

**Converge gets tax incentives for fiber roll-out in unserved, underserved areas**

The country's leading fiber broadband provider, Converge ICT Solutions Inc. has secured the approval of the Fiscal Incentives Review Board (FIRB) to avail of tax incentives for its multi-phased establishment of connectivity facilities for high-speed broadband services targeting undeveloped and underdeveloped areas nationwide until 2026.

The project will see the roll-out of Fiber-to-the-Home infrastructure - including the terrestrial backbone, distribution networks, ports, and routers - to more than 1,200 unserved and underserved municipalities nationwide, subject to the approval of the expansion of the coverage areas in its Certificate of Public Convenience and Necessity . The digital infrastructure will make use of the latest technologies that allow higher capacity and faster data transmission.

The Converge nationwide fiber broadband roll-out , the first phase of which began in November 2021 (Registration Date), is classified as a strategic service in the telecommunications sector in the 2020 Investments Priorities Plan. Under the approved incentives, Converge will receive four years of income tax holiday followed by five years of enhanced deductions or special corporate income tax as laid out in the CREATE Law, as well as 11 years of duty- free importation of capital equipment, raw materials, spare parts or accessories starting from the Registration Date.

The FIRB approval was given in recognition of the missionary nature of the project - bringing connectivity to marginalized areas of the Philippines - as well as for the innovative technology used in the fiber network. Broadband connectivity is one of the priority sectors that have a direct impact on AmBisyon Natin 2040, the government's long term vision for the nation.

"We're glad that the government appreciates the cutting-edge technology we will be using to bring broadband connection to underdeveloped areas. We've always believed that connectivity is a right, not a privilege of a few. With this investment in the network, we will be allowing more Filipinos to exercise this right," said Dennis Anthony Uy, Converge CEO and Co-Founder.

The multi-year project is also seen to generate direct and indirect jobs. "There is no shortage of talent among Filipinos and we look forward to the opportunities that this project will open up for our countrymen, especially in the rural areas," Uy added.

The project is a step towards narrowing the digital divide in the country, as access to fiber broadband remains dismally low in the country. According to Media Partners Asia, in December 2021, the fiber penetration in the Philippines is just 17% of households, way behind several ASEAN neighbors whose penetration rate has breached 40%, even reaching 80% for Vietnam.

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## **PRESS RELEASE**



The target of the Broadband Commission for Sustainable Development is for middle income countries including the Philippines to reach 65% broadband internet penetration by 2025.

As part of its mission to reach unserved markets, around 95% of new subscribers of Converge are first time high-speed broadband users. Amid its aggressive expansion in the past two years, the subscriber base of Converge has been steadily growing from 529,629 subscribers as of end-2019 to nearly double at over one million in 2020 and jumping further to 1.8 million subscribers at the end of March 2022.

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### **ABOUT CONVERGE ICT SOLUTIONS, INC.**

Converge Information and Communications Technology Solutions, Inc. (PSE:CNVRG) is the fastest-growing fixed broadband service provider in the Philippines. It is the first to run an end-to-end pure fiber internet network in the country, providing Filipinos simple, fast, and reliable connectivity. Aside from broadband services, Converge also offers integrated data center and network solutions services.

With over 103,000 kilometers of fiber optic cable network, Converge has one of the most extensive fiber networks in the Philippines.

With this fiber-powered network, Converge provides premium world-class digital experience for residential, enterprise, and wholesale customers. Converge is ISO 9001 and CE2.0 Certified.

Go to <https://www.convergeict.com> for more information.

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