



STATEMENT ON ALLEGATIONS MADE IN PARLIAMENT

1. On Tuesday 4th February 2020, the Parliament of Uganda debated a statement on the Government's position regarding cryptocurrencies and ponzi schemes in Uganda.
2. During this debate, several allegations were made against our Chief Executive, Mr. Kwame Rugunda, including claims of him as being one of those leading ponzi schemes in Uganda. This claim was however rebutted by the Minister of State for Finance, Hon. David Bahati who informed the house that Mr. Kwame Rugunda is not involved with ponzi schemes, but with blockchain technology and with work on the 4th Industrial Revolution.
3. CryptoSavannah would like to set the record straight on the allegations against Kwame, and to provide more information to distinguish cryptocurrencies from ponzi schemes.
 - a) Regarding allegations against Mr. Kwame Rugunda.
 - An MP alleged that he found Kwame teaching about cryptocurrencies in Zambia, and Uganda now has a very bad image in Zambia. This is false information, as Kwame last travelled to Zambia in October 2014, prior to his work with blockchain.
 - An MP alleged that Kwame chairs the Cryptocurrency Association of Uganda. There is no such organization, Kwame however Chairs the Blockchain Association of Uganda, and there is clear distinction between blockchain and cryptocurrency.
 - An MP alleged that Kwame is among the leaders of ponzi schemes in Uganda. Kwame is not involved in any ponzi schemes, he is the CEO at CryptoSavannah, and is a renowned thought leader in Africa's blockchain innovation ecosystem. CryptoSavannah's industry leadership has enabled Uganda emerge as a focal point on the African continent on matters regarding blockchain technology.
 - Uganda's recent hosting of 2 African Blockchain Conferences, in 2018 and 2019, which were coordinated by CryptoSavannah and presided over by the President of Uganda and the President of Sierra Leone respectively, attest to this leadership.
 - CryptoSavannah's work is focused on building blockchain solutions and providing advisory services, and some of our work has featured in various international media including Forbes Africa, BBC Afrique, Legal 500 and Yahoo Finance.

b) Regarding distinguishing Cryptocurrencies and ponzi schemes:

- Although CryptoSavannah does not focus on cryptocurrencies, we understand their technical and operational functionality. Blockchain applications take on the "crypto" prefix because the technology uses strong cryptography to secure its transactions. The study is hence called crypto-economics, and some terms include crypto-assets, crypto-currencies, crypto-wallets, crypto-funds, crypto-tokens, etc.
- Cryptocurrencies and Ponzi schemes are 2 starkly different matters, which are unfortunately being confused in Uganda today. The current confusion is as a result of ponzi schemes referring to themselves as cryptocurrency businesses, in an attempt to lure people into new and trending global opportunities.
- This has caused many to think that cryptocurrenices and ponzi schemes are related, and yet they are fundamentally different. A cryptocurrency is a new technology application that is useful in transferring digital value and in providing transparency. Ponzi schemes are fraudulent investment vehicles, designed to scam society. Uganda has had many of these such as COWE and Telex free.
- There are today many ponzi schemes masquerading as cryptocurrencies such as OneCoin, D9 and Dunamis. There are also many legitimate cryptocurrencies like Ripple, Bitcoin, Ethereum and others that are being used by governments, businesses and development partners for various purposes.
- We encourage the public to inform themselves more so as to distinguish ponzi schemes from cryptocurrencies, and to keep away from ponzi schemes, while taking greater interest to understand cryptocurrencies and their relevance.

We, the management of CryptoSavannah remain committed to our work, and will continue providing the due leadership to ensure that Uganda leverages the opportunity that blockchain enables, towards advancing our national transformation agenda, and improving our society.

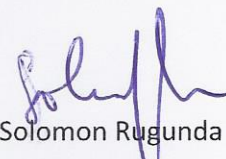
Thank you,

A handwritten signature in blue ink, appearing to read "Noah Baalessanvu".

Noah Baalessanvu
DIRECTOR, STRATEGY

A handwritten signature in blue ink, appearing to read "David Nagimesi".

David Nagimesi
DIRECTOR, TECHNOLOGY

A handwritten signature in blue ink, appearing to read "Solomon Rugunda".

Solomon Rugunda
DIRECTOR, OPERATIONS