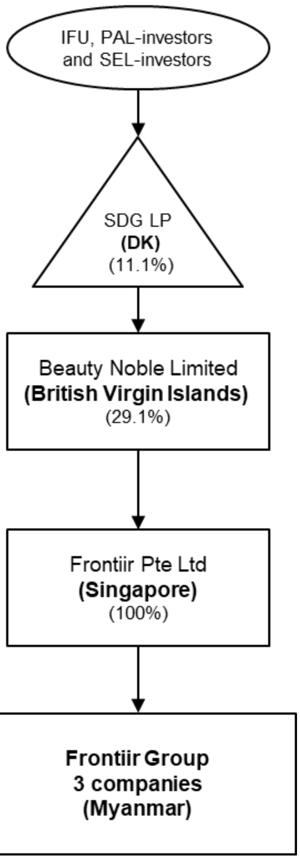
Tax policy compliance statement for Frontiir Myanmar Ltd.

1. The contemplated investment structure



Danish SDG I Fund K/S (SDG) will be providing finance for the largest internet service provider in Myanmar through investing with equity in a British Virgin Islands Consortium Holdco named Beauty Noble Limited, holding 29.1% of the shares in a Singapore Holdco named Frontiir Pte. Ltd. owning the entire share capital in the Frontiir Group consisting of three Myanmar companies. The main Frontiir company has been granted 5 years corporate income tax exemption in Myanmar expiring in 2020.

2. Compliance with IFU's tax policy

The investment structure has been subject to due diligence and based on the facts and circumstances made available, TaxRoom is of the opinion that the investment structure complies with IFU's tax policy for the following main reasons:

- IFU recognises the right of governments to design their own tax policies to push forward specific industries becoming developed more rapidly, why Myanmar's granting of 5 years tax exemption to the largest internet service provider in Myanmar does not conflict with IFU's tax policy, OECD guidelines and does not work against the spirit of tax laws.
- The fact that BVI and Singapore effectively both are exempted from tax on the investment return from this investment does also not conflict with IFU's tax policy or OECD guidelines as it is standard to offer participation exemption regimes (to avoid double taxation) when the ownership threshold is above a certain threshold. Normally the threshold for exemption is 10% which is to be compared with 100% (Singapore) and 29.1% (BVI).
- The Singapore Holdco was established by the founders of Frontiir and is commercial motivated as it may serve as a holding company if Frontiir expands to other countries in Asia and is as a part of an IPO exit strategy. Furthermore, the Singapore Holdco does not offer any tax treaty benefits towards the shareholding in Frontiir Myanmar.
- The BVI Holdco is established as a part of a standard holding set-up for a private equity fund ensuring sheltering of economic liability from the private equity fund and aggregating multi jurisdictions investors in one Holdco. The company involves no tax treaty benefits.
- BVI Holdco and Singapore Holdco are informed to meet local substance and governance requirements for being fully valid and legal companies which have existed for several years.
- Neither of the two Holdco jurisdictions are listed on EU's blacklist for non-cooperative jurisdictions in tax matters, and Singapore is on OECD's 2019 list classified to be compliant and BVI to be largely compliant.

3. Disclosure, cf. EU Directive 2018/822/EU

The contemplated investment structure may be subject to disclosure solely because British Virgin Islands generally does not collect corporate income tax. However, this is not an issue as dividends and capital gains from a shareholding of 29.1% in a Singapore Holdco would normally be exempt from tax in all EU countries. The disclosure requirement should be monitored when the EU DAC 6 directive is implemented in Danish law[1].

TaxRoom P/S, 12 June 2019

Claus Kirkeby Olsen

[1] DAC 6 was implemented in Denmark by law 1573 of 27/12 2019. Even though the investment structure involves a jurisdiction imposing no corporate income tax the established investment structure does not meet the main benefit test under DAC 6, as the structure is not established for or obtaining of a tax advantage. For that reason, the transaction is not subject to DAC 6 disclosure.