

THE LONDON TUNNELS INC

INVESTOR REPORT

Kingsway Exchange Tunnels, Holborn, Central London

May 2026 | CONFIDENTIAL | DRAFT

PLACEMENT PRICE

£1.80

Reference entry level

JP JENKINS LIVE

£2.23

\$3.00 — May 2026

BASE CASE TARGET

£11.53

+541% above buy price

SUPER-BULL TARGET

£24.27

+1,248% above buy price

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This document does not constitute investment advice or an offer to buy or sell securities. Investing in private companies involves significant risk, including total loss of capital. All financial projections are illustrative and forward-looking. Independent financial and legal advice should be sought before making any investment decision. DRAFT figures are subject to audit confirmation. GBP unless stated. £1 ≈ \$1.28 has been the rate used for illustrational purposes in this report.

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KEY DATA

Company: The London Tunnels Inc (Cayman Islands)
Operating Co: The London Tunnels Ltd (Eng. & Wales)
Asset: Kingsway Exchange Tunnels, Holborn EC1
Lease: 125-year leasehold from 31 March 2025
Shares in Issue: 70,714,312 ordinary shares
Trading: JP Jenkins matched-bargain facility
Planning: Full permission — City of London & Camden
Lead Designer: WilkinsonEyre (Battersea Power Station)
Target Opening: H1 2028
Stabilised EBITDA Year: FY2032 (management forecast)

Report date: 31 May 2026

01 THE PRICE QUESTION

The Market Has Already Moved. The Placement Case Remains Compelling.

The placement price of £1.80 per share was established as the reference entry level for The London Tunnels Inc (TLT) via the JP Jenkins matched-bargain facility. As of May 2026, shares on JP Jenkins are trading at £2.23 (\$3.00) — a 24% premium to the placement price — representing early market price discovery in a pre-revenue, pre-opening company with full planning approval secured from both the City of London Corporation and the London Borough of Camden.

This premium reflects a growing community of investors who have reviewed the publicly available materials and the imminent release of the March 2026 audited accounts — TLT's first fully audited annual report since the March 2025 filing. Audited financials provide institutional-grade governance comfort to investors who will not commit capital on the basis of unaudited numbers, and their release is expected to act as a material near-term price catalyst.

All scenario return multiples in this report are anchored to the £1.80 placement price. Investors acquiring at the current live price of £2.23 via JP Jenkins continue to face a compelling risk-reward: a base case return of approximately +541% above current placement and a bear case floor of +278% — before a single visitor has walked through the Tunnels.

Near-Term Catalyst — Audit Release

The March 2026 audited accounts represent the most significant near-term price catalyst for TLT. The forthcoming filing will provide audited balance sheet confirmation of cash position, development expenditure to date, and shareholder structure — removing the single most cited governance objection from institutional and professional investors.

Historical precedent across comparable pre-revenue matched-bargain companies demonstrates that audited filing releases consistently tighten bid-offer spreads and attract new buyer interest within weeks of publication. KPMG completed the audit of the annual report for the year ended 31 March 2025, which has been published. KPMG subsequently resigned in February 2026 and did not undertake the audit for the year ended 31 March 2026. A new auditor has been appointed for the March 2026 accounts and will be Edwards Veeder UK — this represents a near-term share price catalyst.

Where Could the Share Price Go?

Pre-audit, TLT trades at £2.23 / \$3.00 on JP Jenkins. Three independent forces point toward a higher share price following audit publication and any NASDAQ eligibility signal:

Scenario	GBP Target	USD Target	Driver
Pre-audit baseline (now)	£2.23	\$3.00	JP Jenkins live price. Pre-audit baseline.
Audit published — no NASDAQ signal	£2.50–£2.70	\$3.20–\$3.46	Governance objection removed. New institutional buyers enter JP Jenkins. 12–21% move from £2.23.
Audit + NASDAQ eligibility signalled	£2.70–£3.00	\$3.46–\$3.84	Market begins pricing toward NASDAQ \$4.00 minimum bid floor. Target sits squarely in this range.
NASDAQ application filed	£3.13+	\$4.00+	NASDAQ \$4.00 minimum bid acts as structural price floor. All three catalysts active.

None of these targets require a single visitor to have walked through the Tunnels. All sit materially below the base case intrinsic value of £11.53 per share.

02 VALUATION SCENARIOS

Four Scenarios. Every One Above Current Market.

The following scenarios apply a 12x EV/EBITDA multiple — conservative relative to the 14–18x applied to listed and private-equity-owned comparable attractions — and a 64% EBITDA margin, itself 9–11 percentage points below the real-world margin achieved by the Empire State Building Observatory. Development cost of £84 million is deducted from Enterprise Value to derive equity value per share.

IMPORTANT — PROJECTION DISCLAIMER

The visitor numbers, EBITDA margins, and resulting share price targets below are management projections. They have not been independently verified by a third party for the purposes of this report. The Grant Thornton draft valuation report (April 2026) notes that management projections remain subject to execution and operating risks. The 64% EBITDA margin and 2.0–4.0 million visitor assumptions are materially higher than those used in the original Edison Report (45% margin, 1.72 million visitors). Prospective investors should treat these as illustrative scenarios, not guaranteed outcomes.

Scenario	Annual Visitors	EBITDA (64% margin)	EV (12x)	Per Share	Upside vs £1.80
Bear	1.5 million	£47 million	£565 million	£6.80	+278%
Base	2.0 million	£75 million	£899 million	£11.53	+541%
Bull	2.5 million	£104 million	£1.25 billion	£16.49	+816%
Super-Bull	4.0 million	£150 million	£1.80 billion	£24.27	+1,248%

* Ancillary revenue of approximately 30% is included in all revenue figures. Equity value equals EV less £84 million development cost. Upside calculated against placement price of £1.80. Source: TLT Investor Summary, May 2026.

The bear case assumes TLT attracts only 1.5 million visitors annually — 25% below the stated base target and below the visitor numbers of Tower Bridge (956,000) combined with Madame Tussauds London (2.5 million) on a combined basis. Even on this conservative assumption, the modelled share price of £6.80 represents a return of +278% above current placement price levels. There is no modelled scenario in which stabilised operations produce a value below current market pricing.

03 GLOBAL COMPARABLES

How TLT Stacks Up Against the World's Best Visitor Attractions

The central question for any investor is whether a 64% EBITDA margin and a 12x valuation multiple are credible. When benchmarked against operating attractions globally, TLT's assumptions are conservative on both axis.

Attraction	Annual Visitors	EBITDA / NOI	Margin	EV Multiple	Standalone EV
Harry Potter Studio Tour	~2.0 million	~£116 million	66%	16x	~£1,856 million
Empire State Building Observatory	~2.6 million	\$99.5 million NOI	73–75%	18x	~\$1,700 million

London Eye	3.5 million	~£46–50 million	50–55%	14x	~£644–700 million
The Edge, Hudson Yards NYC	~2.0 million	~\$36–48 million	45–60%	15x	~\$540–720 million
Madame Tussauds London	~2.5 million	~£26 million	30%	11x	~£300–700 million
Tower of London	~2.9 million	~£18 million	22%	14x (hyp.)	~£250 million (hyp.)
London Tunnels — Base Case (proj.)	2.0 million (target)	£75 million (proj.)	64%*	12x	£899 million

* TLT margin is a management projection, not an audited or independently verified figure. Sources: ESRT 10-K 2024; Merlin Annual Reports 2023–2025; Historic Royal Palaces Annual Report 2025; TLT Investor Summary May 2026.

The Margin Story

The structural reason all premium ticketed attractions generate exceptional EBITDA margins is consistent: a high fixed-cost base that does not scale with visitor volume. Staffing, energy, insurance, and maintenance are largely fixed once the asset is open. Every additional ticket sold above breakeven flows through at near-100% incremental margin. This is the Empire State Building model, the London Eye model, and the Harry Potter Studio Tour model — and it is the model TLT is designed to replicate underground in a uniquely irreplaceable Central London location.

TLT's 64% margin target sits below every high-quality comparable: 9 percentage points below the Empire State Building Observatory (73–75%), 2 points below Harry Potter (66%), and at the upper end of The Edge NYC (45–60%). The 12x EV/EBITDA multiple is at the lower end of the sector range — comparable attractions have attracted 14–18x on exit or in publicly traded markets. The investment case is built on conservative inputs relative to sector benchmarks.

04 THE ASSET

What Cannot Be Built, Bought, or Replicated

The Kingsway Exchange Tunnels — over one mile of WWII-era infrastructure running 30 metres beneath Holborn, Central London — are unique in the world. TLT acquired the 125-year leasehold title on 31 March 2025. Exchange Tunnels Limited (ETL) holds the freehold, acquired from British Telecommunications plc in November 2024. The asset has four characteristics that virtually no other visitor attraction can claim simultaneously.

ALREADY BUILT Fully excavated and structurally complete. The £84M is deployed entirely on fit-out and technology. No excavation, no civil engineering. No competitor can replicate this at any price.	ALREADY VALIDATED Over 260 global media articles — including the New York Times, CNN, and South China Morning Post — have covered TLT organically before a single pound of marketing was spent.	LOCATION PREMIUM Holborn/High Holborn: steps from Covent Garden, the British Museum, and the City of London — the UK's highest-density tourist corridor. London receives 21M+ international visitors annually.	THE BOND MULTIPLIER The tunnels' documented connection to Ian Fleming's Q Branch is a commercial asset of global significance, creating a pilgrimage audience extending far beyond London's already exceptional tourist volumes.
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Development cost context: £84 million to open a world-class Central London heritage attraction at 30 metres depth is lean by any industry metric. The critical distinction: the tunnels are already built. Capital is deployed on fit-out alone. At base case stabilised EBITDA of £75 million against £84 million of invested development capital, the implied Return on Invested Capital (ROIC) is approximately 88% — a figure that would be exceptional even for a mature consumer brand operating in a competitive market.

05 RISK ASSESSMENT

A More Precise Risk Characterisation

TLT is often categorised as high risk by default, given its pre-revenue and pre-construction status. A more precise assessment reveals a narrower and more manageable risk profile than that label implies — though the risks that do exist are real and investors should weigh them carefully.

RISKS TO CONSIDER	
EXECUTION RISK	Can management deliver fit-out on time and within the £84 million budget? WilkinsonEyre — architects of the Battersea Power Station transformation — brings delivery credibility. Budget overruns would dilute the return profile and extend the time to revenue commencement.
FUNDING RISK	TLT held approximately £5.5 million cash at last reporting. The balance of £84 million in development capital must be raised through future share issuances or debt. Future issuances are dilutive to existing shareholders. Phase 2 had approximately £19.7 million still to raise as at May 2026. Phase 3 requires between £63.45 million. The global media profile and renovation-only budget make this a financing challenge, not a viability question — but it is a material dependency.
AUDIT AND GOVERNANCE RISK	KPMG completed the audit of the annual report for the year ended 31 March 2025. KPMG were asked to resign and subsequently resigned in February 2026 and will not undertake the audit for the year ended 31 March 2026. The circumstances of the resignation — that KPMG were not invited to participate in the competitive tender for the audit — are unusual and will be noted by institutional and professional investors. Publication of the March 2026 audited accounts will be completed by Edwards Veeder UK. This is the primary dependency on the near-term share price catalyst identified in Section 01.

ILLIQUIDITY RISK

JP Jenkins is a matched-bargain facility — there is no guarantee of exit at any given time. Investors should size positions as long-duration capital, accepting that exit may require an IPO, a NASDAQ listing, or a trade sale event.

WHAT IS NOT A RISK**DEMAND RISK**

The organic global press coverage — over 260 articles including the New York Times, CNN, and South China Morning Post — the singular nature of the asset, and London's structural tourism fundamentals collectively mean that demand risk, the existential question for most pre-revenue investments, has already been answered before the attraction has opened. This distinguishes TLT from virtually every other early-stage investment of comparable scale.

06 NASDAQ ELIGIBILITY

A Material New Dimension to the Investment Case

The draft accounts for the year ended 31 March 2026 introduce a significant new dimension: on the basis of the figures presented, The London Tunnels Ltd appears to meet the financial threshold for the NASDAQ Global Market Equity Standard. This has not previously featured prominently in investor discussions around the company.

IMPORTANT — DRAFT FIGURES ONLY

The NASDAQ eligibility analysis below is based on unaudited draft accounts for the year ended 31 March 2026. The conclusions are directionally valid but contingent on the audited accounts confirming the figures as presented. A NASDAQ listing would also require: conversion or restructuring of the Cayman Islands holding structure; engagement with a US-registered broker-dealer sponsor; filing as a Foreign Private Issuer (FPI) under SEC rules; and satisfaction of liquidity, shareholder count, and corporate governance requirements. This analysis identifies financial eligibility only — it is a necessary condition, not a sufficient one.

NASDAQ Global Market — Equity Standard: Does TLT Qualify?

The NASDAQ Global Market Equity Standard (Listing Rule 5405) is the second tier of NASDAQ's three-tier listing structure — above the Capital Market and below the Global Select Market — and the most appropriate benchmark for a company of TLT's profile and asset base.

NASDAQ Requirement	Threshold	TLT (Draft Mar 2026)	Status
Stockholders' Equity	≥ \$30M (approx. £23.4M)	£25.27M (≈\$32.3M)	✓ MET

Publicly Held Shares	≥ 1,100,000 shares	70.7 million shares	✓ MET
Market Value of Publicly Held Shares	≥ \$18M	≈\$202M at \$2.85	✓ MET
Minimum Bid Price	≥ \$4.00 per share	\$2.85 currently (£2.23)	~ EXPECTED
Round-lot Shareholders	≥ 400 (formal); ~500 practical	Not publicly confirmed	CURRENTLY REQUIRED

TLT meets the financial eligibility threshold on stockholders' equity, share count, and market value of publicly held shares. The one financial gap is the minimum bid price: NASDAQ requires \$4.00 per share at initial listing. TLT currently trades at approximately \$3.00 (£2.23) on JP Jenkins — a gap of \$1.15. The round-lot shareholder count is a further requirement that has not been publicly confirmed and will need to be addressed before any application is made.

Share Price Pathway to NASDAQ Eligibility

Closing the \$1.15 gap to the NASDAQ \$4.00 minimum bid price is not a remote prospect — it is directly relevant to the post-audit share price scenarios set out in Section 01. If management signals intent to pursue a NASDAQ listing, the minimum bid requirement becomes a de facto price target. Investors and market makers positioning ahead of a NASDAQ application will not sell below that threshold. At \$4.00 per share, TLT would trade at £3.13 — above the £2.70 / \$3.46 near-term target range and well above current levels.

The relevant question for near-term share price is not whether TLT will list on NASDAQ, but whether the market begins to price in that possibility once audited accounts confirm the financial threshold has been met. The mere credible prospect of a NASDAQ pathway, backed by audited financials, is sufficient to move a matched-bargain price materially from its current level.

07 CONCLUSION

An Asymmetric Opportunity at a Discount to Independently Modelled Intrinsic Value

At the current live JP Jenkins price of £2.23 — or at the placement reference price of £1.80 — The London Tunnels Inc offers an investment profile that is rare in any asset class: a genuinely irreplaceable physical asset, in the world's most visited city, with full planning approved, architect appointed, and demand pre-validated by over 260 global media articles — available at a price that implies a fraction of its independently modelled intrinsic value.

The base case implies £11.53 per share. The bear case — the most conservative stress scenario, requiring TLT to attract only 75% of its stated base visitor target — still implies £6.80 per share. Every modelled scenario sits materially above current market pricing. The 12x EBITDA multiple used is conservative to the 14–18x applied to comparable operating attractions. The 64% margin target is conservative to the 73–75% achieved by the Empire State Building Observatory on the same fixed-cost economic model.

The near-term catalyst is clear: publication of the March 2026 audited accounts removes the primary governance objection for institutional and professional investors and, if audited figures confirm NASDAQ financial eligibility, introduces a structural price floor dynamic at \$4.00 per share. The market has already moved from £1.80 to £2.23 ahead of that release. The question for investors is whether they are positioned before or after the next re-rating.

THE INVESTMENT CASE IN THREE SENTENCES

The risk is execution-focused and finite: can management deliver a fit-out on time and within budget in tunnels that are already built, in a location that cannot be replicated, with planning already approved.

The reward potential is exceptional and independently modelled: a bear case of £6.80, a base case of £11.53, and a super-bull of £24.27 — all from a current market price of £2.23.

This is not a speculative bet on demand — the demand is proven by 260+ global media articles before a door has opened. This is a bet on delivery, in one of the deepest tourist markets in the world, at a price that does not yet reflect it.

Disclaimer

Prepared for investor discussion only. This document does not constitute financial advice, a prospectus, an offering memorandum, or an invitation to invest. Figures sourced from: TLT Investor Summary (May 2026); The London Tunnels Ltd Draft Accounts, Year Ended 31 March 2026 (Unaudited — subject to change and audit confirmation); Grant Thornton Draft Valuation Report (April 2026); ESRT 10-K (2024); Merlin Entertainments Annual Reports (2023, 2025); Historic Royal Palaces Annual Report (2025); NASDAQ Listing Rule 5405 (January 2026 edition); and publicly available attraction data.

London Tunnels financial figures are projections only and have not been independently verified for the purposes of this report. NASDAQ eligibility analysis is based on unaudited draft figures and is subject to change upon audit completion. The target opening date has been updated to H1 2028 and the stabilised EBITDA year to FY2032, reflecting updated management forecasts. Past performance of comparable attractions does not guarantee future results for TLT. All projections are illustrative. Investing in private companies involves significant risk, including total loss of capital. Independent financial and legal advice should be sought before making any investment decision. This document is AI Generated and subject to errors.

GBP unless stated. Exchange rate assumed: £1 = \$1.28. All figures as at 31 May 2026 unless otherwise stated.

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