

Financial Report

for the period of 12 months ended April 30, 2020
and 6 months ended April 30, 2020



Pomegranate Investment

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Highlights of the reporting period

Nov 1, 2019 – Apr 30, 2020

- The net asset value of the Company was EUR 118.2 mln as per April 30, 2020 corresponding to EUR 21.9 per share, compared with NAV per share of EUR 21.1 as per October 31, 2019.
- Digikala achieved 137% growth in NMV in Iranian year 1398 and reached positive adjusted EBITDA for the year as well as achieved many performance records, including highest number of Monthly Active users – 26 M and highest Daily Net Order – 160 thousand.
- Iranian stock market reached new all-time highs, after already being the world's best performing stock exchange in 2019 in EUR terms, which is reflected in both the significantly higher value for the GIF fund investment and boosted performance of Griffon Capital.
- Griffon Capital posted a healthy profit for 2019 in EUR terms, they have successfully launched two ETFs and assets under management have increased significantly during the reporting period and thereafter, thereby confirming the success of the strategic shift to local asset management and a complete revaluation of the business has been performed with a significantly higher value as a result.
- Valuation of Sheypoor revised upwards following monetization success, with 3.6x growth in Revenue in 1398 over 1397. Traffic growth with new all-time highs in Monthly Active Users in beginning of 1399, as well as continued cost control, have contributed to a very good position for Sheypoor for 1399.
- Pomegranate continues to first establish IRR (Iranian Rial) based valuations for all the portfolio companies, and then translate into EUR valuations. The Iranian rial NIMA mid spot rate depreciated by 24% in value against the EUR over the 6-month period from Oct 1, 2019 – Apr 30, 2020 resulting in broad negative valuation effect.
- Cash and cash equivalents amounted to EUR 13.3 million as per April 30, 2020 (October 31, 2019: 14.3). Additionally, the Company had liquid

investments with Griffon Capital at a value of approx. EUR 5.8 million as per April 30, 2020, which means a total sum of cash and liquid investments of EUR 19.1 million (October 31, 2019: 17.9).

- The number of outstanding shares at the end of the period was 5,404,601. There are no outstanding warrants as per April 30, 2020, since the remaining warrants expired out of the money on December 31, 2019.

Highlights of the reporting period

May 1, 2019 – Apr 30, 2020

- Restructuring of Sarava holding structure completed on August 26, 2019 with Pomegranate and other international shareholders now holding their corresponding stakes directly through an international holding company ("IIIC").
- Navaar completed internal fundraising, Pomegranate contributed EUR 149 thousand.
- Sheypoor completed internal fundraising, Pomegranate contributed EUR 750 thousand and Sheypoor ESOP company created through which Pomegranate also has 1% of indirect exposure to Sheypoor.
- Pomegranate transferred remaining tranche of EUR 250 thousand from Q4 2017 fundraising to Bahamta.
- Pomegranate changed to bi-annual reporting in order to further reduce costs, as well as account for a somewhat smaller team. At the same time, the return to quarterly reports for a later listing once the environment improves will be unproblematic and swift and IPO readiness is therefore maintained.

COVID-19

Our thoughts go out to all those affected, and who have suffered loss due to the COVID-19 pandemic, both in Iran and everywhere else. We have respect for how Iran has handled the situation pretty much on its own, being largely isolated as a result of the geopolitical tension. We are also impressed by how our local partners and entrepreneurs faced the situation, with great resolve and swiftly implemented new safety measures and guidelines of social distancing for their employees and businesses very early in the crisis, before any public wide orders.

While all businesses face challenges in some shape or form due to the pandemic, it is now clear that the demand in certain sectors globally have been positively impacted by the pandemic and resulting lock-downs, such as e-commerce, online payments, online classifieds, app stores, video/music, audio books, while other sectors have been severely hit, such as travel and tourism. As a result, some of our portfolio companies are thriving business-wise while others are struggling, and during the reporting period there has been some consolidation among the broader portfolio of small- medium size projects with 10 being closed down, another 7 merged into the larger businesses and 5 exited.

Letter from the Managing Director

Dear fellow share owners,

When geopolitical tensions surrounding Iran rose sharply at the start of this year, coming on the back of two consecutive years of annual GDP contraction to the tune of 10% per year, you would not have been faulted for thinking things surely could not get any worse.

Of course that is when what later became known as the Covid-19 pandemic started to gain momentum as it spread across the world, and in its path, a dramatic collapse in economic activity followed. The subsequent slump in crude oil demand and prices had a negative impact on whatever was left of Iranian oil exports that were already at a fraction of post JCPOA peak levels due to reimposed sanctions in recent years.

On a personal note the new Covid-19 reality that has hit much of Europe has been an enlightening experience; to live through the impact of the severe economic contraction, in tandem with movement of people and goods restricted by virtually closed borders, gives an unexpected insight, at least in part, of what it must be like to live under economic sanctions. It is hard not to be impressed by the resilience Iran as a nation state continues to demonstrate.

Many of our local portfolio companies are prime examples in regards to the latter. Rather than waiting for official guidance, they have pragmatically initiated self imposed health and safety measures to safeguard their employees and business operations. Change has also come about as a response to shifting customer behaviours and needs. Along the lines of what we have witnessed elsewhere, Iran is experiencing a surge in demand for online goods and services. This has positively impacted a large part of our portfolio companies, most of which have reached and surpassed break even to become cash flow positive during the past year.

All of this against a harsh economic backdrop over recent years as outlined above and an outlook that entails strong headwinds with real GDP in 2020 estimated to come in at -8.2% (World Bank) and -6.0% (IMF).

Given the above macro environment the Iranian stock market is probably not where you would expect to find outsized returns. Yet as a function of a number of internal and external factors the domestic equity market has produced nothing short of mind blowing returns in 2020; +80% in EUR terms and 100% in local currency terms as of the end of April. That surge over the first four months of the year saw P/E shoot up from around 8 to 18 (compared to a range of roughly 4 to 10 since 2007).

The drivers are multiple but at the heart of it, it is about the store of value, not the least since the currency started weakening in 2018. With gold and hard currency increasingly in short supply, and moving money abroad

not really an option, real estate and equities have both benefitted greatly during that period. The latter has seen a surge in retail participation on the back of a combination of the momentum behind the rally and Justice Shares – the privatisation programme more than ten years ago that saw shares allocated to the lower income parts of the population – becoming tradable for the first time this year. It is estimated that some 49m Iranians hold these shares where up until now only some dividends had been paid in recent years.

As a result brokerage accounts have grown exponentially from around 3m a few years ago to some 15m currently and expected to reach 30-40m over the next few months. In tandem with this traded volumes on the Tehran Stock Exchange, that averaged around EUR 140m/day over the preceding 12 months, jumped to EUR 400m/day in April.

Moving on to our portfolio companies we are approaching the end of the asset restructuring project that commenced in the summer of 2018. Out of the 41 direct and indirect holdings 11 have been dissolved or are in the process to be, 9 have been merged into larger companies while 5 have been exited.

What we are left with is a very strong and reasonably diversified portfolio with around 80% of our holdings being EBITDA positive and the rest being minor holdings or cash.

While the project was completed legally in the summer of 2019, the process of consolidating operationally is all but finished.

Digikala – our largest holding has seen strong sales growth, particularly groceries and essential goods. Digikala Fresh, offering over 8k FMCG items, was by the end of the Iranian year 1398 (ending 21 March 2020) the largest online supermarket by item diversity, order count and sales volume with the ability to deliver within three hours across Tehran and Karaj.

Digikala's voluntary introduction of strict hygiene measures in mid-February paved the way for operational continuity throughout the pandemic, albeit with some delays in deliveries and extended delivery windows. This, in tandem with the surge in demand, saw April-May sales up 2.5x compared to the same period last year.

Looking back at 1398, it was by far the best year ever for Digikala with +100% growth YoY (in local currency terms), positive cash flow, double digit margins, 4.6m active customers, over 2m SKU's and peak days with up to 160k daily orders. And all this while cutting costs, cash burn and at the same time making heavy infrastructure investments. Digikala will continue



scaling up to maximise the opportunity and aims to reach 10m active customers in 1399. As the first real online company they applied for IPO in April/May (followed by Café Bazar Group, Sheypoor and two other companies outside of our portfolio).

Sheypoor – doing well and experiencing hockey stick growth in the second year of their monetisation efforts. Having received an external valuation in preparation for their IPO we have increased the valuation from EUR 37m a year ago to EUR 52m, to reflect that change in business development and path to sustainable profitability. As our effort to consolidate the two classified assets have not come to fruition we are instead pursuing a listing.

Café Bazar Group – the Appstore with video games, video streaming, consumer digital content has seen strong demand on the back of the pandemic; case in point video streaming that saw average weekly growth of 74% during the period March-May. Having been profitable and cash flow positive for almost two years the company applied for a listing as touched upon earlier. Divar, the group's online classified ads service, has seen demand for second hand goods increasing due to lower income and economic difficulties.

Griffon – undoubtedly the most debated investment in our portfolio; initially when we launched this venture in 2014 as it did not fit into the 'consumer tech' segment, and later after the almost full write down when AUM had not picked up and cross border M&A was basically eliminated by reimposed US secondary sanctions. Fast forward and a successful refocus from international to domestic business, in combination with strong cost control and ESOP incentives, has seen an impressive turnaround. This in combination with a favourable local equity bull market has seen AUM increase to over EUR 100m while at the same time boosting the domestic part of that to 60% from 20% a few years ago. Our liquidity initiative, to have some funds managed by the Griffon team, has worked out well.

Navaar – having had a hard time during months of demonstrations, when poor mobile internet hampered the ability to download audiobooks, Navaar was having a decent recovery with growth rates between 50-70% into the crisis.

Bahamta – we have reduced the team to a bare minimum as the company has yet to find the 'killer application' while having a very valuable fin-tech licence in place.

Alibaba – the country's leading online travel agency had a particularly hard year in 1398. With business already under pressure during the last quarter of the Iranian calendar year due to rising geopolitical tensions, it hit a

virtual brick wall when the pandemic unfolded in the run up to Nowruz, the Iranian New Year and by far the most important time of the year for the business.

While NMV grew by 85% Alibaba still finished the year 29% behind plan. It is worth flagging that the group managed to weather the crisis by substantial cost reductions and active cash management. We have a tremendous amount of respect for the decisive measures that have been implemented to adjust the size the company and employees having stepped in to meet funding requirements.

Takfifan – while offline events and services have been experiencing a sharp drop, the search for good deals is boosted due to economic difficulties. Applying new initiatives to beat the crisis is the main focus. The business leaders are outstanding in a global context and only once needed funding over the past 9 years. Their market experienced consolidation last year and therefore they should face limited competition over the next year and should be well positioned when demand recovers.

Alopeyk – demand for less/no contact delivery services is increasing on the back of the pandemic. The company showed less than inflationary growth over the past year and is distracted by some shareholder disputes that need to be resolved in order to reach full potential.

Adding up all the severe macroeconomic, geopolitical and pandemic headwinds with the decisive response showcased by the majority of our portfolio companies over the past 12 months translates into a 9% increase in NAV per share, from EUR 20.10 to EUR 21.90.

It is an extraordinary achievement all things considered and shows the strength of the local teams and the resilience of the business models we have invested in when they manage to outgrow a steep local currency decline in the most challenging business environment imaginable.

Profitability, cash flow generation and local stock exchange listings are going to be at the heart of our activities in the foreseeable future as well as further consolidation of our portfolio holdings.

Opportunistically we are in the position to add to our positions if the price is right, as we have done historically.

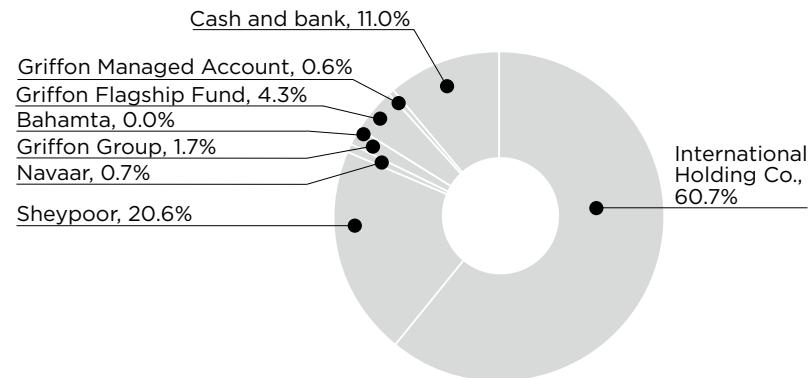
With the outlook in regards to the headwinds touched upon above remaining uncertain we move forward with a lean but highly focused team, a healthy cash balance and continuing to be highly sanctions compliant.

Greetings from the post lockdown home office,
Florian Hellmich

Investment Portfolio

Portfolio Overview, EUR thousand

	Fair Value, Apr 30, 2020	Weight in PGI portfolio	Fair Value, Oct 31, 2019	Change in value since Oct 31, 2019
Company				
International Holding Co. (IIIC)	71,922	60.7%	75,271	-4.4%
Sheypoor	24,429	20.6%	19,628	24.5%
Navaar	838	0.7%	1,105	-24.2%
Griffon Group	2,066	1.7%	429	381.9%
Bahamta	44	0.0%	215	-79.4%
Total IIIC companies	99,300	83.9%	96,648	2.7%
Other financial assets				
Griffon Flagship Fund	5,121	4.3%	2,724	88.0%
Griffon Managed Account	697	0.6%	844	-17.4%
Total other financial assets	5,818	4.9%	3,568	63.1%
Cash and bank	13,302	11.0%	14,319	-7.0%
Total investment portfolio	118,420	100.0%	114,535	3.0%
Other net liabilities	-186		-518	-64.0%
Total Net Asset value	118,233		114,017	4.0%
NAV per share, EUR	21.9		21.1	



Digikala Group is the first, largest and leading e-commerce company in Iran, active in various categories of Retail, Marketplace, Fashion, Digital content, and Online Supermarket.

» Read more on page 7.



Café Bazaar is a leading consumer internet company in Iran that runs the largest local Android application marketplace for Persian speaking individuals around the globe.

» Read more on page 10.



Alibaba/Tousha Group is the leading online travel agency in Iran

» Read more on page 11.



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 12.



Griffon is an investment boutique providing M&A advisory as well as Asset Management services.

» Read more on page 13.



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

» Read more on page 15.



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 16.

As previously communicated, Pomegranate has been working for over a year with international and local partners alongside external legal and sanctions advisors in restructuring the initial investment structure in Sarava.

Pomegranate has been a shareholder in Sarava since 2014 and increased its stake in 2016 and 2018. With a view to the most recent developments, our goal with the restructuring was to recognise changing commercial needs, simplify the structure and while adhering to and remaining compliant with applicable laws and stay well ahead of ever-changing sanctions framework. The new structure allows our holdings and our activities to be even more transparent and cost efficient while ensuring the strictest standards of corporate governance and sanctions compliance.

This restructuring, which has now been implemented allows the international shareholders to hold their corresponding stakes directly through an international holding company ("IIIC"), while local shareholders will continue to hold their corresponding portfolio stakes through a local holding company ("Sarava").

The rebalancing of the portfolio between international and local shareholder holding companies was structured to end up in an economically equivalent position, pre- and post-restructuring, for all shareholders.

The seed- and early-stage startups and Hamava (Azadi Innovation Factory) will have no involvement from international shareholders. We believe that startups in their early stages must rely on domestic capital and know-how to a larger extent while the more mature companies can benefit from transfer of know-how from international shareholders in terms of growth strategies and fine

tuning of business models based on global best practices. The international holding company retains a small minority ownership position of 5.1% in Sarava as a platform for continued future communication and cooperation.

PGI investments through international holding company (IIIC) as per April 30, 2020.

	International Holding Co. stake, %	PGI See through ¹⁾ , %
Digikala	32.2	9.2
Café Bazaar	14.8	4.2
Tousha (Alibaba)	10.5	3.0
Navaar ²⁾	10.1	2.9
Other IIIC Holdings ³⁾	5-33	3-16

1) Pomegranate owns 28.6% of international holding Co., IIIC

2) Pomegranate also holds a 31.1% direct stake in Navaar

3) Includes 5.1% ownership in Sarava, and other mid stage investments (Alopeyk, Takhfifan, etc)

	Valuation basis: FX adjusted end 1398 IRR NAV	
	IRR bn	EUR million
International Holding Co. (IIIC)	38,611	251.3
Pomegranate stake	11,051	71.9

Digikala Group



Digikala Group is the leading e-commerce in Iran and now the third most visited website in Iran after Google, according to Alexa web ranking. Digikala is active in various categories of Retail, Marketplace, Fashion, Digital Content, and Online Supermarket. In addition to these main business lines, Digikala group has invested in online payment, cloud computing, ads services, AI, machine learning and social commerce.

1398 was the best year in history of Digikala group. Continuing growth of the marketplace, substantial improvement in user experience and Covid-19 positive impact on sales were the main drivers of growth in 1398, who experienced 124% growth in GMV, 137% growth in NMV. Active cost management coupled with the high growth rate significantly improved profitability which among other led to an increase of 119% in EBITDA with a positive overall adjusted EBITDA for the year 1398.

"...improved profitability which among other led to an increase of 119% in EBITDA with a positive overall adjusted EBITDA for the year 1398."

Business overview

Since last year, Digikala strategy has been focused on the marketplace scale-up and development of infrastructures needed for DigikalaFresh. The successful implementation of this strategy has set the stage for acquiring more customers and thus continuing growth in the coming years. Over 1398, Digikala delivered 53 million items to customers. The marketplace with 2.3 million assortments and 61K seller accounted for 66% of NMV in 1398. Offering over 8 thousand supermarket and fast-consumption items, DigikalaFresh has close cooperation with well-known food brands in Iran. By the end of 1398, DigikalaFresh has been the nation's largest

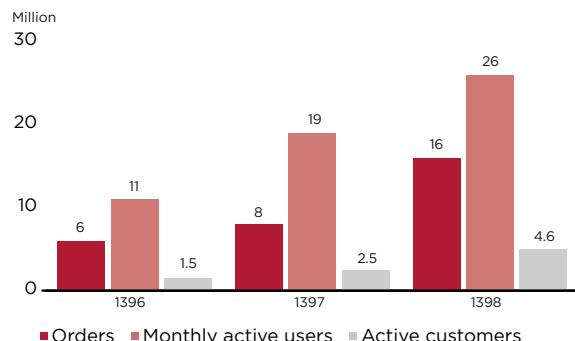
online supermarket by item diversity, order count, and sales volume. It is able to deliver ordered items within 3 hours across Tehran and Karaj.

Digikala has expanded its operation capacity from 160K to +300K items per day. A new fulfilment center for large items with 10K capacity per day has built as well.

Improvements in customer experience have always been paramount for the company. Digikala succeeded in delivering more than 95% of orders in their scheduled time by customers.

"Digikala's goal is to hit 10 million active customers in 1399."

Digikala aims to achieve, among its other goals, hitting 10 million active customers, providing next-generation e-commerce services such as a social commerce platform, and ship by seller possibility.

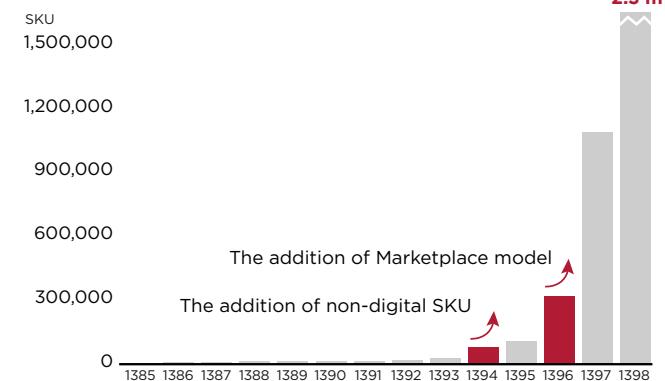


Iranian year	Starts	Ends
1392	mar 2013	mar 2014
1393	mar 2014	mar 2015
1394	mar 2015	mar 2016
1395	mar 2016	mar 2017
1396	mar 2017	mar 2018
1397	mar 2018	mar 2019
1398	mar 2019	mar 2020

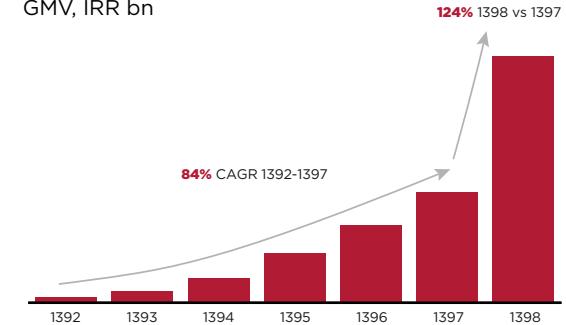
Key Investment Data

Sector	E-commerce
Company founded	2006
First investment	2014

Digikala's SKU since its foundation until now



GMV, IRR bn



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



Retail

Retail, including intl sourcing in some categories (Digikala):

Digikala is the leading e-commerce platform for retail offering the best customer experience as its core value.



Marketplace

Marketplace (Digikala):

Digikala's Marketplace is home to 60,000 Iranian businesses, which offer more than 2 million different goods. This service, like any other marketplace, is a two-sided platform. On one side, more than 26 million monthly active users are present. And on the other side, tens of thousands of businesses, from large brands to small local businesses, are offering their products. The marketplace accounted for 66% of NMV in 1398.



Online Payment (Digipay):

Digipay started out in 2018 and its objective is to create a sustainable and comprehensive payment solution with a focus on mobile payments. Digipay solutions include Smart IPG, merchant management dashboard, mobile payment gateway, customer refund service, personal and organizational wallets, mobile payment application, API-based services and installment purchase facility to its customers.

DIGISTYLE

Apparel and Fashion (Digistyle):

Digistyle, an online fashion and clothing store, was founded in 2016, and as of now, collaborates with more than 200 domestic and international brands. The result of this wide collaboration is the availability of near 100,000 different goods in this store. The Digistyle website and application have 2 million monthly visitors, which makes Digistyle the largest online fashion and clothing store in Iran, in terms of visitors and orders.



Online Supermarket (DigikalaFresh):

At the end of 1398, Digikala's supermarket was the largest Iranian online supermarket in terms of product variety, number of orders and sales volume which more than 8,000 supermarket and FMCG goods are being offered in it. Digikala's online supermarket was launched in July 2018. As part of its expansion strategy, Digikala acquired Rocoland, the main player of this market. Fast moving consumer goods (FMCG) are sold on DK Fresh, whose competitive advantage lies in the distribution capabilities of Digikala and fast delivery.



Digital Content (Fidibo):

Fidibo is the first online platform for e-book and audio book production and distribution in the Middle East. Fidibo works with more than 800 publishers, and its application has seen more than two million downloads so far. In addition to digital books, Fidibo has offered two hardware products called Fidibook and Fidibox. Fidibook is the first Farsi book reader, similar to Amazon's Kindle, of which so far more than 5,000 have been sold.



Ad Services:

As a host of millions of daily users, Digikala's platform is the ideal place for brands and producers for advertisement and raising awareness. Digikala Ad Services offering is further enhanced by addressing the right target audience utilizing big data analysis benefiting both brands and consumers.



DigikalaNext:

DigikalaNext was founded to accelerate the innovation and create new values and services for customers. It is located in Innovation Factory, and part of its mission is to invest in startups and transfer knowledge and know-how. Digikala Next is currently focused on providing investment and support to startups that operate in fields such as AI, cloud computing, Internet of Things, intelligent transportation and robotics.



Digicloud:

A highly-advanced cloud computing service which provides services for individuals and medium and large size businesses as well as fulfilling Digikala Group's own needs.

Café Bazaar Group



Cafe Bazaar Group or what is now Hezar dastaan Group (Hazardastan Information Technology Development Group) consists of Café Bazaar, Divar, Balad and zirak companies. Café Bazaar is a leading consumer internet company that runs the largest Android app store in the country and now also engaged in online video content, Bazaar, serving more than 40 million Persian speaking people around the globe. The Group also owns 100% of Divar, the leading classified advertising platform in Iran and also Balad navigation and Zirak cloud service provider to businesses.

Cafe Bazaar enjoyed substantial growth in game and video streaming due to Covid-19. Video streaming, consuming digital content, using applications, and games have been enjoying a sharp rise since the outbreak and are expected to continue so. In last 12 months video streaming has seen an average weekly growth of 74%.

Regarding employment generation, Café Bazaar has been equally successful as over 67 thousand developers from across the country present and sell their programs on Bazaar. By the end of 1398, the number of applications offered by developers on Bazaar reached 127 thousand which includes both free and paid. Of this figure, 18 thousand are games and 109 thousand program applications. At the end of the year 1398 the cumulative income of developers since the start of Bazaar passed 477 billion Tomans. Developers' 1398 total income, which has been gained mostly through 40 thousand programs, shows 83% growth in comparison with the year 1397, reaching 189 billion Tomans. Meanwhile, program developers' total income growth has been more than twice, reaching 120 billion Tomans with game developers' seeing a 47% growth, standing at 69 billion Tomans.

162 %

Revenue growth 1397-1398

Divar is the largest online classified platform in Iran with a high-level of brand awareness. Divar aims to provide a platform for market efficiency, support players in various industries and encourage environmental sustainability. With more than 20 million active installations, Divar has been the most downloaded app from Café Bazaar. By the end of 1398, the number of businesses active on Divar has been around 400 thousand and 99 million ads have been posted so far. On an average day, Divar posts 270 thousands advertisements.

Today, it has over 180 different ad categories. Most advertisements fall in property and car categories with 16.6 million and 9.6 million ads respectively. It becomes more and more obvious that Iranian Classified market is following Global principals of accelerating growth with continued shift from off-line to online, particularly post Covid19.

➤ For more information, please visit the company's websites:
www.cafebazaar.ir
www.divar.ir

Alibaba Group



Alibaba is the leading online travel agency in Iran, holding 45% of online travel market share and the highest Alexa ranking among Iranian online travel agencies. With a 22% market share in domestic flights, Alibaba has a dominant position in online domestic travels as well. Alibaba sold more than 9 million tickets in last FY. Although NMV grew compared to last year, but it is 20% behind the budget mainly due to negative impact of Covid-19 and Iran's socio-economic problems.

This company was awarded the golden statue for being the popular brand in the "online ticket buying" category of the "consumers' popular brand" festival. Also, Alibaba introduced Dobby – a smart voice assistant – in 2019. Dobby offers a variety of services such as announcing weather conditions, reading news, telling stories, setting alarm, and sending messages.

Outlook

- Developing technology-centered tourism in line with wealth creation for the society, especially for deprived areas of the country
- Core business profitability
- Preserving leading position in tourism market
- Enhancing the role of technology and innovation in its business model

Group performance

1398 was a tough year for Alibaba. Although NMV grew by 85% in 1398 compared to last year, Alibaba finished the year 29% behind the plan in terms of NMV. Iran socio-economic situation specially in fall and winter and covid-19 have been driving the gap between actual sales and plan. Unfortunately, the outbreak happened in fourth quarter. This quarter is critical for Alibaba due to seasonality effect. Q4 NMV accounted for about 35% of NMV in 1397 but it decreased to 23% in 1398. However, Alibaba group managed to

weather the crisis by substantial cost reductions and deliberate cash management.

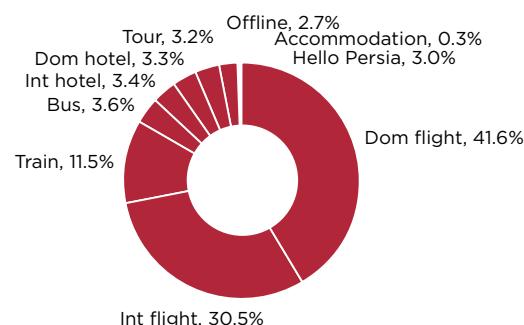
In the first half of 1398, Alibaba was awarded the golden statue for being the popular brand in the "online ticket buying" category of the "consumers' popular brand" festival in Iran.

Group Outlook for 1399

Travel industry has been hit hard by the lockdown. New initiatives should be used to save core business. Also, recognizing paradigm shifts in travel industry, and seizing whitespaces are inevitable to survive. Local travel trend helps Alibaba as a dominant local player. Alibaba set the following strategies to manage the business thorough the crisis carefully and successfully:

- Considering business profitability in addition of growth
- Cost management

NMV breakdown by product in 1398



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

Sheypoor



Sheypoor offers a general classifieds platform, with a focus on certain key classifieds verticals. Monetisation through selling value added services have started with encouraging results and revenue in 1398 increased by 3.6x compared with 1397, which was the first year of monetisation. For the broad population the services remain free of charge, a particularly important feature in these tough economic times. Liquidity on the platform is always important but Sheypoor is now especially focusing on quality of listings and users etc while being cost conscience and smart about marketing and campaigns.

Sheypoor is developing its product and manages its operations on the basis of the vast and deep experience from successful international peers that sit in the network of Pomegranate and its shareholders. Former Avito founders and employees for example, who successfully exited Avito (to Nasper) at roughly a 3.5bn EUR Valuation.

In the period May 1 – October 1, 2019 Sheypoor made an internal fundraising among existing shareholders to continue its push in certain key verticals, in which Pomegranate contributed 750 TEUR.

Pomegranate's direct ownership in Sheypoor amounts to 45.6%, while Pomegranate now also owns 1% through an established ESOP vehicle.

The successful launch of paid additional services is also a testimony to the quality and service of Sheypoor's platform, and the sales initiatives towards professional corporate sellers have paid off, and the monetisation success is the driver for higher valuation. While Divar (in which we are also an indirect investor and shareholder) remains the largest general classifieds platform in Iran. Based on international experience of the online classified sector from other markets it is clear that market consolidation at some point would maximise monetisation potential of the market, and also benefit consumers through improved liquidity.

As per April 30, 2020 the valuation of Pomegranate's holding in Sheypoor is based on a model valuation using the Last Twelve Month revenue and Next Twelve Months revenue forecast and relevant benchmark multiples from Emerging Market Classifieds peers, as well as benchmarked valuations of Unique monthly users, monthly new listings and sessions over the last 12 month period, relative to selected private peers. The model establishes the updated IRR based valuation at IRR 8,057 billion. Pomegranate then translates into EUR based on the spot mid NIMA rate as per April 30, 2020 of 153,645. This results in a EUR value of Sheypoor as per April 30, 2020 of EUR 52.4 million, with a combined value of Pomegranate's direct stake and ESOP of EUR 24.4 million.

Valuation basis: Model valuation Apr 30, 2020		
	IRR bn	EUR million
Sheypoor	8,057	52.4
Pomegranate stake	3,753	24.4

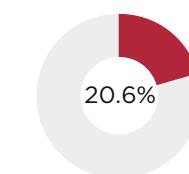
Key Investment Data

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

24.4 mEUR
Fair value in portfolio,
Apr 30, 2020

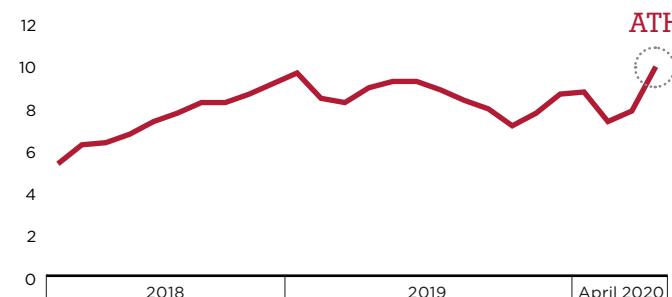
45.6 % (+1% ESOP)
Pomegranate's
ownership

% of investment portfolio



24.5 %
Change in company EUR fair
value, since Oct 31, 2019

Monthly active users (millions)



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

Griffon Group



Griffon Capital ("Griffon") is an Iran-focused group providing Asset Management (Capital Markets & Private Equity) 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.

In 2018 Griffon successfully strengthened its local asset management offering, catering to the available pools of money in Iran, which are less susceptible to international headlines.

The strategy for the last two years has been to focus more on local asset management which has proven to be the right decision.

Assets under management grew significantly in 2019 with AUM reaching excess of 5 trillion rials and has skyrocketed to over 13 trillion rial, ca EUR 100 million, as per April 2020.

As part of the Group's local focus, it has also set-up a new investment company for local M&A and asset opportunities within the sector, as well as launched 2 ETFs, one equity and one fixed income.

The above mentioned positive developments together with a healthy profit for 2019 confirm the success of the strategic shift to local asset management and a complete revaluation of the business has been performed with a significantly higher value as a result.

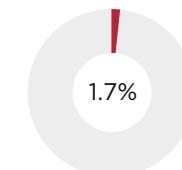
As per April 30, 2020, Pomegranate values its investment in Griffon Capital on the basis of benchmark P/E multiple methodology, while there are some conservative assumptions in the valuation. This results in an implied EUR value of Griffon Capital as per April 30, 2020 of EUR 12.3 million, and the value of Pomegranate's stake at EUR 1.8 million. The new investment company as part of the group is valued based on its NAV as per April 30, 2020, which translates to EUR 1.7 million, and Pomegranates share EUR 247 thousand based on mid NIMA spot of 153,645 as per April 30, 2020 and the total value of Pomegranate's investment in the Griffon Group amounts to EUR EUR 2.1 million.

Key Investment Data

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

2.1 mEUR
Fair value in portfolio,
Apr 30, 2020

% of investment portfolio



14.8 %
Pomegranate's
ownership

381.9 %
Change in company EUR fair
value, since Oct 31, 2019

Valuation basis: Model valuation Apr 30, 2020		
	IRR bn	EUR million
Griffon Group	2,151	14.0
Pomegranate stake	317	2.1

GIF Fund & PMA

5.8 mEUR, 4.9 %
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.

Both 2018 and 2019 to date has been strong periods for the local stock market and Fund in terms of local currency returns, with the TEDPIX reaching consistently new all time highs, which was not surprising due to high concentration of exporters and commodity based companies in the index, which rallied post CBI currency devaluation on April 10, 2018, and continued currency weakness since. The stock market has continued to reach new all time highs in 2020 fuelled by few other investment options for local funds and expansive monetary policy.

As per April 30, 2020 the investment in the GIF Fund is valued at the Fund's last reported EUR NAV as per April 30, 2020, which in the reporting period represented a significant positive adjustment of value of 88% in EUR compared with October 31, 2019 and increase of 161% compared with a year ago.

Performance (EUR)	YTD (Apr 2020)	Since inception (April 4, 2016)
GIF ¹⁾	45.7%	180.8%
TEDPIX	57.6%	208.1%
MSCI – emerging markets	-16.1%	16.0%
MSCI – frontier markets	-22.0%	-22.0%

1) GIF return is calculated using gross rate of return for this month and latest finalized returns stated in the last month's "Investors Fact Sheet" (for Class A units).

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. The funds are currently being redirected to equity markets.

As per April 30, 2020 the investment is valued at the accounts's reported IRR NAV as per April 30, 2020 translated into EUR at the mid NIMA spot rate as per April 30, 2020.

Navaar



Navaar is Iran's leading Spoken-Word Entertainment production and distribution platform. Navaar provides audiobooks, summary of the audiobooks, audio-dramas and audio-series. Their web and mobile apps offer audio content (for both adults and kids) in an easy-to-navigate catalog, the biggest of its kind in Iran. Navaar's has recently also launched podcast streaming service with included advertisements. The Company has also started to diversify its revenue stream into subscription model in addition to previous pay-on-demand model.

Navaar has been growing steadily and at the end of 1398, Navaar hosted more than 6500 audio content titles on its platform. The Company now has more than 1 million registered users compared with about 350 thousand at the time of first investment.

Revenue in the first half of 1398 increased by about 64% compared with the same period in 1397, however, overall growth for the year was only 8% due to some challenges around COVID-19 and delay of some marketing- and product launches. However, their new application is becoming ready for launch and they have many interesting collaborations set for 1399.

In the end of June 2019 the company carried out a fundraising, in which Pomegranate and the other key shareholders participated. Pomegranate contributed its pro-rata commitment of EUR 149 thousand which should set the company on track to profitability thereafter.

The valuation of Pomegranate's holding in Navaar is based the post-money valuation following the recently completed fundraising, with a pre-money valuation of IRR 379 billion and post-money valuation of IRR 414 billion. Pomegranate then translates into EUR based on the spot NIMA rate as per April 30, 2020 of 153,645. This results in a EUR value of Navaar as per April 30, 2020 of EUR 2.7 million, with a value of Pomegranate's direct stake of EUR 0.8 million, Pomegranate has another 2.9% see through stake in Navaar through the holding in IIIC valued at EUR 78 thousand.

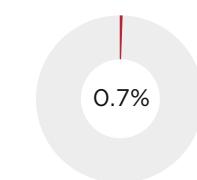
Key Investment Data

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

0.8 mEUR
Fair value in portfolio, Apr 30, 2020

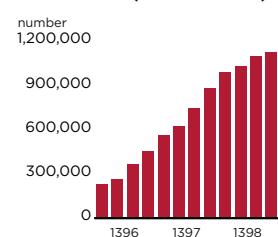
31.1 %
Pomegranate's ownership

% of investment portfolio

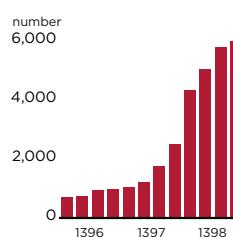


-24.2 %
Change in company EUR fair value, since Oct 31, 2019

No. of users (accumulative)



Available titles



Valuation basis: FX adjusted latest transaction valuation

	IRR bn	EUR million
Navaar	414	2.7
Pomegranate stake	129	0.8

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

Bahamta



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

The company has four products live, targeted at different segments of the market, taking a small fixed fee per transaction. The company is also working on payment solutions for enterprises will be monetised through a percentage fee of the total transaction.

Bahamta was among the first Iranian fin-tech startup companies to receive a technical business approval under a new fin-tech legal framework allowing to streamline the services of fin-tech compared to other sectors. These approvals highlights the recognition of innovative services to address key concerns in the market for payment services.

Bahamta has continued to grow the amount of registered users paying with the service, No of Payments and Revenue etc, however, not in the pace expected and until necessary traction of Bahamta's services are achieved or they manage to launch new more successful services, we are very conservative around valuation. The under-performance of revenue versus plans results in a write down. Fin-tech in Iran with regulations changing on a daily basis turns out to be a very challenging environment and we are reviewing our assessment for this discipline altogether. Valuation is based on LTM and NTM EV/Revenue multiple derived from other payment solution peers. As per Apr 30, 2020 the company is valued at EUR 310 thousand and Pomegranate's stake is valued at EUR 44 thousand, a 79% downward revision compared with October 31, 2019.

Key Investment Data

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

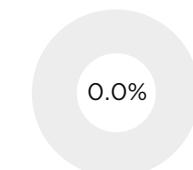
0.04 mEUR

Fair value in portfolio,
Apr 30, 2020

14.3 %

Pomegranate's
ownership

% of investment portfolio



-79.4 %

Change in company EUR
fair value, since Oct 31, 2019

Valuation basis: Model valuation Apr 30, 2020

	IRR bn	EUR million
Bahamta	47,6	0.3
Pomegranate stake	6,8	0.04

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

Income statements

Group

(Expressed in EUR thousands)	May 1, 2019- Apr 30, 2020	May 1, 2018- Apr 30, 2019
Result from financial assets at fair value through profit or loss ¹	11,063	-19,985
Total operating income	11,063	-19,985
Operating expenses	-1,963	-2,879
Operating result	9,099	-22,864
Financial income and expenses		
Exchange gains/losses, net	-0.3	1
Interest income	0.1	-
Interest expense	-66	-16
Net financial items	-66	-15
Result before tax	9,033	-22,879
Income tax	-	-
Net result for the financial period	9,033	-22,879
Earnings per share (in EUR)	1.7	-4.2
Diluted earnings per share (in EUR)	1.6	-4.2

Statement of comprehensive income

(Expressed in EUR thousands)	May 1, 2019- Apr 30, 2020	May 1, 2018- Apr 30, 2019
Net result for the financial period	9,033	-22,879
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	9,033	-22,879

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

Nov 1, 2019- Apr 30, 2020	Nov 1, 2018- Apr 30, 2019
4,889	6,745
4,889	6,745
-847	-1,007
4,042	5,739
 -0.2	1
0.1	-
-40	-16
-40	-15
 4,003	5,723
 -	-
4,003	5,723
 0.7	1.1
0.7	1.0

Nov 1, 2019- Apr 30, 2020	Nov 1, 2018- Apr 30, 2019
4,003	5,723
-	-
-	-
-	-
4,003	5,723

Balance sheets

Group

(Expressed in EUR thousands)	Apr 30, 2020	Apr 30, 2019
NON CURRENT ASSETS		
<i>Tangible fixed assets</i>		
Office equipment and Furniture & Fittings	19	25
Total tangible fixed assets	19	25
<i>Financial non current assets</i>		
Financial assets at fair value through profit or loss	105,117	93,052
Total financial non current assets	105,117	93,052
Total non current assets	105,136	93,077
CURRENT ASSETS		
Cash and cash equivalents	13,302	16,794
Derivative Financial instrument	–	91
Tax receivables	56	75
Other current receivables	47	55
Total current assets	13,406	17,015
TOTAL ASSETS	118,541	110,092
SHAREHOLDERS' EQUITY		
(including net result for the financial period)	118,233	108,774
CURRENT LIABILITIES		
<i>Non-interest bearing current liabilities</i>		
Trade payables	–	43
Other current liabilities	1	601
Accrued expenses	280	636
Tax liability	27	37
Total current liabilities	308	1,317
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	118,541	110,092

Statement of changes in equity

Group

(Expressed in EUR thousands)	Share capital	Other paid in capital	Other reserves	Retained earnings	Total
Balance at May 1, 2018	5,405	100,007	795	25,223	131,429
Net result for the period					
May 1, 2018 to Oct 31, 2018	-	-	-	-22,879	-22,879
<i>Other comprehensive income for the period</i>					
Currency translation differences	-	-	-	-	-
Total comprehensive income for the period					
May 1, 2018 to Apr 30, 2019	-	-	-	-22,879	-22,879
<i>Transaction with owners</i>					
Proceeds from rights issue	-	-	-	-	-
Transaction costs	-	-	-	-	-
Share-based compensation	-	224	-	-	224
Balance at April 30, 2019	5,405	100,230	795	2,344	108,774
(Expressed in EUR thousands)	Share capital	Other paid in capital	Other reserves	Retained earnings	Total
Balance at May 1, 2019	5,405	100,230	795	2,344	108,774
Net result for the period					
May 1, 2018 to April 30, 2019	-	-	-	9,033	9,033
<i>Other comprehensive income for the period</i>					
Currency translation differences	-	-	-	-	-
Total comprehensive income for the period					
May 1, 2019 to Apr 30, 2020	-	-	-	9,033	9,033
<i>Transaction with owners</i>					
Proceeds from rights issue	-	-	-	-	-
Transactions costs rights issue	-	-	-	-	-
Employee stock option program	-	-	-	-	-
Share-based long-term incentive program	-	426	-	-	426
Balance at Apr 30, 2020	5,405	100,656	795	11,377	118,233

Cash flow statement

Group

Amounts in Euro	2019-05-01 – 2019-04-30	2018-05-01 – 2019-04-30	2019-11-01 – 2020-04-30	2018-11-01 – 2019-04-30
Operating activities				
Result before tax	9,033	-22,879	4,006	5,726
<i>Adjustment for non-cash items</i>				
Depreciation	6	6	3	3
Interest income and expense, net	66	16	40	16
Currency exchange gains/-losses	5	-1	5	-1
Incentive programs	426	224	210	224
Result from financial assets at fair value through profit or loss	-11,063	19,985	-4,889	-6,745
Change in operating receivables	29	23	7	-2
Change in operating liabilities	-411	-57	-342	45
Net cash used in operating activities	-1,909	-2,684	-961	-734
Investment activities				
Investment in financial assets	-1,512	-3,928	-12	-200
Investment in subsidiaries	-	-	-	-
Interest paid	-66	-16	-40	-16
Cash flow used in investing activities	-1,578	-3,944	-52	-216
Financing activities				
Transaction costs related to share issue	-	-	-	-
Cash flow from financing activities	-	-	-	-
Cash flow during the period	-3,487	-6,628	-1,012	-950
Cash and cash equivalents at beginning of the period	16,794	23,421	14,319	17,743
Exchange losses/gains on cash and cash equivalents	5	1	-5	1
Cash and cash equivalents at the end of period	13,302	16,794	13,302	16,794

Alternative performance measures

Group

Alternative Performance Measures (APM) apply the European Securities and Markets Authority (ESMA) guidelines. 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.

	May 1, 2019 – Apr 30, 2020	May 1, 2018 – Apr 30, 2019
Equity ratio, % ¹	99.7%	98.8%
Net asset value, EUR	118,233,394	108,774,349
Net asset value/share, EUR ²	21.9	20.1
Earnings/share, EUR ³	1.7	-4.2
Diluted earnings/share, EUR ⁴	1.6	-4.2
Weighted average number of shares for the financial period	5,404,601	5,404,601
Weighted average number of shares for the financial period (fully diluted)	5,440,631	5,569,156
Number of shares at balance sheet date	5,404,601	5,404,601

1. Equity ratio is defined as shareholders' equity in relation to total assets.

2. Net asset value/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.

Income statements

Parent Company

(Expressed in EUR thousands)	May 1, 2019- Apr 30, 2020	May 1, 2018- Apr 30, 2019
Result from financial assets at fair value through profit or loss	11,063	-19,985
Operating expenses	-1,963	-2,879
Operating result	9,099	-22,864
Financial income and expenses		
Exchange gains/losses, net	-0,3	1
Interest income	0,15	-
Interest expense	-66	-16
Net financial items	-66	-15
Result before tax	9,033	-22,879
Income tax	-	-
Net result for the financial period	9,033	-22,879

	Nov 1, 2019- Apr 30, 2020	Nov 1, 2018- Apr 30, 2019
4,889	6,745	
-847	-1,007	
4,042	5,739	
0	1	
0	-	
-40	-16	
-40	-15	
4,003	5,723	
-	-	
4,003	5,723	

Statement of comprehensive income

(Expressed in EUR thousands)	May 1, 2019- Apr 30, 2020	May 1, 2018- Apr 30, 2019
Net result for the financial period		
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	9,033	-22,879

	Nov 1, 2019- Apr 30, 2020	Nov 1, 2018- Apr 30, 2019
4,003	5,723	
-	-	
-	-	
4,003	5,723	

Balance sheets

Parent Company

(Expressed in EUR thousands)	Apr 30, 2020	Apr 30, 2019
NON CURRENT ASSETS		
<i>Tangible fixed assets</i>		
Office equipment and Furniture & Fittings	19	25
Total tangible fixed assets	19	25
<i>Financial non current assets</i>		
Shares in subsidiaries	6	6
Financial assets at fair value through profit or loss	105,117	93,052
Total financial non current assets	105,123	93,058
Total non current assets	105,141	93,082
CURRENT ASSETS		
Cash and cash equivalents	13,297	16,789
Derivative Financial instrument	–	91
Tax receivables	56	75
Other current receivables	47	55
Total current assets	13,400	17,009
TOTAL ASSETS	118,542	110,092
SHAREHOLDERS' EQUITY		
(including net result for the financial period)	118,233	108,774
CURRENT LIABILITIES		
<i>Non-interest bearing current liabilities</i>		
Trade payables	–	43
Other current liabilities	1	601
Accrued expenses	280	636
Tax liability	27	37
Total current liabilities	308	1,317
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	118,541	110,092

Statement of changes in equity

Parent Company

Parent Company May 1, 2018 – April 30, 2019

(Expressed in EUR thousands)	Restricted equity		Non-restricted equity			Total
	Share capital	Other paid in capital	Retained earnings	Total non-restricted equity		
Opening shareholder's equity	5,405	100,007	26,018	126,025	131,429	
Net result for the period	–	–	-22,879	-22,879	-22,879	
Total comprehensive income for the period	–	–	-22,879	-22,879	-22,879	
Proceeds from rights issue	–	–	–	–	–	
Transaction costs	–	–	–	–	–	
Share-based compensation	–	224	–	–	224	
Balance at April 30, 2019	5,405	100,230	3,139	103,146	108,774	

Parent Company May 1, 2019 – April 30, 2020

(Expressed in EUR thousands)	Restricted equity		Non-restricted equity			Total
	Share capital	Other paid in capital	Retained earnings	Total non-restricted equity		
Opening shareholder's equity	5,405	100,230	3,139	103,370	108,774	
Net result for the period	–	–	9,033	9,033	9,033	
Total comprehensive income for the period	–	–	9,033	9,033	9,033	
<i>Proceeds from rights issue</i>	–	–	–	–	–	
Transactions costs rights issue	–	–	–	–	–	
Employee stock option program	–	426	–	426	426	
Share-based long-term incentive program	–	100,656	12,172	112,829	118,233	
Balance at April 30, 2020	5,405					

Accounting Principles and Notes to the Financial Statements

Note 1 – Accounting principles

This consolidated interim report is prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting principles and methods of calculations have been applied for the Group as for the preparations of the consolidated accounts for the Company for the period May 1, 2019 – October 31, 2019. The Company's annual report for the period May 1, 2018 – April 30, 2019 is available at the Company's website: www.pomegranateinvestments.com

IFRS 9, Financial instruments, is effective from January 1, 2018. The Company has analysed the replacement from IAS 39 to IFRS 9 and have concluded that there is no significant impact on the financial statements of the Company other than additional disclosure requirements.

Note 2 – Related party transactions

In the reporting period May 1, 2019 – Apr 30, 2020 the costs for the long-term incentive programs LTIP 2019 for the management amounted to EUR 54 thousand, excluding social taxes and for the Board of Directors EUR 32 thousand, the costs for the long-term incentive programs LTIP 2018 for the management amounted to EUR 230 thousand, excluding social taxes and for the Board of Directors EUR 74 thousand. See details of the LTIP 2018 and LTIP 2019 in Note 4. During the period Pomegranate has recognised the following related party transactions:

EUR thousand	Operating expenses		Receivables	
	May 1, 2019 – Apr 30, 2020	May 1, 2018 – Apr 30, 2019	May 1, 2019 – Apr 30, 2020	May 1, 2018 – Apr 30, 2019
Management and board of directors ¹	1,177	940	3	3

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

Note 3 – Fair value estimation

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 numbers below are based on the same accounting and valuation policies as used in the Company's most recent Annual Report.

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).

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

EUR thousands	Level 3
Opening Balance May 1, 2019	90,370
Addition to level 3	912
Change in fair value during the year	8,018
Closing balance April 30, 2020	99,300

During the period May 1, 2019 – April 30, 2020 there were no transfers in or out of level 3.

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 unadjusted 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's assets measured at fair value as at April 30, 2020:

2020-04-30	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Total assets	-	5,818	99,300	105,117

The company's assets measured at fair value as at April 30, 2019:

2019-04-30	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Total assets	-	2,773	90,370	93,143

The Company has eight investments as at April 30, 2020 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 105,117 thousand as at April 30, 2020.

International Holding Co. (IIIC)

Pomegranate's holding in International Holding Co. (IIIC) is valued based on the local currency/IRR NAV, which in turn is established after valuation of all its portfolio companies as per end of 1398 (20 march 2020), the valuations are based on a combination of valuation models and last transaction of its portfolio companies. For the three largest holdings Digikala, Café Bazaar and Alibaba Group independent valuations from external independent valuations experts have also been received and used as input for final valuations as per April 30, 2020. The NAV as per April 30, 2020 is IRR 38,611 billion, which corresponds to a value of EUR 251 million for the company and EUR 71.9 million for Pomegranate's stake, using the mid NIMA EUR/IRR spot rate of 153,645 as of April 30, 2020. The Company's holding in International Holding Co. (IIIC) is classified as level 3.

Digikala

Digikala, IIIC's largest portfolio asset, is valued using a combination of different approaches (peer multiples, and DCF. The peer group used to value Digikala includes both listed E-commerce and online fashion peers including Amazon, Jumia, MercadoLibre, Zalando, JD.com, Koogan, Yoox and Asos. The private peer group includes multiples based on transactions in Flipkart, Lazada and Souq. The peer choice also accounts for the Digitstyle online fashion business and expansion of Digikala's market place business.

Café Bazaar

The valuation of Café Bazaar in local currency IRR in the NAV of Sarava is based on model valuation, including DCF and Peer Group EV/Sales multiples applied to Last Twelve Months (1398 Iranian year) and Next Twelve Months (1399 Iranian year). The peer group used for valuation of the Appstore consist among other of TenCent, Netflix, Spotify, Tencent Music, Alibaba, Roku and Zynga. The peers used for valuation of Divar are other private emerging market peers, such as Avito, Carousell, Naukri and iProperty as well as listed peers such as Schibsted, Naspers and Ebay.

Alibaba Group

The valuation of Alibaba Group in local currency IRR in NAV of International Holding Co. (IIIC) is based on a model mainly looking at EV/Sales multiples of listed peers, applied both to Last Twelve Months (1398) and Next Twelve Months (1399) sales. For IIIC's annual valuation an independent investment bank has performed valuation Alibaba Group as per April 30, ➤

Note 3 – cont'd

2020. The peer group used to value Tousha include both listed and private peers such as Ctrip, OneTwoTrip, TongChen, WebJet, HostelWorld, Bookings.com and Expedia.

Sheypoor

As per April 30, 2020 the valuation of Pomegranate's holding in Sheypoor is based on a model valuation using the Last Twelve Month (1398) revenue and Next Twelve Months (1399) revenue forecast and relevant benchmark multiples from Emerging Market Classifieds peers, as well as benchmarked valuations of Unique monthly users, monthly new listings and sessions over the last 12 month period, relative to selected private peers. The model establishes the updated IRR based valuation at IRR 8,057 billion. Pomegranate then translates into EUR based on the spot mid NIMA rate as per April 30, 2020 of 153,645. This results in a EUR value of Sheypoor as per April 30, 2020 of EUR 52.4 million, with a combined value of Pomegranate's direct stake and ESOP of EUR 24.4million.

Griffon Group

Griffon Group consists of Griffon Capital and newly established local investment company Paya Sepidar, focused on local M&A and asset opportunities. As per April 30, 2020 Pomegranate owns 14.8% percent of the outstanding shares Griffon Capital. The valuation of Griffon Capital is based on a P/E benchmark model, applied to actual profit for 2019 which translates into EUR 12.3 million for the whole company, and EUR 1.8 million for Pomegranate's stake, using the mid NIMA EUR/IRR spot rate of 153,645 as of April 30, 2020, and is deemed the best fair value estimate of the company. The valuation of new investment company is valued based on its net asset value as per April 30, 2020, which is EUR 1.7 million for the whole company, and EUR 0.2 million for Pomegranate's stake, using the mid NIMA EUR/IRR spot rate of 153,645 as of April 30, 2020. The combined value of Pomegranate's stake in Griffon Group amounts to EUR 2.1 million as per April 30, 2020. The holding in Griffon Group is classified as level 3.

Griffon Iran Flagship Fund

As per April 30, 2020 the fund investment is valued at the fund's EUR NAV as per April 30, 2020. The holding in Griffon Iran Flagship Fund is classified as level 2.

Griffon Portfolio Managed Account

As per April 30, 2020 the investment is valued at the account's reported IRR based NAV as per April 30, 2020

Change in financial assets at fair value through profit and loss	Opening balance 2019-05-01	Investments/ (disposals), net EUR	Change in fair value	Closing balance 2020-04-30	Percentage of portfolio, %
International Holding Co. (IIIC) *	71,780,326	–	142,155	71,922,480	68.4%
Sheypoor	16,945,871	750,000	6,732,785	24,428,656	23.2%
Sheypoor option	90,779	–	-90,779	–	0.0%
Griffon Capital	326,046	12,071	1,727,883	2,066,000	2.0%
Griffon Iran Flagship Fund	1,959,949	–	3,160,706	5,120,655	4.9%
Griffon Managed Account	812,644	–	-115,586	697,058	0.7%
Navaar	1,000,504	149,441	-311,679	838,266	0.8%
Bahamta	226,859	–	-182,574	44,286	0.0%
Total financial assets held for trading	93,142,979	911,512	11,062,910	105,117,401	100%

*Opening balance relates to Pomegranate's stake and valuation of Sarava Group as per April 30, 2019 pre-decoupling.

translated into EUR at the mid NIMA EUR/IRR spot rate of 153,645 as of April 30, 2020. The holding in Griffon Portfolio Managed Account is classified as level 2.

Navaar

As per April 30, 2020 the valuation of Pomegranate's holding in Navaar is based the last transaction value. The post-money fundraising valuation of IRR 414 billion is deemed to be the best estimate for fair value as of April 30, 2020 and it is then translated into EUR based on the mid NIMA spot rate as per April 30, 2020 of 153,645 . This results in a EUR value of Navaar as per April 30, 2020 of EUR 2.7 million, with a value of Pomegranate's stake of EUR 0.8 million. The holding in Navaar is classified as level 3.

Bahamta

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, and final tranche in August 2019. As per April 30, 2020 Pomegranate's holding in Bahamta is valued based on a model valuation using the Last Twelve Month (1398) revenue and Next Twelve Months (1399) revenue forecast and relevant benchmark EV/Sales multiples from listed fintech companies, finally translated to EUR using the mid NIMA EUR/IRR spot rate of 153,645 as of April 30, 2020. The holding in Bahamta is classified as level 3.

Note 3 – cont'd

		Valuation basis: FX adjusted end 1398 IRR NAV					
		Sensitivity analysis – EUR Value at different EUR development vs IRR					
	IRR bn	EUR million	-20%	-10%	NIMA Mid, Apr 30, 2020	10%	20%
International Holding Co. (IIC)	38,611	251.3	314.1	279.2	251.3	228.5	209.4
Pomegranate stake	11,051	71.9	89.9	79.9	71.9	65.4	59.9

		Valuation basis: Model valuation Apr 30, 2020					
		Sensitivity analysis – EUR Value at different EUR development vs IRR					
	IRR bn	EUR million	-20%	-10%	NIMA Mid, Apr 30, 2020	10%	20%
Sheypoor	8,057	52.4	65.5	58.3	52.4	47.7	43.7
Pomegranate stake	3,753	24.4	30.5	27.1	24.4	22.2	20.4

		Valuation basis: Model valuation Apr 30, 2020					
		Sensitivity analysis – EUR Value at different EUR development vs IRR					
	IRR bn	EUR million	-20%	-10%	NIMA Mid, Apr 30, 2020	10%	20%
Griffon Group	2,151	14.0	17.5	15.6	14.0	12.7	11.7
Pomegranate stake	317	2.1	2.6	2.3	2.1	1.9	1.7

		Valuation basis: FX adjusted latest transaction valuation					
		Sensitivity analysis – EUR Value at different EUR development vs IRR					
	IRR bn	EUR million	-20%	-10%	NIMA Mid, Apr 30, 2020	10%	20%
Navaar	414	2.7	3.4	3.0	2.7	2.4	2.2
Pomegranate stake	129	0.8	1.0	0.9	0.8	0.8	0.7

		Valuation basis: Model valuation Apr 30, 2020					
		Sensitivity analysis – EUR Value at different EUR development vs IRR					
	IRR bn	EUR million	-20%	-10%	NIMA Mid, Apr 30, 2020	10%	20%
Bahamta	47,6	0.3	0.39	0.34	0.31	0.28	0.26
Pomegranate stake	6,8	0.04	0.06	0.05	0.04	0.04	0.04

Loan receivables

The Company has no outstanding loan receivables as per April 30, 2020.

Current liabilities

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

Note 4 – Long term incentive program

LTIP 2018

At the 2018 annual general meeting held on September 6, 2018, it was resolved to implement a share-based long-term incentive program for management and Board of Directors of Pomegranate Investment. The program runs from January 1, 2018 through April 30, 2021, and encompasses a maximum of 140,520 shares, corresponding to a dilution of 2.53% of the total number of shares outstanding. Program participants purchase shares in the company, and for each purchased share is entitled to receive a number of additional shares, so-called performance shares, free of charge, subject to fulfilment of a performance condition set on the basis of the Company's NAV. Pursuant to IFRS 2, the costs for the program will be reported over the profit and loss statement during the period September 6, 2018 through April 30, 2021.

In the reporting period May 1, 2019 – April 30, 2020, the reported base costs for the program amounted to EUR 304 thousand, excluding social fees.

LTIP 2019

At the 2019 annual general meeting held on September 9, 2019, it was resolved to implement a share-based long-term incentive program for management and Board of Directors of Pomegranate Investment. The program runs from January 1, 2019 through April 30, 2022, and encompasses a maximum of 120,650 shares, corresponding to a dilution of 2.18% of the total number of shares outstanding. Program participants purchase shares in the company, and for each purchased share is entitled to receive a number of additional shares, so-called performance shares, free of charge, subject to fulfilment of a performance condition set on the basis of the Company's NAV. Pursuant to IFRS 2, the costs for the program will be reported over the profit and loss statement during the period September 9, 2019 through April 30, 2022.

In the reporting period May 1, 2019 – April 30, 2020, the reported base costs for the program amounted to EUR 85 thousand, excluding social fees.

Note 5 – Employee share option program

	April 30, 2020
Beginning of period (May 1, 2019)	107,500
Expired during the period	-107,500
End of period	-

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

Stockholm, June 22, 2020

Per Brilioth
Chairman

Nadja Borisova

Anders F. Börjesson

Mohsen Enayatollah

Vladimir Glushkov

Note 6 – Risk and uncertainty factors

The Company's risks and uncertainty factors are described in detail in the Company's Annual Report for the period May 1, 2018 – April 30, 2019, on page 34-36.

Information and Contact

Financial information

Annual Report May 1, 2019 – Apr 30, 2020
Six month report, May 1, 2020 – Oct 31, 2020
Twelve month report May 1, 2020 – Apr 30, 2021

August 24, 2020
December 18, 2020
June 18, 2021

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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.



Pomegranate Investment