increased exposure to Café Bazar, Iran’s largest app-store, which we believe is going to be a significant value driver as many international competitors cannot operate in Iran.

“We are also happy to report on one of the first mergers in the vibrant Iranian start-up scene, between online travel start-ups Alibaba and Zoraq. Zoraq is one of our indirect portfolio investments through Sarava. In our view the deal will further strengthen the travel and tourism industry in Iran, create new jobs and extraordinary value, a win win. We are also pleased that our other portfolio investment, Griffon Capital was involved in the facilitation of this deal, which demonstrates the strength of our network.

“Although very early days, we are excited to report on our first investment into the fintech space in Iran, and the talented team behind Bahamta. Sheypoor continues to grow rapidly and develop its platform and its success is evidenced by the new investors who joined Pomegranate in this latest round.”

For additional information, please visit the Company’s website at www.pomegranateinvestment.com or contact:

Investor Relations contact:

Gustav Wetterling, CFO
Tel: +46 8 545 015 50
Email: ir@pomegranateinvestment.com

About Pomegranate

Pomegranate Investment AB (publ) is based in Sweden and was founded in 2014 by a pioneering team with a long and successful track record of investing in high growth companies in emerging markets, particularly in the technology sector. Pomegranate is an investment company that has a strong position primarily in Iran’s consumer technology sector, which, with the easing of international sanctions, represents an extraordinary growth opportunity for European investors. We are entrepreneurs, we have invested in entrepreneurs and a significant proportion of our investors are entrepreneurs themselves.

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