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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF UK MARKET ABUSE REGULATION.

26 February 2025

London Finance & Investment Group PLC
(“Lonfin” or the “Company”)

Proposed return of cash to Shareholders by means of a Capital Reduction
Withdrawal of admission to trading on the London Stock Exchange
Termination of listing on JSE Limited
and
Distribution of Circular and Notice of General Meeting

The Board has, after considerable analysis and consideration decided that it is in the best interests of Shareholders to cease LonFin’s investment activities and to return surplus capital in the Company to Shareholders by way of a Return of Capital. It is proposed that the Return of Capital will result in Shareholders receiving an estimated 71 pence in cash for each Ordinary Share held at the Capital Reduction Record Date.

A circular is being sent to Shareholders shortly setting out the background to, and the reasons for, the proposed Return of Capital, the withdrawal of admission to trading on the London Stock Exchange and termination of the listing on JSE Limited and a notice of a General Meeting at which Resolutions will be proposed to approve the Proposals which will be held at Central Court, 25 Southampton Buildings, London WC2A 1AL at 11.00 a.m. on 28 March 2025 (the “Circular”). The Circular will also contain details of how Shareholders can vote at the General Meeting. In addition, the Circular will be available on the Company’s website at <https://www.city-group.com/london-finance-investment-group-plc/> as well as submitted to the National Storage Mechanism <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

The Circular is being sent to Shareholders given that their approval is required both for the Return of Capital and for the cancellation of trading in the Company’s Ordinary Shares in accordance with UK Listing Rule 21. Extracts from the Circular are set out at Appendix Two below, with the Expected Timetable of Events set out at Appendix One.

Capitalised terms in this announcement have the same meaning as defined in the Company’s Circular as described above.

The Independent Directors accept responsibility for the contents of this announcement.

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APPENDIX ONE

EXPECTED TIMETABLE OF PRINCIPAL EVENTS:

Each of the date references set out below are to 2025.

Record date for the purpose of determining which SA Shareholders of the Company are entitled to receive the Circular	Friday, 14 February
Publication and despatch of the Circular	Wednesday, 26 February
Publication and dispatch of the Circular announced on SENS	Wednesday, 26 February
Last day to trade for SA Shareholders to be able to participate and vote at the General Meeting	Thursday, 20 March
Last day to trade for UK Shareholders to be able to participate and vote at the General Meeting	Monday, 24 March
Latest date for receipt of Forms of Proxy for the General Meeting at 11.00 a.m. (12.00 p.m. SA time) on:	Wednesday, 26 March
Voting Record Date for the General Meeting at 6.00 p.m. (UK & SA time)	Wednesday, 26 March
General Meeting at 11.00 a.m. (12.00 p.m. SA time) on	Friday, 28 March
Result of General Meeting announced via RIS and on SENS	Friday, 28 March
Last day to file claim form and witness statements at High Court	Tuesday, 8 April
Directions hearing at High Court	Wednesday, 16 April
Advertisement of Capital Reduction posted in newspaper, as directed by the High Court	Tuesday, 22 April
Open court hearing at High Court	Tuesday, 29 April
Announce Finalisation information, Capital Reduction Payment amount and currency conversion rate on SENS	Tuesday, 29 April
Last day to trade in the Company's Ordinary Shares on the London Stock Exchange	Wednesday, 30 April
Suspension of trading of the Company's Ordinary Shares on the London Stock Exchange	Thursday, 1 May
Cancellation of trading of the Company's Ordinary Shares on the London Stock Exchange at 8.00 a.m. UK time	Friday, 2 May
Last day to trade in the Company's Ordinary Shares on the JSE Limited	Friday, 2 May
Register the Capital Reduction at Companies House UK	Friday 2 May
Capital Reduction Record Date at 6.00 p.m. UK time	Friday, 2 May
Effective Date for the Capital Reduction	Friday 2 May
Suspension of trading of the Company's Ordinary Shares on the JSE Limited at 9.00 a.m. SA time	Monday, 5 May
Capital Reduction Record Date at 6.00 p.m. SA time	Wednesday, 7 May

Distributions made to relevant Shareholders under the Return of Capital from the Effective Date with the last date for payment being

Thursday, 8 May

Earliest date for termination of listing of the Company's Ordinary Shares on the JSE Limited

Friday, 9 May

Notes:

- (1) All of the above timings refer to London time unless otherwise stated.
- (2) The dates and timing of the events in the above timetable and in the rest of the Circular are indicative only and may be subject to change.
- (3) If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement through an RIS and an announcement on SENS.
- (4) Ordinary Share certificates on the South African register may not be Dematerialised or re-materialised between Monday, 5 May 2025 and Wednesday, 7 May 2025, both days inclusive and Ordinary Shares may not be transferred between the registers in London and South Africa from Tuesday, 29 April 2025 to Friday, 2 May 2025.

APPENDIX TWO

INFORMATION EXTRACTED FROM PART 1 OF THE CIRCULAR

1. Introduction

On 5 November 2024, the Company announced that its liquid investments had been sold and, as at 4 November 2024, the Company had cash balances of £23,226,000. Further information on the Company's remaining assets and liabilities are set out below at Section 3.

On 18 December 2024, the Company's announced that it proposed to cease the Company's investment activities early in the New Year and to effect a return of cash (the total being net asset value, less closure costs) of approximately 70p per share to shareholders.

It is proposed that the Return of Capital be effected by means of a court approved Capital Reduction. Accordingly, the proposed Return of Capital will be implemented in two stages with the General Meeting to approve the Resolutions followed by an application to the High Court to approve the reduction in the Company's issued share capital.

The Company's major shareholder, Lynchwood Nominees Limited (which holds its Ordinary Shares on behalf of Tennyson Sterling Investments Limited which is controlled by the Marshall Family) ("Tennyson"), is fully supportive of the Proposals but as it is not considered independent it has undertaken not to vote its holding of 12,885,472 Ordinary Shares in the Company (41.2 per cent. of the Company's issued ordinary share capital) in favour of the Resolutions at the General Meeting. Both the Board and Tennyson consider it prudent to put the Proposals to the independent shareholders of the Company, that is to say, shareholders excluding Tennyson and Warwick Marshall, as it is intended that Tennyson retain a vestigial interest in shares in the Company as explained below. Warwick Marshall is a director of Tennyson and has similarly undertaken not to vote his holding of 288,552 Ordinary Shares in the Company (0.9 per cent. of the Company's issued Ordinary Share capital) in favour of the Resolutions at the General Meeting.

The Company is in receipt of irrevocable undertakings from 5 other significant shareholders holding in aggregate 6,232,500 Ordinary Shares in the Company (19.9 per cent. of the Company's issued ordinary share capital) to vote their holdings in favour of the Resolutions at the General Meeting.

LonFin requires that at least 1,000,000 Ordinary Shares of £0.05p each be retained by Shareholders following the Return of Capital in order to meet the requirement that public companies shall have issued share capital with a value of at least £50,000 as required by Section 761 of the Companies Act 2006. Accordingly, the Company has arranged that Tennyson, conditional on the approval of the Proposals by shareholders at the General Meeting, has committed by way of an irrevocable undertaking to retain 1,000,000 Ordinary Shares (the "Retained Shares") in order to meet this requirement of the Companies Act. Following completion of the Return of Capital, Tennyson will own 100 per cent. of the issued Ordinary Share capital of the Company.

The purpose of this arrangement is solely to facilitate the orderly winding up of the Company following the Return of Capital and Tennyson will not benefit in any way from this arrangement.

2. Return of Capital

2.1 Background to and Reasons for the Return of Capital

The Company has not been consistently fulfilling its objective to generate value for Shareholders over the medium to long term. The Directors have considered alternative means

to achieve the Company's strategic objective but have concluded after considerable analysis that in the current regulatory environment the Company is:

- too small to meet the strategic objective while bearing the high, and ever increasing, overhead costs associated with being a listed company,
- unable to raise additional share capital without significantly diluting the interests of Shareholders,
- not an attractive acquisition target for other companies because of its long trading history; and
- not an attractive reverse takeover target because of its long trading history and requests from major shareholders for an exit.

The Directors are therefore proposing to return surplus capital to Shareholders by means of a Capital Reduction. Following approval by the High Court, shareholders will be advised in RNS and SENS announcements of the amount to be returned per share. However, based on information currently available, the Directors estimate this at 71p per share, which represents an increase of: 16 per cent. to the closing middle-market price of 61p per share on 17 December 2024 being the Business Day prior to the Company's announcement that it would be proposing a return of capital to shareholders

2.2 Structure and Conditions of the proposed Return of Capital

By undertaking the Capital Reduction, the Company will simultaneously return capital to Shareholders and reduce the number of Ordinary Shares in issue.

A company must, as a matter of company law, treat all members of the same class of shares in the same manner when undertaking a capital reduction. In order to ensure that all Shareholders are treated the same, it is the view of the Independent Directors that all Ordinary Shares, except for the Retained Shares, are cancelled and a cash payment is made to Shareholders based on the number of Ordinary Shares held with the Company's share capital being reduced commensurately. The Retained Shares need to remain in existence so that the Company can continue to meet the requirement of the Companies Act that public companies have an issued share capital of at least £50,000.

The Capital Reduction is structured as a cancellation and repayment of all Ordinary Shares other than the Retained Shares. It is the Company's intention to undertake the Capital Reduction via the court approval procedure pursuant to sections 645 to 649 of the Companies Act.

2.3 Shareholders resident in South Africa

2.3.1 *The Return of Capital Payment*

Should the Capital Reduction be approved and implemented, the Company will fund Computershare SA within 7 days of the Effective Date of the Capital Reduction with sufficient funds representing the Return of Capital Payment to be paid to Shareholders who hold their Ordinary Shares on the JSE. On completion of the Return of Capital, Computershare SA will credit the accounts of the CSDPs via Strate for the benefit of the Shareholders who hold their Ordinary Shares on the JSE. The CSDPs will distribute the Return of Capital Payment to such Shareholders in accordance with the terms of their respective mandates, and net of applicable withholding taxes, if any.

Any funds made available by Computershare SA to a Certificated Shareholder that have not been claimed on or prior to the third anniversary of the Effective Date will be cancelled and will cease to represent any claim or interest of any kind or nature against the Company or Computershare SA and all funds then on deposit with

Computershare SA in respect of the Return of Capital will be returned to the Company.

2.3.2 South African Exchange Control Provisions

The Return of Capital Payment made by the Company to Shareholders holding Ordinary Shares on the South African branch of the Register of Members of the Company in terms of the Return of Capital may be subject to South African Exchange Control Regulations. South African Exchange Control Regulations regulate the flow of capital into and out of South Africa. Currency and shares are not freely transferable from South Africa to any jurisdiction outside the Common Monetary Area (encompassing Lesotho, Namibia, Eswatini and South Africa). Such transfers must comply with the South African Exchange Control Regulations. If you are in any doubt as to what action you should take, you should consult with your broker, banker, legal advisor, accountant or other professional advisor immediately.

2.3.3 South African Taxation Considerations

The Company is not providing tax advice. South African Shareholders should consult their own tax and/or accounting advisors regarding the South African taxation implications of the Return of Capital Payment to be received by such Shareholders pursuant to successful implementation of the Return of Capital.

3. Information on the Company

Prior to the announcement of the Proposals, the Company had, as at 31 December 2024, the following net assets:

	31 December 2024
Current Assets	£'000
Cash and cash equivalents	22,401
Trade, other receivables and accrued interest	201
	<hr/>
	22,602
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Current Liabilities	251
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Net Assets	22,351
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Note: Figures above have been extracted from unaudited interim accounts to 31 December 2024

At Friday, 21 February 2025 (the latest practical date prior to the issue of the Circular), the Company had, cash and cash equivalents of c. £22,682,000 and tax payable, sundry creditors and accruals of approximately £315,000.

The Company has 31,287,479 Ordinary Shares in issue (31,207,479 of which were admitted to trading on the LSE and listed on the JSE and 80,000 of which are not listed on either exchange), and has estimated net assets per share of approximately 71p. The final amount of the Return of Capital will be announced in due course.

Following completion of the Return of Capital

Following completion of the Proposals, the Board intends to undertake an orderly winding up of the Company.

Following completion of the Return of Capital, the Company is expected to have net assets consisting of: cash balances net of creditors and accruals of approximately £750,000. Winding up costs (including accounts preparation and submission of a final tax return) are expected to be approximately £40,000 and the remaining £710,000 is the value of the Retained Shares ie the amount that Tennyson is entitled to under the Return of Capital. The purpose of this arrangement is solely to facilitate the orderly winding up of the Company following the Return of Capital and Tennyson will not benefit in any way from this arrangement.

Furthermore, the Company's major Shareholder, Tennyson, has undertaken to provide additional financing by way of an ex gratia payment if winding up costs exceed the resources available to the Company.

If the Capital Reduction is approved, Chris Jousse, Frank Lucas and John Maxwell will resign from the Board and the ongoing Board of LonFin will comprise two Directors, namely Warwick Marshall and Edward Beale.

4. Related Party Transaction

Under UK Listing Rule 8, Tennyson, a substantial shareholder, together with Warwick Marshall, a director of both Tennyson and LonFin, are related parties ("Related Parties") and accordingly the arrangement in relation to the Retained Shares is a related party transaction ("Related Party Transaction"). Under the class tests set out in the UK Listing Rules, the Related Party Transaction relating to the Retained Shares, when aggregated with a transaction with the same related parties in the last 12 months, has no test resulting in over 5 per cent. and therefore there are no requirements under UK Listing Rule 8.2 which need to be followed.

Tennyson is a private investment company and is 100 per cent. owned by a family trust of which Warwick Marshall is a trustee.

The Related Parties intend to support fully the Company's strategy to seek to cancel the admission of the Ordinary Shares to trading on the London Stock Exchange and JSE Limited and on the Official List and return surplus cash to its remaining Shareholders.

The Independent Directors and the Related Parties are of the view that the Proposals will provide Shareholders with the opportunity to receive a full cash return for their investment and which the Independent Directors believe is in the best interests of the Company and Shareholders.

5. Implementation of the Return of Capital

The proposed Return of Capital will be implemented in two stages:

First stage

The General Meeting will be held to approve the Withdrawal and the Capital Reduction.

Second stage

After the Capital Reduction has been approved by Shareholders at the General Meeting, the Company will apply to the High Court for its approval. Prior to approving the capital repayment, the court will need to be satisfied that the interests of the Company's creditors will not be adversely impacted by the proposal. The Company anticipates being able to do so. The Capital Reduction will only take effect once the court has made an order and that order has been registered with the Registrar of Companies. Once this approval has been received notice will be given to Shareholders of the intended date for delisting from the London Stock Exchange and JSE Limited and from the Official List and the date of the Return of Capital. The final amount of the Return of Capital will be announced at that time.

Following the Return of Capital and application for Withdrawal from the LSE, the JSE will take steps to remove all the Ordinary Shares from the official list of the JSE, to which the Company has already confirmed it will not object, on the basis that, following completion of the Return of Capital, the Company will no longer comply with the public spread requirements pursuant to paragraph 4.28(e) of the JSE Listing Requirements as detailed in paragraph 6 below.

6. Withdrawal of Admission to the London Stock Exchange and from the Official List and Termination of JSE Listing

Withdrawal of Admission to the London Stock Exchange and from the Official List

In order for the Company to implement the Return of Capital, the Company will need to cancel the admission of its Ordinary Shares to trading on the London Stock Exchange and to the Official List. The Company's withdrawal from the Official List is conditional, pursuant to Chapter 21 of the UK Listing Rules, upon the approval of not less than 75 per cent. of the votes cast by all Shareholders and 50 per cent. of the votes cast by Independent Shareholders (whether present in person or by proxy) at a General Meeting

The Company intends to apply for cancellation and the resolution to approve the Withdrawal will be put to Shareholders at the General Meeting.

In accordance with the UK Listing Rules, the Company has announced its proposed withdrawal from admission to trading on the London Stock Exchange and from the Official List and has provided not less than 20 Business Days' notice of its intended withdrawal of securities from admission to trading on the London Stock Exchange and from the Official List. If the resolution to approve the Withdrawal from admission to trading on the London Stock Exchange and the Official List is passed at the General Meeting, it is proposed that the last day of trading in Ordinary Shares on the London Stock Exchange will occur no earlier than Wednesday, 30 April 2025 and that the Withdrawal from the London Stock Exchange and from the Official List will take effect at 8.00 a.m. UK time no earlier than Friday, 2 May 2025. The actual date, when confirmed, will be announced.

If Shareholders wish to buy or sell Ordinary Shares on the London Stock Exchange or the JSE Limited they must do so prior to the Withdrawal becoming effective.

Termination of JSE Listing

Following the Return of Capital and the Company's Withdrawal from the London Stock Exchange, the Company will have only one Shareholder. As a result, the Company will no longer be in compliance with the JSE's spread requirements as set out in paragraph 4.28(e) of the JSE Listings Requirements and will no longer be eligible for listing on the JSE.

The Company has no intention to take any other steps towards re-establishing its public spread requirement and its eligibility for a listing on the JSE.

Accordingly, the JSE will take steps to suspend trade in the Company's Ordinary Shares with effect from Monday, 5 May 2025 and to remove the Company from the JSE's list in accordance with sections 1.12 and 1.13 of the JSE Listing Requirements with effect from Friday 9 May 2025, on the basis that the Company will no longer comply with the public spread requirements pursuant to section 4.28(e) of the JSE Listings Requirements and on the basis that the Company has already confirmed to the JSE that it does not intend to object to the JSE taking such steps.

7. General Meeting

A General Meeting will need to be held to approve the Withdrawal and the Capital Reduction.

The General Meeting will be held at the offices of City Group at Central Court, 25 Southampton Buildings, London WC2A 1AL on Friday, 28 March 2025. At that meeting Shareholders will be asked to approve the following actions:

1. subject to the passing of Resolution 2, the Withdrawal of the admission of the Ordinary Shares to trading on the London Stock Exchange and from the Official List; and
2. subject to the passing of Resolution 1, the Capital Reduction subject to High Court approval.

The proposed resolutions to achieve this are as follows:

Resolution 1 – Withdrawal of the admission of the Ordinary Shares to trading on the London Stock Exchange and the Official List – Special Resolution

The resolution is to approve the Withdrawal of the Ordinary Shares from admission to trading on the London Stock Exchange and to cancel the Company's listing. This is a special resolution and will require approval from not less than 75 per cent. of the votes cast by all Shareholders and 50 per cent. of the votes cast by Independent Shareholders at the General Meeting in person or by proxy in accordance with UK Listing Rule 21. Holders of 19.9 per cent. of the Ordinary Shares in issue have undertaken to vote in favour of this resolution. If this resolution is not passed, the Proposals will not proceed. Shareholders will not be asked to vote on the remaining resolution. The Directors will then consult with Shareholders on the future of the Company.

Resolution 2 – Capital Reduction – Special Resolution

The resolution will be to approve the Capital Reduction, subject to the approval of the High Court, and will be a Special Resolution which will require approval from more than 75 per cent. of those voting at the General Meeting in person or by proxy.

If either of the resolutions are not passed, the Proposals will not proceed. The Directors will then consult with Shareholders on the future of the Company.

8. Irrevocable Voting Undertakings

Tennyson has given an irrevocable undertaking not to vote its holding of 12,885,472 Ordinary Shares in the Company (representing 41.2 per cent. of the Company's issued ordinary share capital) in favour of Resolutions 1 and 2 at the General Meeting. In addition, Warwick Marshall has given an irrevocable undertaking not to vote his holding of 288,552 Ordinary Shares in the Company (0.9 per cent.) in favour of Resolutions 1 and 2 at the General Meeting.

The Company is also in receipt of irrevocable undertakings from 5 other significant Shareholders holding in aggregate 6,232,500 Ordinary Shares (representing 19.9 per cent. of the Company's issued ordinary share capital) to vote their holdings in favour of the Resolutions at the General Meeting.

9. Action to be taken

Voting at the General Meeting

The Notice of the General Meeting is set out in Part III of the Circular and this letter explains the items to be transacted at the General Meeting.

A Form of Proxy for use at the General Meeting is enclosed with the Circular.

If you, as a Shareholder on the UK branch of the Register of Members of the Company, wish to validly appoint a proxy, the Form of Proxy should be completed and signed in accordance with the instructions printed thereon, and returned by post so as to be received by Neville Registrars Limited not later than 11.00 a.m. on Wednesday, 26 March 2025 for the General Meeting.

If you, as a Shareholder on the South African branch of the Register of Members of the Company, wish to validly appoint a proxy, the Form of Proxy for South African Shareholders, attached to the Circular, should be completed and signed in accordance with the instructions printed thereon, and returned by e-mail, hand or post so as to be received by Computershare SA not later than 12.00 p.m. on Wednesday, 26 March 2025 for the General Meeting.

The Company has made provision for Shareholders (or their proxies) to participate in the General Meeting by joining a Microsoft Teams virtual meeting room. Shareholders or their duly appointed proxies who wish to participate in the General Meeting via electronic communication, must apply to Computershare SA at proxy@computershare.co.za by not later than 12.00 p.m. on Wednesday, 26 March 2025.

10. Consent

Beaumont Cornish has given and not withdrawn its consent to the issue of the Circular with the inclusion of the recommendation in it and of references to its name in the form and context in which they appear.

11. Recommendation

The Board, having been advised by Beaumont Cornish on the Proposals, recommend that Shareholders vote in favour of the Resolutions at the General Meeting given that the Proposals are, in the opinion of the Board, in the best interests of Shareholders as a whole and as the Independent Directors intend to do or procure to be done in respect of their own beneficial shareholdings.

Warwick Marshall, who is a director of Tennyson and therefore considered not to be independent, has taken no part in the Board's consideration of the Proposals or the recommendation.