



October 11, 2017

Dear Cytonn Clients, Staff and Associates:

Welcome to the Cytonn “Open to Talk” initiative whose primary purpose is to facilitate an open and transparent engagement with all our stakeholders about the recent social media challenges we have faced.

Since the announcement of our intention to list the company at the Nairobi Securities Exchange, we have faced coordinated social media attacks making claims that are simply inaccurate. It is obvious that these misleading social media statements are calculated to distract the business and our core initiatives, such as the contemplated listing. Let us not be distracted but focus on executing our core business for the sake of our clients. Unfortunately, we are in a market where it is common for new ideas to experience vicious resistance from established players, so it’s a phase of growth that we shall have to go through.

Just a few examples to put into context what we are facing:

- When Equity Bank started giving access and dignity to those who had been ignored by mainstream banks and redefining the commercial banking sector 13-years ago, the brand faced a lot of resistance from established players; today they are the largest bank by market capitalization,
- When Safaricom started M-pesa 10-years ago it was fought by banking players; today they are working together,
- The same story goes for Keroche Breweries efforts to break into the breweries market, and Mastermind Tobacco breaking into the tobacco market,
- When Uber first came to Kenya they were met with violent street protests; today Uber is the most accepted means for cabbings.

Cytonn has brought a new model to real estate development and investments - we deliver better developments and better returns, faster than anyone in the market. However, we have experienced challenges that we have consistently overcome:

- When we started the firm, we had to deal with numerous lawsuits in our first year of operations. We addressed the suits by opening up and providing all information, and this led to all suits being withdrawn in entirety or stopped through Judicial Review,
- In our second year of operations, the manner of distractions moved from the courts to professional bodies such as LSK, ICPAK and CFA Institute; once again through providing information openly and transparently, we were able to address all the matters raised to professional bodies



- With the courts and professional bodies avenues firmly under management, in our third year of operations we had many alarming accusations leveled against us at regulatory entities. We have met all financial services regulators in Kenya, and we have responded to every single inquiry in excruciating detail,
- As we enter our fourth year of operation, the new threat is social media attacks. We believe that all formal avenues of distractions having been essentially closed, it leaves only the unregulated social media / blogging world as the main avenue for attempts to distract the brand.

We shall address the social media attacks just as we have addressed other unsubstantiated attacks - by providing detailed information, being open and being transparent. The attacks have particularly heightened since we announced our intention to list by introduction and the launch of Cytonn Towers, hence they appear calculated to derail these initiatives.

There is no doubt that our innovative products and services can be unsettling to more established competitors. When new ideas come into the market, they are often met with resistance and suspicion as demonstrated with the examples above. But we have to continue to innovate because innovation is crucial to our progress as a nation, it is the engine for economic growth, it creates jobs and uplifts the standards of living. Our own innovation has delivered extra ordinary returns to our investors through such products as Cytonn CMS and Cytonn CPN - this is money that goes into feeding families, schooling kids and securing retirement. We have created over 1,500 jobs directly thorough the firm and our 10 projects, and poised to create thousands more jobs indirectly through our dozens of suppliers and service providers.

We look forward to engaging you as we work to make Cytonn the best brand to deliver the best returns for investors and the best developments for homeowners and real estate investors.

For any enquiries about any social media attacks, please check our website cytonn.com. We shall have very detailed response to all the inaccurate claims on that website.

Thanks you for your continued support.

A handwritten signature in blue ink, appearing to read "Edwin H. Dande".

Edwin H. Dande
Managing Partner, & Chief Executive Officer