

MPE & VCA

Myanmar Private Equity &
Venture Capital Association

SGB Toolkit

Overview of Key Investment
Terms and Investors in
Myanmar

2021



SGB Toolkit Overview



SGB Toolkit: Overview

	MEIP – SGB Toolkit
Intention / Purpose	A standardised “first” guide for small and growing businesses (SGBs) to outline the investment process, key sources of investments, Myanmar investment landscape, different investor types and key requirements as well as brief investor profiles to facilitate informed discussions between SGBs and investors.
Audience	SGBs* in Myanmar <ul style="list-style-type: none">• Commercially Viable Businesses• Employees: 5-250 Employees• Typical Growth Capital: US\$ 50,000 – US\$ 2,000,000
Approach	<ul style="list-style-type: none">• A standardised guide based on global and regional secondary research backed by inputs from the Myanmar Private Equity and Venture Capital Association (MPE&VCA) members• Investor requirements in Myanmar obtained through primary interviews with MPE&VCA members

Note: *As defined by the [Aspen Network of Development Entrepreneurs \(ANDE\)](#)

Investment Overview



What is Investment?

Investment provides resources and capital to scale businesses in exchange for an ownership in the case of equity investment or interest in the case of debt financing, helping business to grow faster.



Seed Stage

Company develops product or concept, possibly with initial investments or more commonly through personal savings.



Early Stage

Company gains traction and improves basic operational processes.



Mid Stage

Company has a product-and-market fit and user growth.



Late Stage

Company starts to expand into new markets or scale operations.



Mature Stage

Company exhibits strong growth and continues to expand or exits to realise returns.

External growth capital provides the opportunity for small businesses to expand, build industry networks and help manage risks.

What is Debt and Equity Financing?

While both debt and equity financing are commonly used to grow businesses, depending on the business requirements and SGB type, one may be more suitable over the other.

Debt Financing

Equity Financing

Overview	Money borrowed and required to be paid back along with the interest over a certain time period	Raising investment capital in exchange for company's shares
Capital source	Banks and DFIs	Friends and Family, Angel and Seed Investors, Accelerators, VC Firms, PE firms, DFIs
Target SGB Type	<ul style="list-style-type: none">• Companies with collateral• Requires a more short-medium term financing solution without giving up ownership• Has steady cash flow to make interest payments	<ul style="list-style-type: none">• Business with high growth potential• Willing to share ownership in exchange for investor's expertise and network to accelerate company's growth
Key Benefits	<ul style="list-style-type: none">• Maintains full ownership of the company• Preferred by those with collateral	<ul style="list-style-type: none">• Access to investor network and expertise• Reduces financial burden
Key Obligations	<ul style="list-style-type: none">• Required to pay back more with interest in a timely manner• Requires collateral, usually real estate	<ul style="list-style-type: none">• Allocate agreed company shares to investors• External accountability, shared decision making• Meet key milestones agreed with investors

Note: There is a spectrum of options available including convertible debt, and private equity firms are also able to offer debt financing to some extent

What are the Key Sources of Investment?

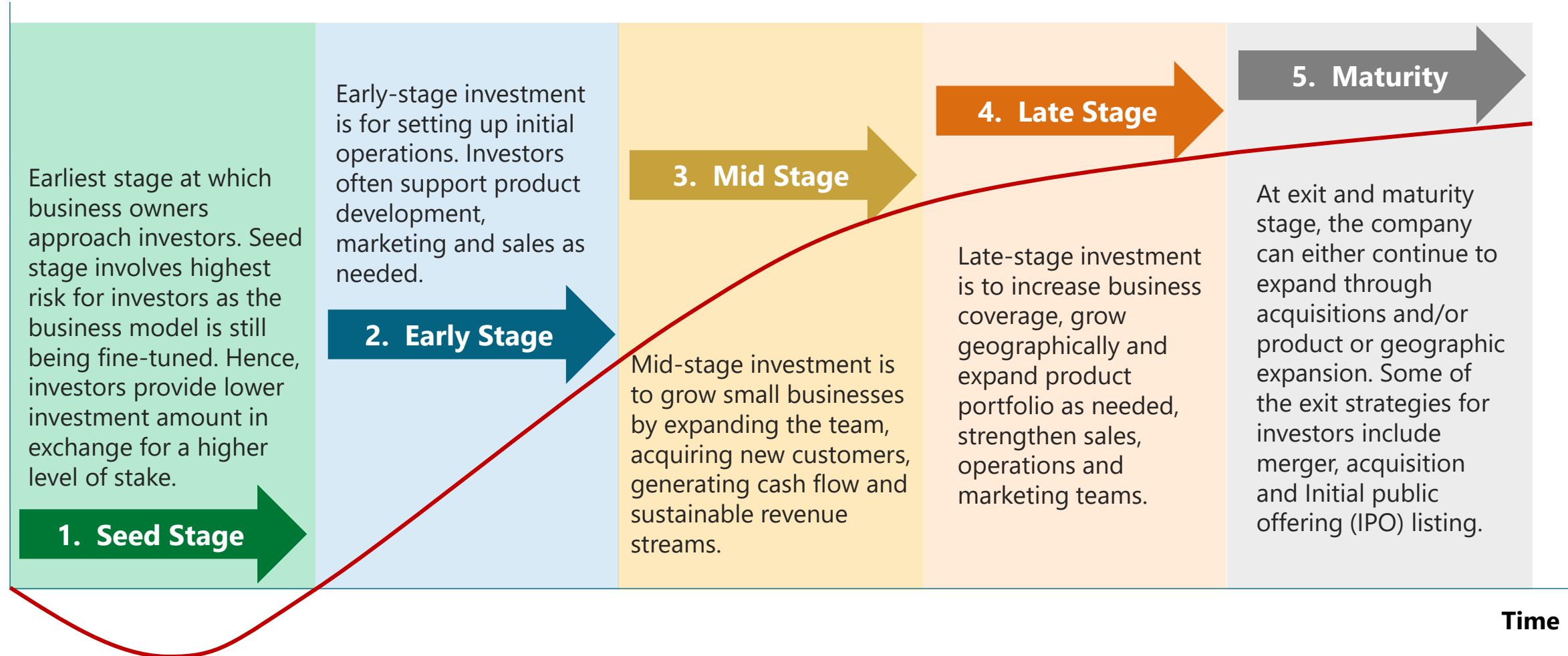
There are different investment sources that entrepreneurs can choose to accelerate business growth.

Sources of Investment	Description
Friends and Family	"Friends and Family", and the extended network of the business owners who invest or provide loan before the seed stage.
Angel Investors	Individuals, usually high-net-worth individuals, who fund start-ups at the early stages, often with their own money.
Seed Investors	Investors who provide seed capital i.e. usually funds used to pay for initial costs of establishing a business such as developing a business plan, research and development or other initial operating expenses.
Accelerators	Accelerators offer fixed short-term (3-6 months) structured training programs in the form of cohort-based mentorship and occasional financial support to early stage companies.
Incubators	Incubators help early stage businesses over a 1-5 year period by providing work space, administrative support, training, mentorship, access to investors and capital, either for a fixed fees or for an equity stake.
Venture Capital Firms	Invest in firms that exhibit high growth potential in exchange for an equity stake, usually at early stages of a company. VCs target firms who are looking to commercialise their idea with a high risk – high return approach.
Private Equity Firms	Medium to long term capital investment made into private companies that are not publicly traded in exchange for an equity stake. Unlike Venture Capital Firms, they target larger and more established companies.
Banks (SME Loan)	Banks provide SME Loan, a form of funding and support for small and medium sized enterprises.
Grant Funding	Grants are mainly offered by government or development organisations with no repayment obligations. However, the grantee is required to achieve certain operational, commercial and financial key performance indicators (KPIs), jointly discussed, before the grant is awarded.
Public institutions/ DFIs	Government-funded entities that support sustainable private sector development through loans and equity investment. Development Finance Institutions (DFIs) invest in responsible businesses that uphold environmental, social and corporate governance (ESG) principles.
Institutional/ Retail investors (IPO)	During Initial public offering (IPO), shares are sold to institutional or retail investors through a stock market listing. IPOs can be used to monetise investments of private shareholders and to facilitate trading of existing holdings or for future fundraising.

What are the Business Stages for Investment?

Investments can be sought throughout the company's lifecycle, categorised into five broad stages.

Cash Flow



Which Business Stages do Investors Target?

Depending on the types of investors, funding can be provided at different stages of the business with varying investment sizes.

Stages	"1. Seed Stage"	"2. Early Stage"	"3. Mid Stage"	"4. Late Stage"	"5. Maturity"
Key Operations	Idea Formation	Start-up	Growth	Scale	Mature
Type of Investors	Friends & Family	Venture Capital			
	Angel Investors			Banks (SME Loan & Grant Funding)	
	Seed Investors		PE Firms		
	Incubators			Public Institutions/ DFIs	
	Accelerators				Institutional/ Retail Investors (IPO)
Indicative Investment Size	US\$ <50K	US\$ 30K – 500K	US\$ 300K – 2 Mn	US\$ 1 Mn – 10 Mn	US\$ >10 Mn

Note: Investors are also able to pool financing by partnering with other different types of investors as well.

Myanmar Investor Landscape



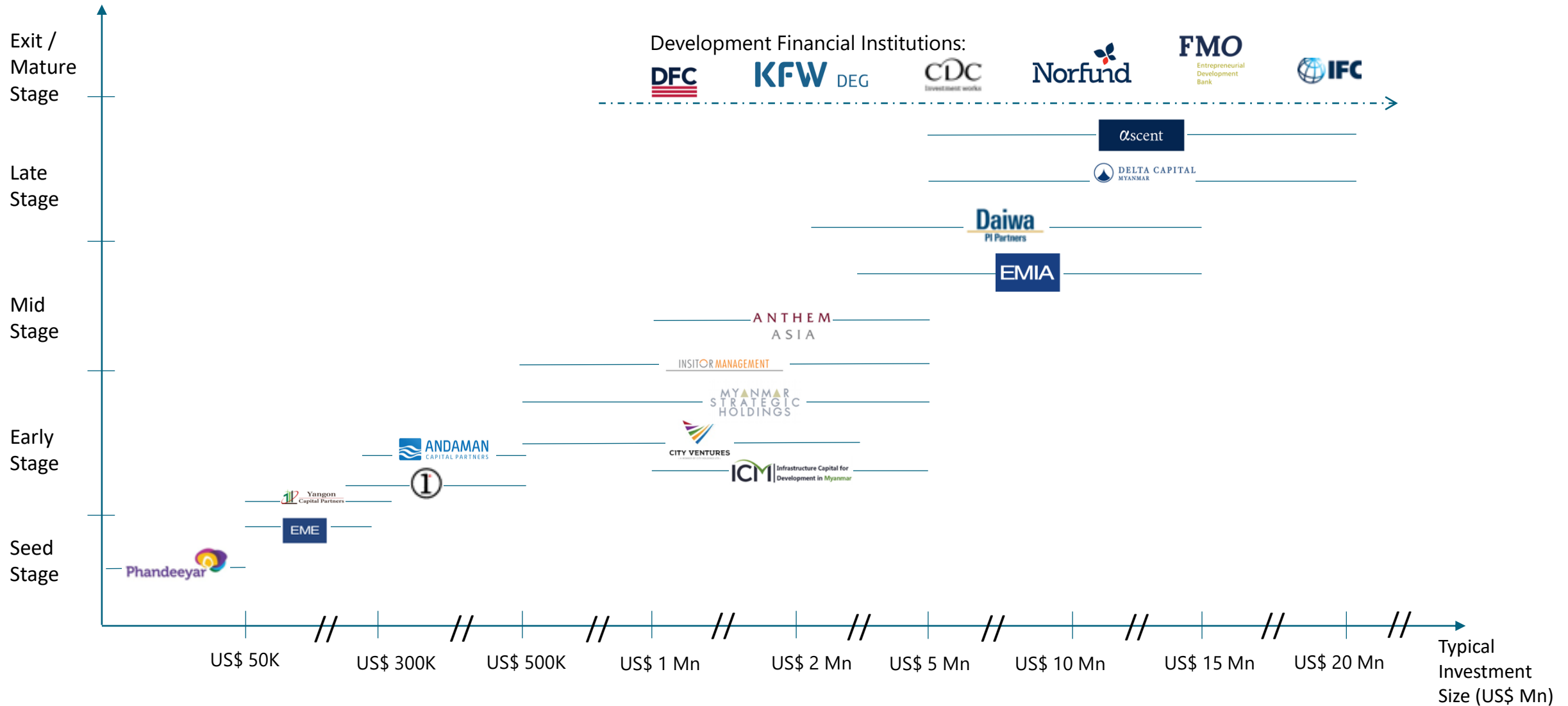
Who are the Key Investors in Myanmar?

As an emerging market, Myanmar has a nascent investor landscape primarily dominated by venture capital and private equity firms.

Accelerators & Incubators	Private Equity (PE) Firms	Public Institutions/ DFIs
 	     	  
Venture Capital (VC) Firms		
 	    	  











What are the Range of Investment Sizes?

Investors look for companies at different stages and ticket sizes depending on the investor type and focus



Which Sectors do Investors Prioritise? [2/2]

Although most investors prioritise certain sectors, they are open to evaluating deals across all sectors.

	Technology, Telecom & Media (TMT)	Agriculture	Renewable Energy	Education	Financial Services	Tourism & Hospitality	Transport & Logistics	Fast-moving Consumer Goods (FMCG)	Infrastructure Development	Healthcare
	✓	✓	✓	✓	✓	✓		✓		✓
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Key Investor Requirements



What do Investors Value in SGBs?

While strong value proposition and management team are prioritised by investors, continuous support is offered to SGBs along the investment process to enhance their performance across other criteria.

Foundation	Value Proposition	Management Team	Responsible Business Practice	Business and Financial Planning
Categories	<ul style="list-style-type: none"> ✓ Product/ Service Attractiveness ✓ Market Attractiveness ✓ Commercial Attractiveness 	<ul style="list-style-type: none"> ✓ Technical Expertise ✓ Relevant Experience ✓ Company Structure & Goals 	<ul style="list-style-type: none"> ✓ Environmental & Social Impact ✓ Business Integrity ✓ Corporate Governance 	<ul style="list-style-type: none"> ✓ Business Planning ✓ Financial Planning ✓ Investment Planning
Rationale	<p>Company's product or service attractiveness coupled with the target market attractiveness allow investors to gauge the unique value add and growth potential of the company while commercial attractiveness allows investors to assess if the business presents commercially viable investment opportunity.</p>	<p>Growth and investment attractiveness of SGBs are highly dependent on the capabilities of the founding team and the core management team, making succession planning important as well. A strong management team is capable of setting goals, ensuring seamless implementation and motivating the team to achieve bigger goals.</p>	<p>Assessing parameters related to responsible business practices help investors anticipate potential risk while ensuring that the company has a positive impact on the society. This is particularly important for impact investors to met their overall development objectives.</p>	<p>Sound business, financial and investment plans help SGBs better convince investors while also facilitating informed discussions with them.</p>

Note: Every company is unique, and this self assessment aims to provide a high level guidance on key investor requirements, so please do get in touch with MPEVCA and the MPEVCA members listed [here](#) for a more personalised discussion and evaluation of the level of your investment readiness.

What is ESG Criteria?

Environmental, social and governance (ESG) criteria are 3 central factors used by investors to screen for investments that facilitate sustainable growth while generating positive impact.



Environmental factors ensure that the company utilises limited natural resource efficiently while minimising harm caused to the external surroundings.



Social factors refer to the company's relationship with its employees and external stakeholders including the community and suppliers. This ensures that company's activities uplift the people who are directly and indirectly involved in the business.



Governance refers to the company's internal leadership practices that commits to promote ESG, meet compliance and consider the needs of shareholders.

Note: [IFC Exclusion List](#) also identifies sectors such as weapons, alcoholic beverages (excluding wine and beer) tobacco, gambling / casinos, radioactive materials production or trading (excluding medical equipment), unbonded asbestos fibers, commercial logging operations, unsustainable wood or forestry products, marine dry net fishing, hazardous chemicals, activities involving forced labour/ child labour, amongst others as not meeting the ESG criteria for investment or financing



What is Business Integrity?

Business Integrity is assessed by fund managers before investing in companies to reduce compliance, reputational, and operational risks that could otherwise result in large fines and jail time.

- **Anti-Corruption:** Corruption is the exchange of financial or other advantages for a reward given through violation of duty or role. Examples of corrupt practices include bribery and embezzlement.
- **Economic Sanctions:** Trade or travel sanctions are imposed by national and international bodies for significant political and trade reasons and are backed up by criminal penalties that are rigorously enforced.
- **Anti-Money Laundering:** Money laundering is the process where true origin of proceeds from criminal activities are disguised to be used without suspicion. Forms of criminal activities include drug dealing, robbery and corruption.
- **Whistleblowing:** Reporting by staff or third parties to the company of any credible suspicion of attempted or actual misconduct. A well-implemented whistleblowing system encourages reporting of corrupt practices.



What is Corporate Governance?

Corporate Governance (CG) refers to structures and processes underlying the management and direction of a company. Good CG adds value to investments and reduces risks.

- **Commitment to Good Governance:** Presence of clear organisation structure, core functions and strategic plans for investors to know changing business plans.
- **Decision Making and Strategic Oversight:** External advisors are approached for input, key decisions are made among executives as a team and presence of succession planning for key personnel.
- **Control Environment and Processes:** Communication of risk management to the investors, presence of proper bookkeeping and payment processes.
- **Transparency and Disclosure:** Provision of relevant, reliable and timely financial and nonfinancial disclosures to shareholders and other stakeholders.
- **Ownership:** Disclosure of ultimate beneficial ownership, distinction between family and non-family issues, clear regular communications with shareholders.







Annexure: SGB Toolkit

Key Myanmar Investor Profiles








Overview of Investors in Myanmar [1/6]

Seed Investors, Accelerators, Venture Capital Firms

Investor Name	Type	Focus Sectors & Region	Indicative Investment	Key Remarks
	Accelerator	Focus Sector: Tech Start-ups Focus Region: Myanmar	Up to US\$ 25,000	<ul style="list-style-type: none"> • Founded: 2015 • Management: Paing Hein Htet (New Ventures Manager) • Website: www.phandeeyar.org • Contact: +95 9 42025 3194 info@phandeeyar.org • Portfolio Companies: Resdi, Recycle, Konesi, MMTutors, Chate Sat, etc.
	Accelerator/ Incubator – Impact Investor	Focus Sectors: Agriculture, FMCG, Renewable Energy Focus Region: Nepal, Myanmar	US\$ 0.1 to 0.6 Mn; no investments made so far	<ul style="list-style-type: none"> • Founded: 2019 • Management: Robbert Groenen (Director, Myanmar) • Website: https://onetowatch.nl/ • Contact: +95 9 78525 4325 info.mm@onetowatch.nl
	Venture Capital (VC)	Focus Sectors: Agriculture, Renewable Energy, Rural Development Focus Region: Myanmar	US\$ 1 to 5 Mn	<ul style="list-style-type: none"> • Founded: 2015 • Management: Yanis Boudjouher (Managing Director) • Website: www.icm-asia.com • Contact: +95 9 426 785 880 enquires@infracapmyanmar.com • Provides infrastructure development capital and has invested in Ayeyarwaddy Rice Husk Briquette, Myanmar Wind Power, etc.
	Venture Capital (VC) – Corporate Venture Capital	Focus Sectors: E-Commerce, Retail, Logistics, F&B Focus Region: Myanmar	US\$ 0.5 to 3 Mn	<ul style="list-style-type: none"> • Founded: 2020 • Management: Tauriq Brown (CEO) • Website: www.cityventures.com.mm • Contact: +95 9 660 066666 hello@cityventures.com.mm • Portfolio Companies: Ninja Van, Food2U, Shopper+, etc. • Launched City Invest Fund that focuses on the development of SME food manufacturers

Overview of Investors in Myanmar [2/6]

Seed Investors, Accelerators, Venture Capital Firms

Investor Name	Type	Focus Sectors & Region	Indicative Investment	Key Remarks
	Venture Capital (VC) – Impact Investor	Focus Sectors: Renewable Energy, Agriculture, Impact Investing, etc. Focus Region: Frontier Asian markets	US\$ 0.5 to 5 Mn	<ul style="list-style-type: none"> • Founded: 2013 • Management: Bradley Kopsick (Country Manager) • Website: www.insitorpartners.com • Contact: bkopsick@insitormanagement.com • Portfolio Companies: Alliance MFI, SolarHome
	Venture Capital (VC)	Focus Sector: Sector Agnostic Focus Region: Myanmar	-	<ul style="list-style-type: none"> • Founded: 2012 • Management: Thura Ko Ko (Managing Director) • Contact: +95 1 1221 128
	Venture Capital (VC)	Focus Sectors: Technology companies in Education, Healthcare and Agriculture Focus Region: Myanmar	Five to six figure digits of US\$	<ul style="list-style-type: none"> • Founded: 2018 • Management: Tin Min Htut (Associate Director) • Website: https://yangoncapitalpartners.com/ • Contact: +95 9 77998 7878 • Portfolio companies: Flexible Pass, Konesi
	Venture Capital (VC)	Focus Sectors: Education, Healthcare, Logistics and Consumer services Focus Region: Myanmar	US\$ 50k to 0.25 Mn	<ul style="list-style-type: none"> • Founded: 2018; Key Investors: DGGF, UMJ Ikeya • Management: Hitoshi Ikeya (Investment Director) • Website: https://www.eme.asia/ • Contact: +95 9 79611 1955 hello@eme.asia • Portfolio Companies: Kyarlay, Ezay, CarsDB, Joosk, Natural Farm Fresh, etc.
	Venture Capital (VC)	Focus Sectors: Recycling, Financial services, Renewable Energy Focus Region: Myanmar	Up to US\$ 0.5 Mn	<ul style="list-style-type: none"> • Founded: 2012 • Management: Gill Pattison (Principal) • Website: http://www.andamancapitalpartners.com • Contact: +95 1 538 457 info@andamancapitalpartners.com • Portfolio Companies: Myanmar Recycles




Overview of Investors in Myanmar [3/6]

Private Equity (PE) Firms

Investor Name	Type	Focus Sectors & Region	Indicative Investment	Key Remarks
	Private Equity (PE)	Focus Sectors: Agri-business, F&B, Financial services, FMCG, Education Healthcare, Transport & Logistics, etc. Focus Region: Myanmar	US\$ 1 to 5 Mn	<ul style="list-style-type: none"> • Founded: 2012 • Management: Josephine Price (Managing Director) • Website: http://www.anthemasia.com • Contact Details: +95 1 9255 204 info@anthemasia.com • Assets under Management: US\$ 34.5 Mn (2020) • Key investors: CDC, IFC, DGGF • Portfolio Companies: Rangoon Tea House, Blink, SolarHome, Thalun International School, etc.
	Private Equity (PE)	Focus Sectors: Education, Services, Tourism, Healthcare, etc. Focus Region: Emerging Southeast Asia	US\$ 0.5 to 5 Mn	<ul style="list-style-type: none"> • Founded: 2013 • Management: Enrico Cesenni (CEO) • Website: https://ms-holdings.com/ • Contact Details: +95 943 111 161 enquiry@ms-holdings.com • Assets under Management: US\$ 20 Mn (2020) • Portfolio companies: Wall Street English (Myanmar and Vietnam), Yangon American International School, Auston College, EXERA Myanmar, Ostello Bello
	Private Equity (PE)	Focus Sectors: Agri-processing, Financial services, F&B, Education, Healthcare, Business services, Consumer Focus Region: Laos, Cambodia, Myanmar	US\$ 3 to 14 Mn with co-investment	<ul style="list-style-type: none"> • Founded: 2015 • Management: Trent Eddy (Chief Investment Officer) • Website: http://www.emergingmarkets.asia/investments/ • Contact Details: trent.eddy@emergingmarkets.asia • Assets under Management: US\$ 65 Mn (2020) • Key investors: CDC, IFC, FMO, Norfund • Portfolio Companies: Oway, Shwe Property, Myanmar Food for Thought, Microfinance Delta International




Overview of Investors in Myanmar [4/6]

Private Equity (PE) Firms

Investor Name	Type	Focus Sectors & Region	Indicative Investment	Key Remarks
	Private Equity (PE)	Focus Sectors: Technology, Agriculture, Education, Financial Services, Tourism, FMCG, Healthcare, etc. Focus Region: Asia	US\$ 2 to 15 Mn	<ul style="list-style-type: none"> • Founded: 2019 • Management: Yusuke Takahashi (Chief Myanmar Representative) • Website: http://www.dpipartners.co.jp/english/ • Assets under Management: US\$ 30 Mn (2019) • Key investors: Daiwa PI Partners, Daiwa PI Investment and Taiyo Life Insurance Company • Portfolio Companies: Frontiir, Oway, Rent2Own, Rgo47, and DO microfinance
	Private Equity (PE)	Focus Sectors: Technology, Telecom, Media, Education, Financial services, Healthcare, FMCG, Open to other sectors with long-term growth potential Focus Region: Myanmar	Over US\$ 5 Mn	<ul style="list-style-type: none"> • Founded: 2019 • Management: Lim Chong Chong (Founder, Managing Partner) • Website: https://ascentcapitalasia.com/ • Contact Details: +95 1 9253 723 partner@ascentcapasia.com • Assets under Management: US\$ 88 Mn (2020) • Key investors: Temasek, ADB, JG Summit Holdings, Tony Chew, Aung Moe Kyaw (MDC Group) • Portfolio Companies: Frontiir
	Private Equity (PE)	Focus Sectors: Financial Services, Telecom, Education, Healthcare, Agriculture, FMCG, etc. Focus Region: Myanmar	US\$ 5 to 30 Mn, up to US\$ 50 Mn with co-investment	<ul style="list-style-type: none"> • Founded: 2013 • Management: Nick Powell (Managing Partner) • Website: http://www.deltacapital.com • Contact Details: +95 1 9253 723 info@deltacapital.com • Assets under Management: US\$ 120 Mn (2020) • Key investors: CDC, Norfund, IFU • Portfolio Companies: Frontiir, Easy Microfinance, MM Interplast, Seagram Myanmar, Commercial Plastics Company (CPC)

Overview of Investors in Myanmar [5/6]




Public Institutions/ Development Finance Institutions (DFIs) for Medium to Large Enterprises

Investor Name	Type	Focus Sectors & Region	Indicative Investment	Key Remarks
	Development Finance Institutions (DFIs)	Focus Sectors: Financial services, Infrastructure, Agribusiness, Manufacturing & Services Focus Region: Global	Up to US\$ 20 Mn financing	<ul style="list-style-type: none"> Active since: 2015 Website: https://www.fmo.nl/ Contact Details: info@fmo.nl Finances projects that promote a more inclusive and greener economy Fund: Dutch government fund for developing countries
	Development Finance Institutions (DFIs)	Focus Sectors: Financial services, Communications, Healthcare, Manufacturing, Agriculture, Construction, etc. Focus Region: Global	US\$ 10 to 23 Mn equity investments	<ul style="list-style-type: none"> Active since: 2014 Management: Myo Zin (Country Representative) Website: https://www.cdcgroup.com/en/ Contact Details: enquiries@cdcgroup.com Fund: UK government fund for developing countries Contribution to PE funds: Delta Capital (US\$ 15 Mn) and Insitor Management (US\$ 15 Mn), Anthem Asia (US\$ 10 Mn) Portfolio companies: Frontiir (US\$ 23 Mn, equity), Irrawaddy Green Towers (US\$ 50 Mn, debt)
	Development Finance Institutions (DFIs)	Focus Sectors: Infrastructure, Power, Telecommunications, Financial services, etc. Focus Region: Global	US\$ 1 to 7 Mn equity investments, loans include US\$370 Mn to Yoma Bank	<ul style="list-style-type: none"> Active since: 2012 Management: Yuan Xu (Country Manager) Website: https://www.ifc.org/ Contact Details: yxu1@ifc.org +95 1 9255 020 Fund: Donor countries that have close relations with the World Bank Group Portfolio companies: Yoma Group, Myanmar Oriental Bank, Acleda MFI, Maha Agriculture Public Company

Note: DFIs usually look for >US\$ 5 Mn investment, which are more relevant for later stages of investment for SGBs.

Overview of Investors in Myanmar [6/6]

Public Institutions/ Development Finance Institutions (DFIs) for Medium to Large Enterprises

Investor Name	Type	Focus Sectors & Region	Indicative Investment	Key Remarks
	Development Finance Institutions (DFIs)	Focus Sectors: Renewable Energy, Financial Services, Telecommunications, Infrastructure development, Education Focus Region: Global	US\$ 0.5 Mn to 35.4 Mn equity investments	<ul style="list-style-type: none"> Active since: 2011 Management: Fay Chetnakarnkul (Regional Director, Asia) Website: https://www.norfund.no/ Contact Details: post.bangkok@norfund.no Finances projects that promote a more inclusive and greener economy Fund: Norwegian government fund for developing countries Contribution to PE funds: EMIA (US\$ 3 Mn), Delta Capital (US\$ 10 Mn) Portfolio companies: Yoma Bank (US\$ 35 Mn), Yoma Micropower (US\$ 11 Mn), Frontiir (US\$ 3 Mn), Advans MFI (US\$ 7 Mn)
	Development Finance Institutions (DFIs)	Focus Sectors: Agriculture, Infrastructure development, Financial Services, Healthcare Focus Region: Global	US\$ 4 to 12 Mn	<ul style="list-style-type: none"> Active since: 2019 Management: Jessica Aung (Investment Manager) Website: https://www.deginvest.de/International-financing/DEG/ Contact Details: Jessica.Aung@deginvest.de Fund: German government fund for developing countries Portfolio companies: Asia Royal Hospital (US\$ 12 Mn), Rent 2 Own Holdings Pte. Ltd (US\$ 4 Mn)
	Development Finance Institutions (DFIs)	Focus Sectors: Financial Services, Technology, Telecommunication, Healthcare, Education, Infrastructure Focus Region: Global	Debt financing: US\$ 5 to 250 Mn	<ul style="list-style-type: none"> Active since: 2015 Management: Geoffrey Tan (Managing Director, Asia Pacific Region) Website: https://www.dfc.gov/ Contact Details: info@dfc.gov Fund: US Federal government fund for lower and middle-income countries Debt financing provided to: AYA Bank, Frontiir, Apollo Towers, etc.

Note: DFIs usually look for >US\$ 5 Mn investment, which are more relevant for later stages of investment for SGBs.

Thank You!



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