

Emerging Tech Hub



Cutting-Edge Technology

ICT and Software Development

- Home to global software companies, like Microsoft, Oracle, and SAP, as well as local custom software developers for business support and continuity

Blockchain

- Quickly becoming a preferred global destination for crypto pioneers and growing applications for blockchain in expanding economic sectors

AI and IoT

- New 5G network connects Puerto Rico with a global community of IoT devices across 70 countries
- Home to the only open LoRaWAN network in the U.S., opening the door for broad digital infrastructure, economic efficiency, and business resiliency

Fintech

- High financial literacy, with more than 80% of Puerto Ricans already taking advantage of digital financial services

Puerto Rico is harnessing the power of technology to confront some of the most pressing challenges and grow. Driven by local talent, Puerto Rico's tech sector spans digital financial services to AI- and blockchain-based software development to cyber and information security. This vast and quickly growing scene is supported by island-wide Information & Communications Technology (ICT) and Software Development infrastructure, including 5G rollouts by multiple companies and new 5G networks that connect devices in Puerto Rico with international IoT grids.

A prime example of innovation in Puerto Rico is the growth of the local blockchain scene, as entrepreneurs and pioneers have found the close network of business and community leaders to be the perfect complement to competitive incentives tailored specifically to service exports, digital assets, and financial services. Whether it is through AgTech or health tech, virtual powerplants or virtual reality, Puerto Rico stands to be a global leader in tech innovation.

Embracing Industry 4.0

Puerto Rico tech sector includes:

600+

entrepreneurial companies



22,000+

direct jobs

In Latin America - Puerto Rico...

offers the **2nd** best economy for artificial intelligence



is home to the **#1** payment processing provider (2017)



ranks **1st** in intellectual property protection, and also in the Caribbean



ranks **1st** in capacity for innovation and boasts the highest rate of companies' use of digital tools



26,500 STEM

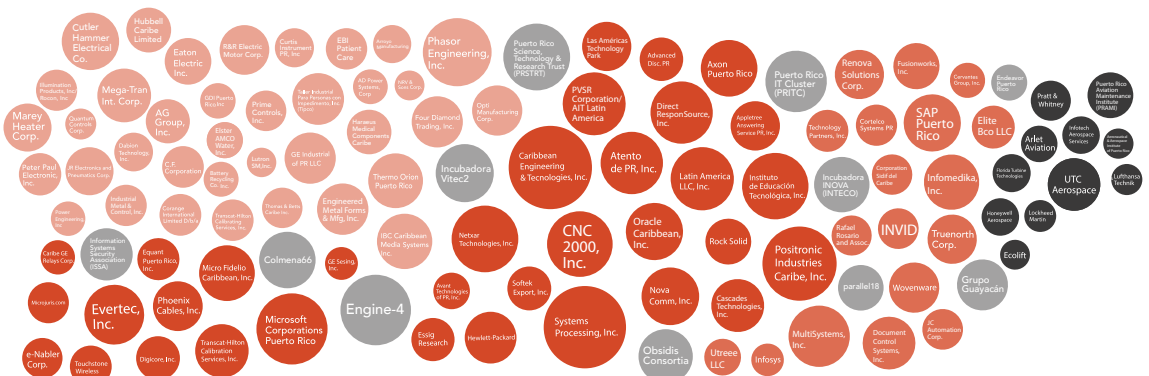
60% of graduates are in the STEM field



6x more than the highest states

Tech Ecosystem

- INFORMATION TECHNOLOGY
- TECH CONSULTANTS
- AEROSPACE
- ELECTRONICS MANUFACTURING
- SUPPORT ORGANIZATIONS



*For illustration purposes only. This is not exhaustive.

Cost-effective Options for IT Service Exports

Jurisdiction	Local Corporate Income Tax Rate	Federal Corporate Income Tax Rate	Average Salary - Computer Science
Puerto Rico	4.00%	0%	\$42,882
Florida	4.46%	21%	\$81,370
New York	6.50%	21%	\$100,060
New Jersey	10.50%	21%	\$103,180
Georgia	5.75%	21%	\$88,550
California	8.84%	21%	\$112,220

**Incentivized tax rate with the Export Services Incentive under Act 60. Sources: Tax Foundation 2020; U.S. Bureau of Labor Statistics, May 2019 State Occupational Employment and Wage Estimates.*

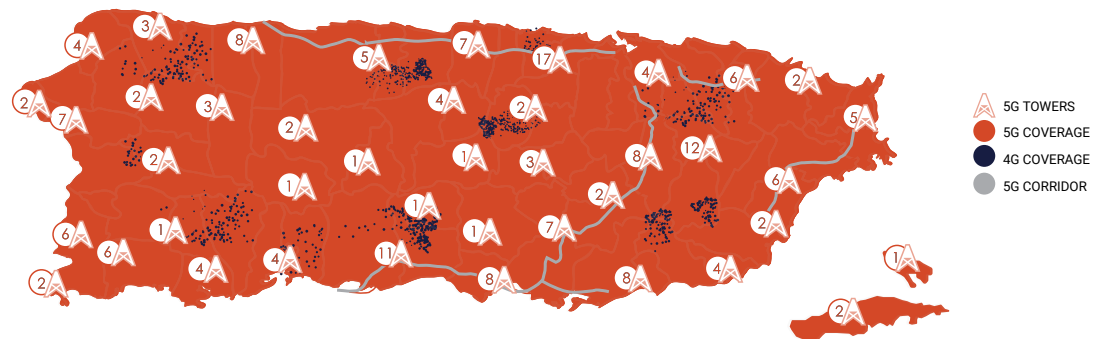
Among the Most Competitive Incentives in the United States

- 4% Corporate Tax Rate
- 100% exemption on capital gains, interest, and distribution of dividends
- SaaS exports are eligible
- Tax exemptions for export services
- Use and sale of utility tokens as software

Island-wide Coverage

Home to **31 internet providers** and **three 5G networks**, Puerto Rico has a competitive and cost-effective ICT infrastructure

Over **90%** of this infrastructure is privately owned



Puerto Rico has more to offer



U.S. Jurisdiction

- Governed by U.S. federal law, including intellectual property protection
- Unique financial flexibility for IFEs and IBEs
- ICT innovation is supported by the FCC



Workforce & Talent Development

- Wages are 40% lower than the rest of the U.S.
- Bilingual in English and Spanish
- 80+ local universities
- Over 200K students annual enrollment
- 60% of graduates in STEM fields



High Quality of Life

- Diverse outdoors activities from pristine beaches to dense rain forest, mountains, caves, and canyons
- Rich cultural experiences from nighttime dancing to centuries old museums
- Over 50 certified historic landmarks



Organizational Support

- Robust and growing innovative and entrepreneurial (I&E) ecosystem, including the PR Science, Technology, & Research Trust (PRSTRT), the IT Cluster, the public Blockchain Advisory Board, and regional accelerator of choice parallel18



Real Estate

- Island-wide ICT infrastructure, including multiple 5G providers
- Lowest cost of Class A office space relative to comparable cities in the U.S.