



CYTONN REAL ESTATE

QUARTER 3 2019 PROJECT PROGRESS REPORT

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INTRODUCTION TO CYTONN REAL ESTATE



📷 A perspective of the 3Bed + Studio unit living room at The Ridge

A PLACE LIKE NO OTHER

Cytonn Real Estate is the development affiliate of Cytonn Investments. Cytonn Investments is an alternative investment manager, with real estate development capability, and a primary focus on real estate investments in the high growth East African Region.

Cytonn Real Estate is one of the leading developers in the region with over Kshs. 82 billion worth of projects under our mandate. Our objective is to provide investment grade real estate development solutions by capturing the existing opportunity in the real estate sector.

Cytonn has a unique strategy of coupling two compelling demand areas - the lack of high yielding investment products due to the large banking spread, and the lack of institutional grade real estate. We deliver high yield by borrowing directly from the investors and paying rates similar to loan market rates. As a result, we provide high yielding instruments to attract funding from investors, and we deploy that funding to investment grade, well planned and comprehensive real estate developments that are largely pre-sold.

We employ an innovative approach that brings together capital through Cytonn Investments, land through joint ventures with landowners, and development expertise through Cytonn Real Estate, onto one platform where each party is aligned and focussed on aspirational real estate developments.

WE CLASSIFY OUR PROJECTS INTO 6 CATEGORIES

| CATEGORY | DESCRIPTION | PROJECTS |
|---|---|--|
| Category 1: Completed & Available for Rental | These are projects that we have delivered and handed over to clients for occupation. | <ul style="list-style-type: none"> • Amara Ridge • The Alma Phase 1 • CySuites Church Road |
| Category 2: Projects Under Construction | These are projects with contractors currently on site and works ongoing. | <ul style="list-style-type: none"> • The Alma Phase 2 • Applewood |
| Category 3: Projects with Ongoing Fundraising | We are currently mobilising funds for these projects, which are in various stages of development as detailed in the next section. Fundraising includes D-REIT, bank loans as well as sourcing finances directly from investors. | <ul style="list-style-type: none"> •The Ridge Phase 1 • RiverRun Phase 1 • Taraji Heights |
| Category 4: Tendering | We are currently in the process of identifying the best suited contractors for these developments. | <ul style="list-style-type: none"> • Situ Phase 1 |
| Category 5: Concept Development | We are firming up on the concepts for these projects based on the Highest and Best Use analysis with the aim of delivering the highest value possible to our clients. | <ul style="list-style-type: none"> • Newtown • RiverRun Phase 2 • RiverRun Affordable Housing Project |
| Category 6: Land Banking | We aim to take advantage of high land appreciation rates in select markets by acquiring land with high appreciation potential. | <ul style="list-style-type: none"> • 4-acres in Kilimani • 0.5-acres in Westlands |

Every quarter, we provide our clients with an update of our real estate development projects.

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Amara Ridge

- Amara Ridge is Cytonn's exclusive gated community featuring 10 classical and contemporary villas on 5-acres,
- The development features a breath taking, distinct and luxurious design at the heart of Karen, and was delivered in 2018.
- For rental information, please reach out to us at properties@cytonn.com

The Alma Phase I

- The Alma is Cytonn's Integrated lifestyle development in Ruaka featuring 477 units of 1, 2 & 3-bedroom apartments, as well as a retail, commercial & lifestyle facility,
- Phase 1 comprising Blocks A, B and G, was delivered on 18th July 2019, where we successfully handed over 113-units to homeowners. Phase 1 is now 100% sold,
- For rental information, please reach out to us at properties@cytonn.com

CySuites Church Road

- Cysuites is Cytonn's premiere serviced apartment development located in a prime location along **Church Road in Westlands, off Rhapta Road,**
- CySuites offers both short and long-stay accommodation for business travellers, and those looking for a home-away-from-home accommodation,
- The development is complete, with operations commencing on 1st November, 2019,
- For rental information, please reach out to us at rei@cytonn.com

Category 2 – Projects Under Construction

The Alma Phase II

- Having delivered Amara Ridge in 2018 and The Alma Phase 1 in 2019, we are now focused on the delivery of The Alma Phase 2 in 2020,
- Phase 2 comprises of Blocks C, D, E, F, H and J, plus the commercial and lifestyle centres that are part of the development.

Applewood

- Applewood is Cytonn's gated community development in Karen comprising 20 exclusive villas, each sitting on a half-acre, with a lifestyle clubhouse to complement the development,
- We have begun works on the show house and we shall develop units that have been sold, with a focus on Phase 1 units,
- Phase 1, comprising of 5 additional units, is breaking ground in October 2019.

The Ridge Phase I

- The Ridge is a high density mixed-use development in Ridgeways in Nairobi, comprising of 798 units of residential, commercial, retail and lifestyle,
- The project is being executed in **3 stages**;
Stage 1: Acquisition of Land – This stage was completed, having committed Kshs 950 mn towards the land,
Stage 2: Piling Works and Preliminaries – This stage involved onboarding of professionals, procurement of licenses and approvals, preparation of the land for construction as well as the construction of the show houses. We have committed Kshs 1.0 bn towards this stage,
Stage 3: Construction – Having completed the 2nd stage, we are now progressing to construction of the first phase, which will comprise of Blocks G and H. We are currently developing the development schedule and mobilizing the main contractor, and the main contractor will start in November 2019, with construction expected to take 18-months,
With this in perspective, the project is in its preliminary stages of development, and despite not being aggressive on sales effort, we have recorded an upward of 40% presales for Phase 1. The project is also part of the REIT Fundraising process that we are going through as Cytonn Investments.

Taraji Heights

- Taraji is Cytonn's Integrated lifestyle development featuring 290 units of 2, 3 and 3-bedroom with DSQ apartments, as well as lifestyle facilities, in the heart of Ruaka,
- Following the obtaining of bank funding for The Alma, we shall be accelerating the delivery of The Alma, which is just two kilometres from Taraji,
- In this regard, we have paused construction on Taraji until we complete The Alma, and as such, Taraji will be re-mobilized in Q1'2020, post completion of The Alma,
- After delivery of The Alma, we expect a rapid rise in uptake in Taraji, aided by the road expansion in the area, of which work has started,
- Clients with a long-term horizon are encouraged to invest in Taraji Heights, since according to Cytonn's market research, we expect capital appreciation of 15.7% p.a. for 3-years, similar to what was witnessed before with the development of the Northern Bypass.

RiverRun Phase I

- RiverRun is Cytonn's High density mixed-use development in Ruiru in Kiambu, comprising of 1,200 residential units, commercial, retail and lifestyle,
- The project has been put on hold pending the construction of the tarmac road to the development, The project is also part of the REIT Fundraising, and we shall begin developing units that have been sold in Phase 1,
- We shall be commencing works on the show-houses in the master-planned development from December 2019.

Category 4 – Tendering

Situ Village

- Situ is Cytonn's Master-planned gated community, with 50 exclusive villas and cottages, each sitting on a half-acre, retail and a commercial facility as well as a clubhouse and lifestyle facility,
- Works on the show-house and Phase I will begin in November 2019, we will begin by developing units in Phase 1 that have been sold (at least 10% deposit paid).

Category 5 – Concept Development

Newtown

- Newtown is Cytonn's master planned city in Athi River - encompassing housing clusters, high-density residential, an office precinct, educational centre and trade centre,
- We are looking to incorporate affordable housing into the masterplan, line with the governments affordable housing agenda,
- We have held consultations with the Ministry of Housing and are working on firming up the concept
- So far, we have been shortlisted as strategic partners for the affordable housing agenda, in the landowner and developer categories.

RiverRun Phase II & RiverRun Affordable Housing

- Just like Newtown, we are looking to incorporate affordable housing units into the development in conjunction with the Ministry of Housing, and have been shortlisted as strategic partners in the landowner and developer categories as well.

Category 6 – Land Banking

4-acres in Kilimani

- The parcel is situated at the junction of Elgeyo Marakwet and Argwings Kodhek Road and was acquired in 2017.

0.5 acres in Westlands

- The parcel is located along Westlands Road and offers good value as Westlands is a key commercial node with good infrastructure, social amenities and is easy accessible.



ABOUT THE ALMA

The Alma is a comprehensive lifestyle development comprising of 477 apartment units, a retail and commercial centre and a nursery school located in Ruaka, Kiambu County. The apartments are clustered in 9 blocks, with the parking provided on ground floor level and the green areas elevated on the first-floor level.

Additional amenities include a retail centre, lifts for every block, a swimming pool, a borehole to supplement the county council water and a bio-digester.

THE ALMA PHASE 1 HANDOVER

We held the official handover ceremony for phase 1 of the Alma project on July 18th 2019. It was a successful event and we are happy to have delivered an aspirational product to the market. Phase 1 which comprises of 113 units is 100% sold. Focus will now be on the delivery of Phase 2, which is planned for delivery in 2020.

The handover ceremony was graced by the Former Prime Minister and African Union High Representative for Infrastructure Development in Africa Rt. Hon. Raila Odinga, Kiambu Governor Hon. Ferdinand Waititu, Housing and Urban Development Permanent Secretary Mr Charles Hinga, Kiambu County Commissioner Mr Wilson Manyanga and local area MP Mr Paul Koinange among other dignitaries.

We continue with client inspection for individual unit owners within Phase 1 in anticipation of clients moving in. Please contact our Real Estate Investment Team at rei@cytonn.com to arrange the same, or for any queries around your unit.





Show Houses

We launched the show houses for public viewing on 4th November 2017 and had a successful open day. This was a momentous occasion for the brand as we got an opportunity to demonstrate to our clients and the public that we are committed to exceeding client expectations.

The show houses are available for client viewing to enable the clients appreciate the design of the

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to book a site visit to the show house

https://crm.cytonn.com/clientevents/slug/weekly_real_estate_site_visit

Specific progress updates for each of the residential blocks is as highlighted in the next page:



The Chief Guest, Former Prime Minister and African Union High Representative for Infrastructure Development, RT. Hon Raila Odinga, flanked by PS Infrastructure and Urban Development Charles Hinga, Kiambu County Governor, Hon Ferdinand Waititu, former Starehe MP Maina Kamanda and Prof. Daniel Mugendi unveil the Alma Phase 1 plaque.



Mrs. Oduk, one of the Alma homeowners shows RT. Hon Raila Odinga and Kiambu County Governor Hon Ferdinand Waititu around a unit at The Alma.



RT. Hon Raila Odinga, PS Charles Hinga, Kiambu County Governor Ferdinand Waititu, among other dignitaries hand over the symbolic key to a section of homeowners.



A section of the guests follow proceedings during the handover ceremony.



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to book a site visit to the
show house

<https://www.cytonn.com/tour>



A perspective of a section of the Alma apartment units.



a) Block C

For this block, we continue to work on the finishes with focus on main door and kitchen yard door installation. We are also progressing with Mechanical and Electrical works with sanitary fittings installation and wiring ongoing within the units. Works have also commenced on external services at ground floor level.



Kitchen yard door installation.



Formwork for sewer manholes ongoing.

b) Block D

We have progressed significantly with finishes for this block. We continue to progress with tiling works as well as installation of joinery and fittings.



External facade paint is ongoing.



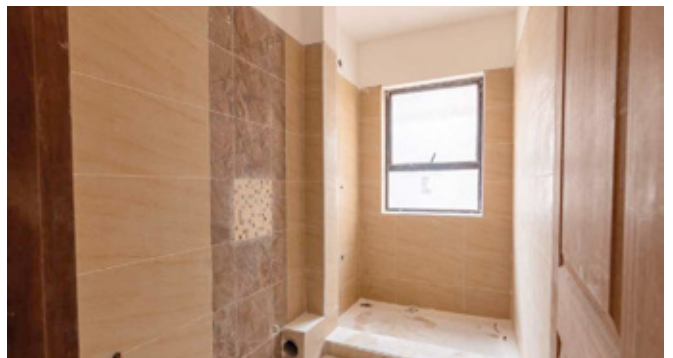
Kitchen yard tile fixing ongoing.

c) Block E

On Block E, we are progressing with internal finishes as well works on external services at ground floor level.



Gatehouse walling ongoing.



Washroom tile fixing complete.

d) Block F

We are currently focusing on finishes within the block such as tile fixing, sanitary fittings installation and electrical works. Works are also ongoing on external services at ground floor level.



Kitchen trunk line UPVC installation.

e) Block H

Superstructure works are complete on this block and we are currently at the roof level. We are progressing with walling and plaster works.



12th Floor masonry walling.

f) Block J

This is the last residential block in the development. All superstructure works are complete and we have now progressed to finishes with focus on walling and plaster works. Roof works are also ongoing with roof timber battens installation at 60%.



External walls skimming is ongoing.



Installation of timber battens ongoing.

g) Nursery Block

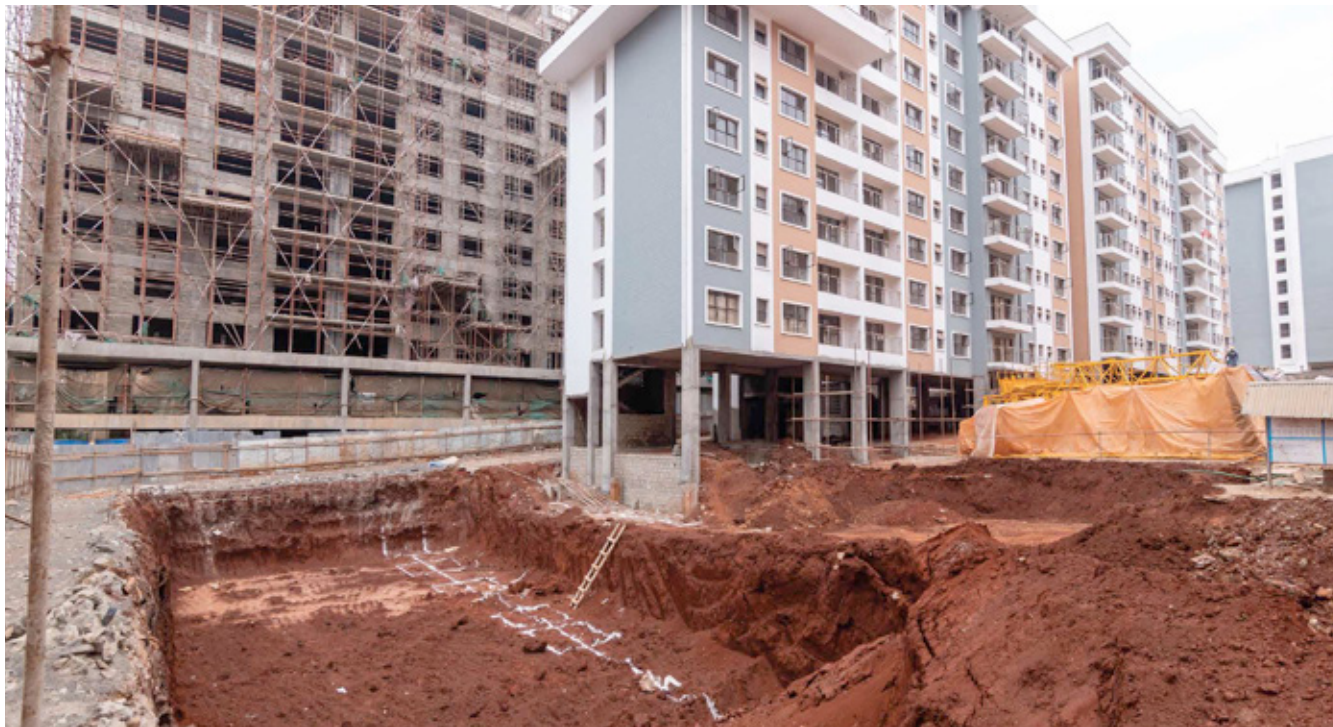
We have commenced works on the nursery and are well progressed with the superstructure works.



Nursery ground floor walling.

h) Commercial Block

We have excavated for the foundations for the bio digester and commercial center and works are proceeding on the substructure works within the month



Excavations for foundation ongoing.

SALES & MARKETING UPDATES

With the completion of the show house and the progress made on Phase 1 of the Alma, we have seen reinvigorated interest in the project and we are optimistic that this shall materialize into more sales.

We continue to push the project through various marketing platforms. We have been exhibiting the project in activations and are constantly advertising on social media as well. Our Distribution and Client Services team are following up on potential leads garnered from these forums.

Current prices for the units are as follows, and are effective from **1st October, 2019**

| UNIT TYPOLOGY | AMOUNT IN KSHS (BASED ON OUR STANDARD INSTALMENT PLAN) |
|---------------|--|
| 1 Bed Unit | 6,600,000 |
| 2 Bed Unit | 10,500,000 |
| 3 Bed Unit | 13,500,000 |



ABOUT THE RIDGE

The Ridge is a comprehensive and luxurious mixed-use development located in Ridgeways, Nairobi. The Ridge, which sits on 9.9 acres of land and touches the Northern Bypass, was inspired by the need for a live-work-play environment that aims at bringing together people from different walks of life to share a luxurious and convenient lifestyle.

The development comprises of residential and commercial spaces. The residential development consists of 1, 2, 3-bedroom apartments, 3-bedroom with DSQ apartments and 3-bedroom with a studio apartments. There are also options terraced units for all the typologies that occupy the ground and first floor and penthouses that occupy the top most floor.

The Ridge has lots of green spaces, outdoor sitting spaces and recreational facilities including swimming pools, children's playgrounds, landscaped courtyards and a health club. The development also offers world class serviced apartments for both short stay and long stay residents. The Ridge offers convenience with over 20,000 SQFT of retail and office space consisting of a mini-mart, convenience stores, salon and laundry among others. The Ridge is a secure gated community with 24-hour CCTV surveillance and ample parking spaces.

CONSTRUCTION PROGRESS

The project broke ground on the 15th of May 2017 and foundation works for Phase I are complete. With focus on the completion and handing over of Alma; The Ridge Phase I will resume in November 2019. We are currently developing the development schedule and mobilizing the main contractor, and the main contractor will start in November 2019, with construction expected to take 18-months.

a) Main Works

The foundation works for Phase I (Block G and H) are complete, while foundation works for Phase II (Block A and B) are at 60% completion. Super-structure works for Phase I are set to progress in November 2019 after restructuring of funding with the recently acquired REIT Manager Licence.

b) Show House Works

The show house is now complete and the mock up provides a feel of the expected unit on completion of project.

Progress Photos



Block H – Striking off formwork from pile caps sides



Block H – Formwork to sides of lower ground columns

Show-House Photos



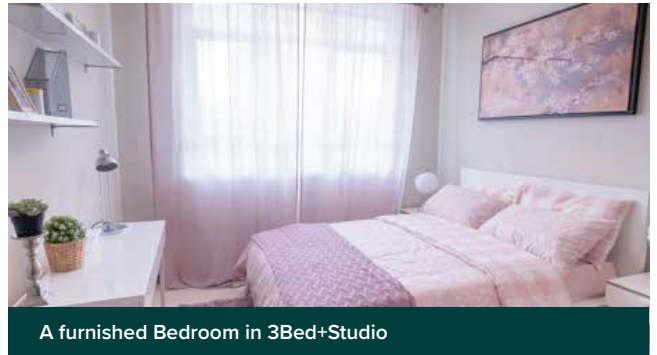
3Bed+Studio Living Room



3Bed+DSQ Living Room



3Bed+Studio Kitchen



A furnished Bedroom in 3Bed+Studio



A furnished Master-Bedroom of 3Bed+DSQ

SALES & MARKETING UPDATES

So far, the marketing efforts have been very successful having sold 46% of the units in Phase I and we continue to receive a lot of interest in the project.

Current prices for the units are as follows:

SUMMARY OF PRICES

| NON- TERRACED | Size (Sqm) | INSTALLMENT PRICE (BASED ON OUR STANDARD INSTALLMENT PLAN) |
|-----------------------|------------|--|
| 1 Bedroom | 54 | 7,800,000 |
| 2 Bedroom | 99 | 15,600,000 |
| 3 Bedroom | 117 | 18,500,000 |
| 3 Bedroom with Dsq | 137 | 21,600,000 |
| 3 Bedroom with Studio | 140 | 22,600,000 |

| TERRACED | Size (Sqm) | Size (Sqm) | INSTALLMENT PRICE (BASED ON OUR STANDARD INSTALLMENT PLAN) |
|-----------------------|------------|------------|--|
| 1 Bedroom | 54 | 23 | 10,300,000 |
| 2 Bedroom | 99 | 36 | 19,500,000 |
| 3 Bedroom | 117 | 45 | 23,300,000 |
| 3 Bedroom with Dsq | 137 | 54 | 27,400,000 |
| 3 Bedroom with Studio | 140 | 54 | 28,400,000 |

NOTE: that we have flexible payment plan and we can tailor make it for each client



APPLEWOOD

Style Meets Luxury

APPLEWOOD

PROJECT OVERVIEW



ABOUT APPLEWOOD

Applewood is a proposed residential development on a 10.4-acre parcel of land in Miotoni, Karen. The development shall comprise of 18 luxurious 5 bedroomed villas with two design options: Classical and Contemporary. There are two villa typologies: Standard and Premium, both of which are available in the Classical and Contemporary designs. The project is being implemented in 3 phases where Phase 1 comprises of 6 standard villas.

The amenities and facilities that will be featured by the development will include:

- State of the art security (CCTV surveillance, boundary wall with electric fence among other security measures)
- Power backup for common area and provision for individual house backup
- Data connection provision
- Common parking area for upto 10 cars
- Gazebo
- Well-manicured landscaping

CONSTRUCTION PROGRESS

Construction for Phase 1 officially commenced with the show-house of the Contemporary design on the 22nd of March 2019. The shell and core works are currently on their final stages with the plaster works ongoing. Construction of the other 5 villas in Phase 1 has commenced with 3 of the modern design and 2 of the classic design.

We are currently progressing with the on-boarding process of the timber doors subcontractor and procurement of Client supplied fittings, to which we aim to close on the first shipment by early this quarter.





Works at the swimming pool area are ongoing.



External cladding works at the Main Villa in progress.



Plaster works at the ground floor area in progress.



External cladding at the DSQ is complete.



Frontal View of the Show House.





Back view of the Show House.

SALES & MARKETING UPDATES

5 units are currently available on introductory offer with the prices indicated below:

| | NO OF UNITS ON OFFER | |
|-----------------|----------------------|-------------|
| Standard Villas | 4 | 142,000,000 |
| Premium Villas | 1 | 170,000,000 |





ABOUT SITU VILLAGE

Situ village is a private, exclusive gated community with 50-4 bedroom villas with a plinth area of 380 sqm, and 18-3 bedroom cottages with 220 sqm plinth area. The villas feature three designs; Mediterranean, Andalusian and Contemporary. The other key features of the community include; Club House, Retail Centre, Controlled Access, Backup Generator, Jogging Track and a Borehole.

The project had been on hold for 24 months due to legal issues. We received a NEMA stop following neighbours' complaints in regard to: Density of the development, Inadequate provision for sewerage disposal and adverse impact on groundwater resources.

On 8th March 2019, the NEMA Tribunal made a determination that the project was compliant to set regulations and approvals and dismissed the case against the project. We will however carry out a traffic management study for the project in compliance with the ruling given.

CONSTRUCTION PROGRESS

Construction of the boundary wall works has commenced and we have completed substructure works for the boundary wall.

The construction of Phase I units and Show House is under final design. We shall begin by developing units for those clients who have paid 10% deposit.





Superstructure walling on the western boundary.



Columns in progress along the road frontage.

SALES & MARKETING UPDATES

The price of the villas and cottages is currently as follows:

| UNIT TYPE | INSTALMENT PRICE (BASED ON OUR STANDARD INSTALMENT PLAN) |
|-----------|--|
| Villa | 80,000,000 |
| Cottage | 47,500,000 |

The construction of units will be dependent on signed sale agreement and payment of 10% deposit, and as such construction of Phase I units and show house will commence in Q3' 2019 for those clients who have paid 10% deposit.

FINAL COMMENTARY

Cytonn's Real Estate portfolio continues to offer the most superior and irresistible real estate design solutions in the market today.

We would like to thank you for your continued support.

Thank you for investing in Cytonn Real Estate!

For more information, please reach out to us at sales@cytonn.com

