

– ASX Announcement –

Market Update

Following the completion of the recent Pro Rata Entitlement Issue Directors of London City Equities Limited provide the following update on key events occurring since June.

Investment Portfolio – up around 17%

There has been a pleasing continuing uplift in London City's Investment Portfolio and values since last balance date have risen around 17%. Particular mention should be made of solid gains produced by the increased share values of London City's key 7% shareholding in **Fiducian Group Limited**. To a smaller extent London City's joint 6% shareholding in **Excelsior Capital Limited** also showed some appreciation.

Balance Sheet - Net Worth now estimated at 49.4 cents a share,

Overall, the Balance Sheet has been strengthened by an extra \$3.0 million in new issue equity, the receipt of quality dividends, elimination of short term debt and the portfolio uplift mentioned above. London City presently holds \$1.8 million in cash. Taking account of these factors Directors estimate that London City's unaudited Net Assets are presently in the order of 49.4 Cents per share.

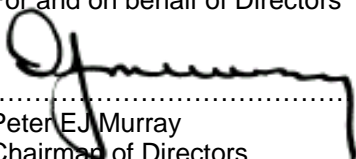
Ernst & Young Litigation,

The Ernst & Young litigation process continues in the Supreme Court of NSW. We will be serving and lodging further extensive documentation shortly. The current position is that the Court has ordered the parties to file discovery documents and conduct a private mediation by 31 May 2021.

Shareholders will recall that London City has appointed an independent professional forensic accountant to review the circumstances and submit precise claim sums regarding remedial damages suffered and recoverable by London City. While the Expert's opinion concluded in May that the total damages regarding London City can be estimated at \$11,500,000, this sum is based on 31 December 2019 numbers and Directors regard it as conservative. The Expert has now been instructed to update the numbers from 31 December 2019 to 31 December 2020.

Ultimately the damages will depend on the Supreme Court of New South Wales proceedings

For and on behalf of Directors



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Peter EJ Murray
Chairman of Directors

21 December 2020

