Annual Report 2019 FACTS East Africa B.V. Consolidated

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WHO WE ARE

FACTS East Africa B.V., founded in 2015 is a finance company with subsidiaries as its main operations in Kenya, Uganda and soon Tanzania. Our mission is to help the private sector in those countries, mainly Small and Medium Sized Enterprises ("SME's") to play their role as engines of growth.

The FACTS entities are set-up as a Non-Banking Finance Institutions ("NBFI"), and as such will not take deposits, nor deal with retail clients. Technology is at the heart of our proposition; we use IT to reach scale and keep costs down. FACTS is using data intelligence, web- and mobile based software solutions for reporting and credit processing, developed by our own team.

FACTS operate on a solid commercial footing and adheres to generally recognized (impact) principles. FACTS operate in the SME market segment, called missing middle, where commercial banks are currently hardly active.

Over all the years we have built a very large network and have cemented partnerships with banks, MFIs, SACCOs, corporates, aggregators, donors, government departments and institutions in Kenya and Uganda.

WHAT WE DO

FACTS provides working capital to SMEs in East Africa through Supply Finance (reverse factoring) and Invoice Finance (factoring) as a funding alternative to bank loans. These types of financial instruments are well-known and widely used in many countries in the world, but hardly in Africa. Via our on-line platform SMEs can upload their unpaid invoices and turn them into cash. No need to wait anymore 60 -90 days for payment. FACTS puts money into the business right away. With a healthy cash flow our customers can procure more goods, make timely payments, expand business, and manage their payroll.

HOW WE DO THIS

It is our vision to become the leading Supply Finance and Factoring Institution in Africa and break open a market for SME financing that has so far proven to be non-functional or even non-existent. We do this our own as finance institution but also encourage collaboration with other financial institutions e.g. commercial banks, SME and Agri funds, international trade funds, whereby FACTS is offering its knowledge and platform services, and if needed funding and share in the credit risk by providing jointly funding lines. We can offer our products and cost-effective tools to financial institutions for origination, optimizing their loan approval processes, monitoring and collection.

Message from the Management

Introduction

We present here the consolidated results of FACTS for 2019, as well as the 1st quarter 2020 results. We are also now in a position to reflect on the impact of COVID-19 on our markets and operations.

In many respects, 2019 was not an easy year for FACTS. Early in the year, the results of internal reviews indicated that some of our financing products needed to be redesigned and we needed to enforce collection, as we were dealing with excessive payment delays. An example of this was the non-recourse Supplier Financing product. This spike in portfolio weakness absorbed outsized management and this unfortunately coincided with the discovery of a costly fraud case. In response to these challenges, we thoroughly revised our products, processes, and risk-acceptance criteria. We also made deep organizational changes, and repositioned ourselves towards our customers, and have devoted a major effort during the year to the successful restructuring and re-profiling of our funding book with the co-operation of our supportive group of financiers. This work all continues.

Overall, the effect of these measures implemented was and remains a marked improvement in the quality of our portfolio. In the aggregate figures however, this is less visible than we would like, as the encouraging *growth* in new, higher quality business has taken the place of non-performing risky clients as they are written down. The portfolio appears not to have grown, masking a dramatic turnover and enhancement of the assets generated.

Having completed most of this 'heavy lifting' by the year-end, we started 2020 energized, with big plans and aggressive new targets. Against the backdrop of the COVID-19 pandemic, these business plans have had to be revised. The pandemic's impact on economic activity in Kenya and Uganda is, as everywhere, particularly severe on thinly resourced SMEs. African governments are less well-armed to combat this and to shelter their economies from the financial impact of the global pandemic and its effects on trade, employment, and market conditions generally.

Uniqueness and strategy

Despite the legacy portfolio problems we were facing and the new challenges posed by pandemic-fallout on clients in 2020, we must emphasis that the Board and Management remain as confident as ever that the continuity of our business is not in question. Our teams in the last weeks have done exceptional work and continue to deliver in difficult times where sacrifices are demanded. Moreover, given the interest from commercial partners, donors, financiers, and impact investors, we see significant opportunities for continued growth. This all suggests that our efforts must remain focused on maintaining the momentum built in recent months.

Our business stands-out from other SME lending businesses, and we are one of the few specialized supply chain financing companies in East Africa. We have a strong, unique concept and a clear identity. Apart from positioning, the backbone of our service proposition is the IT platform, where a great effort has been made, and continues. Remaining innovative and expanding our IT capacity will underwrite the company's push to operate more as service provider and not only as a financier building its own balance sheet. On the product side, we are also focusing more on products such as Invoice Discounting and Factoring solutions whereby we better control incoming payments.

Given our roots in agricultural SME finance, we accept that Supplier Finance remains a product very much in need and particularly relevant to the agricultural sector. We are seeking to work closely with other financial institutions in the region to develop and roll out co-financing programs in this area. This is not only attractive in terms of reduced balance sheet impact, but also because partner institutions have close relationships with buyers, providing added assurance of timely payments and monitoring capacity. Scaling our business in collaboration with partner financial institutions, including micro-finance lenders and commercial banks, remains an integral part of our strategy.

Effects of the COVID-19 emergency

The new coronavirus has become one of the biggest threats to the global economy and financial markets. The virus has been slow to take root in Africa, although it remains impossible to predict its trajectory across our countries of operation, and what the eventual impact will be. Kenya and Uganda have generally reacted rapidly, in the hope of quick containment of the virus. This is important, given the sharply limited economic and social capacity of these countries to sustain lockdown measures for extended periods.

Nevertheless, as result of the restrictions and the global situation, economists think that Africa's GDP growth in 2020 could be cut by three to eight percentage points. McKinsey expects a disruption in global supply chains which will affect inputs from Asia, Europe and the Middle East, as well as lower demand in global markets for a wide range of African exports. Moreover, Africa is likely to experience delayed or reduced foreign direct investment and donor support as partners from other continents redirect capital and funds locally.

As Management we acted as soon as we saw the crisis escalating in the certain knowledge that FACTS is itself would be affected by this in no small measure.

We are impacted in the following ways:

- *Payment capacity of our clients and overall portfolio 'health':* We developed a set of measures on how best to deal with clients effected by COVID-19. It is in our interest to help them through the crisis.
- *Revenues:* We are apprehensive with the world going into a recession the impact will be felt much longer than the originally projected 3- 6 months. We have prepared new projections and portfolio targets reflecting these more challenging assumptions.
- *Liquidity and funding:* the willingness of our lenders to continue to fund us is crucial. The good news is that in difficult times some financial institutions seek to respond with a special effort. We expect that we will be in a position shortly to bring onboard new lenders who understand the impact of COVID-19 on our business and clients.

- *Organization:* as we are working from home, managing our relationships with clients in a different manner, this has drastically changed the way we are doing our business. We can't predict how long this will continue but are taking advantage of necessity in accelerating the digitalization of ways of working not only as an office but also in our interaction with clients.
- *Operational expense:* The pandemic has changed our 2020 budgets. We had already taken some tough cost-saving measures and though we remain extremely cautious on costs, we also see opportunities and we are certain we will deliver on our (revised) financial targets.

Review of 2019 results

It is unfortunate to report on a consolidated basis a loss on the year of US$ 407,221 including an operational loss of nearly US$ 100,000. Fully 75% of the loss on the year results from necessary increases in provisions to cover the write-off of the fraud case, as well as the associated extraordinary costs comprising mostly one-off expenses related to collections including legal actions on impaired assets.

The loss is absorbed by FACTS EA, while FACTS Kenya and FACTS Uganda in their own rights showed positive results for 2019. We included some more background information on both entities in this annual report.

At the end of 2019, the amount of NPLs over 90 days was still relatively high and with around US$ 300,000 and about 10% of our portfolio. We were making good progress on this front and were optimistic we could manage the NPL percentage back to a more acceptable range of 5- 6%, whereby we also depend on growth of the portfolio, which is now somewhat uncertain given the impact of COVID 19.

As result of a static overall portfolio volume, we fell short relative to our initial income projections though we still booked a total income, including fees of US$ 1.33 million. However, in the process of attracting better quality clients we believe we should anticipate and accept lower margins. Therefore, our emphasis will be if the circumstances allow to increase our portfolio volume and not only using our own books but also via co-financing.

Our financing costs have gone up as concessional funds are nearly all repaid and as a result, we are dependent more on commercial funding. We also maintained a relatively large sum of liquidity in anticipation to fund the portfolio target of US$ 4 million. Though several amortizations came up at end of the year these have been beneficially restructured in the context of an Inter-Creditor Agreement incorporating a grace period.

The decision in 2018 to migrate from EUR to US$ books in accounting paid off: the KES remained stable vs USD and appreciated vs the Euro. Overall, we booked forex gains of nearly US$ 60,000 reflecting the reduced weight of our EUR borrowings.

Our Operating Expenditure ("OpEx") remained about the same as in 2019 than the year before. For the size of our current business the OpEx is considered as relatively high. Measures were taken to reduce OpEx across the board and considering the impact of COVID-19 on income, additional measures have been taken e.g. a drastic reduction of the overhead expenses, mainly in Amsterdam. Therefore, the OpEx budget 2020 is reduced and more than 30% lower than 2019.

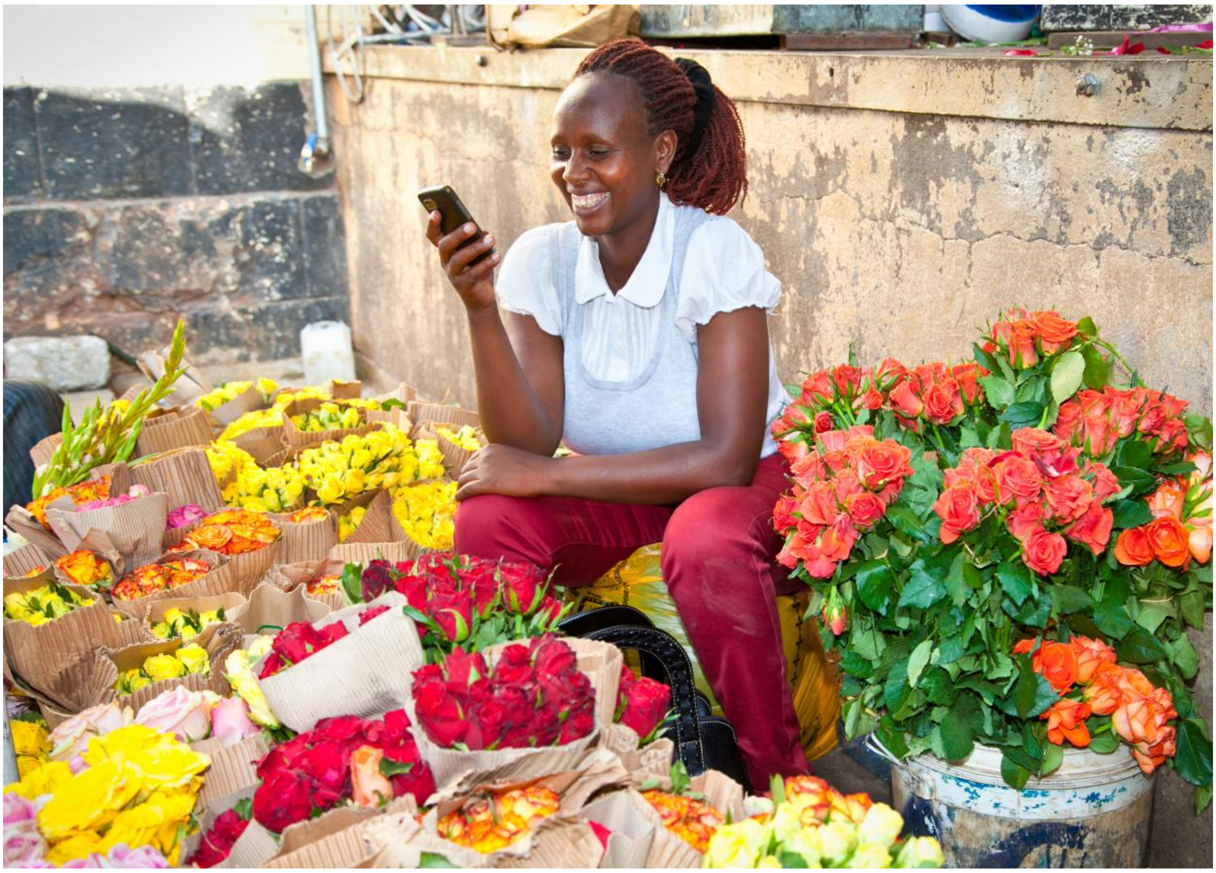
Technical Assistance from donors such as NORAD (Norway) in the EASE program, the KIM program and Cordaid added up in 2019 to US$ 240,000. However, we expect that COVID-19 will delay the roll-out of the EASE program as the banks identified to participate will have other priorities the coming months. Given that Factoring is widely recognized as an advantageous product to provide working capital in difficult market circumstances, we are optimistic that in the second part of the year we will see bank and MFI collaboration accelerating.

The loss for the year has been ‘financed’ by an additional injection of cash via Financial Access Capital Management B.V. (FACM). FACM provided an amount of US$ 375,000 by investing in Convertible Preferred Shares. The total equity per 31/12/2019 remained about the same as in 2018 and is currently US$ 1,064 million. The capital adequacy ratio as measured total assets/total equity stands at 21%.

The year 2019 was one of many challenges, which we believe we have addressed robustly. We believe we are now well-positioned with a talented, experienced team, and a robust business model and platform to weather the ongoing COVID-19 storm.

FACTS East Africa

Peter van der Krogt
On behalf FACTS Management
Chairman & CEO



Corporate Information

MEET OUR BOARD OF DIRECTORS

POSITION ON THE BOARD	NAME
Chairman	Peter van der Krogt
Executive Director	Micheal Muwonge
Non-Executive Director	Jan Cherim
Non-Executive Director	Rob van den Bogart
Non-Executive Director	Ezra Musoke





Peter van der Krogt **Micheal Muwonge** **Jan Cherim** **Rob van den Bogart** **Ezra Musoke**

The Board of Directors of FACTS EA is the core of FACTS system of corporate governance and is ultimately accountable and responsible for performance and affairs of the Company. Good Corporate Governance is regarded as critical to the success of the business and the Board is unreserved committed to applying the fundamental principles of good governance – transparency, integrity, accountability, and responsibility. The Board of Directors is the representative of the shareholders and has the duty of validating financial results, review performance of management, protecting the assets and determining with the CEO the strategy.

MEET OUR MANAGEMENT

Peter van der Krogt, Chief Executive Officer

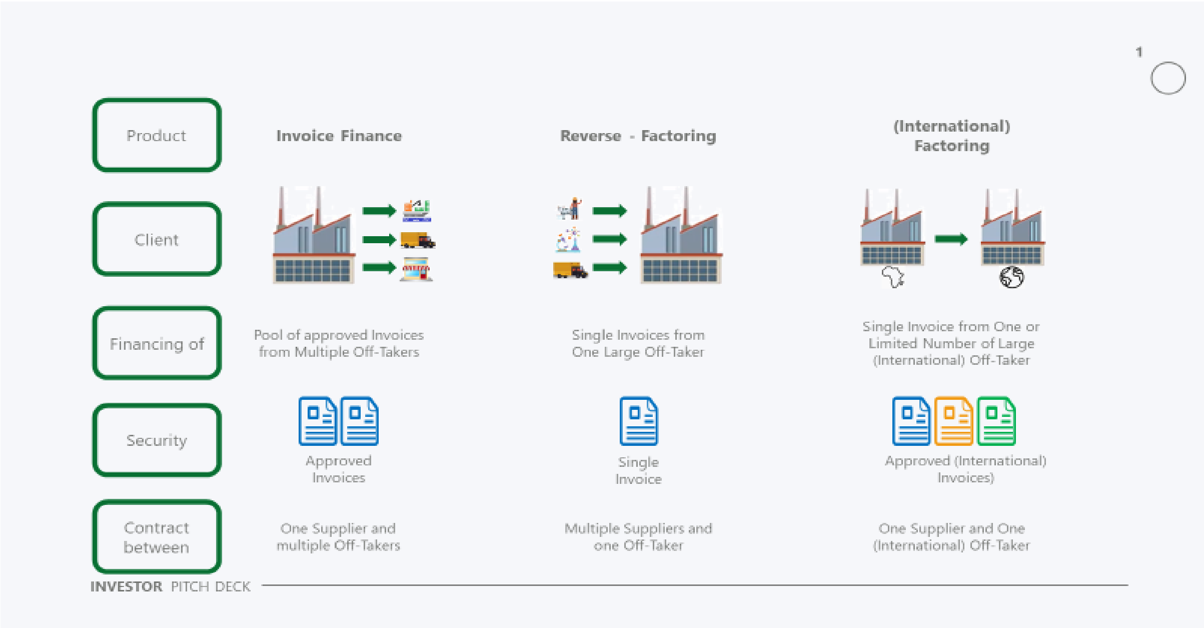
Micheal Muwonge, Country Manager, Uganda

Mutiso Ndambuki, Country Manager, Kenya

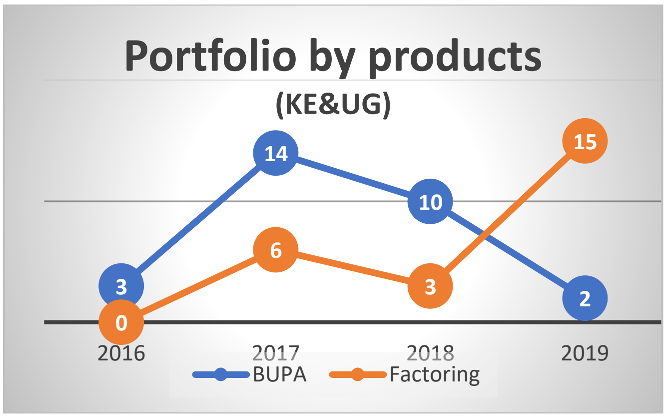
Reni Pekacar, Director, Products & Markets

In January 2019 Peter van der Krogt, Chairman of the Board also became the CEO after the resignation of Maarten Susan. Amsterdam got directly involved in managing the operational activities as interim solution. The objective was to empower local management and delegate responsibilities wherever possible. This process has started and accelerated by COVID -19 making travel difficult or near impossible. Micheal Muwonge has taken over the daily management of the 2 offices and leads the Management Team. Two new members joined the Management Team: Peter Ndirangu, our Finance Manager and Isabel Sembiro, our Risk Manager Uganda, who has become the Regional Risk Manager. In addition, Sjoerd van der Voet, seconded last October from Amsterdam to the Kenya office to become our Operations Head a.i and take amongst others the lead on further development of our technology has joined the Management team as Advisor.

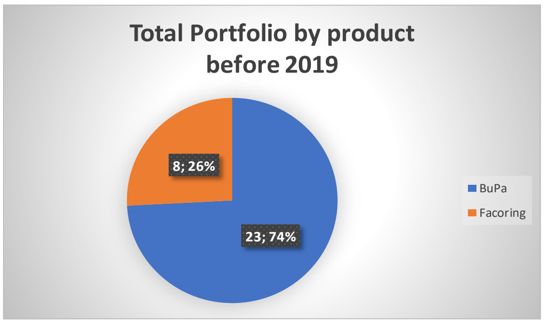
WHAT PRODUCTS DO WE OFFER

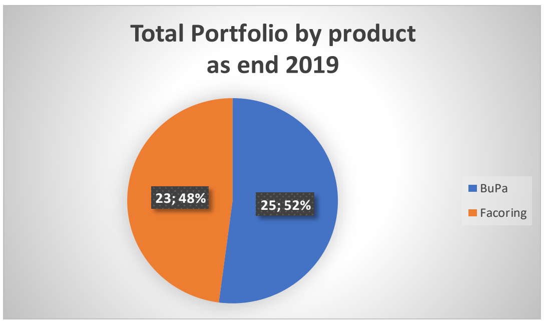


In 2019 there was significant shift on products. Aprox 90% of new clients onboarded in 2019 were having invoice finance or factoring facility. The significant shift from BuPa to factoring is visible on country level too and No new client in Uganda with BuPa facility was onboarded in 2019.



Before 2019, total portfolio was concentrated onsupply chain financing (read BuPa product), while in 2019 invoice finance and factoring slightly took higher share in the portfolio as a result of the shift in product and sales strategy.





TECHNOLOGY

Technology has become an integral part of FACTS in 2019. A strong feeling for the need of technological independence has resulted in many initiatives that together created focus on the strategy of FACTS. Further investments in technology can help strive FACTS to facilitate in its core business operations: supplying of working capital to SMEs.

We made sure that all possible data is captured in our systems in a structured format. Capturing these data allows us to take better decisions. The upgrades in the platform now executed will allow the operations team to phase out daily manual tasks, automate onboarding processes, facilitate financial reporting and reconciliations, next to better client management and providing a framework for cooperation with other Financial Institutions.

Initiatives that have been started in 2019 and be completed in 2020.

- Project Hifadhi: a central storage place for all needed information which helps knowing when a new review of specific documents is due
- Project e-Kara: creating a system to store all invoices, funding requests, settlements, etc. Plans are being developed to add e-Invoicing to our platform to assist our clients to efficiently store and send out their invoices and off-takers to approve invoices online
- Project M-Safari: a system that takes a client through the journey from initial client contact up until the first disbursements. This journey includes capturing the right documents, processing and decision making.
- Project Term Loan: a loan administration system for restructured facilities into term loans when clients are no longer able to pay and them to help them get through difficult times. The plan is to add to the system flexible features, log incoming payments and send out reminders
- Project Data Warehouse: the creation of a Data Warehouse using specialized Business Intelligence tools with software we obtained from Lookers is well advanced. This data ware links to our other systems, such as our reporting and accounting system and allows for producing real time reports, sending out periodic reports automatically as well as alerts and information to clients

IMPACT AND ESG

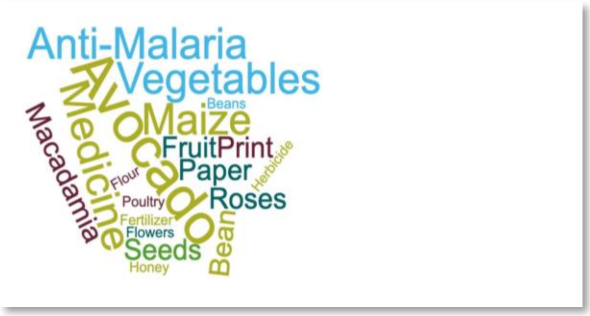
IMPACT

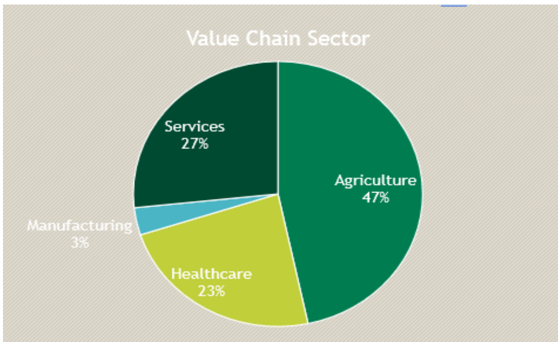
We see as our mission to provide innovative Supply Finance and Invoice Finance solutions either by finance or providing a platform to likeminded financial institutions (FIs) that catalyze business growth as we are convinced that economic impact is best achieved through developing a vibrant and resilient SME sector. In 2019, FACM/ FACTS commissioned an impact report mandating a PhD Candidate at the School of Business and Economics at Vrije Universiteit Amsterdam and the Tinbergen Institute in collaboration with the team of Financial Access Commerce and Trade Services (FACTS) in Amsterdam, Nairobi and Kampala to provide a comprehensive overview of the clients in the FACTS portfolio in 2018 in terms of financial indicators and social impact indicators. For our impact reporting we use internationally standardized indicators from the IRIS database, maintained by the Global Impact Investing Network.

In interviews with our clients during our visits for this study, we identified five main areas of the Sustainable Development Goals which our clients address through their work:

Sustainable Development Goals addressed by our clients

Our clients are connected to a number of high impact value chain. Of the 30 clients that were active during 2018, 14 were in agriculture, 8 in services (mainly printing) and 7 in healthcare.





Supply Chain Relations and Knowledge Transfer - its Impact and Key facts:

- 5,597 suppliers connected to clients in FACTS portfolio.
- 22,710 beneficiaries reached, based on number of suppliers and household size.
- 87% rural suppliers, equally split in male – female and Kenya – Uganda.
- FACTS has trained 65% of their clients in 2018.
- All clients working with smallholder farmers have provided training to farmers.

- 30% increase in employment for FACTS clients between 2017 and 2018.
- 46% increase in number of suppliers between 2017 and 2018.
- 46% increase in number of suppliers between 2017 and 2018.
- Increase in median working capital from € 66,500 to € 70.500.
- On average clients used € 170,000 more cumulative SCF funding in 2018.

ESG

Responsible investment is at the heart of FACTS' business. By making active consideration of Environmental, Social and Governance (ESG) factors within its investment decision-making and ownership practices, FACTS believes it can control risk, create value and have better assurance of sustained financial performance of its portfolios.

FACTS is a signatory to the United Nations-supported Principles for Responsible Investment (https://www.unpri.org/).

TECHNICAL ASSISTANCE

EASE

In 2019 we started working on the project, Expanding Access to Supply Chain Finance for SMEs in East Africa (EASE), in partnership with MEDA funded by NORAD. The EASE project targeted to test the potential for a nonbanking financial institution (NBFI) to partner with FIs including banks to solve its challenge in having sufficient funds to on lend to potential SMEs that otherwise have minimum avenues to access leverage. The project aimed to facilitate a technology based solution that brought efficiency to the collaboration lending model FACM aimed to achieve via its financing company, FACTS EA, and FACTS subsidiaries in Kenya and Uganda either by having banks participate in loans to FACTS' clients, or by having FACM/ FACTS provide operational support to help banks minimize their costs in reaching out to SMEs for working capital solutions.

While a series of activities leading to above objective were achieved during the year of 2019, actual business deal with FIs were not achieved – although active negotiations for collaboration are currently underway with commercial banks in Kenya, Uganda and Tanzania either for co-funding or for white-labelling and with a pan-African multilateral trade finance institution to provide guarantee to FACTS' entities in Kenya and Uganda. The progress in the project was hampered in its first year of execution due to some external issues such as for Tanzania increased risk levels with complications around regulation, repatriation of funds and for Kenya the interest rate ceiling which was lifted later in 2019. Nevertheless, mitigations to both such challenges have been identified, executed, or in the process of being executed – that provide a better promise for FACM's capacity to execute them in 2020.

OTHER

Cordaid, FACTS existing lender, approved in late 2018 to provide grant for developing FACTS credit risk management system. In 2019, steps were undertaken to identify loopholes in our real workflows and to efficiently put in place a credit and risk management system to address them. Validation on the mapped-out processes and workflows was conducted by a factoring expert.

At the beginning of second quarter 2019, FACTS Kenya qualified for the Feed the Future Kenya Investment Mechanism (KIM) Project funded by USAID with Palladium acting as the managing contractor. The KIM is a five-year program designed to promote access to finance essential for fostering the development of Kenya's agricultural market system. By unlocking finance necessary to commercialize upstream and downstream agribusinesses, KIM will pull resource-poor smallholders and SMEs into competitive and growth-oriented value chains, and contribute to USAID's overall goal of fostering broad-based, sustained, and inclusive economic growth in Kenya. 17 specific counties along with focus on certain value chains were identified for investment or credit mobilization for FACTS Kenya to qualify as an entity for success fee commission. Total financing to the agriculture sector i.e. horticulture and farm input in 2019 by FACTS Kenya was ~US$ 1.65 million.

Consolidated Financial Statements for the year ending 31 December 2019

Auditor's Letter

FACTS East Africa B.V.
Emmaplein 2
1075 AW AMSTERDAM

Dear Management,

We hereby send you the report regarding the financial statements for the year 2019 of your company

In accordance with your instructions we have compiled the financial report 2019 of your company, the consolidated balance sheet totaling of US$ 5,132,649 and the consolidated and non-consolidated profit and loss account with a negative post-tax result of US$ 407,221.

The financial statements of FACTS East Africa B.V. at Amsterdam have been compiled by our firm using the information provided by the Management of FACTS East Africa B.V.. The financial statements comprise the balance sheet as at December 31, 2019 and the profit and loss account up to 2019 with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with Dutch law, including the Dutch Standard 4410, "Compilation engagements", which is applicable to accountants. The standard requires us to assist you in the preparation and presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code.

In a compilation engagement, you are responsible for ensuring that you provide us with all relevant information and that this information is correct. Therefore, we have conducted our work, in accordance with the applicable regulations, on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as one to consider whether the financial statements as presented correspond with our understanding of FACTS East Africa B.V. We have not performed any audit or review procedures which would enable us to express an opinion or a conclusion as to the fair presentation of the financial statements.

Yours sincerely,

Look Forward Administratie & Advies B.V.

J.E. Keller

Consolidated Financial Statements

Consolidated Profit and Loss Account

The result after taxation for 2019 amounts to negative US$ 407,221 compared to positive US$ 24,086 for 2018. The results of both years can be summarized as follows:

Development of income and expenses

	2019	% revenue	2018	% revenue	Difference	%
Revenue	1,326,221	100.0%	1,556,230	100.0%	-230,009	-14.8%
Financial cost & foreign exchange	312,286	23.5%	210,967	12.7%	71,090	33.7%
Gross Margin	**1,013,935**	**76.5%**	**1,345,263**	**87.3%**	**-301,099**	**-22.4%**
Operational expenses	1,411,146	106.4%	1,321,750	81.8%	89,065	6.7%
Professional Fees (project related)	-3,234	-0.2%	6,376	0.4%	-9,610	-150.7%
Agency Fees Payments	-332	0.0%	0	0.0%	-332	N/A
Employee expenses	667,544	50.3%	573,516	32.3%	94,028	16.4%
Depreciation	11,687	0.9%	8,697	0.6%	2,990	34.4%
Facilities & utilities	150,648	11.4%	127,631	2.4%	23,017	18.0%
Legal	32,507	2.5%	54,862	3.6%	-22,355	-40.7%
Marketing	10,981	0.8%	22,100	1.4%	-11,119	-50.3%
Other	99,803	7.5%	192,218	12.4%	-92,415	-48.1%
Consultants	2,110	0.2%	30,803	2.0%	-28,693	-93.2%
Management Fees	80,797	6.1%	68,148	9.3%	12,649	18.6%
Other costs	31,353	2.4%	0	0.0%	31,353	N/A
General costs	47,802	2.6%	15,679	3.0%	19,455	124.1%
Provisions	279,479	21.1%	221,718	14.4%	57,762	26.1%
Operation Result	**-397,211**	**-27.6%**	**23,513**	**5.5%**	**-390,164**	**119.6%**
Other income / expenses	-4,312	-0.3%	31,553	-3.9%	-35,865	-113.7%
Result before Tax	**-401,253**	**-28.0%**	**55,066**	**1.6%**	**-426,028**	**105.3%**
Taxes	5,698	0.5%	30,167	-3.9%	-24,469	-81.1%
Result from normal operations	**-407,221**	**1.6%**	**24,899**	**1.6%**	**-450,497**	**105.1%**
Share of third parties	0	0.0%	-813	0.1%	813	-100.0%
Result after Tax	**-407,221**	**1.6%**	**24,086**	**1.6%**	**-449,684**	**105.1%**

Consolidated Annual Accounts 2019

Consolidated Balance Sheet December 31, 2019

	31-12-2019	31-12-2018
Assets		
Fixed Assets	114,225	106,992
Tangible Fixed Assets	47,589	38,779
Financial Fixed Assets	66,636	68,213
Current Assets	5,018,424	5,401,023
Receivables, prepayments and accrued incomes	4,268,778	4,170,510
Cash and cash equivalents	749,646	1,230,513
	5,132,649	**5,508,014**
Liabilities and Shareholders' Equity		
Equity	1,028,735	1,020,001
Share capital	2,393,108	2,006,700
Share premium account	94,650	94,650
Reserves and retained earnings	-1,051,801	-1,075,890
Unappropriated result	-407,221	24,086
Non-current liabilities	3,893,154	3,970,017
Current liabilities	210,760	517,997
	5,132,649	**5,508,014**

Off – Balance Sheet December 31, 2019

	31-12-2019	31-12-2018
MCF participation		
Portfolio	202,500	161,288
Cash	0	44,128
Funds received	**202,500**	**205,416**

Fiscal position

Taxable amount 2019

The taxable amount for 2019 has been calculated as follows:	2019
Result FACTS East Africa B.V. before taxes	-533,843
Result FACTS Advance B.V.	111,198
Result Financial Access Commerce and Trade Services (Kenya) Limited	6,619
Result Financial Access Commerce and Trade Services (Uganda) Limited	8,804
	-407,221
Tax differences	
Deferred tax participations (not in fiscal unity)	0
Taxable amount 2019	-407,221

No corporate income is to be paid over the taxable amount.

Offsettable losses

	Offsettable losses as of January 1, 2019	Loss in 2019	Offsettable losses as of December 31,2019
2015	144,693		144,693
2016	269,438		269,438
2017	433,356		433,356
2018	57,061		57,061
2019		407,221	407,221
	904,548		1,311,769

Notes to the Consolidated Financial Statements

General

The registered and actual address of FACTS East Africa B.V. (CoC file 63668157) is Emmaplein 2 in Amsterdam.

Group structure

LIST OF PARTICIPATING INTERESTS

FACTS East Africa B.V. in Amsterdam is the head of a group of legal entities. The overview of the data as required in accordance with Articles2:379 and 2:414 of the Dutch Civil Code is included below:

Financial Access Commerce and Trade Services (Kenya) Limited (Nairobi Kenya), share in issued capital 99.00%, included in consolidation: yes
Financial Access Commerce and Trade Services (Uganda) (Kampala, Uganda) Limited, share in issued capital 99.00%, included in consolidation: yes
FACTS Advance B.V. 100.00%

Registered address

The activities of FACTS East Africa B.V., with registered offices in Amsterdam, include financing small and medium-sized enterprises (SMEs) and entrepreneurs to gain working capital, with operations and subsidiaries in Kenya and Uganda.

Assumption of continuity

After the start-up losses which were planned there was in 2018, a significant change in income and even a small net profit was booked. Last year was stated that the company continuity is related to a further growth of its lending portfolio to cover all operational costs. This did not happen and there is an operational loss though 80% of the loss in 2019 is attributed to a fraud case. Adequate provisions were taken, and the shareholders injected an amount equal to the total loss booked to ensure that the equity remained the same and the capital ratio also remained at the required 20%. We do note some concerns about the business continuity, whereby the current uncertainties caused by COVID -19 take part, but given the investments made in the technology platform, the cost saving measures taken we do think the company will be able to complete its current plans, use its existing assets and continue to meet its financial obligations.

Principles of variation of assets and liabilities

When applying the principles and rules for preparing the financial statements, the management of FACTS EAST AFRICA B.V. different opinions and estimates that may be essential for the amounts included in the financial statements. If it is necessary to provide the insight required in Section 2: 362 (1) of the Dutch Civil Code, the nature of these judgments and estimates, including the associated assumptions, is included in the notes to the relevant financial statement items.

Currency

The FACTS EA Board decided to change the reporting currency for the group from Euro to US$ to reduce volatility because the local currencies in East Africa are all linked to US$ and we at consolidated level wanted to exclude as much as possible forex movements between USD and Euro. The US$ reporting requirement is applicable from financial year 2019 till the Board decides otherwise.

Therefore, the financial statements for 2019 are prepared in US$, and the exchange rate used for converting 2018 figures from Euro to USD is at 1.15; US$ is both the functional and the presentation currency of the organization. Transactions in foreign currencies during the reporting period are recognized in the financial statements at the exchange rate on the transaction date.

Monetary assets and liabilities in foreign currencies are converted into the functional currency at the exchange rate on the balance sheet date. The exchange rate differences arising from the settlement and conversion are credited or debited to the profit and loss account. Non-monetary assets that are valued in a foreign currency at the acquisition price are converted at the exchange rate on the transaction date determined.

FACTS Kenya Ltd. and FACTS Uganda Ltd. annual report and financial statements are measured using their own national currency. The consolidated financial statements for 2019 are presented in USD using the following exchange rates: Euro to USD at 1.12; KES to USD at 114.39 and UGX to USD at 4,155.34.

General Principles

The financial statements have been prepared in accordance with the generally accepted commercial principles for financial reporting in the Netherlands. The amounts are shown in Euros.

Assets and liabilities are generally valued at the acquisition or manufacturing price or the current value. If no specific valuation basis is stated, valuation takes place at the acquisition price. The accounting policies used for valuation and determination of results have remained unchanged compared to the previous year, with the exception of the applied system changes as included in the relevant sections.

Tangible fixed assets

Other tangible fixed assets are valued at the acquisition or production price including directly attributable costs, after deduction of linear depreciation during the expected future useful life and impairments. Subsidies on investments are deducted from the acquisition or production price of the assets to which the subsidies relate. A provision is made for the expected amount at the time of activation for obligations to restore after the end of use of the asset (decommissioning costs). This amount is recognized as part of the carrying amount of the asset against which a provision is formed for the entire amount.

A provision for major maintenance has been formed for the future costs of major maintenance of the industrial buildings. The addition to the provision is determined on the basis of the estimated amount of maintenance and the period that elapses between major maintenance work.

Financial fixed assets

Participating interests in which significant influence can be exercised are valued according to the equity method (net asset value). When 20% or more of the voting rights can be issued, it is assumed that there is significant influence.

The net asset value is calculated in accordance with the accounting policies that apply to these financial statements; for participating interests for which insufficient information is available for adjustment to these accounting policies, the accounting policies of the relevant participating interest are used.

If the valuation of a participating interest according to the net asset value is negative, it is valued at nil. A provision is made for this if and to the extent that the organization is fully or partially responsible for the debts of the participation in this situation or has the firm intention of enabling the participation to pay its debts.

The initial valuation of purchased participations is based on the fair value of the identifiable assets and liabilities at the time of acquisition. For the subsequent valuation, the principles that apply to these financial statements are applied, based on the values at initial valuation.

The result is recognized as the amount by which the book value of the participating interest has changed since the previous financial statements because of the result achieved by the participating interest. Participating interests over which no significant influence can be exercised are valued at the acquisition price. No dividend were declared for the participating interest the year under review.

If there is an impairment, valuation takes place at the realizable value. Write-down takes place at the expense of the profit and loss account. The receivables included under financial fixed assets are initially valued at fair value after deduction of transaction costs (if material). Subsequently, these receivables are valued at amortized cost, which is generally the same as the nominal value. The valuation takes into account any impairment.

Deferred tax assets are recognized for deductible tax losses and deductible temporary differences between the value of the assets and liabilities according to tax rules on the one hand and the accounting policies used in these financial statements on the other hand, on the understanding that deferred tax assets are only recognized to the extent that it is future taxable profit with which the temporary differences can be set off and losses can be offset. The deferred tax assets are calculated at the tax rates applicable at the end of the year under review or at the rates applicable in the coming years, insofar as these have already been established by law. Deferred tax assets are valued at nominal value.

Receivables and deferred assets
Receivables are initially recognized at the fair value of the consideration, including the transaction costs if material. Trade receivables are valued after initial processing at the amortized cost price. Provisions for bad debts are deducted from the carrying amount of the claim.

Cash and Cash equivalents
Cash and cash equivalents consist of cash, bank balances and deposits with a term of less than twelve months. Current account debts with banks are included under debts to credit institutions under short-term debts. Cash and cash equivalents are valued at nominal value.

Third party share in group equity
If the organization purchases its own shares, the purchase price of the repurchased shares is deducted from the other reserves, or from other reserves if the articles of association allow this, until these shares are canceled or sold. If repurchased shares are sold, the proceeds from the sale are credited to the other reserves or other reserves in equity. The proceeds will be credited to the reserve from which the purchase of these shares has previously been deducted. Costs that are directly related to the purchase, sale and / or issue of new shares are charged directly to shareholders' equity, with settlement of relevant income tax effects. If revaluations are recognized in the revaluation reserve after deduction of relevant (deferred) tax liabilities, the realized revaluations are added gross to the profit and loss account. The corresponding release of the (deferred) tax liabilities is charged to the result under the item taxes.

Non-current liabilities
Long-term debts are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of the long-term debts are included in the valuation at initial recognition. After initial processing, long- term debts are valued at amortized cost, being the amount received taking into account premium or discount and after deduction of transaction costs. The difference between the determined book value and the final redemption value is recognized as interest expense based on the effective interest during the

estimated term of the long-term debts.

Current liabilities

Short-term debts are initially measured at fair value. After initial processing, short-term debts are valued at amortized cost, being the amount received taking into account premium or discount and after deduction of transaction costs. This is usually the nominal value.

Principles of determination of the result

The result is determined as the difference between the net realizable value of the services provided and the costs and other charges for the year. Revenues from transactions are recognized in the year in which they are realized. The result is also determined taking into account the recognition of unrealized value changes of fair value: - investment property; - securities included in current assets.

Net turnover

Revenue from the sale of goods is processed as soon as all important rights and risks regarding ownership of the goods have been transferred to the buyer, at the balance sheet date in relation to the total services to be provided.

Selling, general and administrative expenses

The costs are determined on a historical basis and allocated to the reporting year to which they relate. The benefits due to the employees are incorporated in the profit and loss account based on the employment conditions. The company has processed all pension plans in accordance with the obligation approach. The premium due for the reporting year is recognized as an expense. The premiums are recognized as personnel costs as soon as they are due. Prepaid premiums are recognized as accrued assets if this leads to a repayment or a reduction in future payments. Premiums not yet paid are included on the balance sheet as a liability.

Depreciation

Intangible fixed assets including goodwill and tangible fixed assets are depreciated over the estimated economic life/expected future useful life of assets from the moment the asset is available for the intended use. There is no depreciation on land and investment property.

Financial income and expenses

Interest income and interest expense are recognized on a time-proportional basis, taking into account the effective interest rate of the relevant assets and liabilities. When processing the interest costs, account is taken of the recognized transaction costs on the loans received.

Financial Access Commerce and Trade Services (K) Limited
Annual report and financial statements for the year ended 31 December 2019

The principal activity of the company to that of lending to SMEs in Kenya. The company also continues to act as a financial agent for its parent company (FACTS East Africa B.V.). The financial statements are prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates and requirements of the Kenyan Companies Act, 2015.

The net profit of the company was Kshs 674,732 or US$ 6,619 has been transferred to retained loss of the start-up years. No dividend is declared or paid to shareholders during the year.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2019 Kshs
Revenue	44,819,076.95
Other income	18,345,583.68
Total Revenue	**63,164,660.63**
OPEX	
Total Expenses	**-62,294,457.09**
Profit before tax	870,203.54
Tax	-195,471.36
Profit for the year	674,732.17
Total comprehensive income	674,732.17

Financial Access Commerce and Trade Services (U) Limited
Annual report and financial statements for the year ended 31st December 2019

The directors submit their report and the audited financial statements for the period ended 31 December 2019, which disclose the state of affairs of the company. The principal activity of the Company is that of lending to SMEs in Uganda. The Company also continues to act as an agent for its parent company (FACTS East Africa B.V.). Net profit of the company was UGX 32,607,246 or US$ 8,804 has been transferred to retained earnings.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2019 Ugx
Revenue	1,719,622,538.00
Other income	1,081,054.00
Total Revenue	**1,720,703,592.00**
OPEX	
Total Expenses	**-1,674,095,295.94**
Profit before tax	46,608,296.06
Tax	-14,001,049.93
Profit for the year	32,607,246.13
Total comprehensive income	32,607,246.13

Notes to the Consolidated Balance Sheet, December 31, 2019

Tangible Fixed Assets

	31-12-2019	31-12-2018
Tangible Fixed Assets	47,589	38,779
Plant & Equipment	14,060	10,622
Office equipment	656	0
Other Fixed Assets	32,873	28,158

The organization uses the following annual depreciation percentages for other fixed assets 20%.

Financial Fixed Assets

	31-12-2019	31-12-2018
Financial Fixed assets	66,636	68,213
Other Receivables	66,636	68,213

Receivables, prepayments and accrued incomes

	31-12-2019	31-12-2018
Receivables, prepayments and accrued incomes	4,268,778	4,170,510
Trade Receivables*	3,787,599	3,675,498
Receivables and Accrued income	481,180	495,013

Receivables, prepayments and accrued incomes

	31-12-2019	31-12-2018
Trade Receivables	3,787,599	3,675,498
Trade Receivables	526,544	392,942
Invoices factored	3,261,155	3,282,556

Prepayments and Accrued income

	31-12-2019	31-12-2018
Prepayments and Accrued income	481,180	495,013
Other Receivables	76,865	80,507
Prepayment and accrued income	404,315	414,506

Cash and cash equivalents

	31-12-2019	31-12-2018
	749,646	1,230,513
Banks	889,252	1,237,385
Cash in transit	-139,606	-6,872

Banks

	31-12-2019	31-12-2018
Banks	889,252	1,237,385
Banks	8,800	19,442
ING bank 000898892	-13,199	-135,716
ING bank USD 0020146469	2,059	430,576
cfc Stanbic KES a/c Kenya	345,109	134,722
CFC Stanbic Euro A/C Kenya	140,421	180,146
Stanbic UGX-Uganda 9030013411688	-836	-1,411
Stanbic Euro A/C Uganda 9030013411793	20	26
CFC Stanbic KES A/C Kenya 0100004982422 Savings	792	42,726
Stanbic Bank _ UGX A/C	380,786	282,017
Stanbic Bank Euro A/C	12,334	265,478
CFC Stanbic Kenya A/C - Savings KE	11,612	19,378
Repayment obligations (funds lent)	1,355	0

Equity

	31-12-2019	31-12-2018
Equity	1,028,735	1,020,001
Share Capital	2,393,108	2,006,700
Share premium account	94,650	94,650
Legal reserves	-46,005	-46,005
Other reserves	-1,005,796	-1,011,259
Unappropriated result	-407,221	24,086

2,000,100 ordinary shares at par value € 1.00 each. Unpaid ordinary shares (issued, not requested) 360,000. In 2019, FACM injected € 40,000 in its FACTS EA's unpaid ordinary shares. 366,666 non-voting C-shares at par value € 1.00 each. In 2017, C4D loan for € 250,000 converted to 166,666 C-shares - gain booked in agio account. In 2019, FACTS EA issued 200,000 C-shares to FACM against € 300,000

Non-current liabilities

	31-12-2019	31-12-2018
Non-current liabilities	3,893,154	3,970,017
Intercompany loans	0	-86,579
Security deposits	15,814	232,311
Amounts due to participants and to companies in which participation takes place	2,246	2,344
Payables to other related parties	-35,299	146,196
Borrowed Funds	3,910,394	3,675,743

Intercompany loans

	31-12-2019	31-12-2018
Intercompany loans	0	-86,579
Intercompany loans	0	-86,579

Security deposits

	31-12-2019	31-12-2018
Security deposits	15,814	232,311
Security deposits	15,814	232,311

Amounts due to participations and to companies in which participation takes place

	31-12-2019	31-12-2018
Amounts due to participations and to companies in which participation takes place	2,246	2,344
Current Account Financial Access East Africa Ltd.	2,246	2,344

Payables to other related parties

	31-12-2019	31-12-2018
Payables to other related parties	-35,299	146,196
Current Account Financial Access Consulting Services B.V.	-2,949	-2,954
Current Account Financial Access Asia Ltd	78	78
Current Account Financial Access Capital Management B.V.	-32,428	149,073

Borrowed Funds

	31-12-2019	31-12-2018
Borrowed Funds	3,910,394	3,675,743
Loan-Lend a Hand	1,065,234	1,433,723
Loan DGGF (funds borrowed)	0	227,161
Loan Cordaid	1,013,428	501,193
Loan CFC	400,000	0
Loans AECF (funds borrowed)	300,000	290,177
Loans AGC (funds borrowed)	631,732	629,157
Loan Alphamundi	500,000	594,332

The conditions of the loan-Lend a Hand are described in the Lendahand Website Issuer Access Agreement signed January 1, 2017.

The Dutch Good Growth Fund of € 400,000 FACTS EA financing has been awarded to finance means to provide seed capital to be exclusively used for on-lending for a reverse factoring and distributor finance pilot (the "Pilot") to SMEs in Kenya and Uganda, as further referred to in the "Proposal for financing under Dutch Good Growth Fund - Seed capital and Business Development Facility. The interest rate is 0.52%. As of December 31, 2017, an amount of € 0 of the financing loans have a residual term longer than five years. In 2018, there was a repayment of € 200,000.

The Cordaid loan (client on-lending) FACTS EA, signed 23-10-2018 has an interest rate of 8% with a 12 months possibility of roll-over

The AECF loan of FACTS Uganda Ltd (client on-lending), signed 1-1-2016, has an interest rate of 0%. The amortization is as follows: 2019 US$: 100K and in 2020 US$: 200K.

The AGC loan (client on-lending), FACTS Advance, signed 7-2-2018 is a 12 months revolving facility with an interest rate of 9.5%.

The Alphamundi (Client on-lending & Working Capital) FACTS EA, signed 1-10-2018, is an 18 months revolving facility with an interest rate of 11%.

Current liabilities

	31-12-2019	31-12-2018
Current liabilities	210,760	517,997
Trade Creditors	79,859	203,099
Payroll processing	0	7
Payables to other related parties	0	40,361
Taxes and Social security	27,137	25,251
Provision Balance	92,402	129,732
Other liabilities, accruals and deferred income	11,362	121,8201

Taxes and Social security

	31-12-2019	31-12-2018
Taxes and Social security	27,137	25,251
VAT	-39,665	-16,370
Pay As You Earn (PAYE) Tax	8,297	7,919
Income Tax & Social Insurance Contributions Charges	58,505	33,703

Payroll Processing

	31-12-2019	31-12-2018
Payroll processing	0	7
Net wages	0	7

Provision Balance

	31-12-2019	31-12-2018
Provision Balance	92,402	129,732
Provision Balance	92,402	129,732

Other liabilities, accruals and deferred income

	31-12-2019	31-12-2018
Other liabilities, accruals and deferred income	11,362	121,820
Accrued Expenses	1,692	1,600
Interest to be payed	4,733	4,733
Staff Association	1,083	0
Current Account Maarten Susan	2,467	115,275
Retirement pension funds	1,380	0
Suspense account payroll journal entry-NSSF/NHIF	7	211

Liabilities not included in the balance sheet

Tax losses can be set off against the taxable profits of the past year or the nine following years. The deductible losses are not recognized in the balance sheet.

Contingent Liability- ICCO and FACM have been issued phantom shares 11,667 and 14,000 against C-shares interest due in 2019 of € 17,500 and € 21,000 respectively, and within fifth anniversary of the closing date of their investment the conversion option into ordinary shares is available to them in accordance to their respective Investment Agreement.

Notes to Consolidated Profit and Loss account for the year 2019

Revenue

	2019	2018
Revenue	1,326,221	1,566,230
Interest Margins & Fees	800,529	1,009,353
Penalties Income	286,395	310,155
Technical assistance	237,559	237,861
Revenue	1,697	-1,138

Financial cost & foreign exchange

	2019	2018
Financial cost & foreign exchange	312,286	210,967
Interest charges on loans (funds borrowed)	369,149	290,209
Foreign exchange differences	-56,863	-79,246
Other Travel Expenses Costs	0	5

Foreign exchange differences

	2019	2018
Foreign exchange differences	-56,863	-79,246
Foreign exchange differences	-56,863	-79,246

For 2019 the KES and UGX appreciated vs Euro, while the Euro depreciated. See table below:

Fx to USD	**Dec-18**	**Dec-19**
Euro	0.8735	0.8928
KES	101.272	100.331
UGX	3,693	3,631

The exchange rate differences arising from the settlement and conversion are credited or debited to the profit and loss account.

Operational expenses

	2019	2018
Operational expenses	1,411,146	1,257,313
Agency Fees Payments	-332	
Professional Fees (project related)	-3,234	6,376
Employee expenses	667,544	573,516
Depreciation	11,687	8,697
Facilities & utilities	150,648	127,631
Legal	32,507	54,862
Marketing	10,981	22,100
Other	99,803	192,218
Consultants	2,110	30,803
Management Fees	80,797	68,148
General costs	31,353	47,898
Other costs	47,802	
Provisions	279,479	221,718

Employee expenses

	2019	2018
Employee expenses	667,544	573,516
Employee expenses	667,544	573,516

Employee expenses

	2019	2018
Employee expenses	667,544	573,516
Expense claims, Travel, Medical, Accommodation and Meals	0	482
Other payments	9,986	2,785
Staff welfare	1,910	2,398
Management fee (external)	73,560	75,576
Salaries & Wages	550,569	466,836
NSSF - Employee contribution	28,478	25,440
Bonuses	3,041	0

Depreciation

	2019	2018
Depreciation	11,687	8,697
Tangible Fixed Assets	11,687	8,697

Tangible Fixed Assets

	2019	2018
Tangible Fixed Assets	11,687	8,697
Other Fixed Assets	1,262	293
Depreciation - Office Equipment	59	0
Depreciation - Furniture and Fittings	3,896	3,777
Depreciation - Plant & Equipment	6,469	4,627

Facilities & utilities

	2019	2018
Facilities & utilities	150,648	127,631
Facilities & utilities	150.648	127,631

Legal

	2019	2018
Legal	32,507	54,862
Legal	13,770	42,646
Other staff costs	373	0
Health insurance	18,364	12,216

Marketing

	2019	2018
Marketing	10,981	22,100
Marketing	10,981	22,100

Other

	2019	2018
Other	99,083	192,218
Other	87,200	130,236
IT-Costs	10,198	61,706
Representation costs	2,207	276
Gifts and donations	199	0

Consultants

	2019	2018
Consultants	2,110	30,803
Consultants	2,110	30,803

Management Fees

	2019	2018
Management Fees	80,797	68,148
Management Fees	80,797	68,148

General costs

	2019	2018
General costs	31,353	15,679
Legal costs	724	170
Trade Insurance policies (on lending cost)	30,593	15,484
Fines & Penalties	36	24

Other costs

	2019	2018
Other costs	47,802	0
Extraordinary charges	47,802	0

Provisions

	2019	2018
Provisions	279,479	221,718
Provisions	279,479	221,718

Other income / expenses

	2019	2018
Other income / expenses	-4,312	31,553
Other income	31,073	44,187
Other expense	1,401	619
Bank expenses	33,985	12,017

Other income

	2019	2018
Other income	31,073	44,187
Other income group company	-1,675	-87
Other interest income	32,748	44,275

Other expense

	2019	2018
Other expense	1,401	619
Other Expense group company(s)	189	-287
Credit reference check costs (Bureau costs)	1,212	905

Bank expenses

	2019	2018
Bank expenses	33,985	12,017
Paid Bank expenses	33,985	12,017

Corporation Tax

	2019	2018
Corporation Tax	5,698	30,167
Corporation tax	5,698	30,167

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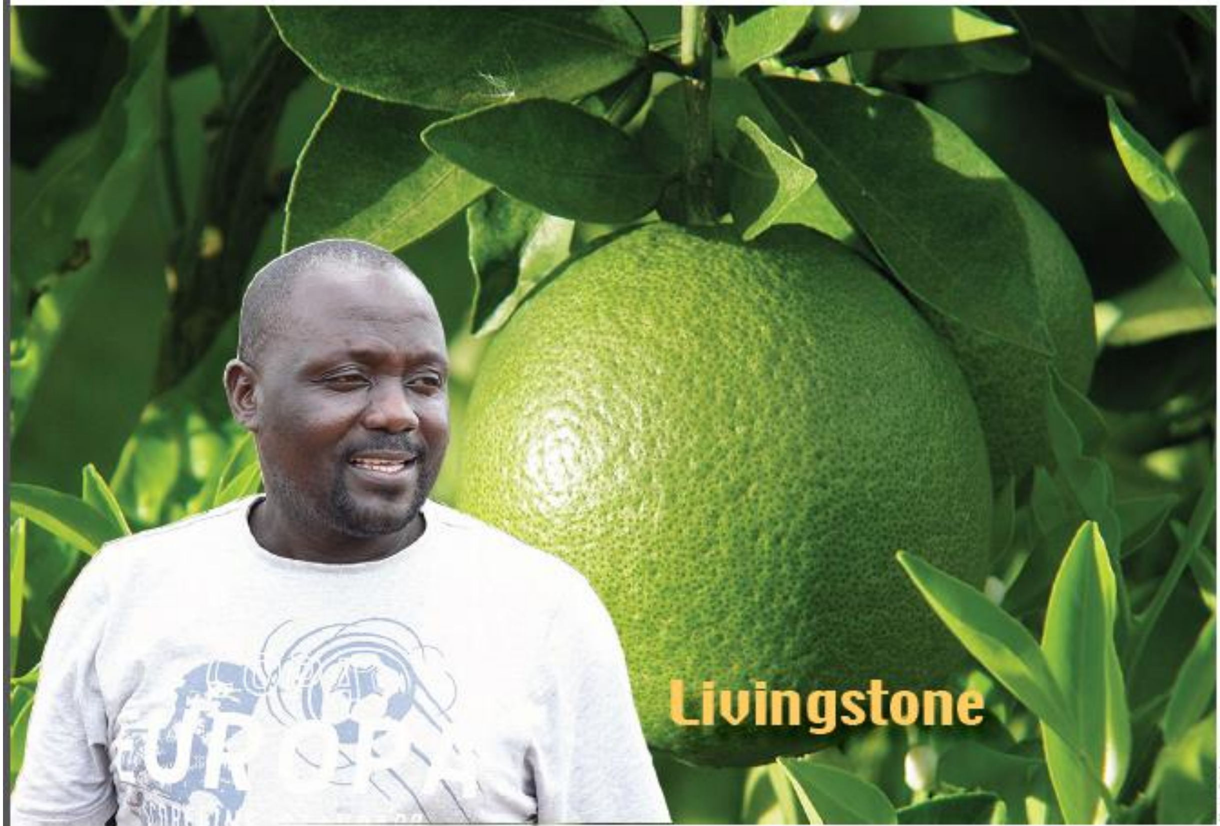
Article: FACTS Impact on Agri Business *(Source: Leadership Magazine)*



The all-round farmer

BY R.N. AYAGO

Kajajate Livingstone is a commercial farmer in Mityana district, central Uganda. His father, a subsistence farmer taught him the basics of agriculture in a rather traditional way. His fathers' informal teachings were on how to use the land and maximize output even when the piece of land was small. All they farmed while he was young were consumed domestically. Unfortunately, his father passed away when Kajajate was barely in his twenties. It was then that Kajajate's ability as head of the family was put to test. Immediately, he began to increase work on the available cultivable areas of the land, with an intention to grow more bananas [matooke], sell the surplus to realize an income. Fortunately, it worked for him, during the harvest, he managed to make big sales beyond what he had imagined! On his way home from the markets after selling the matooke, Kajajate would make calculations in his head which would encourage him to even yearn for more. The following season, he covered the whole of their family land with matooke plantations! Again, his efforts were rewarded with a bumper harvest, hence, big returns. After farming and dealing in matooke for several years, Kajajate decided to diversify his trade. He redesigned his matooke plantations by intercropping with vegetables and tomatoes, which equally fetched large returns. After about five years of vigorous tilling, the family land became

too small for an ambitious Kajajate. He was forced to buy more land to achieve his ambitions. Over the years, Kajajate has been expanding and currently, his farm sits on a massive sixty acres of land. Matooke still dominates as the major income earner, although, he also grows other banana varieties. Other cash crops like; coffee, Irish potatoes, watermelon, pineapples, green pepper and onions have also been introduced.

All these are farmed in a system of intercropping to ensure maximum use of the land. On one corner of the farm is an orchard producing a variety of fruits like; mangoes, oranges, lemons and passion fruits. Kajajate points out that during the matooke harvest, he produces about two thousand bunches monthly [a bunch of matooke is about ten thousand shillings on average]. He was reluctant to give the exact figures especially from the other crops, which seem to fetch three times more in value than the matooke when combined.

Kajajate also practices animal husbandry, and on his farm are mixed breed cattle, which produce large quantities of milk. There is also piggery and poultry on his farm. Kajajate's ambitious ways got him venturing into the growing of beans on a large scale to supply a seeds processing company. Through incentives from the company [Pearl seeds], and FACTS [Financial Access Commerce and Trade Services] a Non-Bank financial institution, which helps to facilitate farmers through finance and market, Kajajate managed to get funding and started growing the beans. Currently, he heads a group of sixty-five farmers who work directly under him, thirty of whom are women. The beans, which have a ready market are purchased in bulk from his farm when they ripen and he does not have to worry about price fluctuations because the price is fixed.

A tour around Kajajate's farm is proof that he is surely an ambitious man. There is evidence of constant activity, young men and women running about their businesses, bicycles, motorcycles, pick up trucks and people either making deliveries of farm essentials or buying ready products from the farm. There are two massive structures simultaneously under construction.

One looks like a larger residential farmhouse much bigger with modern design compared to the one he and his family currently live in. The other, even much larger has numerous extensions on either side.

Pointing to the structure, Kajajate explains that he plans to set up a recreational facility for members of his community to find a conducive place to relax after a hard day's work, instead of going all the way to the town center.

"A tour around Kajajate's farm is proof that he surely is an ambitious man. There is evidence of constant activity, young men and women running about their businesses..."

Kajajate and his family