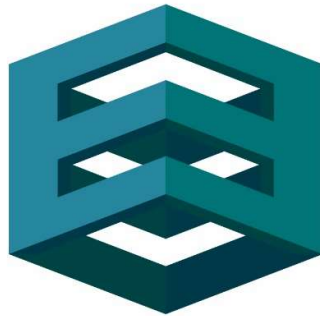


**EQUITY EXPRESS SECURITIES
EXCHANGE (PTY) LTD
ANNUAL REPORT
FY 2023**



EQUITY EXPRESS
securities exchange

Introduction

This Annual report is prepared inline with Board Notice 101 of 2013 together with the Financial Markets Act, 2012. The report has been structured to comply with the information required in the board Notice and provide an overview of how Equity Express Securities Exchange (Pty) Ltd has functioned during the 2023 Financial Year, ended 31 March 2023.

Equity Express Securities Exchange (Pty) Ltd, herein referred to as EESE received its bond and note licence from the Regulator in March and will use the 2024 Financial year to establish this market and grow the business.

Members of Controlling Body

EESE Board

March 2023(Financial Year End)
Sarita Martin (Chairman)
Richard Andrews (Non-Executive)
Madeleine Kotze (Non-Executive)
Mark Currie (Non-Executive)
Noah Greenhill (Non-Executive)
Shaun Read (Non-Executive)
Anthony Wilmot (Executive)
Flynn Robson (Executive)

The controlling body of EESE has remained unchanged for the 2023 Financial year and is committed to enhancing the governance of EESE.

Members of EESE Executive and Management Team

The EESE Executive and team is represented as follows:

Anthony Wilmot – CEO

Flynn Robson – Compliance and Risk Officer (Executive Director)

Nikki Clackworthy – Head of Operations

Colin Godleman – Head of Surveillance

Sindi Nkala - Administrator

Authorised Users, Participants and Clearing Members

There has been no change to the EESE prefunded model or to the members who partake in the EESE model.

Currently the list consists of the following parties:

Singular Systems (Pty) Ltd – Authorised user

STRATE (Pty) Ltd – Central Securities Depository (CSD)

Nedbank Ltd – Central Securities Depository Participant (CSDP)

Operational Report

Please see appendix A.

Auditors Report

Please see the signed Annual Financial Statements including the signed Independent Auditors report.

Summary of Market Information

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During the 2023 financial year EESE listed 4 new clients namely:

Northchester A – EXNCR

Northchester – EXNOR

ORA Pref Issuer 1 – EXOP1

ORA Pref Issuer 2 – EXOP2

EESE had one delisting for FY 2023. The Ukhamba 1 share were delisted.

List of EESE Securities

Based on the information above, the following securities were listed on EESE and available for Trading as at 31/03/2023

Ukhamba 2 – UKH

Phuthuma Nathi – PN

Vunani Capital Partners – VCP

Northchester A – EXNCR

Northchester – EXNOR

ORA Pref Issuer 1 – EXOP1

ORA Pref Issuer 2 – EXOP2

EESE Trading Statistics for the Financial Year ended 2023.

Issuer	Value	Volume
Phuthuma Nathi	285 465 459	2 002 136
Ukhamba - delisted 14 April 2022	90 389	8 077
Ukhamba 2	7 371 465	337 517
Vunani Capital Partners	5 070 403	2 129 660
Northchester A	-	-
Northchester	-	-
ORA Pref Issuer 1	-	-
ORA Pref Issuer 2	-	-

Application of King Code

Due to EESE’s current size the company currently applies and complies with the Companies Act, but the Board and its committees recognise the principles and practices contained in King III and will apply certain of the principles and practices which are appropriate to EESE, in the governance practices of EESE.

A disciplined reporting structure ensures that the EESE Board, is fully apprised of activities, risks and opportunities. Business and governance structures have clear approval frameworks. Compliance, as well as progress, is monitored by the audit and risk committee and reported to the Board.

In line with the overriding principle in King IV of apply or explain, the Board will apply certain processes in support of the principles of King IV that are appropriate to EESE.

Operational Risk mitigation and operational Integrity report

Please see appendix B

Appendix A

CEO Operational Review Report

For the financial year ended 31 March 2023 EESE made a loss of R619 719. EESE included a deferred tax asset which it has not had been accounted for in previous years.

EESE management has strictly controlled their costs to ensure that they have sufficient cash on hand to easily cover more than 6 months expenses as required by the FMA.

The controlling body of EESE was satisfied with EESE cost performance and we are hoping with the introduction of the additional products to the EESE market for the 2024 FY can we start to increase our revenue.

Operationally EESE maintained the functionality of its systems satisfactorily with no reported downtime. All system software upgrades were done after hours resulting in no impact to the live trading system. The EESE check queries that run hourly continue to do so, thus ensuring the integrity of the EESE data and the EESE system.

EESE maintains a complaints register and each individual complaint is reviewed as it is received. All complaints received this year had to do with matters provided by our Authorised User and these complaints were forwarded to them to be dealt with.

EESE performed its annual due diligence of both its Authorised Users and its Issuers and is satisfied with their compliance in terms of the Issuers listing requirements and regulations. We are also satisfied that our Authorised User following their review meet the requirements stipulated in the EESE rules. We believe the processes being followed are fair and transparent to both parties and that no issues or concerns were raised.

EESE continues to look for new listings and is working on a few potential equity listings at present.

The EESE team as it has since inception remains committed to the success of the Exchange for all its stakeholders.

EESE and its staff are committed to working closely with both Regulators to ensure that EESE meets its regulatory obligations. EESE has been granted its bonds and notes licence and is in the process of operationalising this new market. We hope to see listings of these instruments and market activity in the second half of our 2024 financial year. EESE is still waiting for its REITS approval after which we will look to increase our staff complement with two additional staff members, increasing our staff complement to seven.

Appendix B

Operational Risk Mitigation, Operational Integrity and related Issues.

During the 2023 Financial year EESE's operational systems proved robust and stable. There was no down time of the technology and the platform was available to Investors at all times. The system patches were run at weekends to ensure that all updates were installed on all servers (production, backups as well as the DR servers).

EESE check queries in the system continue to run hourly to ensure the integrity of the data on the EESE platform. These are monitored by the EESE team. Should a check query fail, an email is sent to the EESE team and any failures are dealt with immediately.

All EESE risks are discussed in detail at the EESE Audit and Risk committee meeting and we make use of our strategic risk register to monitor the top strategic risks that EESE is dealing with at present. The strategic risks are rated according to EESE's tolerance scale and these are reviewed and adjusted based on conditions in the market.

At present the EESE Executive as well as the Audit and Risk committee are comfortable with the risk approach adopted by EESE and feel that we are managing the operational risks that we are faced with, in accordance with our risk appetite.