In The Name of ALLAH
The Most Compassionate, The Most Merciful.
Innovation & Technology Investment

Hamidreza Amirinia
Iranian has adopted a comprehensive strategy encompassing market-based reforms as reflected in the government’s 20-year vision document and the recently issued sixth five-year development plan for the 2016-2021 period. The sixth five-year development plan remains ambitious, comprised of three pillars, namely, the development of a resistance economy, progress in science and technology, and the promotion of cultural excellence. On the economic front, the development plan envisages an annual economic growth rate of 8% and considers the implementation of reforms of state-owned enterprises, the financial and banking sector, and the allocation and management of oil revenues among the main priorities of the government during the five-year period.

Iran has made the transition from a nominal constitutional monarchy to a democratic theocracy after a referendum. Iran-Iraq war began in 1980 and continued for 8 years.

1979-1989

Ali Akbar Hashemi Rafsanjani becomes president after Iran-Iraq war, the years of his presidency called “Construction period”. Rafsanjani is an influential political people in Iran.

1979-1989

1989-1997

Mohammad Khatami wins presidential election. His period time called “Reforms time”.

1997-2005

Mahmoud Ahmadinejad, Tehran mayor, who campaigned as a champion of the poor and pledged to return to the values of the revolution of 1979, elected president.

2005-2013

Hassan Rouhani wins presidential election. Positive interaction with world is the main goal of his presidential.

2013- now

Iran is a developed country, on first place in the region in the realms of economy, knowledge and technology; with an Islamic and revolutionary identity, an inspiration for the world and with productive and influential interactions in International relations.

2025

Iran Vision
Why Iran? The big consulting each explain somehow …

McKinsey&Company

• Based on MGI findings, Iran has the potential to **grow GDP by 1 trillion USD** and create nine million jobs by 2035.
• This implies an **economic growth rate of 6.3 percent** per year in projected real exchange rates gradually increasing over the next two decades.
• Such growth would require investment of about **3.5 trillion USD** and would increase global GDP by more than 1 percent.

KPMG

• Since the lifting of nuclear related sanctions against Iran in January 2016, Iran has attracted the **attention of international companies** looking to invest in a **diversified market with strong economic fundamentals**.
• Sentiment in the market has been strengthened by a significantly **improved investment climate** driven by Iran’s President Rouhani, who was re-elected to a second term in May 2017.

• Oxford Economics predicts **medium-term growth rates of 4.0% (2016) and 3.7% (2017)**.
• Successfully implemented measures brought inflation down from their peak of >30% in 2013.
• Furthermore, inflation is **expected to decrease slightly** and may have downward potential if imports (esp. food) cheapen after the lifting of sanctions.

**Strengths**

- **Diversified economy** with only one-quarter of GDP from oil and gas
- **Scientific education** producing as many engineers as the US
- **Consuming class** double the proportion of China and Brazil
- **Urban population** twice the proportion of India
- **Entrepreneurial tradition** with vibrant startup community
- **Strategic location** at the crossroads of East and West

**Challenges**

- **Macroeconomic stability** to minimize inflation and currency risk
- **Competitive business and regulatory environment** reducing red tape
- **Flexible labor market** increasing participation and decreasing unemployment
- **Well-functioning financial system** recapitalizing and reconnecting banks
- **Attracting and deploying investment** of 3.5 trillion USD
Iran Startups

Iran Startup Ecosystem & A Fund of Funds Project
Iran’s startup ecosystem is still very young, but growing fast.

Start-ups community (based on ICT) is about 5 years old.

Since 2014, the internet penetration has grown massively and people started to rely on their mobile internet connectivity.

Now, after pioneers efforts (such pioneer VCs, accelerators and community builders) Iran has a real “Start-Up Ecosystem” with various players.
Key players: There are various key players, we included …

- It is true that the number of startups in the last three years has been growing at a very high pace, but Iran still has a small, evolving and shaping ecosystem.

- In this small ecosystem (but growing up) the key players and influencers are limited.

- Different parts of this ecosystem (such VCs, angels and accelerators) are facing with the a lot of new players which are going to be a key player.
Key players: There are various key players, we included …

- It is true that the number of startups in the last three years has been growing at a very high pace, but Iran still has a small, evolving and shaping ecosystem.

- In this small ecosystem (but growing up) the key players and influencers are limited.

- Different parts of this ecosystem and accelerators are facing a lot of new players which are going to be a key player.
Entrepreneurs in Iran enjoy higher status than in France and are on a par with those in the United States, according to the Global Entrepreneurship Monitor. Their inventiveness manifests itself in many ways. With many international companies long restricted from doing business in Iran, local Iranian entrepreneurs have stepped in to fill the gap. The top ten packaged food brands are all domestic, and Iran has home-grown versions of Amazon, YouTube, Uber, and other Internet companies.

The Guardian

Tehran may be thousands of miles away from Silicon Valley, home to the world’s largest hi-tech corporations and most innovative startups, but technologically, Iran’s online entrepreneurs are getting closer – despite mutual political hostility and international sanctions.
Role of government: Iran Government serious determination in ICT and Innovative sectors is visible

- Iran’s ICT Minister is the youngest minister of the country, pushing innovations.
- There are Almost 200 Business incubators and Science & Technology Parks in all over the country.
- Iran Science and Technology ministry pays special attention to Start-Up ecosystem, and has a very supportive presence.
- Not many know, but an international company/person may own 100% of an Iranian company.
- There also exist the FIPA: Developing Foreign Investment Promotion and Protection Act (FIPA) and supporting foreign investment.
The funding support landscape and gap clarifications

Fund of Funds

Shortage of options & alternatives
- Strategic Investors
- Private Equity

Pre-Seed
- Bootstrap

Seed
- Incubator
- Accelerator

Early Stage
- Angel
- VC

A-B-C Round

Late Stage

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Structure of Iranian’s Fund of Funds
# Fund-of-Funds Characteristics

<table>
<thead>
<tr>
<th>Title</th>
<th>Characteristics</th>
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<tbody>
<tr>
<td>Founders</td>
<td>Barkat Ventures, Vice–Presidency for Science and Technology, Islamic Azad University</td>
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<tr>
<td>Focus of Activity</td>
<td>Investment in various investment funds under Security and exchange organization and participation in their establishment. Investment focus is on Venture Capital Funds.</td>
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<tr>
<td>Volume</td>
<td>5000 b Rial in the first step which can be increased to 10000 b Rial</td>
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<tr>
<td>Minimum Investment Commitment</td>
<td>50 b Rial</td>
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<tr>
<td>Life Time</td>
<td>10 Year</td>
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<tr>
<td>Sectors</td>
<td>Fintech, IOT, ICT, E-commerce, Media, E-Health, etc.</td>
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<tr>
<td>Investment Strategy</td>
<td>90% of total investment to be in units of other funds</td>
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<td></td>
<td><strong>At least 60%</strong> of the investment in venture capitals and private equity funds</td>
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<td></td>
<td><strong>Maximum of 30%</strong> of the investment in fixed income funds and securities</td>
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