

PRIVATE EQUITY (ESG) FUND INC. NEWSLETTER

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The Private Equity (ESG) Fund Inc. is supporting The London Tunnels £3,000,000 offering of Convertible Bonds.

BUSINESS DESCRIPTION

The London Tunnels will be a major new heritage & cultural experience within the adaptively reused Kingsway Exchange Tunnels 40 metres below ground.

Convertible Bond Terms

- The Convertible Bonds will have a 2-year term and pay a 6% interest payment.*
- The Convertible Bonds will convert at 110% of the original investment into shares of The London Tunnels. i.e., £10,000 of Convertible Bonds will convert into £11,000 ordinary shares of the listed company (The London Tunnels).
- This will in effect give the investor a 10% discount on investment.

* Please note that this interest will only be payable if the conversion has not been actioned after 1 year

Key Facts

- Located in Central London, Holborn / High Holborn, directly under Chancery Lane tube station.
- Capacity of up to four million people. The actual "Q Branch" from James Bond was located in the Kingsway Exchange Tunnels.
- Partnered with world-class counterparties, including WilkinsonEyre, WSP, Gardiner & Theobald, TVAC, Montagu Evans and DBOX.
- The Tunnels are of an immense size, over a mile-long, 40m underground and 7.6m in diameter.

COMPANY VALUATION FREE CASH FLOW YIELD, EV/EBITDA

£34.2m EV/EBITDA

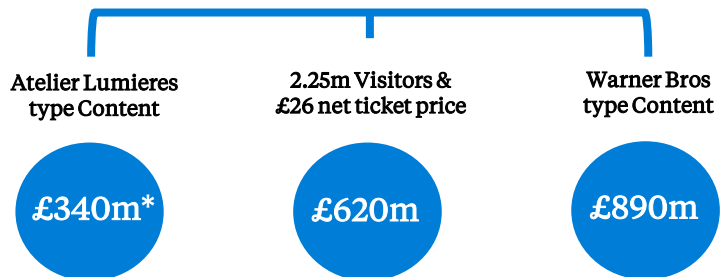
EV/EBITDA 14X

2.25m Visitors est. (Yr 3)

£480/£620
Million

PROJECTED POTENTIAL VALUATION BASED ON EBITDA (Yr 3)

With the tunnels being in such a prime location for a major new heritage & cultural experience, The London Tunnels would be a potential target for companies already investing in the immersive entertainment market. Companies such as Warner Brothers and Disney have the perfect premium content to utilise this unique space.



* Range From 337m-434m

The London Eye was valued at £700m (2015).
Deloitte estimates that the social asset value of the Sydney Opera House is \$6.2 billion.

Use of Proceeds: Progress RIBA with Architects and Structural Engineers towards Construction, Purchase of Properties, Consolidation of Debt, Working Capital.

INVESTMENT INFORMATION

10%

DISCOUNT ON INVESTMENT

£3M

CONVERTIBLE BONDS AVAILABLE

£500

PRICE OF 1 BOND

£50,000

MINIMUM INVESTMENT AMOUNT