



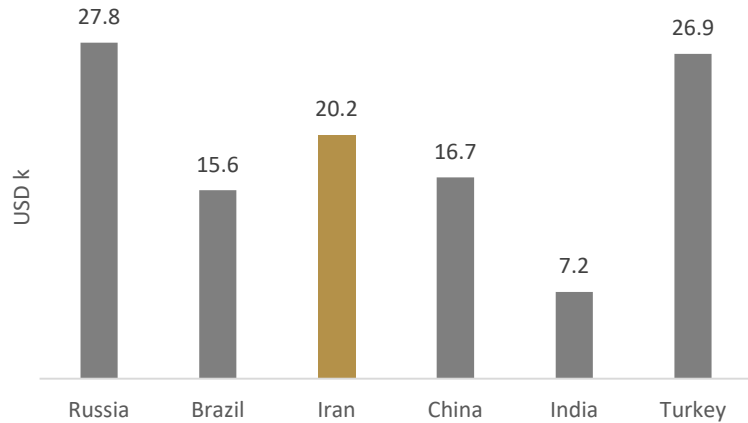
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IRAN OPPORTUNITIES & CHALLENGES

- **LARGE UNTAPPED FRONTIER MARKET**
- **DIVERSIFIED ECONOMY**
- **SECOND LARGEST HYDROCARBON RESERVES**
- **INFRASTRUCTURE IS MORE DEVELOPED AND SOPHISTICATED THAN MOST OF ITS PEERS**
- **RESILIENT ECONOMY**
- **OPEN TO FOREIGN INVESTMENT**
- **LARGE, EDUCATED, COST COMPETITIVE POPULATION**
- **LOW VALUATIONS AND DEEP DISCOUNT COMPARED TO PEERS**

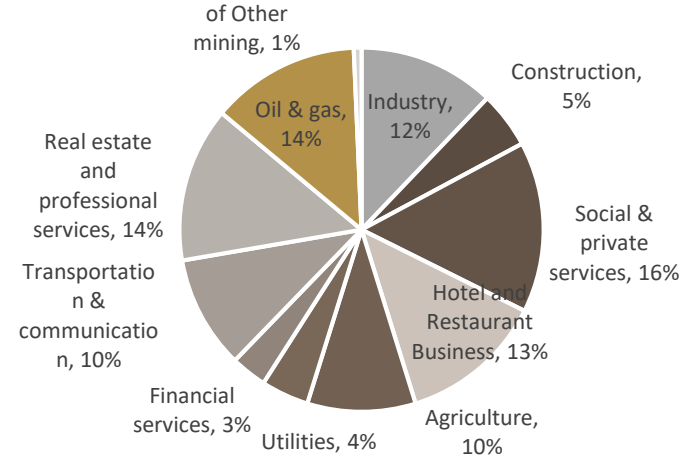
SIZEABLE DIVERSIFIED ECONOMY

Over \$20k GDP per capita (PPP)



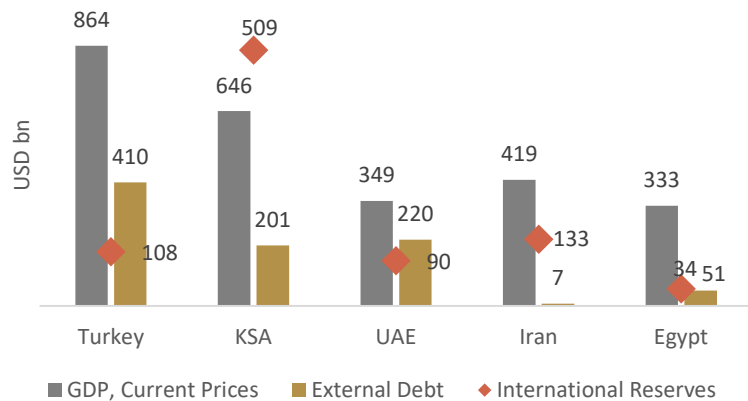
Source: IMF, 2017

Oil accounts for only about 14% of the GDP



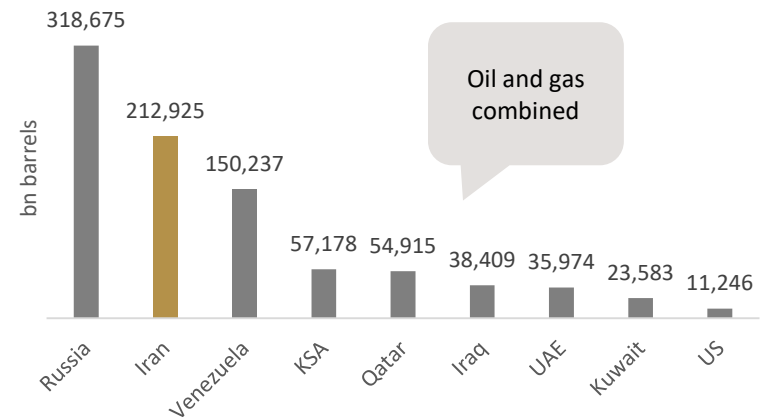
Source: CBI

Lowest external debt in the region



Source: CBI, World Bank, index mundi, 2017

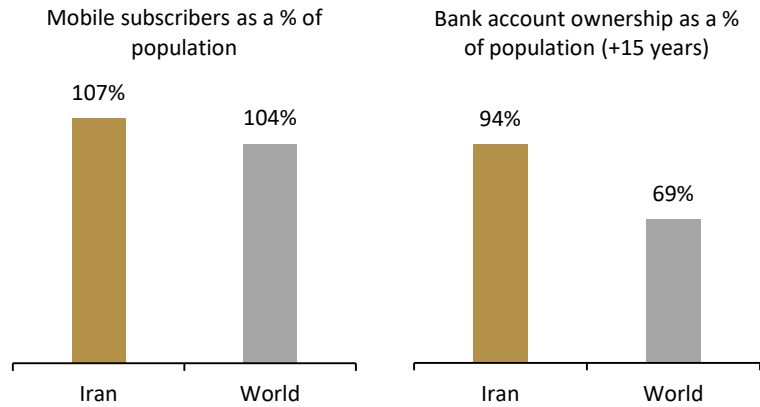
Second largest hydrocarbon reserves in the world



Source: OPEC - 2017

DEVELOPED INFRASTRUCTURE COMPARED TO ITS PEERS

High banking and mobile penetration



Source: World Bank - 2017

Developed infrastructure



54
Commercial
airports



215,157 km
Roads



15
Ports



10,407 km
Railway

Open to foreign investment

FIPPA



Iran's Foreign Investment Promotion and Protection Act (FIPPA) enacted in 2002

FIPPA provides the right incentives for foreign investment such as:

- 100% foreign ownership
- Guaranteed repatriation of principle and profits
- Tax incentives

Capital gains tax rate is 20% in KSA and Turkey

No Tax



No tax on capital gains or dividends
No withholding taxes

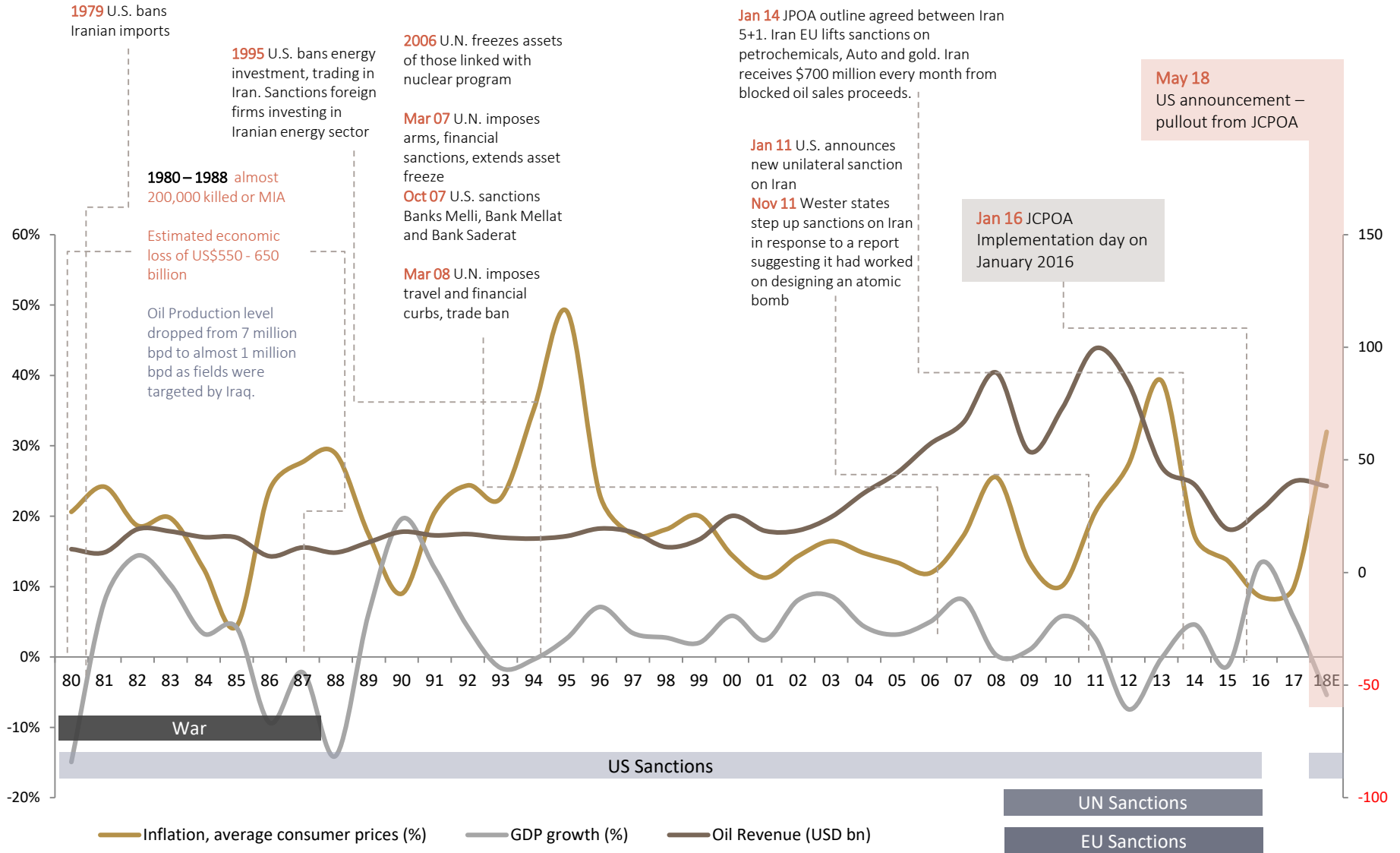
No capital control



There has never been any capital controls for foreign investors in Iran, even during war and sanctions

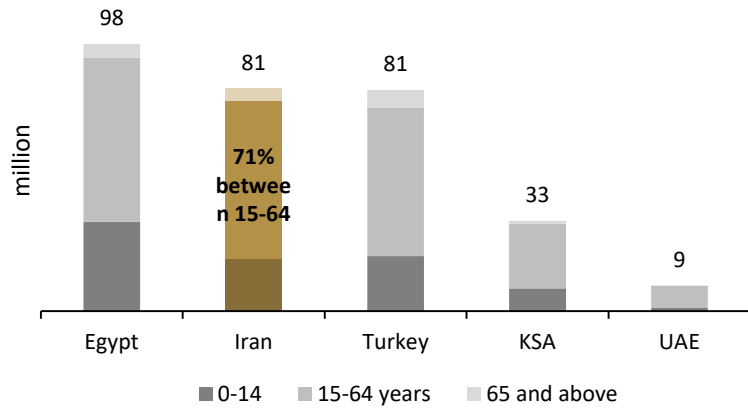
Unlike India currently or Pakistan

STRESS TESTED: RESILIENT ECONOMY DESPITE WAR AND SANCTIONS



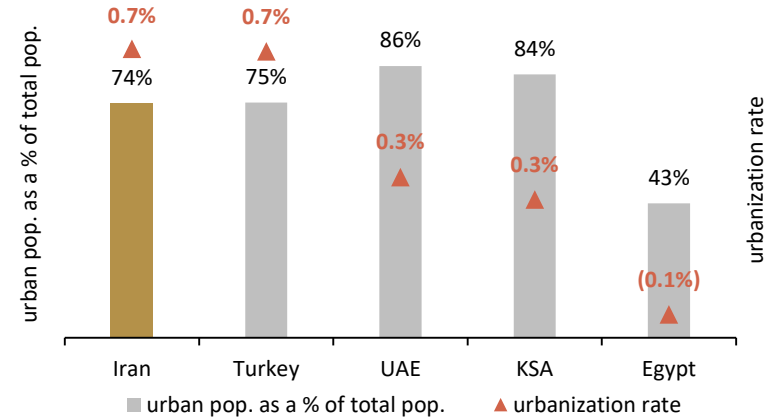
LARGE, EDUCATED, COST COMPETITIVE POPULATION

81 million population growing at 1.1%



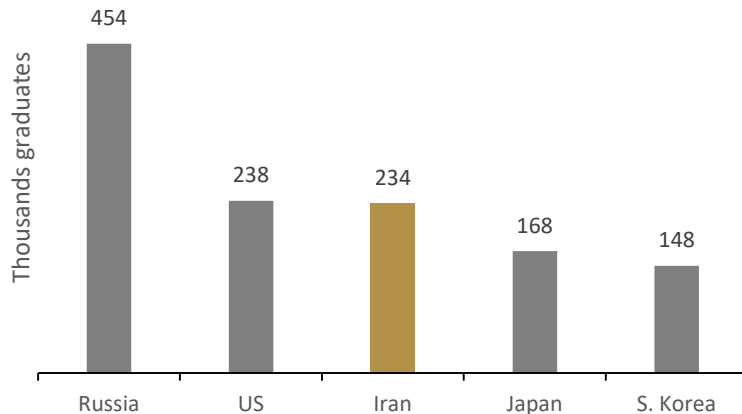
Source: World Bank - 2017

High urban population



Source: World Bank - 2017

3rd highest no. of engineering graduates



Source: World Economic Forum/UNESCO - 2015. Rank our of 124 countries excludes China, India

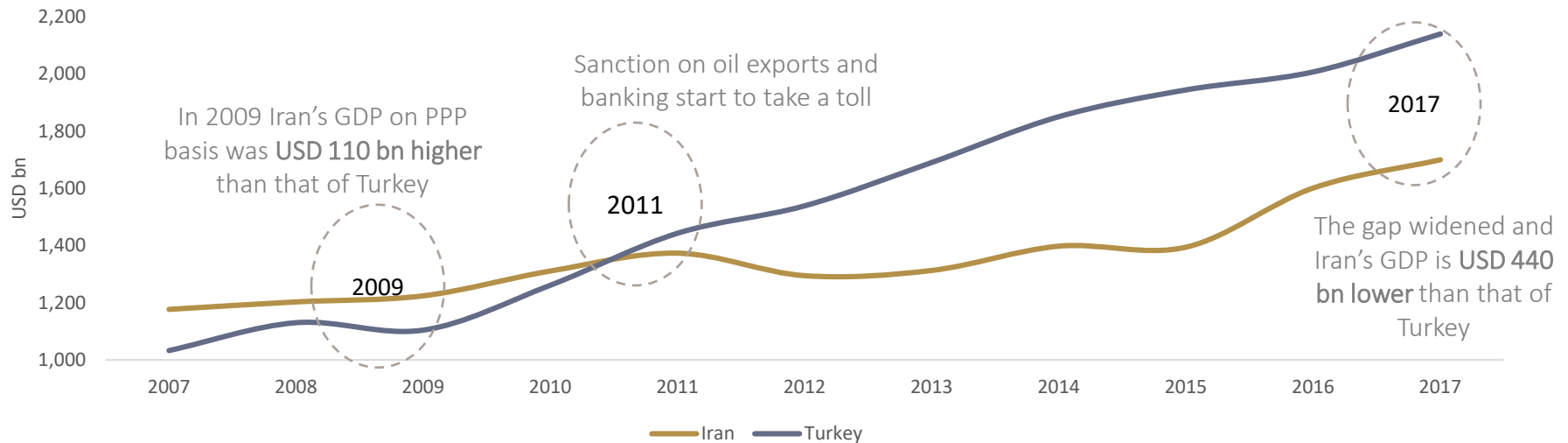
Iran's minimum wage

Country	USD/month
South Korea	1,343
Turkey	1,025
Brazil	422
Russia	300
China	218
Vietnam	107
Iran	100

Source: OECD - 2017; tradingeconomics.com

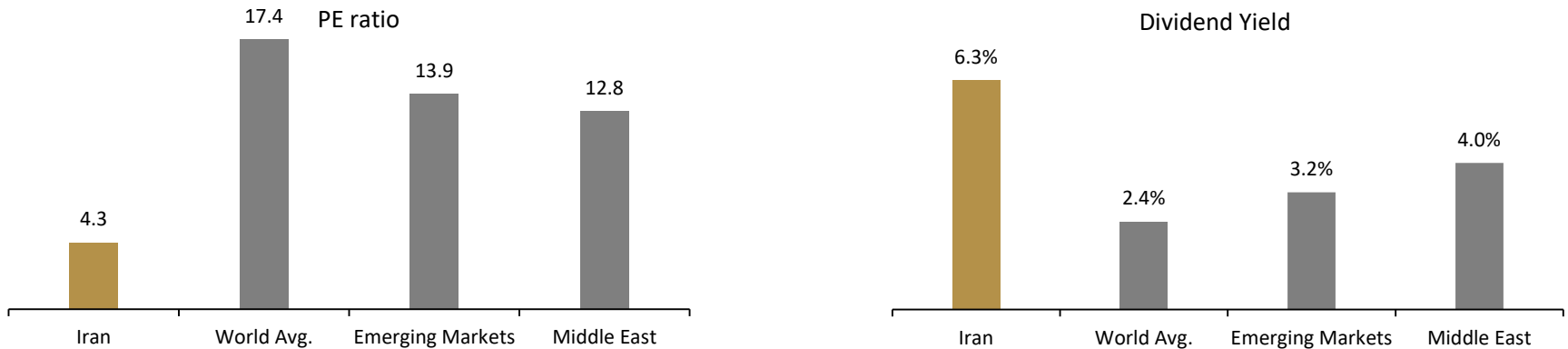
GAP BETWEEN IRAN GDP (PPP) AND TURKEY'S REVEAL THE OPPORTUNITY

Gross domestic product based on purchasing-power-parity (PPP)



Source : IMF 2017

Lowest PE ratio & highest dividend yield



Source: Starcapital.de, Tehran Stock Exchange and Iran Farabourse, all data as of Sep 2018

- **OVER REGULATION**
- **ECONOMIC CHALLENGES**
- **SANCTIONS**
 - **DIFFERENTIATING LEGALITY AND PRACTICALITY**
 - **IMPACT ON THE ECONOMY**

CHALLENGES OF DOING BUSINESS WITH IRAN



**EASE OF DOING BUSINESS
RANK
(OUT OF 190)**

124

60

21

**STARTING A BUSINESS
(DAYS)**

15

6.5

8.5

**DEALING WITH
CONSTRUCTION PERMITS
(DAYS)**

99

103

50.5

**REGISTERING A PROPERTY
(DAYS)**

12

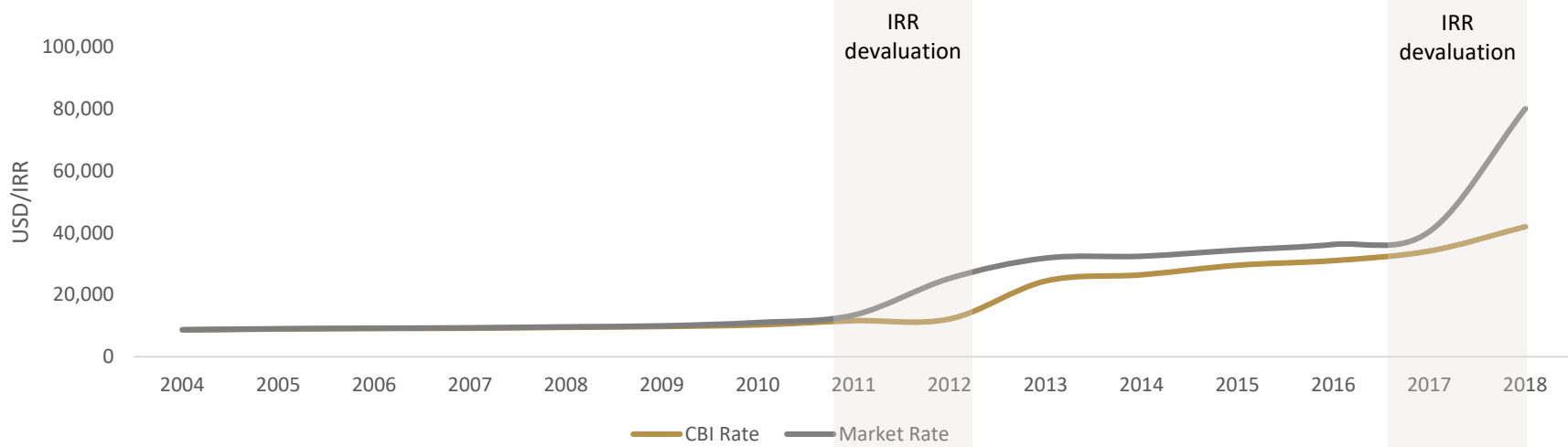
7

1.5

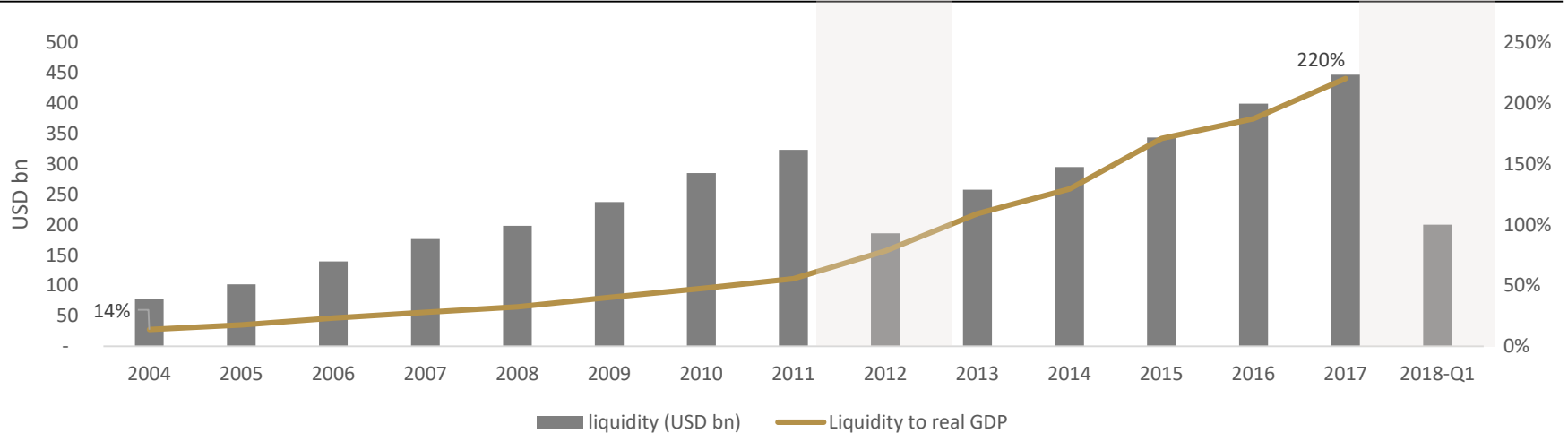
Source: Doing Business report 2018

ECONOMIC CHALLENGES

Currency



Liquidity



Source: CBI

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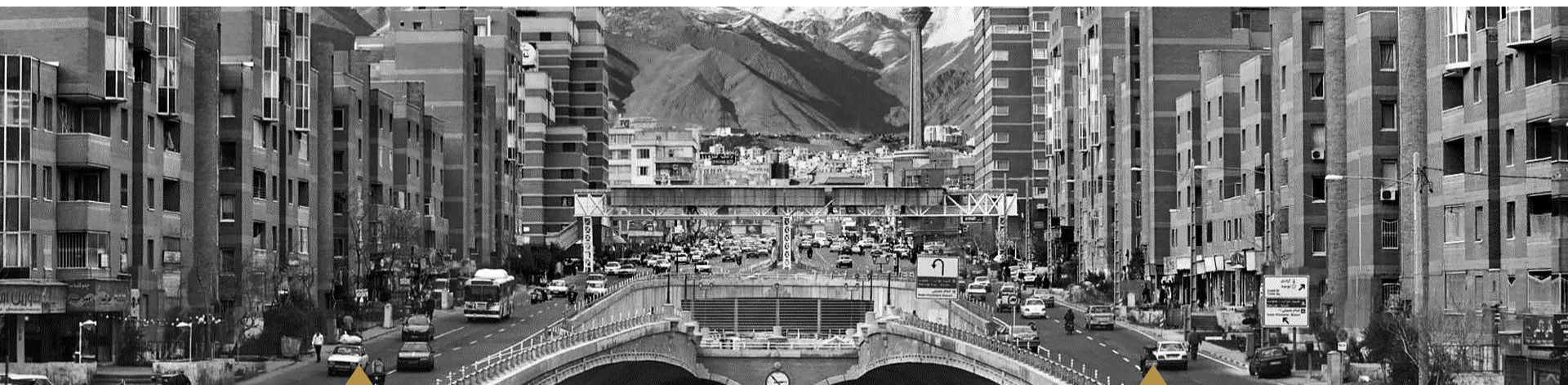
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