



September 18, 2024

Philippine Dealing & Exchange Corp.
29/F, BDO Equitable Tower,
8751 Paseo de Roxas, Makati City

Attention: ATTY. SUZY CLAIRE R. SELLEZA
Head, Issuer Compliance and Disclosure Department

Subject: Clarification of News Article

Dear Atty. Selleza:

This is in kind reply to the correspondence by the Philippine Dealing and Exchange Corp. ("PDEX") requesting for clarification on the news report dated September 15, 2024, titled "Converge ICT investing \$100m in data centers" posted by Manila Standard, which reported in part that:

"Converge ICT Solutions is seeking tax incentives from the Board of Investments (BOI) for its upcoming \$100-million data centers.

Converge president and chief executive Dennis Uy said the projects have combined capacities of 1,500 racks that will run on nearly 15 megawatts (MW) of power.

"We are launching the projects in early 2025. These are data centers dedicated to supporting our internal operations and subscribers" he said.

He said the project might expand by adding a third data center that would bring the total rack capacity to 2,000 by next year.

The 300-rack data center in Caloocan will be up and running by the first quarter of 2025, while the 1,200-rack data center in Clark Freeport is set to open by the second quarter of 2025.

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Converge is optimistic about hitting its P40-billion revenue target this year, given its focus on providing affordable services to MSMEs.

...."

We wish to clarify multiple points presented within this article:

- 1) Dennis Anthony Uy is the Company's Co-Founder and Chief Executive Officer. Maria Grace Uy is the Company's Co-Founder and President.
- 2) The project cost and timeline quoted are within the Company's estimates, subject to the completion of the project. Converge is considering applying for tax incentives though management is still undergoing its analysis and due diligence.
- 3) Other details of the data centers are accurate.
- 4) On the revenue target, please refer to our updated guidance disclosed in page 4 of our 2Q2024 earnings press release:
https://corporate.convergeict.com/wp-content/uploads/2024/01/CONVERGE-1H2024-PRESS-RELEASE_08.14.24.pdf
- 5) The Manila Standard article also quoted:

“xxx

The company reported a double-digit growth last year, driven by the successful launch of its prepaid fiber service, which attracted almost 300,000 subscribers.

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Converge aims to reach close to 3 million subscribers by end-2024 with a current subscriber base nearing 2.5 million.

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Converge earmarked a significant portion of its budget, around 50 percent, for continuous investment.

The company's minimum annual capital expenditure is estimated to be between P10 billion and P15 billion.”

In 2023, the Company reported 5% growth on its consolidated revenue. Kindly refer to the FY2023 results press release below for further details:

https://corporate.convergeict.com/wp-content/uploads/2023/01/CONVERGE-4Q.FY2023-PRESS-RELEASE_vF.pdf

On the other FY2024 targets, please refer to our updated guidance disclosed in page 4 of our 2Q2024 earnings press release:

https://corporate.convergeict.com/wp-content/uploads/2024/01/CONVERGE-1H2024-PRESS-RELEASE_08.14.24.pdf

Very truly yours,

**CONVERGE INFORMATION AND
COMMUNICATIONS TECHNOLOGY
SOLUTIONS, INC.**



Owen Kieffer D. Ocampo
Investor Relations Officer

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About Converge ICT Solutions, Inc.

Converge Information and Communications Technology Solutions, Inc. (PSE:CNVRG) is the leading pure fiber data network and internet service provider in the country. It is the first to run a pure end-to-end fiber internet network, providing Filipinos simple, fast, and reliable internet connection. Converge is ISO 9001 and CE2.0 Certified.