

– ASX Announcement –

Market Up-Date

Directors advise that London City has undertaken some modest investment outlays in recent weeks. The key move is that London City and associates have now passed the **10%** ownership level in **Excelsior Capital Limited** (ASX Code - ECL). This change in Substantial Shareholding was advised to the ASX yesterday and is discussed below. Directors also take the opportunity to provide a more detailed update to shareholders since the last communication in February.

Investment Portfolio – Surplus remains up 13% since June 2021.

Unlike the All-Ordinaries Index fall of 2.5% since last June, London City's Investment Portfolio has retained much of its gain of over 20% recorded at 31 December – despite volatile and negative market conditions since 1 January. Given our focus in the smaller cap area it is noticeable that turnover in our stocks has been light. Noteworthy too is that both key investments recorded increased profits for the half year to 31 December 2021.

Key Investments – Excelsior Capital and Fiducian Group

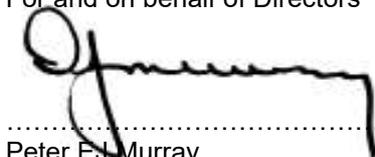
Yesterday London City advised **Excelsior Capital** and the ASX that it and associates have reached **10.4%** equity of that company. London City's direct shareholding of **5.4%** puts its shareholding as the 2nd largest. And the associated holding of 10.4% provides the group with positive legal corporate status. To another extent it is also somewhat a milestone because it highlights the share of underlying net profits accruing to our group. For example, Excelsior had a good half year to 31 December with NPAT up 50% at \$3.25 million – and London City's indirect share of 5.4% would be \$175,000 – compared to the poor dividend received of \$31,000. Upside at this point is difficult to assess because of past history. With a larger shareholding we will continue to try to work in with Excelsior.

Fiducian Group (7% owned), had a very good half year with NPAT up 17%. The Interim Dividend paid in March was 20% ahead of the previous year's interim payout. Since 31 December Fiducian completed the purchase of a major South Australian credit union advisory business. This transaction was a solid move by Fiducian and we expect benefits to flow to both the new advisory clients and Fiducian. We continue to monitor the investment markets and the possible impact they might have on Fiducian. Our projections are comfortable going ahead.

Balance Sheet - Net Worth now estimated at 59 cents a share,

Gifted with no debt, some \$1.8 million on deposit, an attractive Investment portfolio of two key strategic holdings and an Income Statement free of serious legal costs, London City's status and net worth are at very comfortable levels. Recent falls in value in the investment Portfolio are countered somewhat by a reduction in tax provisions. Taking account of these factors Directors estimate that London City's unaudited Net Assets are presently in the order of 59 Cents per share.

For and on behalf of Directors



Peter EJ Murray
Chairman of Directors

18 May 2022.