

MEDIA RELEASE

Ascent Capital Makes Investment into Frontiiir, Leading Internet Service Provider in Myanmar

SINGAPORE, 24 June 2020 – Ascent Capital Partners Pte. Ltd. (“Ascent Capital”), a Singapore-registered fund management firm, today announced its first investment in Myanmar via its Myanmar-focused private equity fund, Ascent Myanmar Growth Fund I LP (“AMGF”). Managed by Ascent Capital, AMGF will lead a combined US\$26 million minority investment in Myanmar’s leading internet service provider, Frontiiir Pte. Ltd. (“Frontiiir”).

Mr. Lim Chong Chong, Founder and Managing Partner of Ascent Capital said: “The telecom, media and technology (“TMT”) sector is part of our focus, and this landmark investment is driven by our belief that internet access is an essential service which can improve lives, reduce inequalities and drive economic growth, especially in emerging markets like Myanmar. By supporting Frontiiir, a leading and trusted player in the TMT sector in Myanmar, we are furthering our commitment to make a positive impact in the country through investing in and building successful and sustainable businesses, and ensure communities can access affordable digital solutions.”

Established in 2013, Frontiiir is now a top data carrier in Myanmar, delivering internet services under the name Myanmar Net, serving 1.6 million users in over 360,000 households. Frontiiir also has an established presence in four States and Regions in Myanmar - Yangon, Mandalay, Mawlamyaing and Bago - and is well-positioned to expand nationwide to meet its vision of bridging the country’s digital divide and providing affordable digital services. Frontiiir has previously received support from distinguished local and international organisations, including UK-based CDC Group, Japan’s Daiwa PI and Delta Capital Myanmar.

Dr. Wai Lin Tun (a.k.a) Dr. Godfrey Tan, Chairman and Chief Executive Officer of Frontiiir said, “Frontiiir is very glad to receive the Ascent Myanmar Growth Fund’s first investment in Myanmar, and wholeheartedly welcome our newest partner. The fact that Frontiiir can raise capital from venerable institutions such as Ascent Capital amid the global Covid-19 pandemic is a testament to its strong business ethics and conduct, and its deep passion to create jobs and have a positive social impact in Myanmar. It also underlines Frontiiir’s ability to create long-term value for stakeholders, and its track record in helping bridge the digital divide in Myanmar. AMGF’s investment, along with the additional CSR fund, are timely and can provide the stimulus needed to increase access to affordable internet especially in lower income regions of the country.”

Ascent Capital plans to set aside additional funds from its Ascent CSR Fund, over and above AMGF’s investment into Frontiiir, to mitigate the economic impact of COVID-19. Through Frontiiir, these funds will focus on enhancing gender inclusiveness and ensuring equitable access to quality education, and further Frontiiir’s vision to bridge the digital divide in Myanmar.

The COVID-19 pandemic has led to a sharp increase in demand for Frontiiir’s services. The Myanmar government has made e-commerce a priority in its COVID-19 Economic Relief



Plan¹, encouraging retail businesses to move to online commerce and pledging to develop a central e-commerce platform for local businesses. “As an internet service provider, Frontiir is expected to be at the forefront for Myanmar’s ongoing move to digitise its businesses, cementing its position as one of the most trusted internet service providers in the country,” added Mr. Lim.

In 2019’s Myanmar Digital Economy Roadmap, Myanmar’s Ministry of Planning and Finance reported 40%² of its population were internet users. The Roadmap also aimed to increase the percentage of internet users to 45% by 2020, and 50% by 2025.

The country also has an average fixed broadband download speed of 18.0Mbps³ as of May 2020, which represents a jump of 29.3% from May 2019. Although it remains far below the 2019 global average download speed of 63.85Mbps⁴ for fixed broadband, this growth is nevertheless notable, considering the recent liberalisation of the country’s telecommunications sector in 2013. Furthermore, fixed broadband penetration is rather low in single digits and Frontiir is the undisputed leader in increasing broadband penetration.

AMGF was established in 2018 and is the world’s largest Myanmar-focused private equity fund. Its mandate is to focus on companies in the consumer, education, financial services, healthcare, logistics, technology, media, and telecommunications sectors in the nascent Myanmar economy. The Fund is supported by strategic institutional, corporate and individual investors with long successful track records of investing and building businesses across sectors globally and in Myanmar. Anchor investors include Myanmar’s Aung Moe Kyaw, Founder and Co-Chairman of Myanmar Distillery Company Ltd, one of the country’s most successful companies and owners of the Grand Royal whiskey brand, and Singapore’s Tony Chew, Co-Founder of MDC Group and Chairman of Asia Resource Corporation. Other key investors include Temasek, the Asian Development Bank and JG Summit Holdings from the Philippines.

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¹ Overcoming as One: COVID-19 Economic Relief Plan-CERP. (2020, April 27). Retrieved June 12, 2020, from <https://www.moi.gov.mm/moi:eng/?q=news/28/04/2020/id-21511>

² Digital Economy Development Committee. (2019). Myanmar Digital Economy Roadmap. Retrieved from <https://myanmar.gov.mm/documents/20143/9096339/2019-02-07+DEDC+RoadMap+for+Websites.pdf/>

³ Republic of the Union of Myanmar’s Mobile and Broadband Internet Speeds. (2020, May). Retrieved June 17, 2020, from <https://www.speedtest.net/global-index/republic-of-the-union-of-myanmar>

⁴IN-DEPTH ANALYSIS OF CHANGES IN WORLD INTERNET PERFORMANCE USING THE SPEEDTEST GLOBAL INDEX. (2019, September 4). Retrieved June 12, 2020, from <https://www.gsma.com/membership/resources/in-depth-analysis-of-changes-in-world-internet-performance-using-the-speedtest-global-index/>

About Ascent Capital Partners Pte. Ltd.

Ascent Capital Partners Pte. Ltd. (“Ascent Capital”) is a private equity firm headquartered in Singapore and registered with the Monetary Authority of Singapore. The firm manages a Myanmar-focused investment fund - Ascent Myanmar Growth Fund I LP (“AMGF” or the “Fund”), which is the largest Myanmar-focused investment fund globally. Ascent Capital has offices in Singapore and Yangon, Myanmar.

Ascent Capital seeks to make a positive impact through investing in and building successful and sustainable businesses, and to be the trusted partner of choice for business owners and management teams in Myanmar. It adopts a sector-agnostic investment approach, with special interest in consumer-related, education, financial services, healthcare, logistics and TMT (telecom, media and technology) sectors, aiming to invest at least US\$5 million in each company. The Fund is supported by strategic institutional, corporate and individual investors with long successful track records of investing and building businesses across sectors globally, including Myanmar.

Ascent Capital is founded by partners with deep regional investment and local operating experiences and who are believers in Myanmar’s immense growth potential. Ascent Capital is dedicated to supporting, investing and building Myanmar businesses for the long term and seeks to bring an extensive global network, coupled with deep management and sectoral expertise to drive growth, strategy, operational and financial improvements.

Ascent Capital is committed to a responsible investment philosophy, and are guided by the United Nations Sustainable Development Goals (UN SDGs) and Myanmar Sustainable Development Plan. In particular, the firm actively supports the following four UN SDGs in its investment activities – Goal 1: zero poverty, Goal 4: quality education, Goal 8: gender equality, Goal 8: decent work and economic growth. The firm seeks to create shared value for all its stakeholders, by generating superior risk-adjusted financial returns, alongside measurable positive social, economic or environment impact.

About Ascent Myanmar Growth Fund I LP

Ascent Myanmar Growth Fund I LP (“AMGF” or the “Fund”) is a Myanmar-focused private equity fund managed by Ascent Capital Partners Pte. Ltd. It is the largest Myanmar-focused investment fund by capital commitments.

The Fund focus on providing strategic, long-term growth capital to Myanmar businesses with potential to become local and regional champions. It invests in mid-market opportunities, and targets investment opportunities of at least US\$5 million.

The priority sectors of focus are consumer, education, healthcare, financial services, logistics and TMT (telecom, media and technology). It is also open to unique opportunities in other sectors which have the potential to leverage on Myanmar’s long-term growth investment thesis.

The Fund is supported by global institutional and regional strategic investors, who bring valuable extensive global network, as well as deep management and sectoral expertise to add strategic value to the Fund’s investee companies. These include the anchor investors - Myanmar’s Aung Moe Kyaw, Founder and Co-Chairman of Myanmar Distillery Company Ltd, and Singapore’s Tony Chew, Co-Founder of MDC Group and Chairman of Asia Resource Corporation, as well as Temasek, the Asian Development Bank and JG Summit Holdings.

About Frontiir Pte. Ltd.

Since its founding in January 2013, Frontiir's mission is to provide high-quality, affordable digital access and useful information services to people and help bridge the global digital divide. Led by a MIT-trained Myanmar-born computer scientist with world-class expertise in information and communications technologies, Frontiir leverages its innovative and highly capital-efficient access network technology to deliver affordable, fast and reliable fixed broadband service for home and business use.

The Frontiir team of 2,300 is 99% Myanmar-born, and proud of its home-developed innovative technology and above-and-beyond customer service, to deliver a high-performing yet affordable internet service via its Myanmar Net brand, which has the most broadband subscribers in Myanmar and powers Myanmar's rising broadband penetration since 2016. While the headquarters and main operations are in Myanmar, Frontiir also has research centers in Silicon Valley, the Philadelphia area and Singapore.

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