Pomegranate Investment AB (publ) Corporate ID number 556967-7247

Financial Report

for the period of January 1, 2017 – April 30, 2018

Pomegranate Investment

Important Information

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This report contains forward-looking statements. All statements other than statements of historical facts included in this presentation, including without limitation, those regarding the Company's financial position, business strategy, plans, objectives, goals, strategies and future operations and performance and the assumptions underlying these statements are forward-looking statements. Such forward-looking statements involve known and unknown risks and uncertainties and other factors which are or may be beyond the Company's control, which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements ar based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. Some numerical figures included in this Presentation have been subject to rounding adjustments. Accordingly numerical figures shown as totals in certain graphs or tables may not be an exact arithmetic aggregation of the figures that preceded them.

Highlights of the Reporting Period

At the Company's AGM on May 15, 2017 the shareholders approved to change Pomegranate's financial year to 1 May – 30 April, to be more synchronized with the reporting of portfolio companies, and as a result the current financial year was extended to sixteen months (January 1, 2017 – April 30, 2018) to enable the transition. The comparisons to the result of financial year January 1, 2017 – April 30, 2018 and the 4-month period January 1, 2018 – April 30, 2018 has been made with the previous financial year results of 2016 full year and first quarter of 2017.

- Net result for the period January 1, 2017 – April 30, 2018 was EUR -29.2 million (mln) (January 1, 2016–December 31, 2016: EUR 35.2 mln). Earnings per share were EUR -5.8 (9.8).

- Net result for the 4-month period January 1, 2018 – April 30, 2018 was EUR -25.4 million (Q1 2017: EUR -1.8 mln).

- The net asset value of the Company was EUR 131.4 mln on April 30, 2018, (March 31, 2017: 158.9), corresponding to EUR 24.3 per share, (March 31, 2017: 29.4).

- The Company's net asset value per share in EUR decreased by 24% over the period January 1, 2017– April 30, 2018. The Company's net asset value per share in EUR decreased by 16% over the period January 1, 2018– April 30, 2018. Pomegranate has performed a broad risk adjusted valuation update of all recent transaction valuations in portfolio companies.

- In February 2018, Pomegranate committed to invest EUR 12.7 million in Sarava's funding round, out of which EUR 8.9 million had already been transferred as per 30 April 2018 and another EUR 3.8 is committed through signed Memorandum of Investment ("MOI"). After the transaction Pomegranate's stake in Sarava amounts to 15.7% as per 30 April 2018. The MOI signed on February 28, 2018 marked the result of negotiations which had been ongoing from autumn 2017.

- In April 2018, Pomegranate together with the founders and other shareholder in Carvanro decided to discontinue the project, due to insufficient traction of the company's product in the market, relative to the expected future funding need to continue the project. As per April 30, 2018 Pomegranate has recognised a full write-off of the previous company value of EUR 1.4 million.

- Cash and cash equivalents amounted to EUR 23.4 million as per April 30, 2018 (December 31, 2016: 29.0). Additionally, the Company had short term investments with Griffon Capital at a value of ca EUR 2.6 million as per April 30, 2018. Which means a total sum of cash and short term investments of EUR 26.0 million.

- The number of outstanding shares at the end of the period was 5,404,601.

Events after the end of the reporting period

- The Company has given notice of exercise of the first tranche of Sheypoor stock options held by Pomegranate as per May 31, 2018. In accordance with the option agreement, the options to be exercised correspond to 3.03% in the capital Sheypoor for the total consideration of EUR 534,688. This exercise provides Sheypoor with some extra immediate funding to continue marketing and other initiatives at a favourable valuation for Pomegranate.

Letter from the Managing Director

Dear fellow share owners,

Back to the Future.

When I prepare these letters I always skim through the previous ones in order to maintain a certain amount of continuity in my dialogue with you. My sense this time is that we have been in a time capsule since the last report, which is only one quarter ago, and we step out of it in to the past instead of the future!

What happened and what do I mean by this?

On the 8th of May 2018, the US announced its unilateral withdrawal from the JCPOA. The result was a media headline storm raising questions as to how this would affect trade and investments with Iran, as well as the wider implications for the domestic economy. We tried to address these issues by providing you with our interpretations in our share owner letter dated May 11, 2018 (see enclosed below).

As a direct consequence of this we have had to make risk-adjustments to our NAV. At the same time it is important to emphasise that a number of our portfolio companies are continuing to thrive - in itself representing important data points of companies that contribute to a resilient economy.

Iranian entrepreneurs have over the years become extraordinarily able to adapt to a changing, and oftentimes challenging, environment. The present circumstances are not really new to them, in particular when it comes to the currency issues and liquidity constraints. The heavyweights in the portfolio have been through this before i.e. Digikala in its 11th year of existence while both Café Bazar and Sheypoor were set up a number of years ago and are anything but small start-ups. All of them are continuing to build market share and consolidate with the benefit of international competition being virtually absent.

Our NAV is at EUR 24.3/share as per April 30, 2018, down from EUR 29/share representing a 16% adjustment compared with the most recent NAV calculation. This is based on the IFRS framework which states that “The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions”, and if such market conditions change that should be reflected in the valuation. This was necessary despite the majority of portfolio companies/investments having recent EUR based transactions within the past 8 months with the bulk of them over the last 2-4 months. Whilst under normal circumstances these transactions could have been used for valuation purposes, we felt it was prudent to risk-adjust our NAV given the present backdrop. Putting things in perspective, the crude brent oil price has increased by about 17% in the first five months of 2018, and by more than 54% over the 12-month period up until end of May 2018, partly as a reflection of the heightened uncertainty surrounding the JCPOA. A discount on Iranian export products, such as Urea can be observed in the markets, due to increased uncertainty and banking concerns from the buyer side. This is a technical adjustment and we will of course monitor the situation closely and not hesitate to make further adjustments, as and when appropriate.

This NAV/share almost dates back to a pre-JCPOA level (around EUR 20/share) when we owned only 9.4% in Sarava (15.7% today) or 27% in Sheypoor (45%) and Digikala was less than half the size. Smart phones went to 47 million handsets from a 15 million or so and internet penetration doubled to 52% to mention a few relevant data points.

In any case we now have great deal of alignment in place with Sarava and its portfolio companies which derived from our changed reporting calendar acting as “one” company in order to prepare us for an IPO and therefore report appropriately. Little did we know that despite the current environment Digikala is likely to do an IPO before us (this Iranian year!?) in Tehran. Pomegranate will wait for further clarity from the EU to evaluate its IPO plans, but as a Company we are ready to proceed and all the necessary steps have been prepared. The first signals are quite encouraging actually but it remains to be seen.

The point I wanted to make is this. The stark difference in comparison with the situation that Michael J Fox found himself in, in the sci-fi movie Back to Future when he was transferred 30 years back is that the future (in consumer tech) is happening on the ground regardless of the external circumstances.

We observe a substantial shift from offline to online, which has been and still is the biggest competition for many of our companies and business models, a phenomenon that we observed in many other markets going through external/internal macro adjustments.

The online space is quite defensive in relative terms. For example, an estimated 95% of general retail in Iran is unorganised with a major part going through the grey economy. Typically, unorganised or illegal imports and manufacturing cannot cope as well with substantial FX volatility and tight liquidity as we are seeing now.

Online businesses can adjust much faster to the changed environment of working capital challenges, product offering challenges, they are less capital heavy and so forth. In short – they are much more agile on a relative scale versus off-line and therefore are thriving and very transparent at the same time.

Digikala puts this to the test with GMV growth rates of over 100% year-on-year in the first two months of the Iranian year 1397 (April-May 2018) despite the challenges. Digikala has the ability to reprice its products many times (automatically) during the day. With Digikala’s technology, shopping assortments can be

> We continue to work hard and focused on our existing portfolio companies to grab as much market share as possible as capital efficient as possible.

adjusted fast and working capital balanced to withstand the inevitable assortment disruptions.

Classified businesses are defensive in nature – which comes particularly handy for the broad population generally. As Sheypoor continues to offer its services for free for the Iranian private users and only charges for professional listings. A win-win.

Whilst, there are plenty of Macro and Micro challenges the other difficulty comes from the financial institutions which may once again take a harder line by taking caution and the fixed rate exchange mechanism remains a factor that needs to be worked with.

But all this overshadows of how the internet eco-system is developing regardless and growth opportunities remain unprecedented with almost complete absence of any "foreign" competition.

Portfolio Companies

Sarava (Direct)
Sarava is completing an ongoing fundraising round where Pomegranate participated pro-rata and they are therefore well equipped. (Slight discount to the YE NAV) Further details are in the report.

Digikala (Indirect) 51% of NAV
Digikala has been growing just a little shy of 60% (!) year-on-year in local currency, in the Iranian year 1396 which ended March 2018, a phenomenal result. In the last month of 1396, DK experienced growth of 80% year-on-year as many consumers brought purchases forward because of the currency volatility while it will re-set from there on. Having said that, In the first two month of the Iranian year 100% growth in each of the months driven by 220k SKUs, Market place 32% of GMV, 70% is now mobile. We have seen this peak, slump and recovery curve experienced in other markets. The online market will do well in relative terms. World class C-level management, mostly with prior experience from Russia and Asia is complimenting the skills of the founding partners. DK has gone through a transformation with its new fulfillment center and has raised the bar for everyone in the industry in terms management breath, agility, quality of numbers (IFRS quality).

Naturally the company is preparing for any eventualities and adverse side effects of the US JCPOA withdrawal, with an action plan to slow growth and target profitability if needed.

IPO routes are being seriously considered and as international money routes might become more difficult again, Iranian pools of money will have to look for more local opportunities and as result the conditions for a local listing might be even better now. The local stock exchange reached all-time highs at the time of writing this report, since local liquidity pools have nowhere to go. Sarava has done extensive valuation analysis on its Digikala investment using a combination of different approaches (peer multiples, DCF, exit valuation etc) and the resulting valuation in local currency IRR for example implies a forward looking (1397 year) multiple in local currency is closer to one times, which is quite reasonable given the past and expected growth as well as market leading market position. As a reference, recent multiples in Flipkart fundraising and later M&A transaction were 2.2 and 2.7 respectively., in a very competitive market. As stated earlier, we also apply a risk adjustment so we are not stretching ourselves. Digikala indirectly constitutes a large part, i.e. 51% of our NAV which is a great problem to have currently as the company is doing very well.

Café Bazar (Indirect) Big portion of NAV
Sarava increased its stake as we have reported hence Café Bazar is also very well funded and cash producing. A cash producing asset might not need all the funding. Let alone the fact that Café Bazar is on its way to become a Tencent/WeChat/AppStore/Waze kind of story being unprecedented market leader "sitting" on the cross road of a significant part of the entire internet traffic in Iran. Apple is nowhere to be seen of course. This is going to be one of these situations where we will be asked in 5 years down the road – wow – how did they do that!

Sheypoor (Direct) Big portion of NAV
Classified business is a very self-protective business model. Shift towards capital goods and verticals – cars, real estate but also Jobs later in the cycle. We are emphasizing exactly that in the strategy. The company is well funded from the last round, with an extra top-up from our option exercise. Important key hires have been made. Avito network continues to be very helpful. The company continues to grow strong and we have started monetization which is showing great results.

Smaller Investments

Carvanro – In April 2018, Pomegranate together with the founders and other shareholder in Carvanro decided to discontinue the project, due to insufficient traction of the company's product in the market, relative to the expected future funding need to continue the project.

Griffon – has proven to be particularly great partner in times like this given its expertise in the local market (specifically they have seen it before). While the international environment for their asset management product is clearly very challenging they are making progress domestically. In 2018 Griffon will be launching various local commodity funds and ETF's to cater to local clients. We continue to hold some liquidity there in Iran.

Navaar and Bahamta – very minimal funding is required to continue their growth, the former is targeted to be profitable in a few months, the latter gaining traction given the "defunct" banking sector (Peer to Peer transfers, therefore also quite defensive.

Cash and Pipeline

Our first priority is to protect our existing portfolio and our strong cash balances (ca EUR 26 million) to support companies for many years to come if need be. Logically we are reviewing and optimising our own OPEX as well and have more scenarios prepared. One immediate example is to close the London office. Besides, all our companies have been communicated very strong messages to close side projects, reduce cash burn and become cash generating. The Pipeline is trailing along the external environment, with a surge in incoming requests. In extreme circumstances we could stop investing completely, reduce OPEX/CAPEX further and sit it out for some time while being able to fund existing main companies and growth for years to come without getting significantly diluted. We are not at that point yet, but we could if necessary last beyond the next US president cycle, i.e. beyond 2024.

In summary, we will continue with our Venture despite the challenging environment. We continue to have a long-term horizon and are flexible in how we do things. This is the sort of environment that presents a unique opportunity to achieve super returns and I am convinced we will find very attractive opportunities in the months and years ahead.

We are focused on capital protection, OPEX reduction going forward, consolidation, synergies and efficient capital growth support across the portfolio. All this while we lookout for the outlier "30x" investment opportunity across the consumer sector, given our cash balance.

There is a lot we can't control I appreciate that, equally as I have outlined there is a lot we can control and we have not been waiting, we acted immediately, therefore we as a company as well as our companies are very well positioned leaders to weather this storm.

Reminder. Media. If you do get requests from media please direct them to ir@pomegranateinvestment.com

It will take some time for the positive portfolio performance to feed through into the sentiment of the share price again unless another time capsule comes along (Think North Korea, or very strong EU Blocking mechanism) and we go straight back to the Future again. In the meantime we continue to work hard and focused on our existing portfolio companies to grab as much market share as possible as capital efficient as possible. We have very supportive shareholders, many of you I have met personally during the last weeks. We have a very experienced board, an amazing management team, and above all we love our portfolio companies. A good reminder that we started this venture in 2014, well before the JCPOA. We think now is the time to become even more "local" than ever.

Last but not least – we wish Iran and Sweden well for the World Cup!

Greetings from Stockholm,
Florian

Sanctions and compliance section

On 8 May 2018, the United States announced that it would withdraw from the JCPOA and cancel the sanctions waivers, which allowed the pre-JCPOA US sanctions laws to be waived in order to give effect to the JCPOA. This means that the secondary sanctions lifted or waived in connection with the JCPOA will be re-instated and that the US ceases to participate in the JCPOA.

There will be a 90-day (ending 6 August 2018) and a 180-day (ending 4 November 2018) wind-down period before re-imposition of sanctions for various services and activities. These would affect US persons and US owned or controlled foreign entities requiring them to wind down their business involving Iran as well as EU and other non-US entities to the extent certain activities are prohibited by re-instated secondary sanctions.

However, Iran's potential for foreign investors and businesses will continue as the remaining participants to the JCPOA including European Union (EU), the EU three (France, Germany and the United Kingdom) and the United Nations are committed to the continued full and effective implementation of the JCPOA.
The EU will in the coming days assess the implications of the US leaving the deal and consider how European economic investments and businesses could be protected. Such measures could possibly include grandfathering for existing relationships, other exemptions for EU companies or even anti-boycott provisions. However, no specific steps have yet been taken.

The potential for European investors remains and should not be tempered by the US withdrawal from the JCPOA, but rather if Iran does not comply with its commitments under the JCPOA or if Iran decides to terminate its own obligations under the JCPOA and resume its nuclear program. This is an unlikely outcome in our view. The risks associated with the re-instatement of the US secondary sanctions can be mitigated if investors exclude themselves from dealing in sensitive sectors and with listed persons, constantly monitor their partners, maintain a detailed knowledge of the market and keep their exposure to this market under review, especially at the early stages.

Whilst it is too early to predict the full impact of the US withdrawal from the JCPOA, the big take away is that the JCPOA still remains in place. Pomegranate will monitor the situation closely and keep its investors and stakeholders informed of any development that would have material effect on the company.

Pomegranate is a Swedish-based investment company which was founded in 2014 - before the signing of the JCPOA - 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's activities have, at all time, been conducted in full compliance with all applicable laws and sanctions.

As you are aware Pomegranate has a robust Trade Controls Policy in place, which comprehensively covers all applicable laws and regulations affecting its business including the JCPOA, European sanctions regime, international sanctions, and Swedish rules on trade and investments with Iran. This means that regardless of geographical location, Pomegranate has always complied with its obligations and continues to comply as it continues to carry out investments in Iran.

We remain committed to work with our partners (and transfer know-how!) as integral part of the online ecosystem which is growing to become a significant part of the economy as local entrepreneurs thrive, develop exiting new companies and as result provide employment.

Yours sincerely,
Florian Hellmich

Our external sanctions counsel Freshfields Bruckhaus Deringer has contributed to this letter.

Pomegranate portfolio and valuation

As per April 30, 2018, the majority of portfolio companies/investments have recent EUR based transactions within the past 8 months with the bulk of them over the last 2-4 months. Using recent transactions as basis for valuation, which hence constitutes observable price/input for the assets, is generally accepted in accordance with IFRS and commonly used. The underlying businesses of the portfolio companies are also performing well, at the same time IFRS stipulates that in the case of significant changes in market conditions, these should be reflected in the valuation. The events in recent months, with the US withdrawing from the JCPOA, which resulted in macroeconomic volatility prompting the implementation of a fixed, unified exchange rate set by the Central Bank of Iran, naturally does present a certain challenge as to how to properly reflect the true and fair value of portfolio companies as per April 30, 2018.

The crude brent oil price has increased by about 17% in the first five months of 2018, and by more than 54% over the 12-month period up until end of May 2018, partly as a reflection of the heightened uncertainty surrounding the JCPOA. A discount on Iranian export products, such as Urea can be observed, due to increased uncertainty and banking concerns from the buyer side. As per April 30, 2018, Pomegranate has therefore chosen to perform a broad risk adjusted EUR value update of all recent transaction valuations in portfolio companies, starting with establishing the underlying/implied local currency valuations in recent transactions and then retranslated into EUR on the updated EUR/IRR exchange rate set by the Central Bank of Iran ("CBI") on April 30, 2018 at 50,930, with an added risk adjustment of 30% to the CBI rate. This is a technical adjustment and we will of course monitor the situation closely and not hesitate to make adjustments up or down, as and when appropriate. Sarava has performed a thorough review of its portfolio and updated among other the largest holding Digikala to a new updated valuation in IRR, other recent transactions in Sarava portfolio have been re-established at the underlying IRR value at the time of transaction. Pomegranate has extensively examined the updated Sarava NAV and considers the approach and models robust and fair. This is a great bottom up alignment with our major portfolio company. Sarava's updated IRR NAV is also translated into EUR based on the same updated EUR/IRR exchange rate set by the Central Bank of Iran ("CBI") on April 30, 2018 with an added risk adjustment of 30% to the CBI rate.

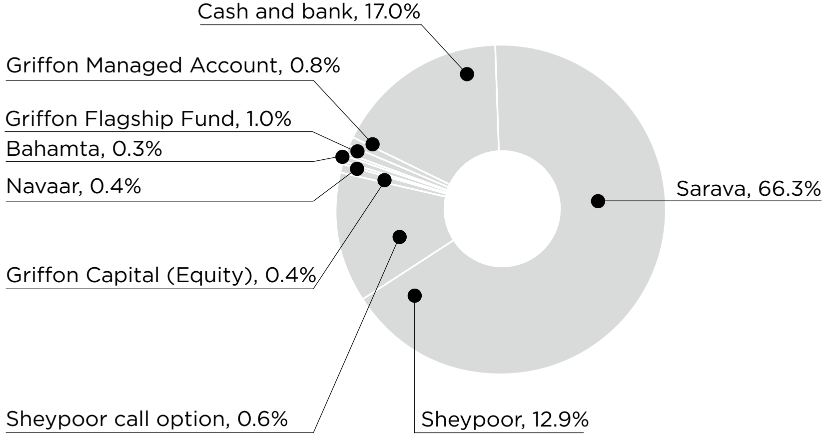
Recent events have also prompted Pomegranate to update its Trade Control Policy as well as renewed sanction compliance check of all portfolio companies and their shareholders.

Investment Portfolio

Portfolio Overview, EUR

	Fair Value, April 30, 2018	Percentage weight	Fair Value, December 31, 2017	Valuation change per share year to date
Companies				
Sarava	90,229,346	66.3%	94,020,806	-18.0%
Sheypoor	17,547,681	12.9%	22,024,918	-20.3%
Sheypoor call option	804,723	0.6%	1,125,167	-28.5%
Griffon Capital (Equity)	542,682	0.4%	1,100,925	-50.7%
Carvanro	-	0.0%	1,418,300	-100.0%
Navaar	587,235	0.4%	826,887	-29.0%
Bahamta	377,592	0.3%	500,000	-24.5%
Total portfolio companies	**110,089,259**	**80.9%**	**121,017,003**	
Other financial assets				
Griffon Flagship Fund	1,426,415	1.0%	2,110,598	-32.4%
Griffon Managed Account	1,153,701	0.8%	1,457,911	-20.9%
Total other financial assets	**2,580,116**	**1.9%**	**3,568,509**	
Cash and bank	23,420,585	17%	35,550,265	
Total investment portfolio	**136,089,959**	**100%**	**160,135,776**	
Other net liabilities	-4,660,526		-3,308,283	
Total Net Asset value	**131,429,434**		**156,827,493**	
NAV per share, EUR	**24.3**		**29.0**	**-16.2%**

*This investment is shown in the Balance sheet as financial assets as fair value through profit or loss.



SARAVA

Sarava is technology investment company and a pioneer in Internet and E-commerce investments in Iran.

» Read more on page 9.

sheypoor

Sheypoor is Iran's second largest online classifieds company, offering a platform for users to buy and sell their products quickly and easily free of charge.

» Read more on page 13.

GriffonCapital

Griffon is the largest cross border M&A adviser in terms of number and value of mandates, as well as provider of Iran-focused Asset Management services.

» Read more on page 14.

Navaar is Iran's leading digital audio book production and distribution platform.

» Read more on page 16.

Bahamta offers mobile based peer-to-peer monetary transfers, as a better alternative to traditional card-to-card or account-to-account transfers.

» Read more on page 17.

Sarava

Sarava is a consumer technology investment company and a pioneer in Internet and e-commerce investments in Iran. The Company has established a unique track record in supporting local entrepreneurs to build some of the most successful consumer technology companies in the country and region. Sarava's investment focus is on companies operating in the universe of internet, mobile, e-commerce, games, cloud computing and software as a service ("SaaS"). The company is one of the very few technology investment companies in the region and particularly the only one of its size in Iran. Sarava currently has invested in more than 35 companies, among others – Iran's leading E-commerce company Digikala, the largest Persian Android marketplace Café Bazaar, including the online classifieds company Divar, the first digital marketing holding in Iran – PPG (which includes A-Network, ADRO, and ADAD and Digital marketing Agencies)), Online Travel Agency ("OTA") Alibaba and technology accelerators such as Avatech and many more.

Sarava is an active investor in its portfolio companies and a significant part of Sarava's operations is focused on providing support and knowledge-sharing within the company's network. In Q4 2017 Sarava was involved in two larger transactions connected to Café Bazaar and OTA Alibaba, which included merger of Zoraq.

In February 2018 Sarava initiated a funding round in which Pomegranate committed to invest EUR 12.7 million, out of which EUR 8.9 million had already been transferred as per 30 April 2018 and another EUR 3.8 is committed through signed Memorandum of Investment. Pomegranate's stake in Sarava amounts to 15.7% as per 30 April 2018.

As per April 30, 2018 Pomegranate's holding in Sarava is valued based on the local currency/IRR NAV of Sarava, which in turn is established based on a combination of valuation models and last transaction of its portfolio companies. Lastly Pomegranate translates the IRR NAV of Sarava into EUR based on the Central Bank of Iran EUR/IRR spot rate of 50,930 on 30 April 2018, Pomegranate also applies a 30% risk adjustment to the valuation.

Following the conclusion of annual performance of portfolio companies in the Iranian financial year 1397 which ended 20 March 2018, Sarava performed updated NAV review of its portfolio. All the model valuations and last transactions were determined in local currency – Iranian rial and total NAV was established at IRR 38,063 billion. The main component and driver of value in Sarava is its holding in Digikala Group.

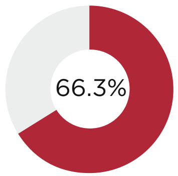
Key Investment Data

Sector	Internet & E-commerce
Company founded	2011
First investment	2014
Board representation	1 out of 7
Investment Board representation	1 out of 5

90.2 mEUR
Fair value in portfolio, April 30, 2018

15.7 %
Pomegranate's ownership

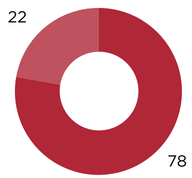
% of investment portfolio



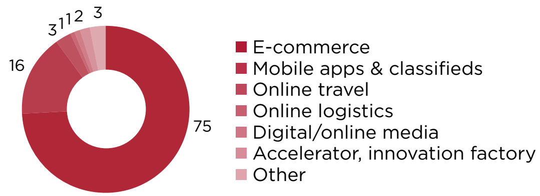
-8.3 %
Change in company fair value, January – April, 2018

-7.4 %
Change in company fair value, since December 31, 2016

Valuation breakdown, %



Sector breakdown, %



	NAV	Sensivity analysis – EUR value at different risk premium adjustments (millions)					
	IRR bn	CBI spot + 15%	CBI spot + 20%	CBI spot + 25%	CBI spot + 30%	CBI spot + 35%	CBI spot + 40%
Sarava NAV	38,063	650	623	598	575	554	534
Pomegranate stake	5,974	102	98	94	90	87	84

For more information, please visit the company's website: www.saravapars.com/en

Sarava Holdings

SECTOR: E-COMMERCE

Digikala is a general e-commerce company with an estimated market share of over 90%. It is also Iran's largest internet company.

Today, Digikala ranks as the second and third most visited website in Iran according to Alexa and SimilarWeb, respectively.

Digikala has a fully vertically integrated, wholly-owned logistics setup, delivering next day in the majority of the provinces in Iran, offering the best e-commerce customer experience in the country.

Digikala continues strategic focus with c-level management with international experience, marketplace expansion which is now already at 32% of GMV, category expansion such as FMCG products which together with marketplace has led to the increase in the number of SKUs in excess of 300 thousand and 70% of transactions are now conducted on mobile.

In the current environment working capital, imports and inventory management are of special importance to manage but technology as well as Digikala's scale enables them to manage this quite well.

Market place

Especially the new market place platform has shown very strong results in terms of client acceptability with a growing selection of products, and now represents about 32% of GMV, with about 2,300 active sellers and more than 140 thousand SKUs offered on marketplace. The amount of monthly items sold on market place has grown from a marginal number in beginning of 1396 to more than 735 thousand in the last month of 1396.

Digistyle

In the fall of 2016 Digikala launched Digistyle, an online fashion store. Digistyle is offering a large variety of international and local brands and has exclusive partnerships with a number of large global brands. Digikala's fulfilment centre is providing for storing, packaging and shipping Digistyle orders.

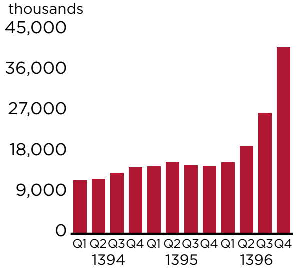
Digistyle continues to add brands to its product portfolio and has managed to get several exclusive partnerships with well-known international brands.

The traffic to Digikala.com and number of customers have increased continuously and in the last quarter of the year 1396, spanning from March 2017 – March 2018, the number of unique visitors amounted to 41.3 million, compared with 26.8 million in the end of the third quarter 1396 and by end of year 1396 the number of active customers in the last twelve months amounted to 1.5 million, with over 100 thousand new customers added in the last few months of the year. GMV grew with just below 60% in local currency in 1396 and similar growth is expected in 1397.

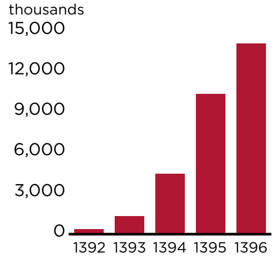
The valuation of Digikala in local currency IRR in the NAV of Sarava is based on an average of a combination of valuation methods, publicly listed peers, private transactions of peer companies, DCF and exit valuation. Public and private peer group multiples have been applied to both Last Twelve Months (1396) and Next Twelve Months (1397), GMV, NMV and Gross Profit. Generally we observe a big shift towards online vis a vis off-line retail which is DK's biggest competition. The enormous challenges for off-line retail in combination with automatic repricing strategies and product offering is very favourable for the company which is gaining market share from already very elevated levels.

IRR million	Mar 16–Mar 17 1395	Mar 17–Mar 18 1396
GMV (incl VAT)	13,995,566	21,912,692
EUR/IRR	40,380	49,639
EUR million		
GMV	347	441
y-on-y growth in IRR		
GMV	100%	57%

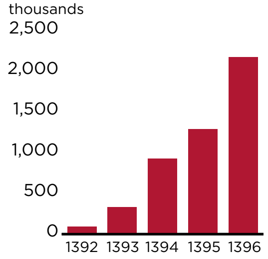
Traffic[1)4)]



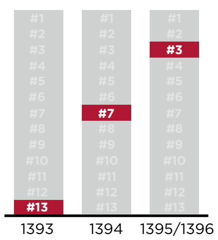
Sales volume/Items Sold[2)4)] (after rejections)



Number of active customers[3)4)]



Alexa web traffic rank in Iran[4)]



For more information, please visit the company's website: www.digikala.com

1) Unique visitors: Standard definition – unique customers identified in the reporting period (Unique visitors refers to the number of distinct individuals requesting pages from the website during a given period, regardless of how often they visit).
2) Sales volume: Items dispatched to customers (non-GAAP sales) after rejections made.
3) Number of active customers: Total customers having recorded a purchase in the TT12M.

4)

Iranian year	Starts	Ends
1392	mar 2013	mar 2014
1393	mar 2014	mar 2015
1394	mar 2015	mar 2016
1395	mar 2016	mar 2017
1396	mar 2017	mar 2018

Sarava Holdings

SECTOR: CLASSIFIEDS & MOBILE

Café Bazaar is a leading consumer internet company in Iran that runs the largest local Android application marketplace for Persian speaking countries. It owns 100 percent of Iran's largest online classifieds company, Divar.

Café Bazaar was established in 2010/2011 and was the first company to enter the mobile application distribution business in Iran. The Company's service is now installed on more than 35 million Android phones and has over 26 million monthly active users. Café Bazaar has started monetizing its appstore and the company maintains its market share at about 85 percent, with 190 K published apps and over 77 K monetising apps. Café Bazaar is also focusing on micro-payments and Instant messaging, a "WeChat" type ecosystem.

Pomegranate has increased its indirect see-through economic interest in Café Bazaar group, from 3% to 4.5%, following a fundraising deal in Q4 2017. The deal included EUR 38 million for a 10 per cent increase in shareholding in Café Bazaar group for investors, with a corresponding 1.5% increase in indirect shareholding for Pomegranate. 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.

Café Bazaar and Divar continue to develop their well-known online services.

The valuation of Café Bazaar in local currency IRR in the NAV of Sarava is based on underlying IRR valuation in the last transaction from Dec 2017.

For more information, please visit the company's website: www.cafebazaar.ir/en

SECTOR: ONLINE TRAVEL

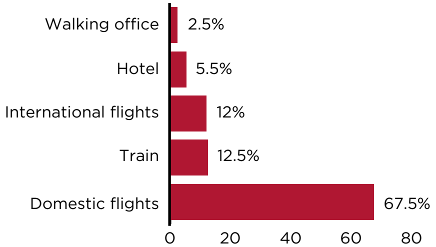
In the 4th quarter of 2017, the largest online travel business in Iran (Alibaba Travel) and one of the pioneers in that space (Zoraq) merged to form the largest Online Travel Agency ("OTA") in the country. The merged company has about 45% market share of online travel in Iran, with a dominant position in online domestic travel. Alibaba GMV grew by 158% in Iranian year 1396 compared with 1395 and triple digit growth is expected in 1397 as well.

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 "Tousha". The valuation of Tousha online travel holding is approximately EUR 82 million after investment of EUR 18.5 million into the holding. Pomegranate is holding an indirect see-through stake of 3.3% in this business post the merger.

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.

The valuation of Alibaba/ Tousha in local currency IRR in the NAV of Sarava is based on underlying IRR valuation in last transaction from Dec 2017.

Sector breakdown of sales, %



For more information, please visit the company's website: www.alibaba.ir

Sarava Holdings

SECTOR: ONLINE LOGISTICS

Alopeyk

Iran's leading online courier and motorbike taxi, targeting to execute the GoJek model in Iran. Having launched about a year ago with just motor bike couriers, it has already grown to over 50k filled orders per day and expanded its fleet from motorbikes only into vans and motorbike taxis as well. The valuation of Alopeyk in local currency IRR in the NAV of Sarava is based on underlying IRR valuation in the last transaction from Dec 2017.

For more information, please visit the company's website: https://alopeyk.com

SECTOR: DIGITAL ADVERTISEMENT & MEDIA

Company Description

Pejvak (former Pulse and Pixel Group/ PPG) is a digital advertisement and media holding company, that has consolidated several online advertising brands.

PPG has now consolidated a number of prominent Iranian Adtech companies, including ADRO, A-Network, and ADAD and a host of other successful content and digital brand agencies including Final Target.

PPG has undergone substantial restructuring and is now run by high profile marketeers and is re-focusing on their core client business. We are following with high interest how Alibaba and now also Amazon have become substantial online-ad businesses. There is an opportunity here in our point of view.

The valuation of PPG in local currency IRR in the NAV of Sarava is based on underlying IRR valuation in last transaction from May 2018.

For more information, please visit the company's website: http://ppg.media

SECTOR: DIGITAL ADVERTISEMENT & MEDIA

Ashena Group

Ashena Group is being formed as a consolidation of the following companies into a group;

Avatech & Avagames – Iran's most successful start-up accelerator program. Mentorship, entrepreneurial training, seed funding, a creative workspace, and investor demo days are a few of the services provided by Avatech.

Avatech's network is one of the main channels for sourcing early stage start-ups in Iran for Sarava VC fund. As the start-ups mature, Sarava might do follow-on investments in the companies. Over the last two years, more than 50 start-ups have graduated from Avatech. **Avagames** – is a start up incubator focused on mobiles game development.

Also included in Ashena group is Shezan –a NBIC accelerator, Nouava – which performs consultancy services to the start-up community and Hamava – which operates the new innovation factory.

The valuation of Ashena in local currency IRR in the NAV of Sarava is based on model valuation of the groups entities.

For more information, please visit the company's website: www.avatech.ir

Sheypoor

Sheypoor offers a general classifieds platform, with a focus on certain key classifieds verticals while also targeting general brand building.

Monetization testing through selling value added services have started with encouraging results and naturally an extra emphasis on cost reductions with the new environment are now under way, while the near term focus will remain on traffic growth and increasing liquidity on the platform. For the broad population the services remain free of charge, a particual important feature in these economic times.

In Q4 2017, Sheypoor 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 continued to grow during the first 5 months of 2018 (1 Jan 2018 – 31 May 2018) and the total number of Unique Monthly Users has been steadily above 7 million in the period, with as high as 8.5 million in January 2018 following as very succesful marketing campaign. The average of monthly new listings in the first 5 months of 2018 was 1.5 million.

As per April 30, 2017 the valuation of Pomegranate's holding in Sheypoor is based on the post-money valuation of the company following the funding transaction on December 31, 2017. The EUR based transaction value from December 2017 is first restated to underlying IRR valuation at the time of the transaction, subsequently Pomegranate translates the IRR transaction value back into EUR based on the updated Central Bank of Iran EUR/IRR spot rate of 50,930 as per 30 April 2018, with an added risk adjustment of 30%. This results in an implied EUR value of Sheypoor as per 30 April 2018 of EUR 39.3 million.

The exchange rate for EUR/IRR set by the Central Bank of Iran is the only allowed exchange rate in Iran, however, below follows a sensitivity analysis based on different risk premium additions to arrive at an updated implied EUR valuation as per 30 April 2018.

As stated above, since the last transaction the underlying business of Sheypoor has been growing and after the end of the reporting period, on May 31, 2018, Pomegranate gave notice about exercise of the first tranche of call options in Sheypoor. The call options exercised correspond to 3.03% of the capital in the company for a total consideration of EUR 534 thousand. After completion of the exercise of options Pomegranate's ownership will amount to 46.2%. The remaing part of the options has expiry date one year later on 31 May 2019. As a result the company is very well funded with monetisation kicking in as well

	Last transaction valuation (Dec 2017)		Sensivity analysis – EUR value at different risk premium adjustments (million)					
	EUR million	IRR bn	CBI spot + 15%	CBI spot + 20%	CBI spot + 25%	CBI spot + 30%	CBI spot + 35%	CBI spot + 40%
Sheypoor valuation	49,3	2,603	44	43	41	39	38	37
Pomegranate stake	22,0	1,162	20	19	18	18	17	16

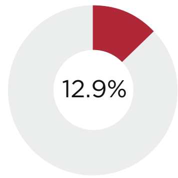
Key Investment Data

Sector	Online classifieds
Company founded	2012
First investment	2014
Board representation	2 out of 4

17.5 mEUR
Fair value in portfolio, April 30, 2018

45 %
Pomegranate's ownership

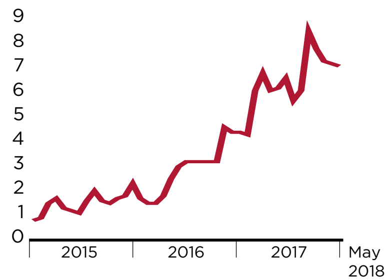
% of investment portfolio



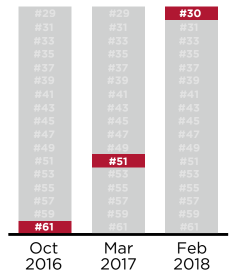
-20.0 %
Change in company fair value, January – April, 2018

14.8 %
Change in company fair value, since December 31, 2016

Monthly Unique Users (millions)



Alexa web traffic rank in Iran



Source: Alexa.

For more information, please visit the company's website: www.sheypoor.com

Griffon Capital

Griffon Capital ("Griffon") is an Iran-focused group providing Asset Management (Capital Markets & Private Eqity) as well as Investment Banking Advisory. Among Griffon's primary objectives is to enable institutional investors the ability to seamlessly access and maximise opportunities in Iran through purpose-built vehicles and investment products spanning traditional and alternative assets. The Group's strength is rooted in a robust operating platform developed with the expressed aim of serving institutional investors. Griffon's platform consists of a high calibre team with deep local market expertise and international financial pedigree blended at the board, management and execution levels. Griffon is also distinguished by unmatched local research and primary thinking and a governance culture defined by global best practices in risk management, compliance and reporting. During the recents months of increased uncertainty and volatility in local markets in Iran, Griffon has proven to be an especially effective and useful partner for analysis and information for Pomegranate.

Griffon has been the largest cross border M&A adviser in terms of number and value of mandates.

In 2017 Griffon has sucessfully been strengthening its local asset management offering, catering to the avalaible pools of money in Iran, which are less susceptible to international headlines.

While cross border M&A activities will certainly suffer in the current environment, post US withdrawal from the JCPOA, the strategy for the last year or so to focus more on local asset management has proven to be the right decision. In 2018 Griffon will be launching various local commodity funds and ETF's to cater to local clients.

In February 2018, there was a transaction among shareholders in Griffon whereby a shareholder owning 5% increased its ownership to 14.5% through a combination of new subscription, secondary and treasury share purchase at a valuation of the company of USD 5 million.

As per April 30, 2017, Pomegranate values its investment into Griffon Capital on the basis of the recent transaction in February, first restated to underlying IRR valuation at the time of the transaction, subsequently Pomegranate translates the IRR transaction value back into EUR based on the updated Central Bank of Iran EUR/IRR spot rate of 50,930 as per 30 April 2018, with an added risk adjustment of 30%. This results in an implied EUR value of Griffon Capital as per April 30, 2018 of EUR 3.7 million, and the value of Pomegranate's stake at EUR 542 thousand.

While given the current climate we are taking a conservative approach and revising our valuations downwards based on the most recent transaction, it is likely that growth in local asset management business will make up for the shorfall in cross border activity and the valautions could be revised upwards before end of the year. Also further certainty with regards to macro economic environment would allow us to move on to a DCF model again for future valuations.

	Last transaction valuation (Feb 2018)		Sensivity analysis – EUR value at different risk premium adjustments (million)					
	EUR million	IRR bn	CBI spot + 15%	CBI spot + 20%	CBI spot + 25%	CBI spot + 30%	CBI spot + 35%	CBI spot + 40%
Griffon Capital	4,1	236,7	4,0	3,9	3,7	3,6	3,4	3,3
Pomegranate stake	0,6	35,9	0,6	0,6	0,6	0,5	0,5	0,5

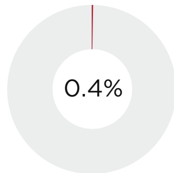
Key Investment Data

Sector	Asset management & advisory
Company founded	2014
First investment	2014
Board representation	1 out of 6

0.5 mEUR
Fair value in portfolio, April 30, 2018

15 %
Pomegranate's ownership

% of investment portfolio



-50.7 %
Change in company fair value, January – April, 2018

-80.4 %
Change in company fair value, since December 31, 2016

GIF Fund & PMA

2.6 mEUR, 1.9 %
of investment portfolio

For more information, please visit the company's website: www.griffoncapital.com

GIF FUND

The GIF Fund launched in April 2016 to unlock value from Iran's public equity market. It is a Cayman domiciled open ended fund, primarily investing in the equity securities of companies listed on the TSE and the IFB. The GIF fund has outperformed local peers since its inception.

Q4 2017 was generally a strong period for the Fund in terms of local currency returns with the TEDPIX reaching consistently new all time highs in November and December 2017, however, in the first months of 2018 the local stock market declined and given the recent waekness of the rial especially against the EUR, the Fund's euro-denominated Initial Series NAV decreased by 14.8% January 1, 2018 until the last reported NAV on March 31, 2018. As per notification to shareholders of the fund in May 2018, EUR NAV determination, redemption and subscription has been temporarily suspended due to uncertainty about the exchange rate.

As per April 30, 2018 the investment in the GIF Fund is valued at the Fund's last reported EUR NAV as per March 31, 2018 also adjusted for the updated risk adjusted CBI EUR/IRR spot rate as per April 30, 2018.

Traditionaly, due to high concentration of exporters and comodity based companies in the index, the local equity markets have rallied post CBI currency devaluation on April 10, 2018, albeit with a lag. Since April 30th the TEDPIX has rallied from ca 93k to 108k as of the day of sending this report. Therefore we anticipate that above NAV calculations will be revised upwards in future reports.

GRIFFON PMA

The Portfolio Managed Account (""PMA"") is a local currency denominated managed account.

The placing of funds in the PMA was mainly as a short term investment in the attractive Iranian yield levels at 15-20% YTM. Pomegranate has recently decided to unwind most of the fixed income positions.

As per April 30, 2018 the investment is valued at the accounts's reported IRR NAV as per the end April 30, 2018 translated into EUR at the updated risk adjusted CBI EUR/IRR spot rate as per April 30, 2018.

Navaar

Navaar is Iran's leading digital audio book production and distribution platform. Their web and mobile apps offer audio books (for both adults and kids) in an easy-to-navigate catalog, the biggest of its kind in Iran. Navaar is also preparing for Storytel/Netflix type subscription based revenue model.

In Q3 2017 Pomegranate concluded an investment of EUR 830,000 EUR in Navaar and holds a stake of 29.09% in the company. All the committed funds were transferred in October 2017. Pomegranate's investment will help Navaar to grow the number of available titles, hire additional talent and continue product development.

Navaar continues to develop very well and over the last 6 months leading up to May 2018, total number of customers has increased by 39% and the number of available titles has increased by 26%.

As per April 30, 2017 the valuation of Pomegranate's holding in Navaar is based on the post-money valuation of the company following the investment agreements concluded on September 24, 2017. The EUR based transaction value from September 2017 is first restated to underlying IRR valuation at the time of the transaction, subsequently Pomegranate translates the IRR transaction value back into EUR based on the updated Central Bank of Iran EUR/IRR spot rate of 50,930 as per 30 April 2018, with an added risk adjustment of 30%. This results in an implied EUR value of Navaar as per 30 April 2018 of EUR 2.0 million, with a value of Pomegranate's stake of EUR 587 thousand. As explained above this is a technical adjustment of the old transaction valuation from September 2017, and considering the fact that the monthly revenue run rate in May 2018 was 140% higher than May 2017, Pomegranate is looking to perform an updated valuation shortly based on the strong growth and expected continued performance of the company.

For more information, please visit the company's website: www.navaar.ir

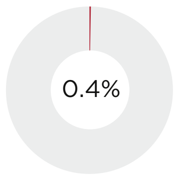
Key Investment Data

Sector	Audiobooks
Company founded	2014
First investment	2017
Board representation	1 out of 5

0.6 mEUR
Fair value in portfolio, April 30, 2018

29 %
Pomegranate's ownership

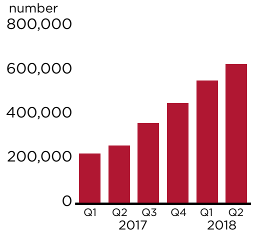
% of investment portfolio



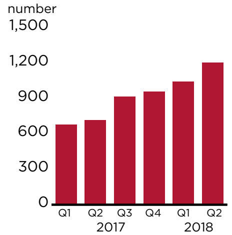
-29 %
Change in company fair value, January – April, 2018

n/a
Change in company fair value, since December 31, 2016

No. of users (accumulative)



Available titles



	Last transaction valuation (Sep 2017)		Sensivity analysis – EUR value at different risk premium adjustments (million)					
	EUR million	IRR bn	CBI spot + 15%	CBI spot + 20%	CBI spot + 25%	CBI spot + 30%	CBI spot + 35%	CBI spot + 40%
Navaar	2,8	133,6	2,3	2,2	2,1	2,0	1,9	1,9
Pomegranate stake	0,8	38,9	0,7	0,6	0,6	0,6	0,6	0,5

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 of both tranches, as per April 30, 2018 the first tranche has been completed. 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.

Bahamta offers a better alternative to traditional card-to-card or account-to-account P2P transfers through user friendly mobile based solution.

As per April 30, 2018, the valuation of Pomegranate's holding in Bahamta is based on the post-money valuation of the company following the investment agreement concluded on December 18, 2017. The EUR based transaction valuation from December 2017 is first restated to underlying IRR valuation at the time of the transaction, subsequently Pomegranate translates the IRR transaction valuation back into EUR based on the updated Central Bank of Iran EUR/IRR spot rate of 50,930 as per April 30, 2018, with an added risk adjustment of 30%. This results in an implied EUR value of Bahamta as per April 30, 2018 of EUR 2.6 million, with a value of Pomegranate's stake of EUR 378 thousand.

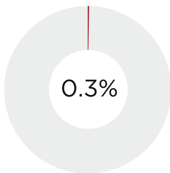
Key Investment Data

Sector	Fintech
Company founded	2015
First investment	2017
Board representation	1 out of 5

0.4 mEUR
Fair value in portfolio, April 30, 2018

14.3 %
Pomegranate's ownership

% of investment portfolio



-24 %
Change in company fair value, January – April, 2018

n/a
Change in company fair value, since December 31, 2016

For more information, please visit the company's website: www.bahamta.com

	Last transaction valuation (Dec 2017)		Sensivity analysis – EUR value at different risk premium adjustments (million)					
	EUR million	IRR bn	CBI spot + 15%	CBI spot + 20%	CBI spot + 25%	CBI spot + 30%	CBI spot + 35%	CBI spot + 40%
Bahamta	3,5	175,0	3,0	2,9	2,7	2,6	2,5	2,5
Pomegranate stake	0,5	25,0	0,4	0,4	0,4	0,4	0,4	0,4

Income statements

Group

(Expressed in EUR thousands)	January 1, 2017-April 30, 2018	January 1, 2016-December 31, 2016	January 1, 2018-April 30, 2018	January 1, 2017-March 31, 2017
Result from financial assets at fair value through profit or loss [1]	-25,295	38,221	-24,650	-1,274
Total operating income	**-25,295**	**38,221**	**-24,650**	**-1,274**
Operating expenses	-3,811	-2,893	-705	-485
Operating result	**-29,106**	**35,328**	**-25,355**	**-1,759**
Financial income and expenses				
Exchange gains/losses, net	-49	-133	-41	-7
Interest income	-	8	-	-
Interest expense	-2	-	-0.1	0.3
Net financial items	**-50**	**-125**	**-41**	**-7**
Result before tax	**-29,156**	**35,203**	**-25,396**	**-1,766**
Income tax	-	40	-	-
Net result for the financial period	**-29,156**	**35,244**	**-25,396**	**-1,766**
Earnings per share (in EUR)	-5.8	9.8	-4.7	-0.4
Diluted earnings per share (in EUR)	-5.6	9.6	-4.7	-0.4

Statement of comprehensive income

(Expressed in EUR thousands)	January 1, 2017-April 30, 2018	January 1, 2016-December 31, 2016	January 1, 2018-April 30, 2018	January 1, 2017-March 31, 2017
Net result for the financial period	**-29,156**	**35,244**	**-25,396**	**-1,766**
Other comprehensive income for the period:				
Items that may be classified subsequently to profit or loss:	-	-	-	-
Currency translation differences	-	-	-	-
Disposals	-	-	-	-
Total other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	**-29,156**	**35,244**	**-25,396**	**-1,766**

Total comprehensive income for the periods above is entirely attributable to the equity holders of the parent company.

Balance sheets

Group

(Expressed in EUR thousands)	30 apr -18	31 mars -17	31 dec -16
NON CURRENT ASSETS			
Tangible fixed assets			
Office equipment and Furniture & Fittings	31	-	-
Total tangible fixed assets	**31**	**-**	**-**
Financial non current assets			
Financial assets at fair value through profit or loss	111,865	117,958	117,964
Total financial non current assets	**111,865**	**117,958**	**117,964**
Total non current assets	**111,896**	**117,958**	**117,964**
CURRENT ASSETS			
Cash and cash equivalents	23,421	13,822	29,009
Derivative Financial instrument	805		-
Tax receivables	83	84	84
Other current receivables	92	30,031	36
Total current assets	**24,401**	**43,937**	**29,129**
TOTAL ASSETS	**136,297**	**161,895**	**147,093**
SHAREHOLDERS' EQUITY			
(including net result for the financial period)	**131,429**	**158,863**	**132,617**
CURRENT LIABILITIES			
Non-interest bearing current liabilities			
Trade payables	22	84	22
Other current liabilities	4,110	2,482	13,860
Accrued expenses	735	-	543
Tax liability	-	81	51
Provisions	-	385	-
Total current liabilities	**4,867**	**3,032**	**14,476**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**136,297**	**161,895**	**147,093**

Statement of changes in equity

Group

(Expressed in EUR thousands)	Share capital	Other paid in capital	Other reserves	Retained earnings	Total
Balance at January 1, 2016	**1,655**	**18,729**	**145**	**19,135**	**39,664**
Net result for the period	–	–	–	35,244	35,244
January 1, 2016 to September 30, 2016					
Other comprehensive income for the period					
Currency translation differences	–	–	–	–	–
Total comprehensive income for the period	–	–	–	35,244	35,244
January 1, 2016 to December 31, 2016					
Transaction with owners					
Proceeds from rights issue	2,500	57,500	–	–	60,000
Transaction costs	–	-2,937	–	–	-2,937
Share based compensation	–	–	646	–	646
Balance at December 31, 2016	**4,155**	**73,292**	**791**	**54,379**	**132,617**

(Expressed in EUR thousands)	Share capital	Other paid in capital	Other reserves	Retained earnings	Total
Balance at January 1, 2017	**4,155**	**73,292**	**791**	**54,379**	**132,617**
Net result for the period	–	–	–	-29,156	-29,156
January 1, 2017 to April 30, 2018					
Other comprehensive income for the period					
Currency translation differences	–	–	–	–	–
Total comprehensive income for the period	–	–	–	-29,156	-29,156
January 1, 2017 to April 30, 2018					
Transaction with owners					
Proceeds from rights issue	1,250	28,750	–	–	30,000
Transactions costs rights issue	–	-2,036	–	–	-2,036
Employee stock option program	–	–	4	–	4
Balance at April 30, 2018	**5,405**	**100,007**	**795**	**25,223**	**131,429**

Cash flow statement

Group

(Expressed in EUR thousands)	January 1, 2017- April 30, 2018	January 1, 2016- December 31, 2016	January 1, 2018- April 30, 2018	January 1, 2017- March 31, 2017
Operating activities				
Result before tax	-29,156	35,200	-25,396	-1,766
Adjustment for non-cash items				
Interest income and expense, net	2		0,1	-
Currency exchange gains/-losses	49	128	41	7
Warrants	4	646	-	10
Result from financial assets at fair value through profit or loss	25,295	-38,221	24,650	1,274
Change in operating receivables	20		-66	-5
Change in operating liabilities	-196	567	-450	-253
Net cash used in operating activities	**-3,983**	**-1,680**	**-1,221**	**-733**
Investment activities				
Investment in financial assets	-29,494	-38,558	-10,834	-14,447
Investment in subsidiaries	6		-	-
Investments in Office equipment and Furniture & Fittings	-31		-31	-
Interest received	-	-	-	-
Interest paid	-2	-0	-0,1	-
Cash flow from investing activities	**-29,521**	**-38,558**	**-10,865**	**-14,447**
Financing activities				
Proceeds from rights issue, net of transaction costs	27,964	57,063	-2	-
Cash flow from financing activities	**27,964**	**57,063**	**-2**	**-**
Cash flow during the period	**-5,540**	**16,825**	**-12,089**	**-15,180**
Cash and cash equivalents at beginning of the period	29,009	12,317	35,550	29,009
Exchange losses/gains on cash and cash equivalents	-49	-133	-41	-7
Cash and cash equivalents at the end of period	**23,421**	**29,009**	**23,421**	**13,822**

Alternative performance measures

Group

As of July 3, 2016 new guidelines on APMs (Alternative Performance Measures) are issued by ESMA (the European Securities and Markets Authority). APMs are financial measures other than financial measures defined or specified by International Financial Reporting Standards (IFRS). Pomegranate Investment AB (publ) regularly uses alternative performance measures to enhance comparability from period to period and to give deeper information and provide meaningful supplemental information to analysts, investors and other parties. It is important to know that not all companies calculate alternative performance measures identically, therefore these measurements have limitations and should not be used as a substitute for measures of performance in accordance with IFRS. Below you find our presentation of the APMs and how we calculate these measures.

	Jan 1, 2017 – Apr 30, 2018	Jan 1, 2016 – Dec 31, 2016
Equity ratio, % [1]	96.4%	90.2%
Shareholders' equity/share, EUR [2]	24.3	31.9
Earnings/share, EUR [3]	-5.77	9.84
Diluted earnings/share, EUR [4]	-5.56	9.61
Net asset value/share, EUR [5]	24.3	31.9
Net asset value, EUR	131,429,435	132,616,934
Weighted average number of shares for the financial period	5,141,714	3,580,831
Weighted average number of shares for the financial period (fully diluted)	5,334,214	3,665,831
Number of shares at balance sheet date	5,404,601	4,154,601

1. Equity ratio is defined as shareholders' equity in relation to total assets.
2. Shareholders' equity/share is defined as shareholders' equity divided by total number of shares.
3. Earnings/share is defined as result for the period divided by average weighted number of shares for the period.
4. Diluted earnings/share is defined as result for the period divided by average weighted number of shares for the period calculated on a fully diluted basis.
5. Net asset value/share is defined as shareholders' equity divided by total number of shares.

Income statements

Parent Company

(Expressed in EUR thousands)	January 1, 2017- April 30, 2018	January 1, 2016- December 31, 2016	January 1, 2017- April 30, 2018	October 1, 2016- December 31, 2016
Result from financial assets at fair value through profit or loss	-25,295	38,221	-24,650	-1,274
Operating expenses	-3,811	-2,893	-705	-485
Operating result	**-29,106**	**35,328**	**-25,355**	**-1,759**
Financial income and expenses				
Exchange gains/losses, net	-49	-133	-41	-7
Interest income	-	8	-	-
Interest expense	-2	0,0	-	-
Net financial items	**-50**	**-125**	**-41**	**-7**
Result before tax	**-29,156**	**35,203**	**-25,396**	**-1,766**
Income tax	**–**	**–**	**–**	**–**
Net result for the financial period	**-29,156**	**35,203**	**-25,396**	**-1,766**

Statement of comprehensive income

(Expressed in EUR thousands)	January 1, 2017- April 30, 2018	January 1, 2016- December 31, 2016	January 1, 2017- April 30, 2018	October 1, 2016- December 31, 2016
Net result for the financial period	**-29,156**	**35,203**	**-25,396**	**-1,766**
Other comprehensive income for the period:				
Items that may be classified subsequently to profit or loss:				
Currency translation differences	–	–	–	–
Total other comprehensive income for the period	–	–	–	–
Total comprehensive income for the period	**-29,156**	**35,203**	**-25,396**	**-1,766**

Balance sheets

Parent Company

(Expressed in EUR thousands)	April 30, 2018	March 31, 2017	December 31, 2016
NON CURRENT ASSETS			
Tangible fixed assets			
Office equipment and Furniture & Fittings	31	-	-
Total tangible fixed assets	**31**	**-**	**-**
Financial non current assets			
Shares in subsidiaries	6	-	-
Financial assets at fair value through profit or loss	111,865	117,958	117,964
Total financial non current assets	**111,870**	**117,958**	**117,964**
Total non current assets	**111,901**	**117,958**	**117,964**
CURRENT ASSETS			
Cash and cash equivalents	23,415	13,822	29,009
Derivative financial instrument	805		
Loan receivables	-	84	-
Tax receivables	83	30,031	-
Other current receivables	92	43,937	120
Total current assets	**24,396**	**161,895**	**29,129**
TOTAL ASSETS	**136,297**	**279,853**	**147,093**
SHAREHOLDERS' EQUITY (including net result for the financial period)	**131,429**	**158,863**	**132,617**
CURRENT LIABILITIES			
Non-interest bearing current liabilities			
Trade payables	22	84	22
Other current liabilities	4,110	2,482	13,860
Accrued expenses	735	-	543
Tax liability	-	81	51
Provisions	-	385	-
Total current liabilities	**4,867**	**3,032**	**14,476**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**136,297**	**161,895**	**147,093**

Statement of changes in equity

Parent Company

Parent Company January 1, 2016 – December 31, 2016

	Restricted equity	Non-restricted equity			
(Expressed in EUR thousands)	Share capital	Other paid in capital	Retained earnings	Total non-restricted equity	Total
Opening shareholder's equity	**1,655**	**18,729**	**19,280**	**38,010**	**39,664**
Net result for the period	–	–	35,244	35,244	35,244
Total comprehensive income for the period	–	–	35,244	35,244	35,244
Proceeds from rights issue	2,500	57,500	–	57,500	60,000
Transaction costs	–	-2,937	–	-2,937	-2,937
Share based compensation	–	–	646	646	646
Balance at September 30, 2016	**4,155**	**73,292**	**55,170**	**128,462**	**132,617**

Parent Company January 1, 2017 – April 30, 2018

	Restricted equity	Non-restricted equity			
(Expressed in EUR thousands)	Share capital	Other paid in capital	Retained earnings	Total non-restricted equity	Total
Opening shareholder's equity	**4,155**	**73,292**	**55,170**	**128,462**	**132,617**
Net result for the period	–	–	-29,156	-29,156	-29,156
Total comprehensive income for the period	–	–	-29,156	-29,156	-29,156
Proceeds from rights issue	*1,250*	*28,750*	–	*28,750*	*30,000*
Transactions costs rights issue	-	-2,036	-	-2,036	-2,036
Employee stock option program	–	-	4	4	4
Balance at April 30, 2018	**5,405**	**100,007**	**26,018**	**126,025**	**131,429**

Accounting Principles and Notes to the Financial Statements

Note 1 – General information

Pomegranate Investment AB (publ) (Pomegranate) is an investment company as defined in IFRS 10 p.27, where the participations in the portfolio companies are recorded at fair value in the Financial Reports.

Pomegranate's business is to own and manage shares and participations in portfolio companies.

Pomegranate is a limited liability company registered in Sweden and based in Stockholm. The address of the company's office is Mäster Samuelsgatan 1, 111 44 Stockholm.

Pomegranate's interim report for the period January 1, 2017 - April 30, 2018 has been approved for publication by decision of the Board on the day of June 20, 2018.

Unless otherwise specified, all amounts are reported in thousands of EUR.

Note 2 – Summary of important accounting principles

The most important accounting principles applied when preparing this consolidated financial statements are set out below. These principles have been applied consistently for all years presented, unless otherwise stated.

2.1 Accounting basis

Financial reports for Pomegranate Investment AB (publ) have been prepared in accordance with the Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups, and International Financial Reporting Standards (IFRS) and interpretations of the IFRS Interpretations Committee (IFRS IC) as adopted by the EU. It has been prepared in accordance with the acquisition method, except for financial assets measured at fair value through profit or loss.

This consolidated financial statement is Pomegranate's first one, which is prepared in accordance with IFRS. Historical financial information has been recalculated from 7 April 2014, which is the date of transition to IFRS accounting. Explanations of the transition from previously applied accounting principles to IFRS and the effects of the transition on the income statement and shareholders' equity are disclosed in Note 3.

Items included in the financial statements of the various entities in the Group are valued in the currency used in the economic environment in which each company is primarily active (functional currency). The financial reports use euro (EUR), which is the Group's presentation currency.

The preparation of reports in accordance with IFRS requires the use of some important estimates for accounting purposes. Furthermore, the management is required to make certain assessments when applying the Group's accounting policies. The areas include a high degree of assessment, which are complex or such Areas where assumptions and estimates are of fundamental importance to the Financial Reports are set out in Note 4.

2.1.1 New standards and interpretations not yet applied by the Group

A number of new standards and interpretations will come into force for fiscal years beginning January 1, 2018 or later, and have not been applied in the preparation of this financial report. Below is a preliminary assessment of effects from the standards deemed to be relevant to the Group:

IFRS 9 "Financial Instruments" deals with the classification, valuation and accounting of financial assets and liabilities. It replaces those parts of IAS 39 that deal with the classification and valuation of financial instruments. IFRS 9 retains a mixed valuation approach, but simplifies this approach in some respects. There will be three valuation categories for financial assets, accrued acquisition value, fair value through other comprehensive income and fair value through profit or loss. How an instrument is to be classified depends on the company's business model and the instrument's characteristics. Investments in equity instruments shall be reported at fair value through profit or loss but there is also an opportunity to report the instrument at fair value through comprehensive income at the first reporting date. No reclassification to the income statement will then occur upon disposal of the instrument. For financial liabilities, the classification and valuation are not changed except in cases where a liability is recognized at fair value through profit or loss based on the fair value option. The standard is to be applied for fiscal years beginning January 1, 2018. Prior application is allowed. The Group has not yet evaluated the effects of the introduction of IFRS 9.

No other IFRS or IFRIC interpretations that have not yet entered into force are expected to have a significant impact on the Group.

2.2 Consolidated accounts

2.2.1 Basic accounting principles

Investment Companies

Pomegranate is an investment company as defined in IFRS10 p. 27 Consolidated Financial Statements. An investment company shall neither consolidate its subsidiaries nor apply IFRS 3 Business Combinations when it receives a controlling influence over another company. Instead, the investment company shall value holdings in a subsidiary at its fair value through profit or loss in accordance with IFRS 39 Financial Instruments: Accounting and Valuation. Pomegranate has a subsidiary that is not itself an investment company or is part of the portfolio companies, and therefore the subsidiary is consolidated according to the acquisition method. Acquisition-related costs are expensed when incurred.

Subsidiary

Subsidiaries are all companies over which the Group has controlling influence. The Group controls a company when it is exposed to or is entitled to variable returns from its holding in the company and is able to influence the return through its influence in the company. Subsidiaries are included in the Financial reports as of the date when the controlling influence is transferred to the Group. They are excluded from the Financial Reports from the date on which the controlling influence ceases.

Associated

An associated company is a company over which the investment firm exercises a significant influence through the opportunity to participate in decisions relating to the business's economic and operational strategies. This relationship usually prevails in cases where the Investment Company holds, directly or indirectly, shares representing 20-50 percent of the votes, or by agreement having a significant influence. When Pomegranate is an Investment Company, holdings in associated companies are also reported at fair value with changes in value through profit or loss in accordance with IAS 39 Financial Instruments: Accounting and Valuation. The accounting principle for financial assets valued at fair value through profit or loss is described in the section below for financial instruments.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting submitted to the highest executive decision maker. The board of directors of an investment company is by necessity deeply involved in investment decisions and monitoring portfolio companies' performance. The Board has therefore been identied as the highest executive decision maker of the Company for purposes of internal reporting. In the internal reporting of the Company, there is only one operating segment.

2.4 Translation of foreign currency

Functional currency and reporting currency

All companies in the Group have euro (EUR) as functional currency, since the currency has been defined as the currency used in the primary economic environment in which the companies operate. Euro (EUR) is used in the financial statements as the Group's presentation currency.

Transactions and balance sheet items

Transactions in foreign currency are translated to the functional currency at the exchange rates prevailing on the transaction date. Exchange gains and losses arising from the payment of such transactions and the translation of monetary assets and liabilities in foreign currencies at the closing date are recognized in the operating profit in the income statement.

Exchange rate gains and losses relating to loans and cash equivalents are reported in the income statement as financial income or expenses. All other exchange gains and losses are reported in the item "Other operating expenses" and "Other operating income" in the income statement.

2.5 Income statement

2.5.3 Interest income
Interest income is recognized as income using the effective interest rate method.

2.5.4 Dividend income
Dividend income is recognized when the right to receive payment has been determined.

2.6 Leasing
Leases where a significant part of the risks and benefits of ownership are retained by the lessor is classified as operational leasing. Payments made during the lease term (after deduction of any incentives from the lessor) are charged to the profit and loss account on a straight-line basis over the lease period.

2.7 Employee benefits

2.7.1 Short-term benefits
Liabilities and salaries, including non-monetary benefits and paid absence, which are expected to be settled within 12 months after the end of the financial year, are reported as current liabilities to the undiscounted amount that is expected to be paid when the liabilities are settled. The cost is reported as the services are performed by the employees. The liability is reported as a liability for employee benefits in the balance sheet.

2.7.2 Compensation after termination of employment
The Group companies have only defined contribution pension plans. A defined contribution plan is a pension plan according to which the group pays fixed fees to a separate legal entity. The Group has no legal or informal obligations to pay additional fees if this legal entity does not have sufficient assets to pay all employee benefits related to the employment of employees during current or previous periods. The fees are reported as staff costs when they expire.

2.7.3 Share-based payments
The company has issued employee stock options programs to employees and the board. The program enables them to acquire shares in the company. The fair value of the warrants as well as all applicable taxes is reported as a personnel expense and expensed on the date of allocation. A corresponding increase in equity of the fair value of the options is recorded. Fair value is determined at the time of issue by a third party financial advisor using the Black & Scholes valuation model.

Acquired emission allowances, net of directly attributable transaction costs, increase the share capital corresponding to the nominal value and the higher part increases the share premium when the warrants are exercised.

2.8 Current and deferred income tax
The tax expense for the period comprises current and deferred taxes. Tax is reported in the income statement, except when the tax refers to items recognized in other comprehensive income or directly in equity. In such cases, tax is also reported in other comprehensive income and equity.

Current tax is calculated on the taxable income for the period according to the applicable tax rate. The current tax expense is calculated on the basis of the tax rules that were decided on, or applied in practice in the countries where the parent company and its subsidiaries are active and generate taxable income. The Board regularly evaluates the claims made in self-declarations regarding situations where applicable tax rules are subject to interpretation. It, when deemed appropriate, makes provisions for amounts likely to be paid to the tax authorities.

Deferred tax is recognized on all temporary differences that arise between the taxable value of assets and liabilities and their reported values in the Financial Reports. Deferred tax liability, however, is not recognized if it arises as a result of the initial recognition of goodwill. Deferred tax is also not recognized if it arises as a result of a transaction that constitutes the first recognition of an asset or liability that is not a business combination and which, at the time of the transaction, does not affect reported or taxable income. Deferred income taxes are calculated using tax rates (and laws) that have been decided or announced at the balance sheet date and are expected to apply when the relevant Deferred tax assets are realized or the deferred tax liability is settled.

Deferred tax assets are reported to the extent that future tax surpluses will be available, against which the temporary differences can be utilized.

Deferred tax assets and liabilities are settled when there is a legal right to settle for current tax assets and liabilities and when deferred tax assets and tax liabilities relate to taxes debited by a single tax authority and concern either the same taxpayer or different taxpayer, where there is an intention to settle Balances through net payments.

2.9 Financial instruments – generally
Financial instruments are available in many different balance sheet items and are described below.

2.9.1 Classification
The Group classifies its financial assets and liabilities in the following categories: financial assets measured at fair value through profit or loss, loan receivables and accounts receivable, as well as other financial liabilities. The classification depends on the purpose for which the financial asset or liability was acquired.

Financial assets at fair value through profit or loss
Financial assets measured at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if it is acquired mainly for the purpose of being sold within a short term. Derivatives are classified as held for trading unless they are identified as hedges. Portfolio companies, whether they are subsidiaries, associated companies or financial investments, are valued at fair value via the income statement as above.

Assets in this category are classified as current assets if they are expected to be regulated within twelve months, otherwise they are classified as non-current assets.

Loans and receivables
Loans and receivables are non-derivative financial assets that have fixed or determinable payments and are not quoted on an active market. They are included in current assets with the exception of expiration dates more than 12 months after the balance sheet date, which are classified as non-current assets. The Group's "loan receivables and accounts receivable" consist of other short-term receivables, accrued income and liquid funds.

Other financial liabilities
Trade payables, as well as other short-term liabilities and accrued expenses, are financial instruments classified as other financial liabilities.

2.9.2 Reporting and valuation
Financial instruments are initially recognized at fair value plus transaction costs, which applies to all financial assets not recognized at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognized initially at fair value, while attributable transaction costs are reported in the income statement.

Financial assets are derecognised when the right to receive cash flows from the instrument has expired or transferred and the Group has transferred virtually all risks and benefits associated with ownership. Financial liabilities are derecognised when the obligation in the agreement has been completed or otherwise extinguished. Financial assets valued at fair value through profit or loss are recognized after the acquisition date at fair value. Loans and accounts receivable and other financial liabilities are reported after acquisition at amortized cost using the effective interest rate method.

Gains and losses resulting from changes in fair value relating to the category of financial assets valued at fair value through profit or loss, are reported in the period in which they arise and are included in the income statement item Other gains / losses - net. Dividend income from securities in the category of financial assets valued at fair value through profit or loss is reported in the income statement as part of Other income when the Group's right to receive payment has been determined.

2.9.3 Settlement of financial instruments
Financial assets and liabilities are offset and reported with a net amount in the balance sheet only when there is a legal right to settle the reported amounts and an intention to settle them with a net amount or to simultaneously realize the asset and settle the liability.

2.9.4 Impairment of financial instruments
Assets recognized at amortized cost
The Group assesses at the end of each reporting period if there is objective proof that there is a need for impairment for a financial asset or group of financial assets. A financial asset or group of financial assets has a write-down requirement and is written down only if there is objective evidence of a write-down requirement, due to one or more events occurring after the asset has been recognized for the first time and that this event has an effect on the estimated future cash flows For the financial asset or group of financial assets that can be estimated reliably.

The write-down is calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted to that Financial asset's original effective interest rate. The carrying amount of the asset is written down and the write-down amount is reported in the consolidated income statement under the item Other external costs. If the impairment loss decreases in a subsequent period and the decrease can be objectively attributable

Note 2 – cont'd

to an event that occurred after the impairment loss was recognized, the reversal of the previously reported impairment loss is recognized in the consolidated income statement under the item Other external expenses.

2.10 Cash and cash equivalents
Cash and cash equivalents include bank balances in both the balance sheet and the cash flow statement.

2.11 Share capital
Ordinary shares are classified as equity.

Transaction costs directly attributable to the issue of new common shares are reported, net of tax, in equity as a deduction from the emission allowance.

When any group company buys the parent company's shares (repurchase of own shares), the paid purchase price, including any directly attributable transaction costs (net after tax), reduces equity until the shares are canceled or disposed of. If these ordinary shares are subsequently divested, the amounts received (net of any directly attributable transaction costs and tax effects) are reported in equity.

2.12 Dividends
Dividends to the parent company's shareholders are reported as liabilities in the Group's financial statements during the period when the dividend is approved by the parent company's shareholders.

2.13 Earnings per share
Earnings per share before dilution
Earnings per share before dilution are calculated by dividing:

- Profit attributable to the parent company's shareholders, excluding dividends attributable to preference shares
- with a weighted average number of outstanding ordinary shares during the period, adjusted for the bonus issue element in ordinary shares issued during the year and excluding repurchased shares held as own shares of the Parent Company.

Earnings per share after dilution
For the calculation of earnings per share after dilution, the amounts used to calculate earnings per share before dilution are adjusted by taking into account:

- the effect, after tax, of dividends and interest expenses on potential common shares, and
- the weighted average of the additional common shares that would have been outstanding in the conversion of all potential common shares.

2.18 Trade payables
Trade payables are financial instruments and relate to obligations to pay for goods and services acquired in the ongoing operations of suppliers. Trade payables are classified as current liabilities if they expire within one year. If not, they are reported as long-term liabilities.

2.19 Cash flow statement
The cash flow statement is prepared according to indirect method. The reported cash flow includes only transactions that have resulted in payments or payments.

PARENT COMPANY'S ACCOUNTING PRINCIPLES

Accounting basis of reports
The annual report of the Parent Company, Pomegranate Investment AB (publ) has been prepared in accordance with the Annual Accounts Act and RFR 2 Accounting for Legal Entities. RFR 2 indicates that, in its annual report, the Parent Company shall apply International Financial Reporting Standards (IFRS) as adopted by the EU, as far as this is possible within the framework of the Annual Accounts Act, and with regard to the relationship between accounting and taxation. The recommendation specifies the exceptions and additions required in relation to IFRS.

The parent company therefore applies the principles presented in Note 2 of the Financial reports, with the exceptions set out below.

In connection with the transition to IFRS financial reporting, the Parent Company has transferred to RFR 2 Accounting for Legal Entities. The transition from previously applied accounting principles to RFR 2 has not had any effect on the income statement, balance sheet, equity or cash flow other than the previously recorded other financial asset and provision of EUR 384 thousand related to Carvanro being reclassified as a derivative, with an attributed value of 0.

Formats
The income statement and balance sheet are in accordance with the Swedish Annual Accounts Act. The statement of changes in equity also follows the Group's form of presentation but shall contain the columns listed in ÅRL. Furthermore, there are differences in terms, compared to the Financial reports, primarily regarding financial income and expenses and equity.

Shares in subsidiaries
Shares in subsidiaries are reported at cost less any impairment losses. Acquisition-related costs are included in the acquisition value.

When there is an indication that participations in subsidiaries decrease in value, an estimate of the recoverable amount is calculated. If this is lower than the carrying amount, an impairment loss is made. Impairment losses are reported in the item "Profit from participations in Group companies".

Note 3 – Effects on income statement and balance sheet of the transition to IFRS and RFR2

Pomegranate has already under previous Swedish accounting principles of K3 been recording financial assets at fair value through profit or loss. As such the change to IFRS for the Group reporting and RFR2 for parent company does not represent a significant change in the treatment of the Company's main financial assets, business or financial result, and only a difference in presentation of the same. However, for 2016 comparable period the previously recorded "Tax allocation reserve" of EUR 183 thousand is not recognised under IFRS and as such the Comparable group result for full year 2016 have been restated to reflect this change in the Income statement, Balance Sheet and Equity of the 2016 comparable periods.

Note 4 – Related party transactions

During the period Pomegranate has recognised the following related party transactions

	Operating expenses		Receivables	
EUR thousand	6 m 2018	6 m 2016	6 m 2017	6 m 2016
Key management and board of directors [1]	432	456	5	–

1. Compensation paid or payable includes salary and bonuses to the management and key employees as well as remuneration to the Board members.

In operating expenses for full year 2017 EUR 10 thousand relates to share-based compensation in connection with issue of warrants to CFO. Operating expenses for 2017 also included bonus in the amount of EUR 199 thousand to CEO and other management of the company.

In operating expenses for full year 2016 a total of EUR 979 thousand of share-based compensation was recognised in operating expenses in connection with issue of warrants to CEO, other senior management and senior advisors.

Note 5 – Critical accounting estimates and assumptions

The management of Pomegranate has to make estimates and judgements when preparing the Financial Statements of the Group. Uncertainties in the estimates and judgements could have an impact on the carrying amount of assets and liabilities and the Group's result. The most important estimates and judgements in relation thereto are:

Fair value of unlisted financial assets
The estimates and judgements when assessing the fair value of unlisted financial assets at fair value through profit or loss are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates of fair value
The table below shows securities that are reported at fair value, categorised as per the valuation method. The different levels are defined as follows:

Level 1:
Unadjusted, quoted prices on active markets for identical assets or liabilities.

Level 2:
Observable data for the asset or liability other than quoted prices included in level 1. Either directly (i.e. as quoted prices) or indirectly (i.e. derived from quoted prices).

Level 3:
Data for the asset or liability that is not based on observable market data (i.e. non-observable data).

EUR thousands	Level 3
Opening Balance January 1, 2017	97,414
Transfers to level 3	19,860
Change in fair value during the year	-7,185
Closing balance April 30, 2018	**110,089**

The company's assets measured at fair value as at April 30, 2018:

2018-04-30	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Total assets (EUR thousand)	**-**	**2,580**	**110,089**	**112,669**

2017-03-31	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Total assets (EUR thousand)	**-**	**21,913**	**96,045**	**117,958**

2016-12-31	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Total assets (EUR thousand)	**-**	**20,550**	**97,414**	**117,964**

Different valuation techniques are used to establish the fair value of financial instruments that are not traded in an active market. Where it is available, market information is used in this respect as far as possible, while company-specific information is used as little as possible. If all essential data required to establish the fair value of an instrument is observable, the instrument is placed at level 2. In cases where one or more items of essential input data are not based on observable market information, the instrument concerned is placed at level 3.

The following table presents the group's changes of financial assets in level 3.

During the period January 1, 2017 – April 30, 2018 four transfers between level 2 and 3 have been done in the period January 1, 2018 – April 30, 2018, connected with the fact that all recent transactions in Sheypoor, Navaar, Bahamta and Griffon Capital have been first restated to implied IRR valuation using the EUR/IRR market rate at the time of transaction and then translated back into EUR based on a updated EUR/IRR rate and a risk adjustment.

Fair value of financial investments that are not traded in an active market is established through the price of recently conducted market transactions or using various valuation techniques depending on the characteristics of the company and the nature of and risks associated with the investment. These valuation techniques include valuation of discounted cash flows (DCF), valuation based on a disposal multiple (also called LBO valuation), asset-based valuation and valuation according to future-oriented multiples based on comparable listed companies. Transaction-based valuations are normally used over a period of 12 months, provided that no significant reason for revaluation has arisen. After 12 months, one of the models described above is normally used to value unlisted holdings.

The validity of valuations based on previous transactions may unavoidably be eroded over time because the price when the investment was made reflects the prevailing conditions on the transaction date. On each reporting date, an assessment is carried out as to whether changes or events after the relevant transaction would mean any change in the fair value of the investment and, if such is the case, the valuation is adjusted accordingly. Transaction-based valuations of unlisted holdings are continuously assessed against company-specific data and external factors that could affect the fair value of the holding.

The Company has eight investments as at April 30, 2018 of which two are classified as belonging to level 2, six investments in level 3. The Company values the total of investment holdings at EUR 112,669,375 as at April 30, 2018.

Note 5 – cont'd

Change in financial assets at fair value through profit and loss, EUR	Opening balance 2017-01-01	Investments/ (disposals), net EUR	Change in fair value	Closing balance 2018-04-30	Percentage of portfolio, %
Sarava	97,414,031	12,733,446	-19,918,132	90,229,346	80.1%
Sheypoor	15,105,074	3,670,828	-1,228,222	17,547,681	15.6%
Sheypoor option	-	-	804,723	804,723	0.7%
Griffon Capital	2,772,647	-	-2,229,965	542,682	0.5%
Griffon Iran Flagship Fund	2,021,786	-	-595,371	1,426,415	1.3%
Griffon Managed Account	-	1,497,954	-344,253	1,153,701	1.0%
Carvanro	650,000	768,300	-1,418,300	0	0.0%
Navaar	-	830,000	-242,765	587,235	0.5%
Bahamta	-	500,000	-122,408	377,592	0.3%
Total financial assets held for trading	**117,963,538**	**20,000,528**	**-25,294,692**	**112,669,375**	**100%**

Sarava
Pomegranate's total investment in Sarava as at April 30, 2018 amounted to EUR 49.8 million, which corresponds to 15.0 percent of the shares. During the first quarter of 2016, Sarava closed its last funding round in which they raised a total of EUR 169 million in primary capital. In this transaction, Sarava was valued at a total of EUR 426.6 million post-money. In February 2018 Sarava initiated a funding round in which Pomegranate committed to invest EUR 12.7 million, out of which EUR 8.9 million had already been transferred as per 30 April 2018 and another EUR 3.8 is committed through signed Memorandum of Investment. Pomegranate's stake in Sarava amounts to 15.7% as per April 30, 2018. In June 2018, Sarava performed an updated underlying local currency NAV for its portfolio based on Iranian year 1396 financial performance of portfolio companies and recent transactions in portfolio companies, with March 20, 2018 as the measurement date. As per April 30, 2018 the valuation of Sarava in the portfolio of Pomegranate is based on the recently established updated IRR based NAV, translated into EUR using the CBI rate as per April 30, 2018 and a 30% risk adjustment. The Company's holding in Sarava is classified as level 3.

Digikala
Digikala, Sarava's largest asset, valued using a combination of different approaches (peer multiples, DCF, exit valuation etc) and the resulting valuation in local currency IRR for example implies a forward looking (1397 year) multiple in local currency is closer to one times, which is quite reasonable given the past and expected growth as well as market dominance. The peer group used to value Digikala includes both listed E-commerce and online fashion peers including Amazon, Zalando, JD.com, Koogan, Yoox and Asos. The private peer group includes multiples based on transactions in Flipkart, Lazado and Souq. The average multiple of the public peer group for is 1.9x and the median multiple is 2.1x. The peer choice also accounts for the Digistyle online fashion business. Pomegranate applies an Iran coun-try risk discount and use a multiple of 1.5x. Pomegranate considers the multiple to be conservative given that Digikala has much higher growth rate than peer group companies.

Café Bazaar
Among Sarava's other portfolio companies, most notably Café Bazaar, the company is valued based on post-money valuation following a binding investment term sheet signed in Q4 2017.

Sheypoor
In 2016, Pomegranate invested EUR 6.4 million in connection with two capital raisings by the company, in 2017 Pomegranate invested another EUR 3.7 million into the company in a capital raise which valued the company pre-money at EUR 42.3 million. As per December 31, 2017, Pomegranate is the largest minority shareholder in the company with 44.6 percent of the outstanding shares. As per April 30, 2018, Pomegranate values its ownership in Sheypoor at EUR 17.5 million, Pomegranate values its investment into Sheypoor on the basis of the risk and currency adjusted post-money valuation of the company million following the latest fundraising in December 2017. The Company's holding in Sheypoor is classified as level 3.

Sheypoor option
On August 7, 2017 Pomegranate finalised a call option agreement with the other shareholders in Sheypoor to reflect Pomegranates past and present firm funding commitment to Sheypoor's development. The options in the agreement are divided into two series, the first series representing 77% of the options has a strike price valuation for Sheypoor of EUR 17,636,684 and are exercisable from the date of the agreement and until May 2018 and the other series representing 23% of the options has a strike price valuation for Sheypoor of EUR 26,455,026.55 and are exercisable from the date of the agreement and until May 2019. As per April 30, 2018 the value of the options is based on exercise value of the options based on the valuation of Sheypoor of EUR 39.3 million as of April 30, 2018 corresponding to the risk and currency adjusted post-money valuation in the fundraising in December 2017. The Company's holding in Sheypoor options is classified as level 3.

Griffon Capital
Pomegranate invested EUR 1.3 million in Griffon Capital during 2015. As per December 31, 2017 Pomegranate owns 15,2 percent of the outstanding shares in the company. During the first quarter 2016, a new investor acquired 5 percent of the shares in the company at a valuation of EUR 18.3 million. The same investor, acquired another 9.5% in the company in February 2018, the valuation of Griffon Capital is based on the risk and currency adjusted transaction value in the February transaction, which translates into EUR 3.6 million for the whole company and is deemed the best fair value estimate of the holding. The holding in Griffon Capital is classified as level 3.

Griffon Iran Flagship Fund
Pomegranate invested EUR 2 million into Griffon Capital's flagship fund during 2016 as part of the company's liquidity management operations. As per April 30, 2018 the fund investment is valued at the fund's NAV as per March 31, 2018. The last formerly reported NAV, but also risk and currency adjusted as per April 30, 2018. The holding in Griffon Iran Flagship Fund is classified as level 2.

Griffon Portfolio Managed Account
In February 2017, Pomegranate placed EUR 0.5 million into a discretionary managed account with Griffon Capital as part of the company's liquidity management operations. The account is focused on Iran's high interest fixed income environment, with YTM levels of 15-20%. In August 2017 Pomegranate placed another EUR 1.0 million in discretionary management with Griffon Capital. As per April 30m 2018 the investment is valued at the account's IRR based NAV as per April 30, 2018 translated into EUR at the risk adjusted CBI EUR/IRR rate as per April 30, 2018. The holding in Griffon Portfolio Managed Account is classified as level 2.

Carvanro
In 4M 2018 Pomegranate together with the founders and other shareholder in Carvanro decided to discontinue the project, due to insufficient traction of the company's product in the market, relative to the expected future funding need to continue the project. As per April 30, 2018 the Pomegranate has recognised a full write-off of the previous company value of EUR 1.4 million.

Note 5 – cont'd

Navaar
In August and September 2017 Pomegranate concluded agreements for an investment of EUR 830 thousand n Navaar, including a secondary and primary part as well as conversion of the previously extended loan of EUR 131 thousand into equity and holds a stake of 29.09% in the company. As per April 30, 2018 Pomegranate's investment in Navaar is valued based on risk and currency adjusted post-money valuation of the company following the fundraising in September 2017. The holding in Navaar is classified as level 3.

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 first tranche was transferred in January 2018. As per April 30. 2018 Pomegranate's holding in Bahamta is valued based on risk and currency adjusted post-money valuation of the company following the investment. The holding in Bahamta is classified as level 3.

Sensitivity analysis

	NAV per March 20, 2018	Sensivity analysis – EUR value at different risk premium adjustments (million)					
	IRR bn	CBI spot + 15%	CBI spot + 20%	CBI spot + 25%	CBI spot + 30%	CBI spot + 35%	CBI spot + 40%
Sarava NAV	38,063	650	623	598	575	554	534
Pomegranate stake	5,974	102	98	94	90	87	84

	Last transaction valuation (Dec 2017)		Sensivity analysis – EUR value at different risk premium adjustments (million)					
	EUR million	IRR bn	CBI spot + 15%	CBI spot + 20%	CBI spot + 25%	CBI spot + 30%	CBI spot + 35%	CBI spot + 40%
Sheypoor	49,3	2,603	44	43	41	39	38	37
Pomegranate stake	22,0	1,162	20	19	18	18	17	16

	Last transaction valuation (Feb 2018)		Sensivity analysis – EUR value at different risk premium adjustments (million)					
	EUR million	IRR bn	CBI spot + 15%	CBI spot + 20%	CBI spot + 25%	CBI spot + 30%	CBI spot + 35%	CBI spot + 40%
Griffon Capital	4,1	236,7	4,0	3,9	3,7	3,6	3,4	3,3
Pomegranate stake	0,6	35,9	0,6	0,6	0,6	0,5	0,5	0,5

	Last transaction valuation (Sep 2017)		Sensivity analysis – EUR value at different risk premium adjustments (million)					
	EUR million	IRR bn	CBI spot + 15%	CBI spot + 20%	CBI spot + 25%	CBI spot + 30%	CBI spot + 35%	CBI spot + 40%
Navaar	2,8	133,6	2,3	2,2	2,1	2,0	1,9	1,9
Pomegranate stake	0,8	38,9	0,7	0,6	0,6	0,6	0,6	0,5

	Last transaction valuation (Dec 2017)		Sensivity analysis – EUR value at different risk premium adjustments (million)					
	EUR million	IRR bn	CBI spot + 15%	CBI spot + 20%	CBI spot + 25%	CBI spot + 30%	CBI spot + 35%	CBI spot + 40%
Bahamta	3,5	175,0	3,0	2,9	2,7	2,6	2,5	2,5
Pomegranate stake	0,5	25,0	0,4	0,4	0,4	0,4	0,4	0,4

Loan receivables
The Company has no outstanding loan receivables as per April 30, 2018.

Current liabilities
The book value for interest-bearing loans, accounts payable and other financial liabilities are deemed to correspond to the fair values.

Note 6 – Risk and uncertainty factors

The Company's risks and uncertainty factors are described in detail in the Company's 2016 Annual Report, on page 19 - 20.

Note 7 – Events after the balance sheet date

The Company has given notice of exercise of the first tranche of Sheypoor stock options held by Pomegranate as per May 31, 2018. In accordance with the option agreement, the options to be exercised correspond to 3.03% in the capital Sheypoor for the total consideration of EUR 534,688. This exercise provides Sheypoor with some extra immediate funding to continue marketing and other initiatives at a favourable valuation for Pomegranate

This report has not been subject to review by the Company's auditors.

Stockholm, June 20, 2018

Per Brilioth
Chairman

Nadja Borisova

Anders F. Börjesson

Mohsen Enayatollah

Information and Contact

Financial information

Annual report Jan 2017 – Apr 2018	August 14, 2018
Annual General Meeting 2018	September 6, 2018
Interim report May – Jul 2018	September 20, 2018

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The pomegranate, botanical name Punica granatum, is a fruit-bearing deciduous shrub or small tree in the family Lythraceae that grows between 5 and 8 metres tall. As intact arils or juice, pomegranates are used in baking, cooking, juice blends and meal garnishes. The pomegranate originated in the region of modern-day Iran, and has been cultivated since ancient times throughout the Mediterranean region and northern India.

It was after an initial visit to Iran that the investment team summarised impressions from the trip at the airport. The friendly people, the opportunities, the culture and food. Pomegranate in various forms had been omnipresent during the stay, hence the name – Pomegranate Investment.