INVESTMENT IN IRAN'S HEALTHCARE SECTOR
The healthcare sector in Iran is an established market with massive growth potential expected for the near future. With due consideration for unaddressed existing demand, rising demand owing to a sizable population growth rate of 1.3%, along with growing medical tourism segment originating from neighboring countries, the opportunity for investment in this sector is compelling for investors.

Iran’s healthcare system is dominated by governmental presence that has recently initiated a comprehensive plan to modernize the aging infrastructure and inject higher efficiency and productivity into the system through promoting greater participation of private sector in the process. Specifically, the plan has set forth three main objectives of increasing public healthcare spending, improving quality of services, in addition to, improving accessibility to healthcare services.

Due to severe underinvestment and capital starvation in the healthcare industry during the sanctions period, the government has forecasted a $17bn investment requirement in the next five years to meet the mid term demand. Accordingly, due to lack of specialized funds and institutional investment, the government has placed a special emphasis on attracting foreign investment into Iran for development of hospital and other medical center projects.

Griffon has structured the first Private Equity Fund focused on Iran market. It is managed by an accomplished team blending together deep local market knowledge with international experience across all levels.

Griffon utilizes tried and tested fund structures that are fully compliant with international standards of governance and processes.

International players have an established presence in Iran’s pharmaceutical value chain, however, participation in the medical services industry is an emerging trend yet with high propensity. As a prominent player in the regional healthcare landscape, NMC enjoys a clear advantage and is well positioned to seize the unique opportunities available in Iran’s healthcare sector.

With a full-scale investment team on the ground and a notable transaction execution track-record acquired over the past 12 years covering Iran as well as the regional and international markets, Griffon qualifies as a competent partner to set up and manage an Iran focused medical centre development Private Equity fund.
SIZEABLE ECONOMY WITH HIGH GROWTH POTENTIAL

Sizeable economy


Relatively high healthcare awareness

Source: IMF, WEO Apr. 2016, World Bank

Stabilizing economy in post sanctions period

Note: Historical stats from CBI, projections average of EIU, BMI and IMF forecasts
Source: CBI, EIU, BMI, IMF

Favorable macro trends

Economic growth » 4.5-5.0% expected economic growth
Consumption growth » Disposable income growth from relief of sanctions
Rise of middle-class » Large, sophisticated middle class with pent-up demand
Healthcare awareness » Highly educated population with increasing healthcare awareness
LARGE AND AGING POPULATION

2016
80m population

80-84
0.3%
75-79
0.4%
70-74
0.6%
65-69
1.0%
60-64
1.7%
55-59
2.0%
50-54
2.4%
45-49
3.2%
40-44
4.7%
35-39
6.1%
30-34
5.7%
25-29
4.1%
20-24
3.2%
15-19
3.4%
10-14
4.1%
5-9
4.1%
0-4
4.1%

17% over 50
50% under 30
28% over 50
40% under 30

+10.8m
CAGR: 4.2%

2030
89m population

80-84
0.4%
75-79
0.9%
70-74
1.4%
65-69
1.9%
60-64
2.5%
55-59
2.8%
50-54
3.6%
45-49
4.7%
40-44
4.9%
35-39
4.0%
30-34
3.2%
25-29
3.1%
20-24
3.6%
15-19
3.9%
10-14
3.6%
5-9
3.0%
0-4
2.6%

Source: UN, World Population Prospects 2015
Increasing chronic diseases

**New cases of cancer per year**

<table>
<thead>
<tr>
<th>Current</th>
<th>2030 projection</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>85,000</strong> (106 per 100k)</td>
<td><strong>155,000</strong> (174 per 100k)</td>
</tr>
</tbody>
</table>

**Diagnosed by diabetes**

<table>
<thead>
<tr>
<th>Current</th>
<th>2030 projection</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>5m</strong> (6.3% of population)</td>
<td><strong>9m</strong> (10.1% of population)</td>
</tr>
</tbody>
</table>

**Cardiovascular diseases (current)**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>35%</strong></td>
<td>Deaths caused by cardiovascular related disease</td>
</tr>
</tbody>
</table>

**Diagnosed by kidney diseases (current)**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>50k</strong></td>
<td><strong>26k</strong></td>
</tr>
<tr>
<td>Kidney failure</td>
<td>Treated with dialysis</td>
</tr>
</tbody>
</table>

Top causes of death in Iran

<table>
<thead>
<tr>
<th>#</th>
<th>Condition</th>
<th>Rate(^{(a)})</th>
<th>World rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Coronary Heart Disease</td>
<td>179.6</td>
<td>25</td>
</tr>
<tr>
<td>2</td>
<td>Stroke</td>
<td>77.1</td>
<td>100</td>
</tr>
<tr>
<td>3</td>
<td>Road Traffic Accidents</td>
<td>43.5</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>Hypertension</td>
<td>26.4</td>
<td>27</td>
</tr>
<tr>
<td>5</td>
<td>Influenza and Pneumonia</td>
<td>17.2</td>
<td>127</td>
</tr>
<tr>
<td>6</td>
<td>Diabetes Mellitus</td>
<td>16.3</td>
<td>113</td>
</tr>
<tr>
<td>7</td>
<td>Stomach Cancer</td>
<td>15.1</td>
<td>23</td>
</tr>
<tr>
<td>8</td>
<td>Endocrine Disorders</td>
<td>12.8</td>
<td>37</td>
</tr>
<tr>
<td>9</td>
<td>Lung Disease</td>
<td>11.8</td>
<td>138</td>
</tr>
<tr>
<td>10</td>
<td>Breast Cancer</td>
<td>10.1</td>
<td>144</td>
</tr>
<tr>
<td>11</td>
<td>Prostate Cancer</td>
<td>9.0</td>
<td>132</td>
</tr>
<tr>
<td>12</td>
<td>Oesophagus Cancer</td>
<td>8.8</td>
<td>21</td>
</tr>
<tr>
<td>13</td>
<td>Other Injuries</td>
<td>8.4</td>
<td>114</td>
</tr>
<tr>
<td>14</td>
<td>Rheumatic Heart Disease</td>
<td>8.3</td>
<td>33</td>
</tr>
<tr>
<td>15</td>
<td>Low Birth Weight</td>
<td>7.8</td>
<td>86</td>
</tr>
<tr>
<td>16</td>
<td>Alzheimers/Dementia</td>
<td>7.7</td>
<td>30</td>
</tr>
<tr>
<td>17</td>
<td>Lung Cancers</td>
<td>7.7</td>
<td>106</td>
</tr>
<tr>
<td>18</td>
<td>Asthma</td>
<td>7.4</td>
<td>69</td>
</tr>
<tr>
<td>19</td>
<td>Colon-Rectum Cancers</td>
<td>7.3</td>
<td>86</td>
</tr>
<tr>
<td>20</td>
<td>Congenital Anomalies</td>
<td>7.2</td>
<td>110</td>
</tr>
</tbody>
</table>

\(^{(a)}\) Per 100k population

Source: Ministry of Health and Medical Education

Source: WHO
CURRENT HEALTHCARE INFRASTRUCTURE

Characteristics of medical services infrastructure

- There is a severe undersupply of hospital beds and medical centers in Iran
- There is a lack of branding in form of chain franchises and service standardization across all fields consisting of hospitals, labs and pharmacies
- The concept of central lab with small satellite branches does not exist in Iran; all labs are full-fledged setups
- Import duties for healthcare related equipment is low with no plausible local competition
- Operation license is required and issued by MoH

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospitals</td>
<td>924</td>
</tr>
<tr>
<td>Hospital beds</td>
<td>1.7 (per 1,000 population)</td>
</tr>
<tr>
<td>Laboratories</td>
<td>5,500</td>
</tr>
<tr>
<td>Clinics/poly-clinics</td>
<td>3,700</td>
</tr>
<tr>
<td>Imaging/nuclear centers</td>
<td>3,000</td>
</tr>
<tr>
<td>Rehabilitation centers</td>
<td>6,400</td>
</tr>
</tbody>
</table>

Education and Human capital

- Iran is well known to be one of the advanced countries in region in the field of medical sciences education
- Iranian medical professionals have an impressive track record:
  - More than 1.5m eye surgery with 95% success rate per year
  - Over 6,000 coronary transplant every year
  - Heart bypass surgeries with 90% success rate
  - 1,000 bone marrow transplant with 75% success rate per year
  - Plastic and dental surgery, hair transplant and other related surgeries attract hundreds of medical tourists per annum

<table>
<thead>
<tr>
<th>Education</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physicians</td>
<td>1.0 (per 1,000 population) Approx. World avg. 1.7</td>
</tr>
<tr>
<td>Nurses</td>
<td>2.1 (per 1,000 population) Approx. World avg. 4</td>
</tr>
<tr>
<td>Medical schools</td>
<td>52</td>
</tr>
<tr>
<td>Medical/nursing Students</td>
<td>900k (68% female)</td>
</tr>
</tbody>
</table>

Source: Ministry of Health and Medical Education, Iran Statistics Center, CIA Factbook
**HEALTHCARE FACILITIES DISTRIBUTION**

**Hospitals classifications**

<table>
<thead>
<tr>
<th>Hospitals by ownership</th>
<th># of beds:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>96,122</td>
</tr>
<tr>
<td>Others</td>
<td>23,560</td>
</tr>
<tr>
<td>Private</td>
<td>14,561</td>
</tr>
</tbody>
</table>

**Owned by SSO, Armed forces, Charities and ...**

<table>
<thead>
<tr>
<th># of beds:</th>
</tr>
</thead>
<tbody>
<tr>
<td>567</td>
</tr>
</tbody>
</table>

**Hospital types**

- General: 80%
- Specialty: 20%

**Geographic density of hospital beds / 1,000 population**

- 2.0-2.4
- 1.7-2.0
- 1.4-1.7
- 1.1-1.4
- 0.8-1.1
- 0.4-0.8

**Hospitals by ownership**

- Government: 567
- Others: 201
- Private: 156

**Geographic density of practitioners(a) / 1,000 population**

- Out of 48,000 who are directly employed in medical centers
  (Total practitioners, 80k)

(a) Practitioners currently working at medical centers of Iran

*Source: Iran Statistics Center*
Medical services development and healthcare spending

**Healthcare spending per capita (USD)**

- Tehran: 272 USD
- Kohkiluyeh va Boyerahmad: 243 USD
- Fars: 207 USD
- Gilan: 206 USD
- Esfahan: 200 USD
- Semnan: 184 USD
- Kerman: 184 USD
- Hamedan: 171 USD
- Mazandaran: 171 USD
- Qazvin: 162 USD
- Qom: 161 USD
- Markazi: 161 USD
- Ilam: 146 USD
- Khuzestan: 136 USD
- East Azarbaijan: 133 USD
- Zanjan: 131 USD
- Golestan: 127 USD
- Lurestan: 126 USD
- North Khorasan: 125 USD
- Yazd: 124 USD
- Ardabil: 124 USD
- Razavi Khorasan: 120 USD
- Kermanshah: 113 USD
- Kurdistan: 110 USD
- Bushehr: 103 USD
- Hormozgan: 95 USD
- West Azarbaijan: 91 USD
- South Khorasan: 82 USD
- Chahar Mahal va Bakhtiari: 71 USD
- Sistan va Baluchestan: 50 USD

**% of Income**

- Tehran: 6.0%
- Kohkiluyeh va Boyerahmad: 6.0%
- Fars: 10.3%
- Gilan: 7.9%
- Esfahan: 6.6%
- Semnan: 6.5%
- Kerman: 7.0%
- Hamedan: 7.2%
- Mazandaran: 7.3%
- Qazvin: 6.0%
- Qom: 5.7%
- Markazi: 7.9%
- Ilam: 6.0%
- Khuzestan: 8.7%
- East Azarbaijan: 6.4%
- Zanjan: 5.2%
- Golestan: 5.3%
- Lurestan: 6.0%
- North Khorasan: 7.6%
- Yazd: 6.2%
- Ardabil: 4.4%
- Razavi Khorasan: 6.1%
- Kermanshah: 5.5%
- Kurdistan: 6.1%
- Bushehr: 5.2%
- Hormozgan: 4.1%
- West Azarbaijan: 5.4%
- South Khorasan: 4.0%
- Chahar Mahal va Bakhtiari: 3.5%
- Sistan va Baluchestan: 2.7%
- Tehran: 4.0%

**Medical services development ranking**

- Tehran: Rank 1
- Kohkiluyeh va Boyerahmad: Rank 2
- Fars: Rank 3
- Gilan: Rank 4
- Esfahan: Rank 5
- Semnan: Rank 6
- Kerman: Rank 7
- Hamedan: Rank 8
- Mazandaran: Rank 9
- Qazvin: Rank 10
- Qom: Rank 11
- Markazi: Rank 12
- Ilam: Rank 13
- Khuzestan: Rank 14
- East Azarbaijan: Rank 15
- Zanjan: Rank 16
- Golestan: Rank 17
- Lurestan: Rank 18
- North Khorasan: Rank 19
- Yazd: Rank 20
- Ardabil: Rank 21
- Razavi Khorasan: Rank 22
- Kermanshah: Rank 23
- Kurdistan: Rank 24
- Bushehr: Rank 25
- Hormozgan: Rank 26
- West Azarbaijan: Rank 27
- South Khorasan: Rank 28
- Chahar Mahal va Bakhtiari: Rank 29
- Sistan va Baluchestan: Rank 30

Note: Colored by Ranking
Source: CBI

Note: Ranking is based on the overall access to medical services
Source: Shahid Beheshti University of Medical Sciences

Southern and Western provinces need a relatively bigger portion of investment.
**Medical Centre Development Plans**

**Projections**

- Number of hospital beds per 1,000 people is 1.7
- The government has set the target for the ratio to reach 2.6 in 5 years (world’s average, 3.1), which translates to 115k new beds
- Over 50% of current medical centre capacity is categorized as ‘worn out’ needing overhaul and renovation
- Based on the government’s estimates, USD 17bn worth of investment is required in healthcare sector in the next five years

![Hospital bed density (beds/1,000 population)](image)

- Planned to reach by 2030

**Iran’s Healthcare Transformation Plan**

- According to Article 29 of the Constitution, “every Iranian has the right to enjoy the highest attainable level of the health.”
- Iran’s government has taken measures under the Healthcare Transformation Plan (HTP) to fulfill the law
- Increase national budget
- Increase insurance coverage
- Increase access to healthcare
- Reduction of out of pocket expenses
- Renewal of infrastructure
- Improve efficiency

**Number of medical centers needed in coming years:**

- Mega Hospitals: 20
- Dialysis Centers: 412
- Cancer Clinics: 87
- Diagnostics Centers: 500
- Emergency Units: Avg. per Province 750

*Source: Ministry of Health and Medical Education, CIA Factbook*
Health Insurance Coverage

Basic insurance

- Healthcare insurance is offered in two primary forms: Basic and Premium
- According to the law, all Iranian must be covered by one basic Insurance: 1) healthcare insurance of Social Security Organization, 2) Iran Healthcare Insurance
- Additional healthcare coverage as well are offered by private sector insurers as premium insurance plans

<table>
<thead>
<tr>
<th>90% Coverage</th>
<th>50% Out of pocket</th>
</tr>
</thead>
</table>

Social Security Healthcare Insurance

- The biggest pension fund of Iran
- Coverage, **over 50% of the population**
- Subscription is compulsory for all non-governmental employees
- SSO owns 72 hospitals, 282 clinics, and 45k medical staff and sub-contractors
- Most of the expenses are paid in SSO owned hospitals and **35%** (on average) in other medical facilities

Iran Healthcare Insurance

- Iran Healthcare Insurance is a universal healthcare plan covering all Iranians including government employees
- All Iranians who are not currently covered by a health insurance are eligible to receive coverage from this plan
- Use of government-owned medical facilities is free of charge; gov't also bears some other additional expenses
- Coverage is planned to expand in coming years, stimulating more demand

Premium Healthcare Insurance

- Premium insurances offer additional coverage over the basic coverage
- Currently, 10 private insurance companies offer this type of services and the terms and extent of the coverage are varies among insurers

_Source: Social Security Organization, Iran Healthcare Insurance, Central Insurance_
SWOT ANALYSIS OF IRAN’S MEDICAL SERVICES SECTOR

**Strength**
- Advanced and sophisticated human capital in practitioner, education and R&D levels
- High percentage of basic healthcare insurance coverage
- Low import duties on medical equipment
- High emphasis on FDI and FIPPA
- Rationality diverse medical resources with specialized hubs

**Weakness**
- Insufficient specialized practitioners
- Outdated and inefficient management systems
- Lack of advanced local medical equipment manufacture base
- Lack of sufficient private sector investment in training and development of professional skills
- Lack of comprehensive long term healthcare planning and politicization

**Threats**
- Pricing over-regulation
- Populist perception that medical professionals are overpaid; downward pressure on fees
- Complex and overwhelming process of acquiring trade licenses
- Lack of productive health insurance sector; traditional and inefficient infrastructure

**Opportunity**
- Strong economic fundamentals
- Educated and health conscious population
- Growing and aging population
- Under developed and worn out healthcare infrastructure
- Lack of dominant player and medical branding
## Overview

### Sectorial tailwinds

<table>
<thead>
<tr>
<th>Growing economy and rising middle class</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government ambitious plans and drive towards private sector</td>
</tr>
<tr>
<td>Growing and aging population</td>
</tr>
<tr>
<td>Limited healthcare infrastructure</td>
</tr>
<tr>
<td>Growing prevalence of lifestyle diseases</td>
</tr>
</tbody>
</table>

### Diverse opportunities

Current investment opportunities can be categorized in three groups:

1. **Greenfield projects:**
   - Opportunities offered by the government, SSO and projects that can be defined in collaboration with the private sector or international partner

2. **Brownfield projects:**
   - There are a number of unfinished projects that are offered by MoH and SSO
   - Many current operating hospitals and other medical centers need refurbishment and renovation

3. **Acquisition:**
   - Target of acquisitions are hospitals and medical centers currently operating in a good condition with the owners looking to outright sell / partnership
The government has introduced a public-private partnership (PPP) program for four main categories: Hospitals, Cancer treatment centers, Dialysis centers, Medical imaging centers.

**Hospitals**
- Current investment opportunities include:
  - 10 large hospitals (400 beds)
  - 10 mega hospitals (one 600 beds and nine 1,000 beds)
- Projects are scattered all over the country, mostly in underdeveloped regions and cities.
- The government will provide the required land and licenses free of charge.
- 147sqm area is considered per bed (which includes 85sqm medical area and 62sqm for parking area).
- Estimated capital expenditure:
  - For 400 beds, USD 64m
  - For 600 beds, USD 90m
  - For 1,000 beds, USD 168m
- Construction length of time, 3 years.

**Cancer treatment centers**
- Current investment opportunities include:
  - 2 centers with 1 linear accelerator (type A)
  - 2 centers with 3 linear accelerators (type B)
  - 1 center with 4 linear accelerators (type C)
- All located in Shiraz, Fars province, as one of the provinces with the highest demand.
- The government will provide the required land and licenses free of charge; contracts are in form of BOO or BOT.
- Estimated capital expenditure:
  - For type A, USD 9m
  - For type B, USD 18m
  - For type C, USD 35m

**Dialysis centers**
- Current investment opportunities include:
  - ROT contracts or long term lease for existing centers
  - BOT contracts for new centers
- Covering all regions and cities.
- The government will provide the required land for free and licenses free of charge.

**Medical imaging centers**
- Current investment opportunities include:
  - ROT contracts or long term lease for existing centers
  - BOT contracts for new centers
- Covering all cities and regions.
- The government will provide the required land for free and licenses free of charge.
- Estimated total investment, USD 286m.

Source: Ministry of Health and Medical Education
**Sample of Brownfield and Acquisition Cases**

<table>
<thead>
<tr>
<th>Brownfield opportunities</th>
<th>Acquisitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The Ministry of Health and Medical Education has a set of unfinished projects that are offered for co-investment</td>
<td>• Acquisition targets are operating medical centers with potential for growth and higher performance</td>
</tr>
<tr>
<td>• A sample of brownfield opportunities:</td>
<td>• In our preliminary market screening, we have detected some targets for acquisition. As a sample:</td>
</tr>
<tr>
<td><strong>Offered by MOH &amp; ME:</strong></td>
<td></td>
</tr>
<tr>
<td>1. Four 1,000 beds hospital in Tehran</td>
<td></td>
</tr>
<tr>
<td>2. Two 2,000 beds hospital in Mashhad and Ahvaz</td>
<td></td>
</tr>
<tr>
<td>3. Three 1,000 beds hospitals in populated cities of Tabriz, Shiraz and Sari</td>
<td></td>
</tr>
<tr>
<td>4. Six 500 beds hospitals around the country</td>
<td></td>
</tr>
<tr>
<td>• Brownfield projects are also offered by the private sector</td>
<td></td>
</tr>
<tr>
<td><strong>Private 400 beds hospital:</strong></td>
<td></td>
</tr>
<tr>
<td>• Located in Abadan, 25km away from Iraq borders</td>
<td></td>
</tr>
<tr>
<td>• Attractive for medical tourism purposes</td>
<td></td>
</tr>
<tr>
<td>• Invested capital USD 6.1m with overall 30% progress</td>
<td></td>
</tr>
<tr>
<td>• Required licenses and permissions granted</td>
<td></td>
</tr>
<tr>
<td><strong>A 50 beds specialty women hospital:</strong></td>
<td></td>
</tr>
<tr>
<td>• Established in 2006</td>
<td></td>
</tr>
<tr>
<td>• One owner and founder</td>
<td></td>
</tr>
<tr>
<td>• Located in Tehran</td>
<td></td>
</tr>
<tr>
<td>• 10,000 sqm land</td>
<td></td>
</tr>
<tr>
<td>• ISO 9001 certificate for management quality</td>
<td></td>
</tr>
<tr>
<td>• Specialty for women and child delivery</td>
<td></td>
</tr>
<tr>
<td>• Departments: IVF, Genetics, Fetus screening, Phycology and Breast diseases</td>
<td></td>
</tr>
<tr>
<td>• Divisions: ICU, CCU, Post – NICU, Operation rooms, Maternity ward, Emergency room</td>
<td></td>
</tr>
<tr>
<td>• Para clinical divisions: Pathology, Laboratory, Sonography, Pharmacy, Radiology</td>
<td></td>
</tr>
</tbody>
</table>
**What do we do**

Griffon Capital is an **Asset Management** and **Private Equity** group focused solely on the Iranian market.

**What sets us apart?**

<table>
<thead>
<tr>
<th>Local / International Team</th>
<th>Strategic Shareholders</th>
<th>Public and Private Equity</th>
<th>Licensed and Regulated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Founded and managed by a unique mix of shareholders and senior management on-the-ground in Iran. The team has extensive experience in the Iranian market and has worked many years for top-tier global financial institutions as well. Our team is further strengthened by a team of world class senior advisors who ensure that we align ourselves with best international practices.</td>
<td>Backed by a group of strategic shareholders, which include European and Middle Eastern family offices and international investment companies with extensive frontier market experience. These shareholders significantly increase the reach of our network and our ability to seed various investment vehicles and products offered by our business units.</td>
<td>One of Griffon’s key differentiating factors is our competency to cover the whole spectrum of public and private equity markets. Aside from being able to provide a broader array of products to our investors, leveraging sector information from the public market as well as Private Equity insight, provides our team with a 360’ view of the opportunities.</td>
<td>Our Asset Management and Corporate Finance Advisory platforms are fully licensed and regulated by the Securities and Exchange Organization (SEO) of Iran. We develop extensive in-house research covering over 16 sectors. Our Corporate Finance team has a successful track record of completing transactions for leading international clients.</td>
</tr>
</tbody>
</table>
Asset Management

- Offering **bespoke portfolio management services** that satisfy a broad mix of investor requirements
- Feb 2016 launch - The Griffon Iran Flagship Fund SP- open ended fund investing in listed equities
- Investment philosophy and strategy based on fundamental, bottom up, proprietary research
- Strong team **on-the-ground**- 50 years combined (domestic & international) investment management experience coupled with analysts’ proprietary research covering 15 sectors
- Structure to allow institutional access
  - Transparent and regulated structure
  - **Robust sanctions compliance framework** structured by Herbert Smith Freehills London
  - Cayman CIMA registered Fund with Fully licensed and regulated Domestic Manager
- Institutional standard risk framework and corporate governance

Private Equity

- Launched **the First Private Equity fund** for Consumer-driven sectors of Iran
- Structuring and Offering **Specialized funds** for investment in specific sector
- Unparalleled access to a **proprietary pipeline of deals**
  - Building on the strength of our corporate finance team with 12 years experience in Iran
  - Unique position in the local ecosystem
  - Deep and extensive local network
- Focus on **value enhancement**
  - International level of corporate governance
  - Focus on reporting and auditing
  - Improve operational efficiency
  - Clear path to exit
OVERVIEW OF OUR PRODUCTS

Griffon Capital

ASSET MANAGEMENT

DISCRETIONARY MANAGED ACCOUNTS

GIFFUND SP

PRIVATE EQUITY

IRAN CONSUMER PRIVATE EQUITY FUND

Strategy: Equities / Multi Asset
Min account: Euro 1 million
Manager: Griffon AM

Strategy: Listed equities
Min Sub: Euro 125 k
Manager: Griffon AM
Launch date: Feb 2016
Lock up: 6 months
Liquidity: monthly dealing + notice periods

JCPOA: Joint Comprehensive Plan of Action is the name of agreement recently reached on Iran’s nuclear program and lifting of related sanctions
**Chronology of Griffon Capital Activities**

- **Griffon founded / ABIC integrated**
- **First cross border M&A deal closed**
- **Cayman based SPC established**
- **Operating license from SEO**
- **Asset Management license from SEO**
- **Fund license from SEO** (only one in recent years)
- **Fund raising**
- **Starting actively marketing the fund**
- **2002 ABIC established**
  - Phase One, foreign clients
    - Project development services
    - Project finance advisory
  - Phase Two, domestic clients
    - Transaction advisory
    - Corporate finance advisory
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