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This Document has been prepared by, and is the sole responsibility of, The London Tunnels Plc (the “**Company**”) in connection with the application for admission of the whole of the ordinary share capital of the Company (“**Ordinary Shares**”), issued and to be issued as mentioned herein, to the standard listing segment of the Official List of the Financial Conduct Authority (“**FCA**”) by way of a Standard Listing under Chapter 14 of the listing rules published by the FCA under section 73A of FSMA as amended from time to time and to London Stock Exchange plc (the “**London Stock Exchange**”) for such Ordinary Shares to be admitted to trading on the London Stock Exchange’s Main Market for listed securities (together, “**Admission**”). SPARK Advisory Partners Limited (“**SPARK**”) is acting as Financial Adviser to the Company and Oberon Capital and VSA Capital Limited (“**Joint Brokers**”) are acting as Joint Brokers to the Company.

The information in this Document, which is in draft form, is subject to updating, completion, revision, further verification and amendment. In particular, this Document refers to certain events as having occurred which have not occurred but which are expected to occur prior to publication of the final prospectus (“**Prospectus**”) and which relate to the Company. This Document has not been approved by the London Stock Exchange or the Financial Conduct Authority. This Document does not constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, Ordinary Shares in the Company in any circumstances in which such offer or solicitation is unlawful nor shall it, or any part of it, or the fact of its distribution, form the basis of, or be relied on in connection with or act as any inducement to enter into, any contract therefor.

By accepting this Document, recipients will be taken to have represented, warranted and undertaken to the Company, SPARK and the Joint Brokers that they shall keep confidential any information contained in this Document.

The Prospectus does not constitute an offer or an invitation to any person to subscribe for or purchase any Ordinary Shares. The Ordinary Shares are not being offered to the public. The Company intends to raise funds through the issue of new Ordinary Shares at Admission (the “**Subscription Shares**”) and within the 60 days immediately following Admission (the **Placing Shares**). The issuance of the Subscription Shares and Placing Shares, is conditional on, *inter alia*, Admission.

Recipients of this Document who are considering acquiring Subscription Shares and Placing Shares following publication of the Prospectus are reminded that any such acquisition must be made only on the basis of the information contained in the Prospectus, which may be different from the information contained in this Document. No reliance may be placed, for any purpose whatsoever, on the information or opinions contained in this Document or on its completeness and no representation or warranty, express or implied, is given by or on behalf of the Company, SPARK and the Joint Brokers or their respective directors, employees, agents or advisers as to the accuracy or completeness of the information or opinions contained in this Document and no responsibility or liability is accepted by any of them for any such information or opinions.

SPARK has not authorised the contents of, or any part of, this Document. In relation to the Admission SPARK is advising the Company and no one else (whether or not a recipient of this Document). SPARK is acting only for the Company in connection with the matters described in this Document and is not acting for or advising any other person, or treating any other person as its client, in relation thereto and will not be responsible for providing the regulatory protection afforded to clients of SPARK or advice to any other person in relation to the matters contained herein. Such persons should seek their own independent legal, investment and tax advice as they see fit.

The Joint Brokers have not authorised the contents of, or any part of, this Document. In relation to the Placing, the Joint Brokers are advising the Company and no one else (whether or not a recipient of this Document). The Joint Brokers are acting only for the Company in connection with the matters described in this Document and are not acting for or advising any other person, or treating any other person as their client, in relation thereto and will not be responsible for providing the regulatory protection afforded to clients of the Joint Brokers or advice to any other person in relation to the matters contained herein. Such persons should seek their own independent legal, investment and tax advice as they see fit.

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- (a)
 - (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**FPO**”);
 - (ii) high net-worth companies, unincorporated associations and other bodies within the meaning of Article 49 of the FPO; and
 - (iii) existing members of the Company in accordance with Article 43 of the FPO;
- (b) “qualified investors” being a person or entity described in (Schedule 1 of Regulation (EU) No 600/2014 of the European Parliament and of the Council as amended by The Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018) (being categories of client who are considered to be professionals), and persons or entities who are, on request, treated as professional clients in accordance with Section II of that Annex, or recognised as eligible counterparties in accordance with Article 71 of Regulation (EU) No 600/2014 of the European Parliament and of the Council as amended by The Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018 unless they have entered into an agreement to be treated as non-professional clients in accordance with the fourth paragraph of Section I of that Annex; and
- (c) persons to whom it is otherwise lawful to distribute it, (all such persons together being referred to as “**Relevant Persons**”).

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The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or under the applicable securities laws of any State of the United States or under the securities laws of Australia, Canada, Japan and the Republic of South Africa, or any State, province or territory thereof [or any other jurisdiction outside the United Kingdom. Accordingly, the Ordinary Shares may not be taken up, offered, sold, resold, delivered or distributed, directly or indirectly, within, into or from the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any State or other jurisdiction of the United States. None of the Ordinary Shares may be taken up, offered, sold, resold, delivered or distributed, directly or indirectly, within, to or from the United States, Australia, Canada, Japan and the Republic of South Africa or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, such jurisdictions except pursuant to an applicable exemption.

The contents of the Document are not to be construed as legal, financial or tax advice.

13 December 2023.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document or the action you should take, you are recommended to seek your own financial advice immediately from an appropriately authorised stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000 (FSMA).

This Document comprises a prospectus (**Prospectus**) relating to The London Tunnels plc (the **Company**) prepared and made available to the public in accordance with Regulation (EU) 2017/1129 of the European Parliament and Council of 14 June 2017 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK Prospectus Regulation**) and the Prospectus Regulation Rules made under section 73A of FSMA (the **Prospectus Regulation Rules**).

Applications will be made to the Financial Conduct Authority (the **FCA**) for all of the issued and to be issued ordinary shares of £0.001 each in the capital of the Company (the **Ordinary Shares**) to be admitted to the Official List maintained by the FCA (**Official List**) by way of a Standard Listing under Chapter 14 of the Listing Rules and to London Stock Exchange PLC (**London Stock Exchange**) for such Ordinary Shares to be admitted to trading on London Stock Exchange's Main Market for listed securities (**Admission**). It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence at 8.00 a.m. on [●] 2023. No application has been, or is currently intended to be, made for the Ordinary Shares to be admitted to listing or traded on any other stock exchange. This Prospectus is not an offer or invitation to the public to subscribe for or purchase Ordinary Shares but is issued solely in connection with Admission.

This Document has been approved by the FCA as competent authority under the UK Prospectus Regulation. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation and such approval shall not be considered as an endorsement of the Company that is the subject of this Prospectus or of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Ordinary Shares. This Document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules.

The Company, whose registered office appears on page [●] of this Document, and each of the Directors, whose names and business functions appear on page [●] of this Document, accept responsibility for the information contained in this Document. To the best of the knowledge of the Company and the Directors, the information contained in this Document is in accordance with the facts and this Document contains no omission likely to affect its import. To the extent information has been sourced from a third party, this information has been accurately reproduced and, as far as the Directors and the Company are aware, no facts have been omitted which may render the reproduced information inaccurate or misleading.

THE WHOLE OF THE TEXT OF THIS DOCUMENT SHOULD BE READ BY PROSPECTIVE INVESTORS. YOUR ATTENTION IS SPECIFICALLY DRAWN TO THE DISCUSSION OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH ANY INVESTMENT IN THE ORDINARY SHARES, AS SET OUT IN THE SECTION ENTITLED "RISK FACTORS" ON PAGES [●] TO [●] OF THIS DOCUMENT.

PROSPECTIVE INVESTORS SHOULD BE AWARE THAT AN INVESTMENT IN THE COMPANY INVOLVES A SIGNIFICANT DEGREE OF RISK AND THAT, IF CERTAIN OF THE RISKS DESCRIBED IN THIS DOCUMENT OCCUR, INVESTORS MAY FIND THEIR INVESTMENT IS MATERIALLY ADVERSELY AFFECTED.

The London Tunnels PLC

(Incorporated in England and Wales with registered number 13160590)

Admission of Ordinary Shares to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on London Stock Exchange's Main Market for listed securities

SPARK Advisory Partners Limited (**SPARK**), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and for no one else in relation to the Admission and the arrangements referred to in this Document. SPARK will not regard any other person (whether or not a recipient of this Document) as its client in relation to Admission and will not be responsible to anyone other than the Company for providing the protections afforded to clients of SPARK or for providing any advice in relation to Admission, the contents of this Document or any transaction or arrangement referred to herein. No liability whatsoever is accepted by SPARK for the accuracy of any information or opinions contained in this Document or for the omission of any material information, for which it is not responsible.

Oberon Capital (Oberon) is authorised and regulated in the United Kingdom by the FCA and is acting as joint broker for the Company and for no-one else in connection with the Admission and the arrangements referred to in this Document and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Oberon or for affording advice in relation to the contents of this Document or any matters referred to herein. Oberon is not responsible for the contents of this Document. This does not exclude any responsibilities which Oberon may have under FSMA or the regulatory regime established thereunder.

VSA Capital Limited (VSA) is authorised and regulated in the United Kingdom by the FCA and is acting as joint broker for the Company and for no-one else in connection with the Admission and the arrangements referred to in this Document and will not be responsible to anyone other than the Company for providing the protections afforded to customers of VSA or for affording advice in relation to the contents of this Document or any matters referred to herein. VSA is not responsible for the contents of this Document. This does not exclude any responsibilities which VSA may have under FSMA or the regulatory regime established thereunder.

This Document does not constitute an offer to sell, or the solicitation of an offer or invitation to buy or subscribe for, Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company.

The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the **Securities Act**), or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States or of Australia, Canada, Japan or the Republic of South Africa, or any province or territory thereof. Subject to certain exceptions, the Ordinary Shares may not be taken up, offered, sold, resold, transferred or distributed, directly or indirectly, and this Document may not be distributed by any means including electronic transmission within, into, in or from the United States, Australia, Canada, Japan or the Republic of South Africa or to or for the account of any national, resident

or citizen of the United States or any person resident in Australia, Canada, Japan or the Republic of South Africa, except pursuant to an exemption from, or in a transaction that is not subject to, the registration requirements of the Securities Act or the equivalent legislation. This Document does not constitute an offer to sell or a solicitation of an offer to purchase or subscribe for Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. There will be no public offer in the United States. The Company has not been and will not be registered under the US Investment Company Act of 1940 (**US Investment Company Act**) pursuant to the exemption provided by Section 3(c)(7) thereof, and investors will not be entitled to the benefits of the US Investment Company Act. None of the Ordinary Shares have been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed comment upon or endorsed the merit of the offer of the Ordinary Shares or the accuracy or the adequacy of this Document. Any representation to the contrary is a criminal offence in the United States.

The distribution of this Document in or into jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this Document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The date of this Prospectus is [●] 2023.

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SUMMARY

1. INTRODUCTION AND WARNINGS

This summary should be read as an introduction to this Document.

This Prospectus relates to a proposed admission of all the issued and to be issued Ordinary Shares to the Standard Listing segment of the Official List and to trading on the Main Market for listed securities by The London Tunnels PLC (the **Company**).

The legal and commercial name of the Company is The London Tunnels PLC. The Company's registered address is 2nd Floor Nicola Jane House, Southern Gate, Chichester, West Sussex, United Kingdom, PO19 8SE and its telephone number is +44 (0)12 4379 0298. Its legal entity identifier (**LEI**) is 2138004SGDBMQ6VPDI31 and its securities are the Ordinary Shares, registered with ISIN number GB00BS28ZN53.

The Prospectus has been approved by the United Kingdom Financial Conduct Authority (the **FCA**) on [●] 2023 (whose head office is at 12 Endeavour Square, London, E20 1JN, and telephone number: +44 (0)20 7066 1000) as competent authority under Regulation (EU) 2017/1129, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK Prospectus Regulation**). The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer that is, or of the quality of the securities that are, the subject of this Prospectus.

Warning: This summary has been prepared in accordance with Article 7 of the UK Prospectus Regulation and should be read as an introduction to the Prospectus. Any decision to invest in the Ordinary Shares should be based on a consideration of the Prospectus as a whole by the prospective investor. Investors could lose all or part of the invested capital. Civil liability attaches to those persons who have tabled the Summary including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with other parts of the Prospectus or where it does not provide, when read together with other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Ordinary Shares.

2. KEY INFORMATION ON THE COMPANY

2.1 Who is the issuer of the securities?

Issuer's Domicile, Legal Form, LEI, the Law under which it Operates and Country of Incorporation

The issuer of the Ordinary Shares is The London Tunnels PLC, a public limited company incorporated and domiciled in England and Wales. The Company's legal entity identifier (**LEI**) is 2138004SGDBMQ6VPDI31. The Company re-registered as a public limited company under the Companies Act on 2 November 2023.

Principal Activities

The Company has agreed to acquire the leasehold title to the Kingsway Exchange Tunnels in Central London. The Tunnels were built as part of the United Kingdom Government's strategy to protect its citizens from bombing during what became known as the London Blitz. The Company intends to restore, adaptively reuse and bring back to life the Tunnels, offering a combination of historical heritage experiences and a cultural, beautifully designed, multi-sensory, digital experience.

Major Shareholders

In so far as it is known to the Company as at the date of this document, the following persons will, on Admission, be directly or indirectly interested (within the meaning of the Companies Act) in 3 per cent. or more of the Company's issued share capital (**Major Shareholder**):

Name of Major Shareholder	Ordinary Shares held on the date of this Prospectus		Ordinary Shares held on Admission	
	Number of Ordinary Shares	Percentage of Ordinary Shares	Number of Ordinary Shares	Percentage of Ordinary Shares
Cupcake Partners Limited	50,000,000	84.64	[●]	[●]
Private Equity (ESG) Fund Inc. (PEF)	1,722,000	2.91	[●]	[●]

The Company is ultimately controlled by Mr Angus Stewart Douglas Murray who owns 100 per cent of the issued share capital of Cupcake Partners Limited. PEF is an investment fund of which Angus Murray is a director and which holds 1,722,000 Ordinary Shares for the benefit of Castlestone Management LLC (Castlestone), an investment adviser wholly owned by Angus Murray. In addition, 466,000 Ordinary Shares are held by Castlestone FAANG+ UCITS Fund, an investment fund in respect of which Castlestone provides investment advice.

Key Managing Directors

The Company's key managing directors are Mr Angus Stewart Douglas Murray, Executive Director and Chief Executive Officer and Katharine Jane Leo, Executive Director and Chief Operations Officer.

Statutory Auditors

The auditors of the Company are Royce Peeling Green Limited, whose registered address is The Copper Room Deva City Office Park, Trinity Way, Manchester, England, M3 7BG.

2.2 What is the key financial information regarding the issuer?

The tables below set out a summary of the key audited financial information of the Company for the period from incorporation on 27 January 2021 to 31 December 2021 and the subsequent 15-month period ended 31 March 2023, together with the unaudited Company Interim Financial Information for the six-month period ended 30 September 2023:

Statement of Financial Position

	Audited As at 31 December 2021 £	Audited As at 31 March 2023 £	Unaudited As at 30 September 2023 £
Total assets	32,400	2,890,965	26,360,715
Total equity	(59,302)	(127,539)	5,614,112

Statement of Comprehensive Income

	Audited Period ended 31 December 2021 £	Audited Period ended 31 March 2023 £	Unaudited Period ended 30 September 2023 £
Total revenue	—	—	—
Operating loss	(91,702)	(219,694)	(610,135)
Loss for the period	(91,702)	(400,254)	(1,363,387)
Total comprehensive loss	(91,702)	(400,254)	(1,363,387)

Statement of Cash Flows

	Audited Period ended 31 December 2021 £	Audited Period ended 31 March 2023 £	Unaudited Period ended 30 September 2023 £
<i>Net cash flows from:</i>			
Operating activities	—	(283,275)	553,956
Investing activities	—	—	(3,255,463)
Financing activities	—	3,000,000	1,161,000
Net cash flow	—	2,716,725	(1,540,507)

Subsequent to 30 September 2023:

- on 26 October 2023, the Company undertook a share split such that its Ordinary Shares of £1.00 each were converted at a ratio of 1 ordinary share to 1,000 new Ordinary Shares, resulting in a new nominal value of £0.001. The share split was approved by the Shareholders by ordinary resolution; and
- On 2 November 2023, the Company re-registered as a PLC.

2.3 What are the key risks that are specific to the issuer?

1. The Company will need further funding in order to fully restore and bring the Tunnels into operation as a visitor attraction.
2. Planning Permission has been applied for, but not yet been received, and is required in order to fully restore and bring the Tunnels into operation as a visitor attraction.
3. The Company is in the process of developing the Tunnels and has not yet generated any revenue or undertaken any substantive trading activity.
4. The Tunnels are the sole operational location.
5. The structural integrity of the Tunnels may be affected by factors related to their age (as the Tunnels were built originally between 1940 and 1942 and then expanded with additional construction from 1950 to 1954) as well as by other factors that may be unforeseen or change over time.
6. Developing the Tunnels and developing and installing a visitor attraction will require complex engineering, construction and purpose built technology and could cost more and/or take longer than anticipated.
7. The Company has minimal employees and will need to both retain existing staff and Directors and recruit experienced senior management with visitor experience and the operators of visitor experiences, who may be difficult to find, attract and retain.
8. There is no guarantee that sufficient numbers of visitors will be attracted by the Company's offering to make the Tunnels a commercial success.
9. The visual, audio and interactive technologies which the Company plans to use are characterised by constant change and innovation, and may require continued investment to ensure that the experience offered to visitors remains current and competitive.
10. The Company relies on third-parties to provide specialist services (such as planning, engineering and design) and to provide general management, administration and accounting services.

3. KEY INFORMATION ON THE SECURITIES

3.1 What are the main features of the securities?

Type, Class and ISIN

The Ordinary Shares are ordinary shares in the share capital of the Company with a nominal value of £0.001 each. The Ordinary Shares are registered with international securities identification number ("ISIN") B00BS28ZN53.

Currency, Denomination, Par Value, Number of Securities Issued and Term of the Securities

The currency of the Ordinary Shares is British pounds sterling. At the date of this Prospectus, the nominal value of one issued Ordinary Share is £0.001. The number of Ordinary Shares that have been issued at the date of this Document, all of which have been fully paid up, is 59,075,000. On Admission, there will be [●] Ordinary Shares, all of which are fully paid. Application will be made for Admission of all of the issued and to be issued [●] Ordinary Shares.

Rights attached to the Securities

Each Ordinary Share ranks *pari passu* for voting rights, dividends and return of capital on winding up. Shareholders have the right to receive notice of, and to attend and vote at, any meetings of Shareholders. Each Shareholder entitled to attend and being present in person, by proxy or by a duly authorised corporate representative at a meeting shall have one vote on a show of hands and, on a poll, each such Shareholder shall have one vote for every Ordinary Share of which it is the holder.

Seniority of the Securities in the Capital Structure of the Company in the event of Insolvency

The Company does not have any securities in issue other than the Ordinary Shares and the Convertible Bonds (details of which are set out below), or liens over its assets and so the Ordinary Shares are not subordinated in the Company's capital structure as at the date of the Prospectus and will not be immediately following Admission.

Restrictions on the Free Transferability of the Securities

There are no restrictions on the free transferability of the Ordinary Shares.

Dividend Policy

Subject to the Companies Act, the Company may, by ordinary resolution, declare dividends to be paid to Shareholders according to their rights and interests in the profits of the Company available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board. The objective of the Board is the achievement of capital growth. The Board does not anticipate declaring or paying any dividends in the foreseeable future.

3.2 Where will the securities be traded?

Applications will be made to the FCA for the Ordinary Shares to be admitted to the Official List of the FCA (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to London Stock Exchange plc ("**London Stock Exchange**") for such Ordinary Shares to be admitted to trading, and for dealings to commence, on London Stock Exchange's Main Market for listed securities. No application has been made or is currently intended to be made for Ordinary Shares to be admitted to listing or trading on any other exchange.

3.3 What are the key risks that are specific to the securities?

1. Investors may be unable to sell their Ordinary Shares unless an active trading market for the shares can be established and maintained.
2. The market price for the Ordinary Shares may be affected by fluctuations and volatility in the price of Ordinary Shares.
3. Immediately following Admission, Cupcake will hold [●] per cent of the Ordinary Shares and voting rights in the Company. As a result, Cupcake will possess sufficient voting power to exercise significant influence over all matters requiring shareholder approval. In exercising its voting rights, Cupcake may be motivated by interests that are different from those of other shareholders of the Company.
4. A Standard Listing affords Shareholders less regulatory protection than a Premium Listing.
5. The issuance of additional Ordinary Shares, as envisaged in this document or in connection with future expenditure or acquisitions, or otherwise, may dilute other shareholdings.

4. KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET

4.1 Under which conditions and timetable can I invest in this security?

General terms and conditions of the offer

This Prospectus does not constitute an offer or an invitation to any person to subscribe for or purchase any Ordinary Shares. The Ordinary Shares are not being offered to the public.

The Company has issued Convertible Bonds, raising £[●] million prior to Admission, which will convert at a ratio of 110 per cent of the new Ordinary Shares that can be acquired by applying the outstanding amount of principal and interest (if any) to subscribe at the price of £[●] per share (**Issue Price**) (the **Conversion Shares**).

The Company entered into the Subscription Agreements, raising £[●] million conditional on Admission, with the Subscribers pursuant to which the Company conditionally agreed to issue an aggregate of [●] new Ordinary Shares to the Subscribers at the Issue Price (the **Subscription Shares**).

Following Admission, the Company intends to raise a further £[●] through the issue up to a further [●] new Ordinary Shares to Placing Investors at the Issue Price (the **Placing Shares**) within the 60 days immediately following Admission. The Company has received Letters of Intent to subscribe for £[●] million under the Placing.

The allotment of the Conversion Shares, and completion of the Subscription and the Placing, including the issuance of the Subscription Shares and Placing Shares, is conditional on, *inter alia*, Admission.

Expected Timetable of the Offer

It is expected that Admission will become effective, and that dealings in the Ordinary Shares will commence on London Stock Exchange at 08.00 a.m. London time on [●] 2023.

Details of Admission to Trading

Application has been made to the FCA for the Ordinary Shares (comprising the existing Ordinary Shares, Conversion Shares and the Subscription Shares) to be admitted to the Standard Listing segment of the Official List of the FCA and to London Stock Exchange for the Ordinary Shares to be admitted to trading on its Main Market for listed securities.

Following Admission, application will be made for the admission of the of the Placing Shares to be admitted to the Standard Listing segment of the Official List of the FCA and to trading on the London Stock Exchange's Main Market for listed securities.

4.2 Why is this Prospectus being produced?

Reasons for Admission to trading on a regulated market

This Prospectus has been prepared solely in connection with the application to the FCA for all of the Ordinary Shares to be admitted to the Standard Listing segment of the Official List of the FCA and to London Stock Exchange for such Ordinary Shares to be admitted to trading on its Main Market for listed securities.

The Board believes that a listing on the standard segment of the Official List and Admission to trading on the Main Market will help to build its profile, create value for Shareholders and build a market for trading of the Company's Ordinary Shares. The Board also believes that the Standard Listing will improve the Company's ability to raise further capital over the coming years to support the Company's growth strategy and achieve the objectives of long term value creation for Shareholders. In addition, it shall provide increased visibility of the Company's activities and the business as a whole. The Board believes that the reputation of the Main Market will help the Company achieve its goals and objectives, including increased visibility to the international market, sound reporting and compliance structures, better liquidity which is more attractive to investors and a significant increase in access to capital which will assist the growth of the business.

Use and estimated net amount of the proceeds

The minimum proceeds being raised in connection with Admission comprise £[●] million from the Subscription. After expenses, the estimated net amount of the proceeds will be £[●] million.

Use of proceeds	£m
Expenses of Admission, the Subscription, the Convertible Bond issue	0.5
Balance of works in relation to the planning application for the Tunnels	[0.5]
Management and administration of the Company	3.0
Total	[4.0]

No element of the Subscription or the Placing is underwritten.

Indication of the most material conflicts of interests relating to the admission to trading

Angus Murray is a director and ultimate owner of Exchange Tunnels Limited and EC1 Property Management Limited, from which the Company intends to purchase the leasehold of the Tunnels and 40 Furnival Street. Angus holds his interests in the Company, Exchange Tunnels Limited and EC1 Property Management Limited through his sole ownership of Cupcake Partners Limited, which will hold [●] per cent of the Company's issued share capital on Admission.

Katharine Leo is also director of Exchange Tunnels Limited and EC1 Property Management Limited. Katharine is also a director and the ultimate controller of Client Services (Global) Limited, which provides management and administration services on an ongoing basis and is also providing investor relations services to the Company in connection with the Admission.

Peter Curtin is also a director of Exchange Tunnels Limited.

RISK FACTORS

The investment detailed in this document may not be suitable for all its recipients and involves a higher than normal degree of risk. Before making an investment decision, prospective investors are advised to consult an investment adviser authorised under the Financial Services and Markets Act 2000 who specialises in investments of the kind described in this document. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

Before deciding whether to invest in Ordinary Shares, prospective investors should carefully consider the risks described below together with all other information contained in this document.

The risks referred to below are those risks the Company and the Directors consider to be the material risks relating to the Company. The risk factors described below may not be exhaustive. Additional risks and uncertainties relating to the Company that are not currently known to the Directors, or that are currently deemed immaterial, may also have an adverse effect on the Company's business. If this occurs the price of the Ordinary Shares may decline and investors could lose all or part of their investment.

Prospective investors should note that the risks relating to the Company, its industry and the Ordinary Shares summarised in the section of this document headed "Summary" are the risks that the Company believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed "Summary" but also, among other things, the risks and uncertainties described below.

1. RISKS RELATING TO COMPANY'S FINANCIAL POSITION

1.1 *The Company does not have sufficient working capital for its longer term requirements*

The Company is of the opinion, taking into account the proceeds of the Subscription, that it has sufficient working capital for its present requirements, being for the 12 months from the date of this document.

Completing only the Subscription will limit the Company to completing the Phase 1 work programme and covering management and administration costs for the 25-month period from the date of this document through to the end of December 2025.

However, the Company intends to raise up to a further £30.0 million (before expenses) through the Placing during the 60 days following Admission. The Placing is not underwritten and the Company does not have irrevocable commitments from investors to take up the Placing. Accordingly, there is no guarantee that the Company will receive any funds from the Placing. However, the Company has received Letters of Intent to subscribe for £[●] of this amount from prospective investors.

Therefore, if the Placing is fully subscribed, the Company will have raised an additional £30.0 million (before expenses), allowing it to complete the Phase 2 work programme and cover management and administration costs through 2025 and potentially to accelerate the pathway towards construction and launch.

Potential cash receipts from Explorer Tours are not included in the funds raised above and any net cash receipts would add further to the Company's working capital position.

The Company's strategy is to develop the Tunnels through to full commercial launch, which is currently anticipated to be 2027. The Company will need to raise additional capital to fund Phase 3 of the project, comprising feasibility studies (including construction and engineering design, as well as content) and construction, either as sole owner and operator of the Tunnels or, for example, in partnership with an operator and/or content provider. The amount to be raised will therefore depend on both the ownership structure and content and will comprise a mixture of equity and debt (including asset finance and leasing). The Company anticipates that this additional funding will need to be raised periodically from 2025 to at least 2027 and

estimates that the total investment could be in the region of £120 million, if the Company finances construction as sole owner and operator of the Tunnels and assuming audio visual technology and hardware is leased.

If at any stage following the 12 months after Admission, the Company is not able to raise its share of the funding requirement, it may need to either delay and/or renegotiate its plans or dispose of part or all its assets, including the Tunnels. If these actions were unsuccessful, it is likely that the Company would not be able to continue as a going concern. If the Company is not able to continue as a going concern, it would enter an insolvency process and there would be no certainty of the value that may remain for Shareholders, if any, once all liabilities had been settled, and the Ordinary Shares would cease trading.

2. RISKS RELATING TO THE BUSINESS AND OPERATIONS OF THE COMPANY

2.1 *Planning Permission*

Whilst the Company may be able to generate revenue from Explorer Tours of the Tunnels in their present condition, with the first tours anticipated to commence in the first quarter of 2024, the Company will not be able to proceed to refurbish and reuse the Tunnels to create and launch the planned, much larger, visitor attraction for a targeted up to 2 million visitors per annum (but with an annual capacity of 3 million visitors) without first receiving Planning Permission from The City of London Corporation and The London Borough of Camden. The applications for Planning Permission were submitted on 30 November 2023. The Company expects to receive decisions from The City of London Corporation and The London Borough of Camden during the second or third quarter of 2024.

If Planning Permission is delayed or not obtained, the Company will not be able to create or launch a much larger visitor attraction in the Tunnels and its capacity to generate revenue will be limited to the Explorer Tours or such other revenues as the Company can generate in their present condition, which will have a material adverse impact on the Company's prospects and its financial position. The Company is targeting 2027 for the full scale launch of a visitor attraction in the Tunnels.

2.2 *Lack of Operating History*

The Company was incorporated in 2021, is in the process of developing the Tunnels and has not yet generated any revenue or undertaken any substantive trading activity. There can be no certainty that the Company will generate any revenue or that it will create and launch a commercially successful visitor attraction in the Tunnels.

The Company is at an early stage of its development and faces a number of operational, strategic and financial risks frequently encountered by companies looking to bring new products to the market. The Company has not yet reported a profit and there can be no assurance that it will do so.

The Company currently has not generated a net positive operating cash flow and its ultimate success will depend on the Board's ability to implement the Company's strategy and generate positive cash flow. Whilst the Board is optimistic about the Company's prospects, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved. There can be no assurance that the Company's proposed operations will be cash generative or produce a reasonable return, if any, on any investment.

In particular, the Company's future growth and prospects will depend on:

- receiving Planning Permission;
- successfully launching Explorer Tours;
- successfully managing the detailed feasibility, engineering and design work in preparation for redeveloping the Tunnels;
- securing entertaining attractive content for the Tunnels which will appeal to potential customers;
- successfully managing the redevelopment of the Tunnels and installation of a visitor attraction;

- managing the costs of redeveloping the Tunnels and securing sufficient funding on a timely basis;
- attracting sufficient visitor numbers to ensure a commercial success; and
- continuing to expand and improve operational, financial and management information, and commercial relationships on a timely basis whilst at the same time maintaining effective cost controls.

Any one or more of these risks could have a material adverse effect on the Group's business, financial condition and results of operations.

2.3 ***Single location***

The Company only has one operational location, being the Tunnels. If this asset became inaccessible then potential visitor numbers and future revenue would be negatively impacted and the Company's financial position would be materially and adversely affected.

2.4 ***Cost and time for removal of asbestos***

These materials are present throughout the tunnel network and are currently being managed in accordance with existing regulation and HSE guidance. Access restrictions are in place to areas where high risk asbestos is present. Additionally, reassurance air monitoring has been undertaken during visits to the tunnel which shows that the Tunnels are safe to access for Explorer Tours. Much of the asbestos present will need to be safely remediated before full restoration of the Tunnels can commence. Until detailed studies are undertaken and work commences in 2025 on remediating the asbestos, there can be no certainty as to how long it may take to complete this phase of development or how much it may cost the Company.

2.5 ***The structural integrity of the Tunnels***

The structural integrity of the Tunnels may be affected by factors related to their age (as the Tunnels were built originally between 1940 and 1942 and then expanded with additional construction from 1950 to 1954) as well as by other factors that may be unforeseen or change over time. The composition of the Tunnels themselves, as well as the surrounding ground conditions and neighbouring properties, could all have potentially negative effects on the structural integrity of the Tunnels. During the pre-construction and construction phases, structural weaknesses or potential weaknesses may be discovered or may be caused (for example, by making alterations or overloading the structures). Failure to identify these weaknesses, or adequately assess and address their impact on the project may cause delays, cost increases and/or prevent the Tunnels site from becoming operable as a visitor attraction. On an ongoing basis, the Company will need to maintain a programme of regular inspections and maintenance to identify and address structural weaknesses. Failure to identify and/or address these weaknesses may cause increases in costs and may adversely impact revenues.

2.6 ***Human Resources and Staffing***

The Company has minimal employees, other than its Directors. The Company's ability to devote resources and attention to its staffing affairs will be limited. This could adversely affect the Company's ability to achieve its objectives and ultimately to service and achieve returns that its Shareholders deem sufficient. The departure of key members of the Company's management team, without adequate replacement, may also have a material adverse effect on the Company's performance. The Company will require the employment of experienced senior management with visitor experience and the operators of visitor experiences, who may be difficult to find, attract and retain. Without qualified and professional staff hired for the Company to support operations and customer interactions, there could be damage to the Company's reputation, which may adversely impact revenues and profitability.

2.7 ***Demand and competition***

The Company is targeting a large but competitive market for tourism. London attracts large numbers of tourists, but there is no guarantee that sufficient numbers of visitors will be attracted by the Company's offering to make the Tunnels a commercial success. There are already a number of major visitor attractions in London with track records of operating successfully. If the Company fails to create a venue which is attractive to visitors and

competitive based on price and the experience provided, it may not generate sufficient revenues to become profitable.

Furthermore, the absolute number of visitors to the UK and London is variable and impacted by a variety of factors outside the control of the Company, including currency fluctuations, politics, terrorism and pandemics. If visitor numbers to London decline, this could negatively impact the number of visitors to the Tunnels, which would adversely affect revenues and profitability.

2.8 *New technology*

The Company anticipates that part of the visitor attraction experience will be delivered through new technologies. These technologies will likely be purpose built and designed for the Tunnels (for example, large format interactive and curved screens). Developing and installing these technologies could take longer and/or cost more than anticipated. In operation, these technologies may not perform as anticipated and may require maintenance. Any delay in developing these technologies or disruption once in operation could delay or reduce revenues, and any cost overruns or maintenance could increase the Company's costs and reduce profits, which could have a material adverse effect on the Company's financial condition, performance and prospects.

2.9 *Reliance on the performance of other third party providers*

Although the Company will have business continuity procedures and security measures in the event of IT failures or disruption, including backup IT systems for business-critical systems, these backup systems will not, and are not intended to be, a full duplication of the Company's operational systems. Any disruptions, outages or delays in systems used by the Company, including as a result of security breaches, fire, flood, power loss, telecommunications failure, physical or electronic break-ins, earthquakes, acts of war or terrorism or other events or disruptions, could affect the availability of the Company's services in the Tunnels and therefore access to the cultural and heritage exhibits and digital displays, which, in turn, could materially adversely affect the quality of the Company's brands and reputation and its ability to generate revenue.

The Company has appointed a series of specialists in planning, design, engineering, marketing and project management to advise it on developing the Tunnels.

In addition, the Company outsources certain managerial, administration and accounting services to Client Services (Global) Limited (CSG), a company owned and controlled by Katy Leo, the Chief Operating Officer of the Company.

The Company's third-party service providers, including CSG, are themselves subject to operational risks, which can arise from inadequate or failed processes, systems or resources or from external factors affecting these. The information technology and other systems of such service providers, or their business processes and procedures on which the Company may depend, may not perform as expected, including recovery from unanticipated disruptions to their business. The failure of a service provider to deliver their services on time and on budget, the termination of the Company's relationship with any third-party service provider, or any delay in appointing a replacement for such service provider, could disrupt the Company's business materially and could have a material adverse effect on the Company's financial condition, performance and prospects.

2.10 *Evolution of technology*

The visual, audio and interactive technologies which the Company plans to use are characterised by constant change and innovation, and the Company expects them to continue to evolve rapidly. The Company will need to continue to invest to maintain and improve the technologies it uses to ensure that the experience offered to visitors remains current and competitive. If the Company fails to invest in technology in an effective and timely manner, revenues and profitability may be reduced.

2.11 *Complex nature of construction*

Developing the Tunnels will require complex engineering and construction. For example, the entrance at Furnival Street, being the entrance building to the shaft leading to the Tunnels, will

require the demolition of the current surface level buildings and expansion of the access shaft. Shaft construction will mean excavating through various types of geological formations, such as rock, soil, or mixed ground, complying with environmental standards, such as minimizing soil erosion, protecting aquatic ecosystems, or addressing contamination issues, water management to prevent flooding and managing utility conflicts (such as water, gas and electric lines to neighbouring properties). Failure to identify and address these risks, and any issues which arise during and after construction, could cause delays and cost overruns.

3. RISKS RELATING TO THE ORDINARY SHARES

3.1 *Market for the Ordinary Shares*

There is a limited market for the Ordinary Shares. The price of the Ordinary Shares after Admission may also vary due to a number of factors, including but not limited to, general economic conditions and forecasts, the Company's general business condition and the release of its financial reports. Although the Company's current intention is that its securities should continue to trade on London Stock Exchange, it cannot assure investors that it will always do so. In addition, an active trading market for the Ordinary Shares may not develop or, if developed, may not be maintained. Investors may be unable to sell their Ordinary Shares unless an active trading market can be established and maintained. If an active trading market is not developed or maintained, the liquidity and trading price of the Ordinary Shares could be adversely affected.

3.2 *Fluctuations and volatility in the price of Ordinary Shares*

Stock markets have from time to time experienced severe price and volume fluctuations, a recurrence of which could adversely affect the market price for the Ordinary Shares. The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, some specific to the Company and some which affect listed companies generally, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic, political or regulatory conditions, overall market or sector sentiment, legislative changes in the Company's sector and other events and factors outside of the Company's control.

3.3 *Controlling shareholder*

As at the date of this Prospectus, Cupcake, which is wholly owned by Angus Murray, the Chief Executive Officer, owns 81.60 per cent of the Ordinary Shares. Immediately following Admission, Cupcake will hold [●] per cent of the Ordinary Shares and voting rights in the Company. As a result, Cupcake will possess sufficient voting power to exercise significant influence over all matters requiring shareholder approval, including the election or removal of directors, the declaration of dividends, whether to accept the terms of a takeover offer and other matters to be determined by the Shareholders. In exercising its voting rights, Cupcake may be motivated by interests that are different from those of other shareholders of the Company.

The Company has entered into the Relationship Agreement with Cupcake and Angus Murray to regulate Cupcake's relationship with the Company following Admission in order to ensure that the Company will be capable of complying with its obligations under the Listing Rules from Admission.

Notwithstanding the Relationship Agreement, the ownership levels of Cupcake may have the effect of delaying, deferring or preventing a change of control, merger, consolidation, takeover or other business combination or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company, which in turn could have an adverse effect on the trading price of the Ordinary Shares.

3.4 *Dividend payments on the Ordinary Shares are not guaranteed*

The Board will maintain a regular review of the Company's dividend policy. However, it is not intended that dividends will be paid to Shareholders in the near future. The Company's ability to pay any dividend will depend on a number of factors, including its results of operations, financial condition and profitability, free cash flow and other factors considered relevant by the

Directors. The Company can therefore give no assurance that it will be able to pay dividends or as to the amount of any such dividends.

3.5 *The Standard Listing of the Ordinary Shares affords shareholders a lower level of regulatory protection than a Premium Listing*

Application has been made for the Ordinary Shares to be admitted to the standard listing segment of the Official List of the FCA. A standard listing will afford the Shareholders a lower level of regulatory protection than that afforded to investors in companies listed on the premium listing segment of the Official List of the FCA, where companies are subject to additional obligations under the Listing Rules. In particular, as a company with a standard listing, the Company will not be required to comply with the requirements of the Corporate Governance Code following Admission. The Company will not be required to give the Shareholders the opportunity to vote on any future acquisitions, even if Ordinary Shares are being issued as consideration for such acquisitions, save to the extent shareholder approval is required pursuant to the Companies Act to issue such Ordinary Shares. Similarly, the Group will not be required to comply with the requirements of Chapter 10 of the Listing Rules relating to the announcement and, in some cases, the approval, of significant transactions (as defined in the Listing Rules) and Chapter 11 of the Listing Rules relating to the announcement and, in some cases, the approval, of related party transactions (as defined in the Listing Rules).

3.6 *Shareholders may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable*

Investments in Ordinary Shares may be relatively illiquid for as long as the Company holds a Standard Listing. There may be a limited number of Shareholders and there may be infrequent trading in the Ordinary Shares on London Stock Exchange and volatile Ordinary Share price movements. Shareholders should not expect that they will necessarily be able to realise their investment in Ordinary Shares within a period that they would regard as reasonable. Accordingly, the Ordinary Shares may not be suitable for short-term investment. Admission should not be taken as implying that there will be an active trading market for the Ordinary Shares. If an active trading market is not developed or maintained, the liquidity and trading price of the Ordinary Shares could be adversely affected.

3.7 *The ability of Overseas Shareholders to bring actions or enforce judgments against the Company or the Directors may be limited*

The ability of an Overseas Shareholder to bring an action against the Company may be limited under law. The Company is a public limited company incorporated in England and Wales. The rights of holders of Ordinary Shares are set out in the Articles and are governed by English law. These rights may differ from the rights of shareholders in non-UK corporations. An Overseas Shareholder may not be able to enforce a judgment against some or all of the Directors and executive officers. It may not be possible for an Overseas Shareholder to effect service of a process upon the Directors within the Overseas Shareholder's country of residence or to enforce against the Directors judgments of courts of the Overseas Shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities law of countries other than the UK against the Directors who are residents the UK or of countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on the Directors in any original action based solely on foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries.

3.8 *Future issues of Ordinary Shares could be dilutive*

The Company will need to raise further funds in future and it is likely that it will be necessary, at some future time, for the Company to issue additional Ordinary Shares to fund future acquisitions and other growth opportunities, invest in its business or for general purposes. No assurance can be given that any such additional funding will be available or, if available, that it will be available on terms that are favourable to the Company or Shareholders. Further, any of such additional issuances may result in the dilution of the percentage ownership of the existing Shareholders or may adversely affect the price of the Ordinary Shares.

CONSEQUENCES OF A STANDARD LISTING

Application will be made for the Ordinary Shares to be admitted to a listing on the Standard Listing segment of the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings, and for such Ordinary Shares to be admitted to trading on London Stock Exchange's Main Market for listed securities.

The Company's Ordinary Shares will be listed under Chapter 14 of the Listing Rules (Standard Listing (shares)) and as a consequence a significant number of the Listing Rules will not apply to the Company. Shareholders will therefore not receive the full protection of the Listing Rules associated with a Premium Listing.

The Company will comply with Listing Principles 1 and 2 set out in Chapter 7 of the Listing Rules at Listing Rule 7.2.1, which applies to all companies with their securities admitted to the Official list. An applicant that is applying for a Standard Listing of equity securities must comply with all the requirements listed in Chapters 2 and 14 of the Listing Rules, which specify the requirements for listing for all securities.

The continuing obligations under Chapter 14 also include requirements as to:

- compliance with the Reverse Takeover rules set out in Listing Rule 5.6.1R;
- application for newly allotted shares of the same class to be admitted to listing to be made as soon as possible and in any event within one year;
- the forwarding of circulars and other documentation to the FCA for publication through to the National Storage Mechanism, and related notification to a Regulatory Information Service;
- the provision of contact details of appropriate persons nominated to act as a first point of contact with the FCA in relation to compliance with the Listing Rules and the Disclosure Guidance and Transparency Rules;
- the form and content of temporary and definitive documents of title;
- the appointment of a registrar;
- notifying a Regulatory Information Service in relation to changes to equity and debt capital;
- compliance with, in particular, Chapters 4, 5 (if applicable) and 6 of the Disclosure Guidance and Transparency Rules;
- at least 10 per cent of the Ordinary Shares must continue to be held in public hands; and
- inclusion of a corporate governance statement in accordance with DTR 7.2 in its directors' report.

As a company with a Standard Listing, the Company will, following Admission, not be required to comply with, *inter alia*, the provisions of Chapters 6, 7 (to the extent they refer to the Premium Listing principles) and 8 to 13 of the Listing Rules, which set out more onerous requirements for issuers with a Premium Listing of equity securities. These include provisions relating to certain listing principles, the requirement to appoint a sponsor, various continuing obligations, significant transactions, related party transactions, dealings in own securities and treasury shares and contents of circulars.

As mentioned above, while the Company has a Standard Listing, it is not required to comply with the provisions of, among other things:

- Chapter 6 of the Listing Rules containing additional requirements for the listing of equity securities, which are only applicable for companies with a Premium Listing;
- Chapter 7 of the Listing Rules, to the extent they refer to the Premium Listing principles;
- Chapter 8 of the Listing Rules regarding the appointment of a listing sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company does not have and does not intend to appoint such a sponsor in connection with its publication of this Document or Admission;
- Chapter 9 of the Listing Rules regarding continuous obligations for a company with a Premium Listing, which includes, *inter alia*, requirements relating to further issues of shares, the ability

to issue shares at a discount in excess of 10 per cent of market value, notifications and contents of financial information that are not applicable to the Company;

- Chapter 10 of the Listing Rules relating to significant transactions, meaning any subsequent acquisitions by the Company will not require Shareholder approval under this Chapter (although such approval may be required for the purposes of facilitating the financing arrangements or for other legal or regulatory reasons);
- Chapter 11 of the Listing Rules regarding related party transactions. However, the Company is obliged to comply with DTR7.3 relating to related party transactions. DTR7.3 requires the Company to establish and maintain adequate procedures, systems and controls to enable it to assess whether a transaction or arrangement with a related party is in the ordinary course of business and has been concluded on normal market terms, and to (i) make an announcement (ii) gain board approval and (iii) ensure the related party or their associates do not vote in any resolution relating to material related party transactions;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

IT SHOULD BE NOTED THAT THE FCA WILL NOT HAVE THE AUTHORITY TO (AND WILL NOT) MONITOR THE COMPANY'S COMPLIANCE WITH ANY OF THE PREMIUM LISTING RULES (WHICH DO NOT APPLY TO THE COMPANY), NOR TO IMPOSE SANCTIONS IN RESPECT OF ANY FAILURE BY THE COMPANY TO SO COMPLY. HOWEVER THE FCA WOULD BE ABLE TO IMPOSE SANCTIONS FOR NON-COMPLIANCE WHERE THE STATEMENTS REGARDING COMPLIANCE IN THIS DOCUMENT ARE THEMSELVES MISLEADING, FALSE OR DECEPTIVE.

IMPORTANT INFORMATION

1. GENERAL

- 1.1 In deciding whether or not to purchase Ordinary Shares, prospective purchasers should rely only on their own examination of the Company and/or the financial and other information contained in this document.
- 1.2 Purchasers of Ordinary Shares must not treat the contents of this document or any subsequent communications from the Company or any of its respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.
- 1.3 Prospective investors should inform themselves as to:
 - (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares;
 - (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and
 - (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.
- 1.4 No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied on as having been so authorised. Without prejudice to the Company's obligations under the FSMA, Prospectus Regulation Rules, Listing Rules and Disclosure Guidance and Transparency Rules, neither the delivery of this document nor any subscription made pursuant to it will, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as at any time subsequent to its date.
- 1.5 This document comprises a prospectus relating to the Company prepared in accordance with the Prospectus Regulation Rules and has been approved by the FCA under section 87A of FSMA. This document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules. No arrangement has however been made with the competent authority in any member state of the EEA (or any other jurisdiction) for the use of this document as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdiction.
- 1.6 This document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation to subscribe for or the solicitation of an offer to buy or subscribe for, any Ordinary Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation. The distribution of this document and the offering of the Ordinary Shares in certain jurisdictions may be restricted. Accordingly, persons outside the UK into whose possession this document comes are required by the Company to inform themselves about, and to observe any restrictions as to the offer or sale of Ordinary Shares and the distribution of this document under, the laws and regulations of any territory in connection with any applications for Ordinary Shares, including obtaining any requisite governmental or any other consent and observing any other formality prescribed in such territory.
- 1.7 No action has been taken or will be taken in any jurisdiction by the Company or the Directors that would permit a public offering of the Ordinary Shares in any jurisdiction where action for that purpose is required, nor has any such action being taken with respect to the possession or distribution of this document other than in any jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this document nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and

regulations of any such country or jurisdictions. Any failure to comply with this restriction may constitute a violation of the securities laws of any such jurisdiction. Neither the Company nor any of the Directors accepts any responsibility for any violation of any of these restrictions by any other person.

- 1.8 An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's objectives will be achieved.
- 1.9 It should be remembered that the price of the Ordinary Shares, and any income from such Ordinary Shares, can go down as well as up.
- 1.10 This document should be read in its entirety before making any investment in the Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Articles, which prospective investors should review.

2. FORWARD-LOOKING STATEMENTS

- 2.1 Some of the statements contained in this document include forward-looking statements which reflect the Company's or, as appropriate, the Directors' current views, interpretations, beliefs or expectations with respect to the Company's financial performance, business strategy and plans and objectives of management for future operations. These statements include forward-looking statements both with respect to the Company and the sector and industry in which the Company proposes to operate. Statements which include the words "expects", "intends", "plans", "believes", "projects", "anticipates", "will", "targets", "aims", "may", "would", "could", "continue", "estimate", "future", "opportunity", "potential" or, in each case, their negatives, and similar statements of a future or forward-looking nature identify forward-looking statements.
- 2.2 All forward-looking statements address matters that involve risks and uncertainties because they relate to events that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. Accordingly, there are or will be important factors that could cause the Company's actual results, prospects and performance to differ materially from those indicated in these statements. In addition, even if the Company's actual results, prospects and performance are consistent with the forward-looking statements contained in this document, those results may not be indicative of results in subsequent periods. Important factors that may cause these differences include, but are not limited to:
 - (a) the Company's ability to identify suitable acquisition opportunities and to propose effective growth strategies for any company or business the Company acquires;
 - (b) the Company's ability to ascertain the merits or risks of the operations of a target company or business;
 - (c) changes in economic conditions generally;
 - (d) impairments in the value of the Company's assets;
 - (e) the availability and cost of equity or debt capital for future transactions;
 - (f) changes in interest rates and currency exchange rate fluctuations, as well as the success of the Company's hedging strategies in relation to such changes and fluctuations (if such strategies are in fact used); and
 - (g) legislative and/or regulatory changes, including changes in taxation regimes.
- 2.3 Risks and uncertainties which are material and known to the Directors are listed in the section of this document headed "Risk Factors", which should be read in conjunction with the other cautionary statements that are included in this document.
- 2.4 Any forward-looking statements in this document reflect the Company's, or as appropriate, the Directors' current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company's future business, results of operations, financial conditions and growth strategy. For the avoidance of doubt, nothing in this paragraph qualifies the working capital statement set out in paragraph 9 of Part I: *Additional Information* of this document.
- 2.5 These forward-looking statements speak only as of the date of this document. Subject to any obligations under the Prospectus Regulation Rules, MAR, the Listing Rules and the Disclosure

Guidance and Transparency Rules and except as required by the FCA, London Stock Exchange, the City Code or applicable law and regulations, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or individuals acting on behalf of the Company are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision.

3. NOTICE TO SHAREHOLDERS IN CERTAIN RESTRICTED JURISDICTIONS

- 3.1 The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the US or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the US.
- 3.2 The Ordinary Shares have not been and will not be registered under the Securities Act, or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States or of Australia, Canada, Japan, or the Republic of South Africa, or any province or territory thereof. Subject to certain exceptions, the Ordinary Shares may not be taken up, offered, sold, resold, reoffered, pledged, transferred, distributed or delivered, directly or indirectly, and this document may not be distributed by any means including electronic transmission within, into, in or from the United States, Australia, Canada, Japan, or the Republic of South Africa or to for the account of any national, resident or citizen of the United States or any person resident in Australia, Canada, Japan, or the Republic of South Africa except in accordance with the laws of such jurisdiction.
- 3.3 The ability of an Overseas Shareholder to bring an action against the Company may be limited under law. The rights of holders of Ordinary Shares are governed by English law and by the Articles. These rights differ from the rights of shareholders in typical US corporations and some other non-UK corporations.
- 3.4 An Overseas Shareholder may not be able to enforce a judgment against some or all of the Directors. The Company is incorporated under the laws of England and Wales and some of the Directors are residents of the UK. Consequently, it may not be possible for an Overseas Shareholder to effect service of process upon the Directors within the Overseas Shareholder's country of residence or to enforce against the Directors judgments of courts of the Overseas Shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than the UK against the Directors who are residents of the UK or countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on the Directors in any original action based solely on the foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries.

4. NOTICE TO ALL SHAREHOLDERS

Copies of this document will be available on the Company's website www.thelondontunnels.com from the date of this document until the date which is twelve months from the date of Admission.

5. THIRD PARTY INFORMATION

Where information contained in this document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

6. DATA PROTECTION

- 6.1 The Company may delegate certain administrative functions to third parties and will require such third parties to comply with data protection and regulatory requirements of any jurisdiction in which data processing occurs. Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:
- (a) verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
 - (b) carrying out the business of the Company and the administering of interests in the Company;
 - (c) meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United Kingdom or elsewhere; and
 - (d) disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.
- 6.2 Where appropriate, it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:
- (a) disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective investors; and
 - (b) transfer personal data outside of the UK or EEA to countries or territories which do not offer the same level of protection for the rights or freedoms of prospective investors as the United Kingdom.
- 6.3 If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.
- 6.4 In providing such personal data, investors will be deemed to have agreed to the processing of such personal data in the manner described above. Prospective investors are responsible for informing any third party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

7. PRESENTATION OF FINANCIAL INFORMATION

- 7.1 All financial information for the Company is prepared under UK-adopted international accounting standards.
- 7.2 Certain financial and statistical information contained in this Document has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this Document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

8. NO PROFIT FORECAST OR ESTIMATES

Unless otherwise stated, no statement in this Prospectus is intended as a profit forecast or estimate for any period and no statement in this Prospectus should be interpreted to mean that earnings for the Company for the current or future financial years would necessarily match or exceed the historical published earnings for the Company.

9. DEFINED TERMS

Except for certain names of natural persons and legal entities and capitalised terms that need no further explanation, the capitalised terms used in this document, including capitalised abbreviations, are defined or explained in Part VIII, starting on page [●] of this document.

10. CURRENCY

Unless otherwise indicated, all references in this document to “GBP”, “£”, “pounds sterling”, “pounds”, “sterling”, “pence” or “p” are to the lawful currency of the United Kingdom; all references to “€” or “euro” are to the lawful currency of the Euro zone countries; and all references to “\$”, “US\$”, “US dollars” or “USD” are to the lawful currency of the US.

11. NO INCORPORATION OF WEBSITE TERMS

Neither the content of the Company’s website or any other website nor the content of any website accessible from hyperlinks on the Company’s website or any other website is incorporated into, or forms part of, this document.

12. GOVERNING LAW

Unless otherwise stated, statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes in such laws.

13. INFORMATION TO DISTRIBUTORS

13.1 Solely for the purposes of the product governance requirements contained within: (a) Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that the Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in paragraph 3 of the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”).

13.2 Notwithstanding the Target Market Assessment, “distributors” should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Admission. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Broker will only procure investors who meet the criteria of professional clients and eligible counterparties.

13.3 For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapter 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares.

13.4 Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

14. VALIDITY OF PROSPECTUS

This prospectus was approved on [●] 2023 and is valid for a period of one year from that date. This prospectus will therefore cease to be valid on [●] 2024. Should a significant new factor occur, or material mistake or inaccuracy be identified during the validity period, the Company would be required to issue a supplement in accordance with the Prospectus Regulation Rules. After the period of validity has expired, the Company is no longer under an obligation to issue such a supplement.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS, ISSUE STATISTICS AND DEALING CODES

EXPECTED TIMETABLE

Publication of this Prospectus	[●] 2023
Admission and commencement of dealings in Ordinary Shares on London Stock Exchange	8.00 a.m. on [●] 2023*
Expected date for CREST accounts to be credited (where applicable)	As soon as is reasonably practical
Despatch of share certificates for the Subscription Shares and shares from the conversion of the Convertible Bonds (where applicable)	Within [●] business days of Admission
Issue of Placing Shares	Within 60 days** of Admission
Despatch of share certificates for the Placing Shares (where applicable)	Within [●] business days of the relevant Placing Shares Admission

*All references to time in this Prospectus are to London time unless otherwise stated.

**The Placing is expected to close after 60 days, but may be extended to up to 90 days following Admission.

ISSUE STATISTICS

Issued Ordinary Share Capital as at the date of this Prospectus	59,075,000
New Ordinary Shares issued on conversion of the Convertible Bonds	[●]
New Ordinary Shares issued pursuant to the Subscription	[●]
Total number of Ordinary Shares on Admission	[●]
Issue Price	£[●] per share
Market capitalisation of the Company at the Issue Price on Admission	c.£[●]
Maximum number of Placing Shares	[●]
Total number of Ordinary Shares assuming the maximum issue of Placing Shares	[●]

DEALING CODES

ISIN	GB00BS28ZN53
SEDOL	BS28ZN5
LEI	2138004SGDBMQ6VPDI31
TIDM	TLT

DIRECTORS, AGENTS AND ADVISERS

Directors	Peter Francis Curtin, Non-Executive Chairman Angus Stewart Douglas Murray, Chief Executive Officer Katharine Jane Leo, Chief Operations Officer Charles Edward Johannes Nelson, Independent Non-Executive Director Andrew Peter Britton Jones, Independent Non-Executive Director
Company Secretary	SGH Company Secretaries Limited 6th Floor, 60 Gracechurch Street London EC3V 0HR
Registered Office	2 nd Floor, Nicola Jane House Southern Gate, Terminus Road, Chichester, West Sussex, PO19 8SE
Financial Adviser	SPARK Advisory Partners Limited 5 St John's Lane London EC1M 4BH
Joint Brokers	Oberon Investments Limited t/a Oberon Capital 1st Floor, 12 Hornsby Square Southfields Business Park Basildon SS15 6SD VSA Capital Limited Park House, 16-18 Finsbury Circus, London, EC2M 7EB
Legal Adviser to the Financial Adviser and Joint Brokers	Shoosmiths LLP No. 1 Bow Churchyard London EC4M 9DQ
Legal Adviser to the Company	Gowling WLG (UK) LLP 4 More London Place London SE1 2AU
Reporting Accountant	Crowe UK LLP 55 Ludgate Hill London EC4M 7JW
Registrar	Link Group Central Square 29 Wellington Street Leeds LS1 4DL
Auditor	Royce Peeling Green Limited Copper Room Deva City Office Park Trinity Way Manchester M3 7BG

PART I

INFORMATION ON THE COMPANY

1. INCORPORATION AND STATUS OF THE COMPANY

The Company was incorporated and registered in England and Wales on 27 January 2021 under the Companies Act as a private limited company with registered number 13160590 under the name of London Light Line Limited. The principal legislation under which the Company operates is the Companies Act.

On 10 March 2023, the Company changed its name to The London Tunnels Limited.

On 2 November 2023, the Company re-registered as a public limited company and changed its name to its current name, The London Tunnels PLC. The legal and commercial name of the Company is The London Tunnels PLC.

The Company's registered office is 2nd Floor, Nicola Jane House, Southern Gate, Terminus Road, Chichester, West Sussex, PO19 8SE and its telephone number is +44 (0)12 4379 0298.

As of the date of this Prospectus, the total allotted, issued and fully paid share capital of the Company is £59,075 divided into 59,075,000 ordinary shares of £0.001 each. The majority shareholder is Cupcake Partners Limited, a private limited company incorporated and registered in Hong Kong with registered number 1966001. The Company is ultimately controlled by Mr Angus Stewart Douglas Murray who owns 100 per cent of the issued share capital of Cupcake Partners Limited which, in turn, holds 81.60 per cent of the issued share capital of the Company on Admission.

The Legal Entity Identifier of the Company is 2138004SGDBMQ6VPDI31.

The website of the Company is www.thelondontunnels.com. Any information contained in any website specified in this Prospectus does not form part of this Prospectus, except where that information has been incorporated by reference into this Prospectus.

2. INTRODUCTION AND HISTORY

The Company has agreed to acquire the leasehold title to the Kingsway Exchange Tunnels in Central London. The Tunnels were built as part of the United Kingdom Government's strategy to protect its citizens from bombing during what became known as the London Blitz. The Company intends to develop a series of visitor attractions in the Tunnels. In the short term, the Company intends to operate guided tours to groups of visitors to see the heritage of the Tunnels in their present condition (**Explorer Tours**). Ultimately, the Company plans to extensively restore, adaptively reuse and bring back to life the Tunnels, offering a combination of historical heritage experiences and a cultural, beautifully designed, multi-sensory, digital experience to a targeted 2 million visitors per annum (albeit the Tunnels have an annual capacity of 3 million visitors).

The Tunnels are a series of tunnels over a mile in length located under Holborn/High Holborn and below Chancery Lane tube station in central London, at approximately 30 metres below ground level. The diameters of the main tunnels range from approximately 5.0 to 7.6 metres (significantly larger than most London Tube tunnels that are approximately 3.6 metres in diameter) and they are equipped with power, water, drainage and ventilation. They are accessed at ground level from Funnival Street and High Holborn.

The Tunnels have an existing floor area of c.8,300m² and the Company's business plan envisages a further c.2,150m² of retail, ticketing, security, lift lobby and staff facilities at two street level entrances. Their location in central London means that they are easily accessible to a large number of visitors for exciting, educational cultural and heritage experiences. There are no large scale attractions in the immediate vicinity similar in concept to the Tunnels, and the Tunnels are a short walk from the major attractions of the West End, the British Museum and the South Bank.

The Tunnels were originally built in the early 1940s as a deep level shelter underneath Chancery Lane tube station. The site was originally designed to shelter 8,000 people in two main tunnels each with two levels. Although intended for use as an air raid shelter, like many of the deep level shelters built at the time, they were not used for their intended purpose.

Initially they were used as offices of the operational staffs of the London Civil Defence region and Ministry of Works, plus some space for Combined Operations and the Inter Services Research Bureau (the ISRB, being was the code name of the Special Operations Executive, which was located in the Tunnels from January 1944 to May 1945 and is thought to have provided the inspiration for “Q Branch” in Ian Fleming’s James Bond books and films). Later, after expansion, the Tunnels were used as a secure government communications centre.

The site was transferred to the General Post Office in 1949. The two-tunnel shelter was extended by the addition of four tunnels at right angles to the original tunnels and an additional three deep access shafts. The extension was completed by 1954. In 1956 it became the termination point for the first transatlantic telephone cable. Ownership of the Tunnels was transferred to BT under the British Telecommunication Act 1981 and for many years they housed telephone switches and equipment.

Developing the site remains subject to Planning Permission from The City of London Corporation and The London Borough of Camden. Pre-Planning Advice has been received from The London Borough of Camden, and Planning Performance Agreements have been signed with both the City of London Corporation and The London Borough of Camden. Applications for Planning Permission were submitted to both planning departments on 30 November 2023 and Planning Permission is targeted for the second or third quarter of 2024.

3. PRINCIPAL ACTIVITIES OF THE COMPANY

The Company intends to restore, adaptively reuse and bring back to life the Tunnels, offering a combination of heritage experiences and a cultural, well-designed, multi-sensory, digital experience. It is anticipated that the Tunnels will ultimately have a design capacity of approximately 3 million visitors per annum, and that the Company will target approximately 2 million visitors per annum to ensure a high quality experience and to avoid overcrowding. The content could be based around a single theme, or could form a series of regularly changing exhibitions.

The technology and the appeal of such experiences can be seen in digital art galleries that have opened around the world over the last five years. Such galleries present, amongst other things, laser video projections or digital screens (LCD/LED) of art as part of choreographed sound and light shows, often using historic building interiors as the backdrop. The immersive digital exhibitions are designed from thousands of images of digitised works of art, broadcast in very high resolution via optical fibre and often set in motion to the rhythm of music.

The current vision for the Tunnels includes plans for a ‘must-see’ attraction in central London, with ticketed visitors experiencing:

- Heritage:
 - the heritage and history of a recreated wartime London (focusing on the London Blitz);
 - digital displays of the history of the Special Operations Executive, the secret section of MI6, started by Winston Churchill and the location of the fictional Q-Branch in Ian Fleming’s James Bond novels; including the fact this was the “reserve war room” in May 1944, and
 - digital interactive screens retaining some of the original telecommunications equipment used to connect the USSR and United States during the Cuban Missile Crisis.
- Cultural:
 - themed content based on either partner content or bespoke content creating a digitally imagined world below London, enabling visitors to blend imagination and reality with technologically advanced visual displays, physical structures such as life size trees, sounds, music, and scent technology, much of which can be interactive;
 - a themed attraction based potentially on a blockbuster film or film studio franchise, with the Tunnels providing a unique backdrop; and



A snapshot of the Tunnels in their current state

- journeys into the past and present, such as to the pyramids, the Sistine Chapel, the Amazon rain forest or the Great Wall of China.
- Hospitality:
 - the deepest licensed bar in London and the United Kingdom.

The project aims to collaborate with like-minded partners, museums and universities across both the City of London and Camden.

The Tunnels' scale and available space provide a blank canvas for a wide variety of opportunities for visitor experiences, with multiple such experiences being hosted at any one time. Working in partnership with major technological and entertainment companies with licensed branded content, as well as with local artists and curators, visitors would be able to explore and discover experiences from around the world across history, the arts, nature and sciences.

Developing the Tunnels to full scale launch will take a number of years and the Company's current estimate is to launch in 2027. In the short term, the Company intends to open the Tunnels to groups of visitors to experience the heritage of the Tunnels in their present condition. These Explorer Tours are expected commence in the first quarter of 2024 and continue for 12-18 months whilst the Company awaits decisions on the Planning Applications and completes detailed design and feasibility studies in preparation for restoring the Tunnels and creating a visitor attraction.

4. MARKET OVERVIEW

London is one of the most visited cities in the world, with people travelling to London from all over the world to admire its monuments and explore its richly vibrant culture. London, considered to be a year-round destination, is the third most visited country in the world and tourism is one of the key drivers of its economy, with approximately 10 per cent of the city's gross value-added income. London has numerous major visitor attractions, with a high proportion of visits to London being repeat visitors looking for new experiences.

Paid visitor attractions in London:

Name of attraction	Visitor numbers*	Adult ticket price range**
London Eye	3,500,000	£25.50 – £55.00
Tower of London	2,855,438	£33.60
Madame Tussauds	2,500,000	£33.00 – £57.00
The Making of Harry Potter	2,000,000	£53.50
Royal Botanic Gardens	1,858,513	£12.00 – £24.00
St Paul's Cathedral	1,657,446	£20.50 – £23.00
Royal Academy of Arts – Exhibitions	1,594,140	£19.50 – £27.50 (varies by exhibition)
Westminster Abbey	1,546,017	£29.00
London Zoo	1,133,952	£31.00
Houses of Parliament	1,075,550	£25.00 – £32.00
Hampton Court Palace	902,584	£26.30 – £29.00
Aldwych Tube Station	Unknown	£44.00
Down Street Tube Station	Unknown	£90.00

Notes:

* The above numbers provided are from 2018, being the last full year of operation prior to the COVID-19 pandemic.

** Indicative prices as at November 2023.

Source: Table provided by the Company.

In 2015, 92 per cent of business visits, 85 per cent of visits to friends and relatives and 63 per cent of holiday visits were repeat visits. Whilst first-time visitors tend to favour London's traditional tourist hubs, mainly in the West End, repeat visitors are looking for new places and

experiences and are likely to stay longer and spend more. In addition to overnight tourists, every year a large number of people choose to visit the capital just for the day, with an estimated 319 million tourist day visits to London during 2018. London is a diverse and exciting city with some of the world's best sights, attractions and activities. One of the key drivers to London's success as a destination has been the way it has constantly added new layers of interest, often in new areas, to supplement established attractions and districts and draw repeat visits from overseas and domestic visitors.

The number of overnight domestic tourist visits to London had been relatively stable over the decade prior to the Covid pandemic. Over 12 million UK domestic tourists visited and stayed overnight in London in 2019. Visits subsequently fell to 5.4 million and 5.7 million respectively in 2020 and 2021, before rising to 7.6 million in 2022. Amongst domestic tourists, approximately 40 per cent are visiting friends and relatives, 32 per cent are on holiday and 23 per cent are visiting primarily for business purposes. The family market is very important amongst domestic tourists and the average stay for these visitors is estimated to be shorter when compared with overseas visitors, at around 2.4 nights, with. With overseas tourists tending to average a stay of 4.9 days. As is the case with the day trip markets, the highest proportion of visits are at weekends and during school holidays, with a high repeat visit factor, and with domestic tourists often visiting for a specific reason (a particular visitor attraction, the theatre, a sporting event, shopping or visiting friends and relatives).

Tourist visits to London were made up of 21.7 million overseas and 12.2 million domestic visits in 2019. Due to the Covid pandemic, the number of tourists visiting London (domestic and international collectively) fell from 33.9 million in 2019 to 10.4 million and 8.4 million in 2020 and 2021, respectively. Total visits rose to 23.3 million in 2022 and are projected to rise to 32.0 million in 2025, returning to pre-pandemic levels in 2026 and rising to over 35.0 million by 2030.

The table below describes estimates for total market size in terms of the number of potential visitors (resident and tourist) to London's attractions, which is projected to reach 55.0 million by 2028 and nearly 57.0 million by 2032,, as follows:

Year	2028	2029	2030	2031	2032
Market Sizes	('000s)	('000s)	('000s)	('000s)	('000s)
Primary Resident (London)	9,543	9,548	9,553	9,558	9,563
Secondary Resident (>2hrs)	11,903	11,909	11,915	11,921	11,927
Domestic Tourists	13,070	13,276	13,484	13,696	13,911
Overseas Tourists	20,487	20,732	20,980	21,230	21,484
Total Market	55,003	55,465	55,932	56,405	56,885

Source: GLA Economics, Technical Note, December 2022.

London's visitor population compares favourably against other major international cities such as Paris (total market estimated at 43 million), Rome (26 million), Dubai (19 million) and Berlin (20 million).

Internationally, there is rapid growth in immersive digital art exhibitions with attendance at these experiences being relatively high, with figures of around 400,000 to 600,000 in regional destinations and up to 2.3 million in major international destinations. There is also a growing portfolio of digital art content providers, such as, Culturespaces, TeamLab, Superblue and Meow Wolf. However, currently there are no comparable permanent projects in London (although a number of temporary exhibitions have recently opened). London currently has a wide array of cultural and heritage attractions and those attractions with broader, particularly family, appeal tend to attract large visitor numbers. The growth in immersive digital art exhibitions seen since 2018 is expected to continue and more generally, the growing importance of immersive and interactive experiences is expected to continue, with technology continuing to transform visitor experience.

Accordingly, the Directors believe there is a material opportunity to create and launch a new visitor attraction in London providing a cultural and interactive experience to visitors using some of the latest digital technologies.

5. REASONS FOR THE ADMISSION

Beginning in 2020, the project has been funded by Angus Murray and a number of private investors. The project requires approximately £20-30 million over the next 1-2 years and in the region of a further £120 million to bring the Tunnels into operation as a visitor attraction (to be funded through debt and equity, and assuming that technology hardware is leased). The Admission is intended to provide access to funding and to raise the profile of the venture, both with investors and with prospective visitors.

To date, the Company has completed initial feasibility, engineering and construction studies in preparation for the Planning Applications, which have been submitted. The Company has also conditionally agreed to acquire the leasehold titles of the Tunnels (including surface level properties at 31/33 Holborn and 39 Furnival Street) and a further surface level property at 40 Furnival Street (which could become the main visitor entrance). The Company has also agreed Planning Performance Agreements with both The City of London Corporation and The London Borough of Camden, which anticipate reaching decisions on the Planning Applications during the second or third quarter of 2024.

In order to progress the project, the Company must complete the purchase of the leasehold title of the Tunnels and secure Planning Permission. The Tunnels, including the surface level properties at 31/33 Holborn and 39 Furnival Street have sufficient space to develop a visitor attraction. However, in order to target 2 million visitors per annum, with a design capacity of approximately 3 million visitors per annum, a larger surface level property would allow more space for a ticket hall and facilities for visitors, as well as power and ventilation plant. Accordingly, subject to funding, the Company intends also to complete the purchase of the leasehold title to a further surface level property at 40 Furnival Street.

The Company has raised in aggregate £[●] million under the Convertible Bonds and, conditional upon Admission, £[●] under the Subscription and intends to raise up to a further £[●] million under the Placing within the 60 days following Admission. The Company has received Letters of Intent to subscribe £[●] million under the Placing. Therefore the Company expects to have raised at least £[●] million by [●] 2024.

The funds raised from the Convertible Bonds and Subscription will be used to support the Planning Applications and general working capital over the next year. During that period, the Company also intends to generate revenue by opening the Tunnels for guided Explorer Tours from the first quarter of 2024 to enable small groups to see the Tunnels in their present condition.

In addition, subject to the amount raised under the Placing and receipt of Planning Permission, the Company intends to prioritise the purchase of the leasehold title of the Tunnels and 40 Furnival Street and to accelerate the project development work streams (described further under paragraph 6 of this Part I).

6. PROPERTY ACQUISITION AND PROJECT DEVELOPMENT

Property Acquisition

The Tunnels

The Company has agreed to purchase the Tunnels (comprising the Kingsway Exchange Tunnels and including 39 Furnival Street and an entrance at 31-33 High Holborn) on a 100 year leasehold basis from Exchange Tunnels Limited, a wholly owned subsidiary of Cupcake Partners. The Company has paid an initial £1.1 million and a final payment of £9.5 million is due on ● 2025.

Exchange Tunnels Limited exchanged contracts for the freehold acquisition of the Tunnels on 10 July 2023 and completion is due on 31 December 2024. The purchase of the leasehold has been completed without financial gain to Exchange Tunnels Limited.

The Tunnels run for approximately 30 metres below ground with diameters of between approximately 5.0 metres and 7.6 metres. The Tunnels contain a considerable amount of the heritage of their previous occupants and uses, including telephone switches, generators, living accommodation and recreation rooms. The project may require extensive stripping out of equipment and partitions, and some repairs to the fabric of the tunnels, in readiness for creating and installing the visitor experience. There is known a quantity of asbestos typical for

a property of this era, which will need to be either encapsulated in situ or removed as part of the construction works.

There are access shafts at 39 Furnival Street and 31-33 Holborn. In order to maximise capacity, the proposal is for the existing surface building at Furnival Street to be demolished (although the facade will need to be retained and rebuilt to preserve the heritage) and the shaft widened from approximately 5.0 metres to approximately 9.0 metres in order to install two lifts with a capacity of 50 persons each and emergency stairs. At 31-33 Holborn, it is proposed that the base of the existing shaft will be lowered by 5.0 metres to provide adequate space for access and for emergency.

The Tunnels are connected to mains power, water and sewerage, but all will need to be reviewed and updated as appropriate.

Full details of the lease terms of the Tunnels are set out in paragraph [11.8] of Part VII.

40 Furnival Street

The property at 40 Furnival Street is the Company's preferred option for creating the main visitor entrance to the Tunnels. 40 Furnival Street, if leasehold title is acquired, will, subject to planning permission, be demolished and replaced with a building which will (along with 39 Furnival Street) house a visitor entrance and ticket hall, and plant associated with power and ventilation. If 40 Furnival Street is not acquired, there are a number of alternative neighbouring and nearby properties which could provide suitable surface level facilities.

The Company has conditionally agreed to purchase 40 Furnival Street on a 100 year leasehold basis from EC1 Property Management Limited, a wholly owned subsidiary of Cupcake Partners. The Company paid an initial £410,000 on 25 August 2023 and a final payment of £7.8 million is due on completion, which is subject to EC1 Property Management Limited having completed the purchase of the freehold and the Company having raised at least £[●] million under the Placing.

EC1 Property Management Limited exchanged contracts for the freehold acquisition of 40 Furnival Street on 25 August 2023. The purchase of the leasehold has been completed without financial gain to EC1 Property Management Limited.

Full details of the lease terms of 40 Furnival Street are set out in paragraph [11.8] of Part VII.

Project Development

RIBA Stages

In order to develop the Tunnels the Company will implement a plan of work following the guidelines set out by the Royal Institute of British Architects (**RIBA**). The RIBA plan of work is the industry standard model for the design and construction process of buildings and organises the process of briefing, designing, constructing and operating building projects into eight stages and explains the stage outcomes, core tasks and information exchanges required at each stage.

RIBA Stages 0 (Strategic Definition) to 2 (Concept Design)

The Company together with its consultants and advisers has worked intensively since 2020 to bring the project to its current status:

- The Company appointed a Project Team of leading consultants: Wilkinson Eyre (architects), WSP (engineering consultants), Montagu Evans (property consultants) and Gardiner & Theobald (project, cost and construction management); and a Design Team comprising Wilkinson Eyre, WSP, David Bonnett Associates (Accessibility Consultant) and GIA (rights of light consultant).
- The Company also commissioned a report from The Visitor Attraction Company, a leading consultant in the theme park and visitor attraction sector, to provide an independent review of the Company's proposals and business plan.
- Following initial review meetings, the Project Team set out to define the project scope, carry out a technical validation of the tunnels and determine the viability of the project.



An illustration of the proposed visitor lift experience at Furnival Street

- The Project Team commenced RIBA Stage 0/1 (Technical Validation and Project Definition) in October 2022. During this period, WSP's focus was on validating the building services, vertical transportation, fire, ventilation and structure of the tunnels. This was to determine if it was viable to convert the Tunnels into a visitor experience, allowing people to safely enter and exit the tunnels. A survey of the entirety of the Tunnels was carried out in October 2022. Wilkson Eyre analysed the survey information to produce a model of the Tunnels. Montagu Evans set out a proposed planning strategy and advised the Company on how to proceed with the planning application. Gardiner & Theobald produced an outline programme to planning, confirmed appointments of the Project Team and coordinated the Design Team to conclude the technical validation.
- Following the initial studies, the Project Team focused on understanding the visitor capacity of the Tunnels and an appropriate visitor density to design to. This led to the production of a Design Brief for the project. This acted as the basis of the design to be progressed in the next stage of works. The validation study reports were presented to the Company in January 2023. RIBA Stage 0/1 was concluded in February 2023, with the finalised Design Brief and the updated validation study reports issued by Wilkinson Eyre and WSP.
- RIBA Stage 2 Design commenced in March 2023. Gardiner & Theobald commissioned the wider consultant team to support RIBA Stage 2 Design and the planning application. The Project Team progressed with RIBA Stage 2 Design with fortnightly Design Team and Project Team meetings. The architectural design was progressed based on the Design Brief and WSP developed the technical validation studies into developed strategies and design. Planning Performance Agreements were signed by the Company with The City of London Corporation and The London Borough of Camden in August 2023, as a framework agreement to take the development proposal through the planning process.
- Over 10 pre-application meetings have taken place, including specialist workshops on highways, culture and sustainability. The Design Team has adapted the design of the Tunnels based on feedback from the Planning Officers. The communications consultant, London Communications Agency, produced public consultation material in preparation for the required pre-planning public exhibitions which commenced on 7 October 2023. London Communications Agency also carried out stakeholder engagement with relevant politicians, councillors, planning officers, local residents and business groups.
- Aecom were appointed as cost consultant and have produced a Stage 1 cost plan. Aecom have worked with the Design Team to provide cost advice during the design period to ensure the scheme is good value for money.
- Detailed planning applications were submitted on 30 November 2023. Stage 2 Design Reports were issued on that date as well to conclude the stage of works. This will be followed by a Stage 2 cost plan from Aecom.
- Decisions from City of London and Camden are anticipated in the second or third quarter of 2024.

RIBA Stages 3 (Spatial Coordination) to 4 (Technical Design)

Following Admission and receipt of Planning Permission the Company intends subject to completion of the Placing to progress the project through RIBA Stages 3 and 4, which includes design studies, engineering analysis, architectural studies, cost planning, statutory applications and construction preparation, and which is expected to take approximately 6 to 12 months following receipt of Planning Permission:

RIBA Stage 3 is fundamentally about testing and validating the architectural concept, to ensure that the architectural and engineering information prepared at Stage 2 is spatially coordinated before the detailed information required to manufacture and construct the building is produced at Stage 4. Detailed design studies and engineering analysis will be undertaken to ratify the assumptions made during Stage 2 and to layer more detail onto the design.

RIBA Stage 4 involves the preparation of all information required for manufacture and construction. A building regulations application is expected to be made during Stage 4, before

work commences on site. It will also be necessary to discharge any pre-commencement planning conditions. Cost control measures are applied during this stage, which might include the preparation of an updated cost plan, bills of quantities or pricing schedules. The contract for building is expected to be agreed and signed during the stage, to allow Stage 5 to commence.

From early 2024 and in parallel with RIBA Stages 3 and 4, as the Company prepares for construction and commencement of the fit-out, the Company's business plan anticipates revenue from exclusive, pre-opening "Explorer Tours", whereby groups of visitors could visit the Tunnels in their current, pre-development phase. Explorer Tours could include small exhibitions about the history of the Tunnels and a preview of the planned attractions, with a complimentary drink or cocktail to finish in, what is hoped to be, "the deepest bar in the United Kingdom". Explorer Tours could generate revenue and cash flows to cover some of the Company's operating costs during the period, as well as generate awareness and valuable media and social media coverage for the project. The Company intends to apply for all necessary licences for the operation of Explorer Tours.

RIBA Stages 5 (Manufacturing and Construction) to 6 (Handover)

The final stages of the project, which are scheduled from 2025 and which will require project financing and additional equity, together if appropriate with other forms of financing (for example, council grants, ticket pre-sales and revenue factoring), will involve the following RIBA Stages, with full opening planned for 2027.

Stage 5 comprises the manufacturing and construction of the building systems in accordance with the programme agreed in the building contract. The applications for Planning Permission submitted on 30 November 2023 included proposals for:

- an expansion of the lift shaft (from approximately 5 metres to 9 metres in diameter);
- the demolition and rebuild of 39 and 40 Furnival Street, to create space for a reception, café, retail and facilities for visitors, as well as power and ventilation plant; and
- the removal of plant and fittings from the Tunnels, to make way for the installation of the planned heritage, cultural and hospitality experiences.

Stage 6 comprises the handover of the site by the contractors to the Company and rectification of any residual defects.

RIBA Stages 5 (Manufacturing and Construction) to 6 (Handover)

The final stages of the project, which are scheduled from 2025 and which will require project financing and additional equity, together if appropriate with other forms of financing (for example, council grants, ticket pre-sales and revenue factoring), will involve the following (RIBA Stages 5 and 6), with full opening planned for 2027.

Stage 5 comprises the manufacturing and construction of the building systems in accordance with the programme agreed in the building contract. The applications for Planning Permission submitted on 30 November 2023 included proposals for:

- an expansion of the lift shaft (from approximately 5 metres to 9 metres in diameter);
- the demolition and rebuild of 39 and 40 Furnival Street, to create space for a reception, café, retail and facilities for visitors, as well as power and ventilation plant; and
- the removal of plant and fittings from the Tunnels, to make way for the installation of the planned heritage, cultural and hospitality experiences.

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RIBA Stages 5 (Manufacturing and Construction) to 6 (Handover)

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- the removal of plant and fittings from the Tunnels, to make way for the installation of the planned heritage, cultural and hospitality experiences.

Stage 6 comprises the handover of the site by the contractors to the Company and rectification of any residual defects.

RIBA Stage 7 (Use)

On the majority of projects, the design team and construction team will have no Stage 7 duties to undertake.

Post occupancy evaluation services are commissioned to determine how the site is performing in use to help fine tune the site and some client teams will continue to be closely involved during the life of the site, implementing facilities management or asset management strategies over the course of its lifetime.

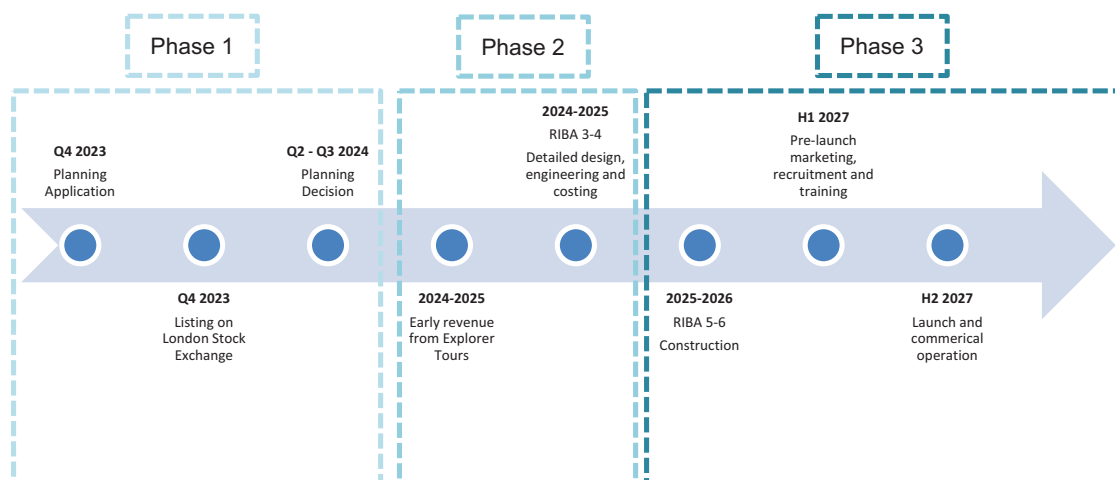
The Company has also been advised by London Communications Agency and Future City (Cultural Strategy).

Indicative Project Timeline

The Company has allocated the above RIBA stages into three distinct phases, being:

- Phase 1*
 - RIBA Stages 0, 1 and 2, taking the project through to receipt of Planning Permission; payment of the leasehold deposit on the Tunnels and the leasehold extension;
- Phase 2*
 - RIBA Stages 3 and 4, taking the project through to the point of construction readiness;
 - purchase of the leases on the Tunnels and 40 Furnival Street; and
- Phase 3*
 - RIBA Stages 5, 6 and 7, taking the project through the construction phase and onto actual usage.

Indicative timeline for the development of the Tunnels:





Original power control units in situ in the Tunnels

Costs

The Company has received cost estimates of approximately £149.9 million for design, project management and construction to take the project through to completion and usage, plus a further £80 million of audiovisual hardware and technology which the Company expects to lease finance. The actual costs could be above or below these estimates. The estimated costs, analysed by each Phase, are as follows:

Phase 1	£m	Phase 2	£m	Phase 3	£m
RIBA 0	2.1	RIBA 3 & 4	4.8	RIBA 5, 6 & 7	120.0
RIBA 1 & 2	3.7	Leasehold purchase of the Tunnels	9.5		
Leasehold deposit and extension on the Tunnels	1.1	Leasehold purchase of 40 Furnival Street	8.3		
Leasehold deposit on 40 Furnival Street	0.4				
Total Phase 1 costs	7.3	Total Phase 2 costs	22.6	Total Phase 3 costs	120.0

Of the Phase 1 costs of £[7.3] million, the Company has incurred and settled £[6.2] million of costs. The balance of the Phase 1 costs of £[1.1] million are to be funded from the £[●] million Convertible Bond Issue and the £[●] million Subscription.

The project faces many uncertainties which could impact positively and/or negatively on costs and timescales, including:

- Construction – to date the Company has received detailed but preliminary design and engineering studies. Before proceeding with construction, the Company will need to obtain detailed studies on the condition of the Tunnels, ground conditions and costings.
- Content – over half of the estimated costs relate to fitting out the Tunnels and installing visual and interactive technology. The final costs and timescales will depend on whether the Company develops the Tunnels independently or in partnership with content owners and/or theme park operators.

The costs could also be subject to increase due to inflation. This estimate does not include the Company's general overheads or costs associated with its Admission and listing nor do they include the costs of launching or operating as a visitor attraction.

Management

As the project develops, the Company will need to identify, recruit and retain a team with appropriate skills and experience in developing, launching and operating a large scale visitor attraction. The Directors anticipate that this will mean a number of senior executives joining the team as the project proceeds through the RIBA phases outlined above. The nature of the skills required will depend on the whether the Company develops the Tunnels independently or in partnership with one or more content owners and/or theme park operators.

7. BUSINESS AND REVENUE MODEL

The Company expects to generate revenue from ticket sales, initially from operating Explorer Tours and ultimately from the fully developed visitor attraction following full commercial launch (around 2027). In addition, at full commercial launch, the Company expects to generate revenue from the sale of souvenirs, food and beverages.

Explorer Tours

Commencing in the first quarter of 2024, the Company intends to sell tickets to enable visitors to experience the Tunnels in their present unrestored state. Visitors will be able to learn about the history of the Tunnels and see the remnants of their previous uses, including the telephone switches, power plant, bar and restaurant.

Tickets will be priced at up to £60 per adult, and could include a free cocktail in what is intended to be the original deepest licensed bar in London. Revenue generated from the Explorer Tours will contribute towards ongoing working capital and the costs of developing the Tunnels.

The Explorer Tours will be similar to visitor experiences to the Paris Catacombes which claim nearly 550,000 visits per year at a ticket price of EUR 36 for a guided tour and the closed Tube station tours operated by the London Transport Museum (for example, Aldwych, Euston and Down Street) with adult ticket prices of £44-£90.

Explorer Tours will operate for approximately 18 months or until the Company commences stripping out of redundant fixtures and fittings ahead of construction.

The Company's business plan has been modelled on this basis. A sensitised version of the business plan assumes nil income from Explorer Tours and other sources for two years from Admission. In estimating the use of proceeds as set out in paragraph 8 below, the Directors have assumed a worst case scenario of the Company having no income from Explorer Tours in the 24 months following Admission.

Full commercial launch

The Company currently anticipates full commercial launch of a visitor attraction in the Tunnels in 2027. Based on feasibility studies received to date, the Company anticipates that the Tunnels will have a capacity of up to 3 million visitors per annum, but that the operational target will be in the region of 2 million, to optimise the visitor experience and avoid over crowding.

Ticket prices will be set in the run up to launch. Based on the analysis of existing visitor attractions in London, the Company expects to target adult ticket prices in the range of £30-£55 (before discounts and concessions).

8. FUNDING AND USE OF PROCEEDS

Funding

Development of the Tunnels requires investment over a number of years. The Company estimates that approximately £149.9 million will be required to redevelop the Tunnels and install a visitor attraction, plus the lease of audiovisual hardware and technology. The Company will not have access to fund the entire cost of developing the Tunnels at Admission.

The Company expects to have approximately £[●] million at Admission in existing and committed funds, which it believes is sufficient to take it through to a planning decision (expected Q3/4 2024) and to fund the first 12 months of general working capital requirements (Phase 1 as described in paragraph 6 above).

If Planning Permission is received, the Company intends to complete the lease agreements for the Tunnels and 40 Furnival Street, and to commence the detailed feasibility, design and engineering work required to progress the project towards construction. The total cost for the completion of the leases and this work is estimated at approximately £21.6 million (Phase 2 as outlined in paragraph 6 above).

The Company intends to raise up to a further £30 million in a Placing immediately post-admission and to use net proceeds of the Placing to the Phase 2 costs following receipt of Planning Permission. If less than £[●] million is raised in the Placing, the Company will need to prioritise its expenditure and will need to seek alternative sources of capital for this phase. Note that, even if the full £30m is raised in the placing, the Company may still need to raise more funds prior to construction to complete Phase 2, and that, in any event, the Company will need to raise funds for construction and launch (Phase 3 as described in paragraph 6 above).

The Company intends to generate revenue from Explorer Tours from Q1 2024. The funding position described above and use of proceeds described below takes no account of any proceeds from the Explorer Tours. Accordingly, any net cash receipts from these Explorer Tours will add to the funds available for developing the Tunnels and working capital.

Therefore, in anticipation of the Admission, the Company has introduced the opportunity to invest in the Company to a number of investment platforms and the majority of these platforms are unable to acquire shares prior to or conditional on Admission and can only participate once the Ordinary Shares are admitted to trading. Accordingly, the Company has structured the fundraising to secure £[●] million prior to and on Admission (Minimum Proceeds) and up

to a further £30 million immediately following Admission for aggregate gross proceeds of up to £[36] million comprising:

- £[●] million by way of the Convertible Bond Issue completed prior to Admission;
- £[●] million by way of the Subscription, conditional only on Admission;
- Up to £30 million by way of the Placing in the 60 days following Admission (in respect of which the Company has received Letters of Intent for £[●]).

The Convertible Bond will convert on Admission at a ratio of 110 per cent of the new Ordinary Shares that can be acquired by applying the outstanding amount of principal and interest (if any) to subscribe at the Issue Price.

The Company has received irrevocable commitments from investors for the Subscription.

The Company does not have irrevocable commitments from investors for the Placing, but has received non-binding Letters of Intent for £[●] in aggregate in relation to the Placing. Both the Subscription and the Placing will be at the Issue Price. Details of the Subscription, Convertible Bonds and the Placing are set out in paragraphs [●], [●] and [●] of this Part I and in Part [VII] of this document.

If only the Minimum Proceeds are received, they will be used as follows:

Use of Minimum Proceeds	Timing	£m
Balance of expenses of Admission, the Subscription and the Convertible Bond issue	On Admission	[0.5]
Balance of works in relation to the planning applications for the Tunnels	Jan – Jul '24	[0.5]
Management and administration of the Company (25 months to December 2025)	Dec '25	[3.0]
Total		[4.0]

Following the receipt of Planning Permission, funds raised in the Placing of up to £30 million will be utilised according to the following order of priority (after paying the costs of the Placing):

Use of Placing Proceeds	Timing	£m
Purchase of leasehold title to the Tunnels	Q4 2024	[9.5]
Balance of the purchase of leasehold title to 40 Furnival Street	Q4 2024	[8.3]
RIBA Stages 3 and 4	Q4 2024 – Q2 2025	[4.8]
Total for Phase 2 work programme		[22.6]
Expenses ² of the Placing (assuming maximum raise of £30 million)	Dec 2023	[1.6]
Fees owing to CSG ³	●	[1.5]
General working capital		[4.3]
Total		[30.00]

Notes:

1. The Placing is not underwritten and there is no guarantee that any funds will be raised in the Placing.
2. Expenses of the Placing comprise commissions payable to CSG, Oberon and VSA as detailed in paragraphs ● and ● section VII of this document.
3. The Company owes CSG approximately £1.5 million in relation to management, administration and accounting services provided between January 2021 to December 2022. CSG has agreed that these amounts are only payable when the Company has received Planning Permission and has raised sufficient funds.



Illustration of the proposed “deepest licensed bar” in London

9. WORKING CAPITAL

Working capital for the next twelve months

The Company is of the opinion, taking into account the proceeds of the Subscription, that it has sufficient working capital for its present requirements, being for the 12 months from the date of this document.

Completing only the Subscription will limit the Company to completing the Phase 1 work programme and covering management and administration costs for the 25-month period from the date of this document through to the end of December 2025.

However, the Company intends to raise up to a further £30.0 million (before expenses) through the Placing during the [60] days following Admission. The Placing is not underwritten and the Company does not have irrevocable commitments from investors to take up the Placing. Accordingly, there is no guarantee that the Company will receive any funds from the Placing. However, the Company has received Letters of Intent to subscribe for £[●] of this amount from prospective investors.

Therefore, if the Placing is fully subscribed, the Company will have raised an additional £30.0 million (before expenses), allowing it to complete the Phase 2 work programme and cover management and administration costs through 2025 and potentially to accelerate the pathway towards construction and launch.

No cash receipts from ticket sales or other revenue sources are taken into account in making the working capital statement. Accordingly, any cash receipts from Explorer Tours would add further to the Company's working capital position.

Working capital beyond the next 12 months

The Company's strategy is to develop the Tunnels through to full commercial launch, which is currently anticipated to be 2027. The Company will need to raise additional capital to fund Phase 3 of the project, comprising feasibility studies (including construction and engineering design, as well as content) and construction, either as sole owner and operator of the Tunnels or, for example, in partnership with an operator and/or content provider. The amount to be raised will therefore depend on both the ownership structure and content and will comprise a mixture of equity and debt (including asset finance and leasing). The Company anticipates that this additional funding will need to be raised periodically from 2025 to at least 2027 and estimates that the total investment could be in the region of £120 million, if the Company finances construction as sole owner and operator of the Tunnels and assuming technology hardware is leased.

If at any stage following the 12 months after Admission, the Company is not able to raise its share of the funding requirement, it may need to either delay and/or renegotiate its plans or dispose of part or all its assets, including the Tunnels. If these actions were unsuccessful, it is likely that the Company would not be able to continue as a going concern. If the Company is not able to continue as a going concern, it would enter an insolvency process and there would be no certainty of the value that may remain for Shareholders, if any, once all liabilities had been settled, and the Ordinary Shares would cease trading.

10. FINANCIAL INFORMATION

a) Historical financial information

The historical financial information presented in Part V of this Document consists of audited Company Financial Information for each of the financial periods ended 31 December 2021 and 31 March 2023 as presented in Section (B) "*Historical Financial Information of the Company*", and the unaudited Company Interim Financial Information as presented in Section (C) "*Interim Financial Information Of the Company*".

b) Current trading

The Company is expending cash raised from investors to complete the Admission and in connection with developing the Tunnels. Current trading is in line with Directors' expectations.

Illustration of the telecommunications heritage experience



11. COMPANY STRUCTURE

11.1 The Company is part of a group of four companies, comprising Cupcake Partners Limited as the parent company and three directly owned subsidiaries: The London Tunnels, EC1 Property Management Limited and Exchange Tunnels Limited.

At Admission, Cupcake Partners Limited will be interested in [●] per cent of the issued share capital in The London Tunnels and 100 per cent of the issued share capital of EC1 Property Management Limited and Exchange Tunnels Limited.

The London Tunnels has no subsidiaries.

12. SHARE CAPITAL AND MAJOR SHAREHOLDERS

12.1 The entire issued share capital of the Company before Admission comprises 59,075,000 ordinary shares of £[0.001] each, all of which are paid up to a total value of £[●].

12.2 Subject to Admission, the Company will issue a further [●] new Ordinary Shares comprising [●] Subscription Shares (arising on the from the Subscription described in paragraph 8 of this Part I) and [●] Conversion Shares (arising on the conversion of the Convertible Bonds also described in paragraph 8 of this Part I).

12.3 Accordingly, the entire issued share capital of the Company upon Admission will comprise [●] Ordinary Shares of £0.001 each, all of which are paid up to a total value of £[●]. Immediately following Admission, the Subscription Shares and Conversion Shares will represent [●] per cent. of the Company's issued share capital (as enlarged).

12.4 Information regarding the Subscription and the Placing is set out in paragraph 18 of this Part I and in Part VI of this document.

12.5 Information regarding the substantial shareholders is set out in paragraph 9.1 of Part VII of this document.

12.6 So far as the Company is aware, there are no arrangements in place, the operation of which may at a subsequent date result in a change of control of the Company.

13. LOCK IN

Under lock-in arrangements dated on or about the date of this document:

- (a) Cupcake and certain related early shareholders, including Cupcake, who will in aggregate hold [●] Ordinary Shares on Admission have undertaken to the Company, SPARK, Oberon and VSA Capital that, other than in certain limited circumstances, they will not to dispose of any interest in the Ordinary Shares held by them for a period of 12 months following Admission (Lock-In Period) and then for the following 12 months not to dispose of their Ordinary Shares without first consulting the Company, SPARK, Oberon and VSA Capital in order to maintain an orderly market for the Ordinary Shares; (further details of the lock-in agreements are set out in paragraph 11.8 of Part VI of this document); and
- (b) certain other shareholders, who will in aggregate hold [●] Ordinary Shares on Admission, hold such Ordinary Shares on terms they will not dispose of any interest in the Ordinary Shares held by them for a period of 180 days following Admission.

14. DIVIDEND POLICY

The Directors do not intend to pay a dividend for the foreseeable future until the Company has achieved sufficient profitability and requirements for working capital are such that it is prudent to do so and, even then, the Directors may not determine to pay any dividend or make any other form of distribution. It follows that no assurance is or can be given that the Company will ever pay any dividend or make any other form of distribution.

15. THE CITY CODE

The City Code, which is issued and administered by the Panel on Takeovers and Mergers (Panel), applies to all takeover and merger transactions, however effected, where the offeree company is, *inter alia*, a company resident in the UK, the Channel Islands or the Isle of Man, the securities of which are admitted to trading on a regulated market or a multilateral trading

facility in the United Kingdom or on any stock exchange in the Channel Islands or the Isle of Man.

Ordinarily, under Rule 9 of the City Code (Rule 9), where (i) any person acquires an interest in shares which, when taken together with shares in which persons acting in concert with them are interested, carry 30 per cent or more of the voting rights of a company subject to the City Code or (ii) any person who, together with persons acting in concert with them, is interested in shares which in aggregate carry not less than 30 per cent but not more than 50 per cent of the voting rights of a company and such person, or persons acting in concert with them, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which they are interested, that person is normally obliged to make a general offer to all shareholders to purchase, in cash, that company's shares at the highest price paid by them, or any person acting in concert with them, within the preceding 12 months.

Under the City Code, a concert party arises when persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate control of that company. Under the City Code, control means a holding, or aggregate holding, of shares carrying 30 per cent or more of the voting rights of a company, irrespective of whether the holding or holdings gives *de facto* control.

Angus Murray is the founder of the Company. Immediately following Admission, Angus Murray will be interested in ● Ordinary Shares, representing [81.6] per cent of the enlarged share capital. Therefore, at Admission, Angus Murray will be interested in Ordinary Shares carrying more than 50 per cent of the voting rights of the Company and will therefore be able to acquire further Ordinary Shares without incurring an obligation to make an offer to the Shareholders of the Company under Rule 9.

On and following Admission, the City Code will apply to the Company.

16. SHARE OPTIONS, INCENTIVES AND WARRANTS

There are no options or other share based instruments in issue at the date of this document and the Company has no current intentions of grant any such instruments. As the Company approaches operations, it will consider the need to create share based incentive schemes for employees.

17. CREST

The Articles of Association are consistent with the transfer of Ordinary Shares in dematerialised form in CREST under the CREST Regulations. Application has been made for the Ordinary Shares to be admitted to CREST on Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if relevant Shareholders so wish.

CREST is a voluntary system and Shareholders who wish to receive and retain certificates in respect of their Ordinary Shares will be able to do so.

18. SUBSCRIPTION AND PLACING

Pursuant to the Subscription, the Company will issue and allot ● Subscription Shares at the Issue Price. The Subscription is not being underwritten. The Company has received irrevocable commitments (subject only to statutory withdrawal rights) to subscribe for all of the Subscription Shares from investors, and there are no conditions attached to such irrevocable commitments other than Admission.

Pursuant to the Placing, the Company will issue and allot up to ● Placing Shares at the Issue Price. The Placing is not being underwritten. The Company has received Letters of Intent to subscribe for ● Placing Shares within the [60] days following Admission.

If Admission does not occur, conversion of the Convertible Bonds will not take place, and neither the Subscription nor the Placing will proceed and all monies received from Subscribers will be refunded.

The Company and the Directors have ensured that the Company shall have sufficient Shares in public hands, as defined in the Listing Rules. At Admission approximately [●] per cent of the Shares in issue will be held by shareholders that fall within the Listing Rule 14 definition of shares in public hands. If the Placing is completed in full, the percentage of shares in public hands would increase to approximately [●] per cent.

Further information regarding the Subscription and the Placing is set out in Part VI of this document.

19. TAXATION

The Ordinary Shares do not rank as a “qualifying investment” for the purposes of the Enterprise Investment Scheme nor as a “qualifying holding” for the purposes of investment by Venture Capital Trusts.

Information regarding UK taxation in relation to the Ordinary Shares is set out in Part V “Taxation” of this Document.

These details are, however intended only as a general guide to the current tax position under UK taxation law, which may be subject to change in the future.

If you are in any doubt as to your tax position, you should consult your own independent financial adviser immediately.

20. FURTHER INFORMATION AND RISK FACTORS

You should read the whole of this Document which provides additional information on the Company and not rely on summaries or individual parts only. Your attention is drawn to the further information in this Document and particularly to the risk factors set out in this Document. Potential investors should carefully consider the risks so described before making a decision to invest in the Company.

PART II

DIRECTORS AND CORPORATE GOVERNANCE

1. DIRECTORS AND COMPANY SECRETARY

Names of the directors of the Company are set out on page [●] and biographies including their other principal activities outside the Company are set out below.

- 1.1 The business address of each of the directors is 2nd Floor, Nicola Jane House, Southern Gate, Terminus Road, Chichester, West Sussex, PO19 8SE.
- 1.2 SGH Company Secretaries Limited is the Company's company secretary. The business address of the company secretary is 6th Floor, 60 Gracechurch Street, London, EC3V 0HR.
- 1.3 Within the period of five years preceding the date of this Prospectus, none of the Directors:
 - (a) has had any convictions in relation to fraudulent offences;
 - (b) has been a member of the administrative, management or supervisory bodies or a director or senior manager (who is relevant to establishing that a company has the appropriate expertise and experience for the management of that company) of any company at the time of any bankruptcy, receivership, liquidation or putting into administration of such company; or
 - (c) has received any official public incrimination and/or sanction by any statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a director or member of an administrative, management or supervisory body of a company or from acting in the management or conduct of the affairs of a company.
- 1.4 There are no potential conflicts of interest between any duties to the Company of the directors of the Company and their private interests and/or other duties, except as follows:
 - (a) Angus Murray is a director of Exchange Tunnels Limited and EC1 Property Management Limited, the companies from which the Company has agreed to lease the Tunnels and 40 Furnival Street, respectively. Each of these companies is wholly owned by Cupcake Partners Limited of which Mr Murray is also a director and the sole shareholder. Cupcake Partners Limited will hold [●] per cent of the Company's issued share capital on Admission.
 - (b) Katharine Leo is also director of Exchange Tunnels Limited and EC1 Property Management Limited. Katharine is also the director and ultimate controller of CSG, which is an introducer and arranger to the Admission and also provided management and administration services to the Company on an ongoing basis. Details of the contracts between the Company and CSG are set out in paragraphs [11.1 and 11.3] of Part VIII (*Additional Information*).
 - (c) Peter Francis Curtin is also a director of Exchange Tunnels Limited.
- 1.5 Directors' biographies:

Angus Stewart Douglas Murray, Chief Executive Officer

Angus Murray is the founder and CEO of The London Tunnels, and its major shareholder.

Mr Murray is the founder and managing principal of Castlestone Management LLC, a United States registered investment adviser which has been managing assets since 2001. Castlestone Management LLC currently advises three Maltese regulated UCITS compliant funds and one Cayman Islands Private Fund.

In addition Mr Murray is a director of a Private Fund domiciled in the Cayman Islands.

Previously, Mr Murray held the position as Co-Head of International Equities for NatWest Markets USA. In October 1997, he joined Macquarie Bank's equity department in London, before being appointed as President of Macquarie Holdings (USA) Inc. Between October 1997 and March 2000, he held the dual responsibilities as President of Macquarie Holdings (USA) Inc and managing principal of Castlestone Management LLC. He resigned from Macquarie in March 2000 to manage Castlestone Management LLC.

Mr Murray holds a number of Securities Licences in the US (NASD Series 7, 24, 63 & 65) and is registered as an Investment Advisor Representative with the Securities & Exchange Commission. Mr Murray was granted a waiver, given his experience, by the NJ Bureau of Securities on 27 October 2016 for his Series 65. He is also registered with the Directors Registration and Licensing Act of the Cayman Islands.

In December 1996, Mr Murray also founded Castlestone Management Incorporated, which was formed to advise a European family office on its alternative investment strategies. Castlestone Management Incorporated was an independently owned investment manager that managed alternative assets between 1996 and 2020. In addition to being a director of Castlestone Management Incorporated, he was the principal fund manager and on the investment committee for a number of British Virgin Islands public, professional, and private funds.

Mr Murray was born in Sydney, Australia. He received a Bachelor of Financial Economics from the University of London, England.

Katharine Jane Leo, Chief Operations Officer

Katharine (Katy) Leo, has over 40 years' experience in finance across a number of sectors, including asset management, fund administration, risk assessment and regulatory compliance. She has also worked with a diverse range of clients including institutional investors, family offices, high-net-worth individuals and corporations and has extensive experience in Accounting, Financial Administration, Fund accounting, Audit and Operations.

Ms Leo began her career in the motor trade, working for a group of BMW dealerships where ultimately she was responsible for the management of the finance department alongside managing the operations of other departments. She restarted her career working for various charities and in April 2006 began working at Castlestone Management Ltd, where she has held senior roles as Head of Operations and Finance Manager.

For the last decade, Ms Leo has owned and operated a group of UK limited companies that provide back-office services to investment advisers and collective investment schemes in various jurisdictions.

Peter Francis Curtin, Non-Executive Chairman

Peter Curtin has over forty years' experience of the securities industry both in broking and investment management. Before retiring as an active fund manager with Merrill Lynch Investment Managers in March 2000 he was responsible for managing over US\$2 billion of assets. He has extensive experience in international equity markets in particular those of the Asia Pacific region.

For a number of years after retirement Mr Curtin was a non-executive director of a Hong Kong based hedge fund, being Hindsight Investment Management, an AIM listed investment company, being MG capital, and also acted as an advisor to a small family wealth office. Mr Curtin is a Director of the Company and was previously a director of a number of other Cayman Islands private funds and British Virgin Islands public funds.

Throughout his career in the finance industry Mr Curtin has held a number of positions, starting in 1964 as a broker's settlement clerk before working his way up to vice president/director level with large investment management businesses.

Mr Curtin is a member of the Chartered Institute for Securities & Investment.

Charles Nelson, Independent Non-Executive Director

Mr Nelson has over 35 years' experience in the Financial Services industry, principally in investment banking. His career at Macquarie Securities Group London spanned over two decades where as a Senior Managing Director he was responsible for numerous equity sales teams and European equity syndication. Mr Nelson led the EMEA and APAC business for Meetyl, a leading independent fintech corporate access business, and is currently Managing Director Head of UK at Morrow Sodali, the global consultancy specialising in shareholder and bondholder services, corporate governance, proxy solicitation and capital markets transactions. During his time at Macquarie Securities Group, Mr Nelson held the following Controlled

Functions designations: CF1, Director; CF8, Apportionment and Oversight; CF21, Investment Adviser; and CF30, Customer Function.

Andrew Jones, Independent Non-Executive Director

Andrew Jones graduated with a Bachelor of Commerce from the University of Western Australia.

Commencing on the trading floor of the Perth Stock Exchange in Oct 1980, Mr Jones specialised in arbitrage trading of Australian resource equities, spending a number of secondments over the following years with member firms of London Stock Exchange.

Following the move to dual capacity in early 1986, Mr Jones moved permanently to London in September to work on the floor of London Stock Exchange as a market maker in Australian equities for White & Cheesman.

Over the following two decades, Mr Jones held several trading, sales and leadership roles in Australasian equities with a range of global Investment banks, finishing with Citigroup in Dec 2004.

Mr Jones established Bespoke Sports Limited in early 2005 to manage the affairs of professional golfers, teaching instructors and media personalities. In April 2016, Mr Jones commenced consulting to Jago Partners (London) Limited, a brand marketing agency focussing on digital strategies.

2. CORPORATE GOVERNANCE AND COMMITTEES

Committees

The QCA has published the QCA Code, a set of corporate governance guidelines, which include a code of best practice, comprising principles intended as a minimum standard, and recommendations for reporting corporate governance matters. The Directors acknowledge the importance of high standards of corporate governance and intend, given the Company's size and the constitution of the Board, to comply with the QCA Code.

Accordingly, the Board has established an Audit and Risk Committee, a Nomination and Remuneration Committee, a Disclosure Committee and a Sustainability and ESG Committee (the **Committees**), each with formally delegated duties and responsibilities and with written terms of references. A further description of the committees established by the Board is set out below.

Nomination and Remuneration Committee

In respect of the nomination duties the Nomination and Remuneration Committee assists the Board in discharging its responsibilities relating to the composition and make-up of the Board and any committees of the Board. It is also responsible for periodically reviewing the Board's structure and composition and identifying potential candidates to be appointed as directors or committee members as the need may arise. The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, knowledge and experience and the size, structure and composition of the Board and committees of the Board, and retirements and appointments of additional and replacement directors and committee members, and will make appropriate recommendations to the Board on such matters.

In respect of the remuneration duties, the Nomination and Remuneration Committee assists the Board in determining its responsibilities in relation to directors' remuneration, including making recommendations to the Board on the Company's policy on executive remuneration, including setting the over-arching principles, parameters and governance framework of the Company's remuneration policy and determining the individual remuneration and benefits package of each of the Executive Directors (being the senior management) (including fees paid to the Company Secretary). The Nomination and Remuneration Committee will give due regard to the provisions and recommendations in the QCA Code when determining the remuneration policy. The Nomination and Remuneration Committee will meet not less than twice a year. From Admission, it is intended that the chair of the Remuneration Committee will be available at annual general meetings of the Company to respond to questions from the Shareholders on the activities of the Nomination and Remuneration Committee.

At Admission, the Nomination and Remuneration Committee will be chaired by Andrew Jones and its other members will be Charles Nelson and Peter Curtin.

Audit and Risk Committee

The Audit and Risk Committee assists the Board in discharging its responsibilities with regard to financial reporting, external and internal audits and controls, including reviewing and monitoring the integrity of the Company's annual and interim financial statements, reviewing and monitoring the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors, overseeing the Company's relationship with its external auditors, reviewing the effectiveness of the external audit process, and reviewing the effectiveness of the Company's internal audit, internal controls, risk management, whistleblowing and fraud systems. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board. The Audit and Risk Committee will give due consideration to laws and regulations, the provisions of the QCA Code and the requirements of the Listing Rules and the Disclosure Guidance and Transparency Rules. The Audit and Risk Committee is also responsible for (i) advising the Board on the Company's risk strategy, risk appetite, tolerance and risk policies and current risk exposures (principal and emerging); (ii) evaluating the Company's principal risks to be taken into account when assessing the Company's prospects; (iii) overseeing the implementation and maintenance of the overall risk management framework and systems; and (iv) reviewing the Company's risk assessment processes and capability to identify and manage new risks. The Audit and Risk Committee will meet at least two times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required. From Admission, it is intended that the chair of the Audit and Risk Committee will be available at annual general meetings of the Company to respond to questions from the Shareholders on the activities of the Audit and Risk Committee.

At Admission, the Audit and Risk Committee will be chaired by Charles Nelson and its other members will be Peter Curtin and Andrew Jones.

Disclosure Committee

There is no specific requirement for UK listed companies to establish a Disclosure Committee. However, the Company considered that a Disclosure Committee was important for the Company's overall corporate governance. At Admission, the Disclosure Committee will be responsible for: (i) the identification of inside information and related announcement and record-keeping obligations, including considering whether conditions for delaying the announcement of inside information or selectively disclosing inside information are satisfied; (ii) consideration, review and verification of announcements and other public disclosures (for example, relating to regular reporting or website disclosures and publications); (iii) consideration, review and verification of the company's regular public reporting and other disclosures; (iv) overview of systems, controls and procedures to ensure compliance with the rules related to inside information and other disclosure requirements and guidance (including changes and developments); and (v) overview of training available to Board members, Disclosure Committee members and the broader workforce on UK MAR.

At Admission, the Disclosure Committee will be chaired by Peter Curtin and its other members will be Angus Murray, Katharine Leo and Charles Nelson.

Sustainability and ESG Committee

There is no specific requirement for UK listed companies to establish a Sustainability and Environmental, Social and Governance (ESG) Committee. However, the Company considered that a Sustainability and ESG Committee was important for the Company's overall corporate governance. The Sustainability and ESG Committee will be responsible for supporting the Board to execute oversight of ESG-related issues relevant to the FCA. The Sustainability and ESG Committee will ensure that there is an appropriate framework of policies, procedures, systems and controls in relation to sustainability and ESG matters, promoting the appropriate culture, behaviours and decisions in relation to those matters and communicating the Board's commitment to these matters to the Company's staff, contractors and other stakeholders.

At Admission, the Sustainability and ESG Committee will be chaired by Charles Nelson and its other members will be Katharine Leo and Andrew Jones.

QCA Code

The Directors support a high standard of corporate governance and have decided to adopt the QCA Code. The Directors believe that the QCA Code provides the Company with the framework to help ensure that a strong level of governance is maintained, enabling the Company to embed the governance culture that exists within the organisation as part of building a successful and sustainable business for all of its stakeholders. The Company will comply with the ten principles of the QCA Code, with effect from Admission as detailed below.

Principle 1: Establish a business strategy and business model which promote long-term value for Shareholders

The Company's business model and strategy is set out in Part I of this document. The Directors believe that the Company's model and growth strategy will help to promote long-term value for Shareholders. An update on strategy will be given from time to time in the strategic report that is included in the annual report and accounts of the Company. The principal risks facing the Company are set out under the section titled "Risk Factors" of this document. The Directors will continue to take appropriate steps to identify risks and undertake a mitigation strategy to manage these risks following Admission, including implementing a risk management framework.

Principle 2: Seek to understand and meet Shareholder needs and expectations

The Board is committed to and actively encourages effective relationships and communication with the Company's Shareholders.

All shareholders are actively encouraged to participate in the Company's future annual general meetings ("**AGM**"). The Company will prepare an annual report and notice of AGM, which will be sent to all Shareholders and will be available for download from the Company's website.

The Company will seek to maintain an active dialogue with Shareholders, who will be kept up to date with the Company's developments by way of announcements made through a Regulatory Information Service on matters of a significant substance and/or a regulatory nature. Updates will be provided to the market from time to time, including any financial information, and any expected deviations to market expectations will be announced through a Regulatory Information Service. The Company's AGM will be an opportunity for Shareholders to meet with the Chairman and other members of the Board.

The meeting will be open to all Shareholders, giving them the opportunity to ask questions and raise issues during the formal business or, more informally, following the meeting. The results of the AGM will be announced through a Regulatory Information Service.

The Board is keen to ensure that the voting decisions of Shareholders are reviewed and monitored, and the Company intends to engage, as appropriate with Shareholders who do not vote in favour of resolutions at AGMs.

All contact details for investor relations are included on the Company's website.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long term success

The Company takes its corporate social responsibilities very seriously and is focused on maintaining effective working relationships across a wide range of stakeholders including Shareholders and customers part of its business strategy. The Directors will maintain an ongoing and collaborative dialogue with such stakeholders and take all feedback into consideration as part of the decision-making process and day-to-day running of the business.

The Company has established the Sustainability and ESG Committee.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The principal risks facing the Company are set out under the section titled "Risk Factors" of this document. The Directors will take appropriate steps to identify risks and undertake a

mitigation strategy to manage these risks following Admission. A review of these risks will be carried out at least on an annual basis, the results of which will be included in the annual report and accounts going forward.

The Board has overall responsibility for the determination of the Company's risk management objective and policies and has also established the Audit and Risk Committee.

Principle 5: Maintain the Board as a well-functioning, balanced team led by the Chairman

On Admission, the Board will comprise two Executive Directors and three Non-Executive Directors, two of those Non-Executive Directors being Independent Non-Executive Director. The biographies of the Directors are set out in paragraph 1.5 of Part II of this document. The Board considers that it combines a blend of sector and market expertise, with an effective executive management team and appropriate oversight by independent Non-Executive Directors.

The Company is satisfied that the current Board is sufficiently resourced to effectively discharge its governance obligations on behalf of all its shareholders and other stakeholders in the Company.

The Board will meet regularly, and processes are in place to ensure that each Director is, at all times, provided with such information as is necessary to enable each Director to discharge their respective duties. The Board is also supported by the Audit and Risk Committee, the Remuneration Committee, the Nominations Committee, the Disclosure Committee and the Sustainability and ESG Committee. The Nominations Committee have responsibility for reviewing the structure, size and composition of the Board, giving consideration to succession planning and reviewing the leadership needs of the organisation.

The QCA Code recommends that the Board should comprise of a balance of executive and non-executive directors, with at least two non-executive directors being independent. The QCA Code suggests that independence is a board judgement, but where there are grounds to question the independence of a director, through length of service or otherwise, this must be explained. Two of the Non-Executive Directors are considered to be independent and were selected with the objective of bringing experience and independent judgement to the Board. None of the Non-Executive Directors are employees, have significant business relationships with the Company, or are significant shareholders in the Company.

As recommended by the QCA Code guidance, the Independent Non-Executive Directors will not participate in performance-related remuneration schemes.

Principle 6: Ensure that between them the Directors have the necessary up to date experience, skills and capabilities

The skills and experience of the Directors are summarised in their biographies set out in paragraph 1.5 of Part II of this document.

The Directors believe that the Board has a balance of sector, financial and public market skills and experience appropriate for the size and stage of current development of the Company and that the Board has the skills and requisite experience necessary to execute the Company's strategy and business plan whilst also enabling each director to discharge his or her fiduciary duties effectively. Experiences are varied and contribute to maintaining a balanced board that has the appropriate level and range of skill to develop the Company. The Board is not dominated by one individual and all Directors have the ability to challenge proposals put forward to the meeting, democratically.

While the Board has not yet adopted any formal policy on gender balance, ethnicity or age group, it is committed to fair and equal opportunity and fostering diversity subject to ensuring appointees are appropriately qualified and experienced for their roles.

The Company retains the services of independent advisors including financial, legal, and investor relations advisers that are available to the Board and who provide support and guidance to the Board and complement the Company's internal expertise. The Directors have also received a briefing from the Company's lawyers in respect of continued compliance with, *inter alia*, the Listing Rules and continued compliance with, *inter alia*, MAR.

Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Directors will consider the effectiveness of the Board, Audit and Risk Committee, Remuneration Committee, Nominations Committee, Disclosure Committee, Sustainability and ESG Committee and individual performance of each Director. The outcomes of performance will be described in the annual report and accounts of the Company.

The Board considers that the corporate governance policies it has currently in place for Board performance reviews is commensurate with the size and development stage of the Company.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company and that this will impact performance. The culture is set by the Board and is considered and discussed at Board meetings and the Board is aware that the tone and culture it sets impacts all aspects of the Company and the way that employees behave. The Board promotes a culture of integrity, honesty, trust and respect and all employees of the Company are expected to operate in an ethical manner in all of their internal and external dealings.

The Board takes responsibility for the promotion of ethical values and behaviours throughout the Company, and for ensuring that such values and behaviours guide the objectives and strategy of the Company. The Company also has an established code for directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on the Main Market, and is in accordance with MAR.

The Directors believe that a long-term sustainable business model is essential for discharging the Board's responsibility to promote the success of the Company, its employees, shareholders and other stakeholders of the business. In considering the Company's strategic plans for the future, the Directors will proactively consider the potential impact of its decisions on all stakeholders within its business, in addition to considering the broader environmental and social impact as well as the positive impact it can have within the local community in which the Company operates.

The Company fully endorses the aims of the Modern Slavery Act 2015, and takes a zero-tolerance approach to slavery and human trafficking within the Company and supply chain.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

The Chairman leads the Board and is responsible for its governance structures, performance and effectiveness. The Board retains ultimate accountability for good governance and is responsible for monitoring the activities of the executive team.

Angus Murray is Chief Executive who, supported by the other Executive Director, Katharine Leo, is responsible for the operation of the business and delivering the strategic goals agreed by the Board. The Non-Executive Directors (including the Non-Executive Chairman) are responsible for bringing independent, where applicable, and objective judgement to Board decisions and were selected with the objective of bringing experience and independent judgement, where applicable, to the Board.

The Board is supported by the Audit and Risk Committee, Remuneration Committee, Nominations Committee, Disclosure Committee and Sustainability and ESG Committee, further details of which are set out in this paragraph 2 of this Part II of this document. There are certain material matters which are reserved for consideration by the full Board. Each of the committees has access to information and external advisers, as necessary, to enable the committee to fulfil its duties.

The Board intends to review the Company's governance framework on an annual basis to ensure it remains effective and appropriate for the business going forward.

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with Shareholders and other relevant stakeholders

Responses to the principles of the QCA Code and the information that will be contained in the Company's annual report and accounts and the Company's website provide details to all

stakeholders on how the Company is governed. The Board is of the view that the annual report and accounts as well as its half year report are key communication channels through which progress in meetings the Company's objectives and updating its strategic targets can be given the Shareholders following Admission.

Additionally, the Board will use the Company's annual general meetings as a mechanism to engage directly with Shareholders, to give information and receive feedback about the Company and its progress.

The Company's website in compliance with the Listing Rules, www.thelondontunnels.com, will be updated on a regular basis with information regarding the Company's activities and performance, including financial information.

All contact details for investor relations are included on the Company's website.

3. SHARE DEALING CODE

The Company has adopted, with effect from Admission, a code of securities dealings in relation to the Ordinary Shares which is based on the requirements of the UK Market Abuse Regulation. The code adopted will apply to the Directors, persons discharging managerial responsibility and certain other persons depending on their role or function as senior managers but who are not identified as persons discharging managerial responsibilities.

PART III

OPERATING AND FINANCIAL REVIEW

The following operating and financial review contains financial information that has been extracted or derived without material adjustment from the Company Financial Information included in Section (B) “Historical Financial Information of the Company” of Part V “Financial Information of the Company” of this document, prepared in accordance with IFRS.

The following discussion should be read in conjunction with the other information in this document, the audited Company Financial Information included in Section (B) “Historical Financial Information of the Company” of Part VII “Financial Information of the Company” of this document. This discussion contains forward-looking statements, which, although based on assumptions that the Directors consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. Investors should read the notice in relation to forward-looking statements contained on page [●] of this document.

The key risks and uncertainties include but are not limited to those described in the section of this Document entitled “Risk Factors” on pages [●] to [●] of this Document.

The Company may receive payments and incur expenses denominated in Euros, United States Dollars and Pounds Sterling, creating a risk that exchange rate movements will reduce the value of assets and increase the extent of liabilities in differed currency or asset class pairs. Where possible the Company seeks to internally hedge by matching assets and liabilities in the same currency or asset class. Where this is not possible assets are held in the currency or asset class which is likely to be the most stable, typically Pounds Sterling.

Summarised below are the audited consolidated Statements of Comprehensive Income of the Company for the 12-month period from the date of incorporation on 27 January 2021 to 31 December 2021 and the 15-month period ended 31 March 2023, together with the unaudited Company Interim Financial Information of the Company:

	Audited Period ended 31 December 2021 £	Audited Period ended 31 March 2023 £	Unaudited Period ended 30 September 2023 £
Revenue	—	—	—
Administrative expenses	(91,702)	(308,904)	(610,135)
Other operating income	—	89,210	—
Operating loss	(91,702)	(219,694)	(610,135)
Interest receivable and similar income	—	—	520
Interest payable and similar expenses	—	(180,560)	(753,772)
Loss before taxation	(91,702)	(400,254)	(1,363,387)
Income tax expense	—	—	—
Loss for the financial period	(91,702)	(400,254)	(1,363,387)

Summary Statements of Financial Position

Summarised below are the audited consolidated Statements of Financial Position of the Company as at 31 December 2021 and 31 March 2023, together with the unaudited consolidated Statements of Financial Position of the Company as at 30 September 2023:

	<i>Audited</i> As at 31 December 2021 £	<i>Audited</i> As at 31 March 2023 £	<i>Unaudited</i> As at 30 September 2023 £
Right-of-use assets (<i>Tunnels</i>)	—	—	9,600,000
Intangible assets (<i>intellectual property in relation to the Tunnels</i>)	—	—	14,105,463
Non-current assets	—	—	23,705,463
Trade and other receivables	32,400	174,240	879,034
Cash and cash equivalents	—	2,716,725	1,176,218
Current assets	32,400	2,890,965	2,055,252
Total assets	32,400	2,890,965	25,760,715
Trade and other payables	—	(149,961)	(1,510,227)
Accruals	(91,702)	(20,000)	(10,000)
Lease liabilities (<i>Tunnels</i>)	—	—	(9,000,000)
Current liabilities	(91,702)	(169,961)	(10,520,227)
Zero Coupon Convertible Bonds	—	(2,848,543)	(4,658,276)
Loan from Cupcake	—	—	(4,968,100)
Non-current liabilities	—	(2,848,543)	(9,626,376)
Total liabilities	(91,702)	(3,018,504)	(20,146,603)
Net (liabilities)/assets	(59,302)	(127,539)	5,614,112
Called up share capital	32,400	32,400	32,400
Equity reserve	—	332,017	7,437,055
Retained deficit	(91,702)	(491,956)	(1,855,343)
Total equity	(59,302)	(127,539)	5,614,112

Results for the 12-month period from incorporation on 27 January 2021 to 31 December 2021

Trading results

No revenues were reported during the 12-month period ended 31 December 2021. The Company reported a loss for the period of £91,702, comprising of administrative expenses of £91,702. Included within administrative expenses were legal and professional fees of £91,702.

Cash flows, financing and capital reserves

During the period ended 31 December 2021, the Company reported a net cash inflow of £nil from all sources, resulting in a closing cash balance of £nil.

Summary Statements of Cash Flows

	Audited Period ended 31 December 2021 £	Audited Period ended 31 March 2023 £	Unaudited Six-month Period ended 30 September 2023 £
Cash flows from operating activities			
Loss for the period	(91,702)	(400,254)	(1,363,387)
Adjustments for:			
Finance income	—	—	(520)
Finance costs	—	180,560	753,772
Movement in trade and other receivables	—	(141,840)	(186,694)
Movement in trade and other payables	91,702	78,259	1,350,785
Cash flow from operations	—	(283,275)	553,956
Tax paid	—	—	—
Net cash (used in)/from operating activities	—	(283,275)	553,956
Development of intangible assets	—	—	(2,105,463)
Lease deposits paid to ETL and EC1 Property Management Limited	—	—	(1,150,000)
Net cash used in investing activities	—	—	(3,255,463)
Proceeds from issue of share capital	—	—	—
Proceeds from issue of Zero Coupon Convertible Bonds	—	3,000,000	1,161,000
Net cash from financing activities	—	3,000,000	1,161,000
Net cash inflow/(outflow)	—	2,716,725	(1,540,507)
Cash b/fwd	—	—	2,716,725
Cash c/fwd	—	2,716,725	1,176,218

Summarised below are the audited consolidated Statements of Cash Flows of the Company for the 12-month period from the date of incorporation on 27 January 2021 to 31 December 2021 and the 15-month period ended 31 March 2023, together with the unaudited consolidated Statement of Cash Flows of the Company for the six-month period ended 30 September 2023

Cash outflows from operating activities of £nil comprised an operating loss of £91,702 and an increase in trade and other payables of £91,702.

Assets

Current assets of £32,400 comprised trade and other receivables of £32,400 and cash of £nil. This resulted in total assets of £32,400 as at 31 December 2021.

Liabilities

As at 31 December 2021, the Company's current liabilities of £91,702 comprised £91,702 of accruals. This resulted in total liabilities of £91,702 as at 31 December 2021.

In addition, the Company had a contingent liability of £410,034 (restated) comprising fees owing to a related party which are conditional on the receipt of Planning Permission and the Company having raised sufficient funds to compete RIBA stages 3 and 4.

Net assets

As at 31 December 2021, the Company had total assets of £32,400 and total liabilities of £91,702, resulting in net assets of £(59,302).

Results for the 15-month period ended 31 March 2023

Trading results

No revenues were reported during the 15-month period ended 31 March 2023 (2021: £nil). The Company reported a loss for the period of £400,254 (2021: £91,702), comprising of sundry income of £89,210 (2021: £nil) which was offset by administrative expenses of £308,904 (2021: £91,702) and bond finance costs of £180,560 (2021: £nil).

Included within administrative expenditure of £400,254 (2021: £91,702) were legal and professional fees of £66,587 (2021: £91,702), Directors' fees and management charges of £108,440 (2021: £nil), audit fees of £17,500 (2021: £nil), short-term financing charges of £2,282 (2021: £nil), and costs in relation to the development of the Tunnels in advance of the lease purchase agreement of £131,494 (2021: £nil).

Cash flows, financing and capital reserves

During the period ended 31 March 2023, the Company reported a net cash inflow of £2,716,725 (2021: £nil) from all sources, resulting in a closing cash balance of £2,716,725 (2021: £nil).

The principal source of cash inflow during the year was the Company's financing activities, comprising cash inflows of £3,000,000 (2021: £nil) from proceeds of the issue of Zero Coupon Convertible Bonds.

Cash outflows from operating activities of £283,275 (2021: £nil) comprised an operating loss of £400,254 (2021: £91,702), an increase in trade and other receivables of £141,840 (2021: £nil), an increase in trade and other payables of £78,259 (2021: £91,702) and net finance income and costs of £180,560 (2021: £nil).

Assets

Current assets of £2,890,965 (2021: £32,400) comprised cash of £2,716,725 (2021: nil) and trade and other receivables of £174,240 (2021: £32,400). This resulted in total assets of £2,890,965 as at 31 March 2023 (2021: £32,400).

Liabilities

As at 31 March 2023, the Company's current liabilities of £169,961 (2021: £91,702) comprised £20,000 (2021: £91,702) of accruals and £149,961 (2021: £nil) of trade and other payables. Non-current liabilities totalled £2,848,543 (2021: £nil) as at 31 March 2023 comprised Zero Coupon Convertible Bonds of £2,848,543 (2021: £nil). This resulted in total liabilities of £3,018,504 (2021: £91,702) as at 31 March 2023.

In addition, the Company had a contingent liability of £1,494,768 (2021: £410,034 restated) comprising fees owing to a related party which are conditional on the receipt of Planning Permission and the Company having raised sufficient funds to compete RIBA stages 3 and 4.

Net assets

As at 31 March 2023, the Company had total assets of £2,890,965 (2021: £32,400) and total liabilities of £3,018,504 (2021: £91,702), resulting in net assets of £(127,539) (2021: £(59,302)).

Results for the six-month period ended 30 September 2023

During the six-month period ended 30 September 2023, the Company entered into the lease purchase agreement on [●] July 2023 for the Tunnels with ETL, giving rise to the recognition of an

intellectual property asset to the value of £12,000,000, a right-of use asset to the value of £9,600,000 and a lease liability of £9,000,000. Subsequent to the purchase of the lease agreement, the Company incurred additional expenditure of £2,105,463 on development of the Tunnels.

Trading results

No revenues were reported during the six-month period ended 30 September 2023 (30 September 2022: £nil). The Company reported a loss for the period of £1,363,387 (30 September 2022: £nil), comprising of administrative expenses of £610,135 (30 September 2022: £nil) and interest payable of £753,772 (30 September 2022: £nil), offset by interest receivable of £520 (30 September 2022: £nil).

Cash flows, financing and capital reserves

During the period ended 30 September 2023, the Company reported a net cash inflow of £(1,540,507) (30 September 2022: £500) from all sources, resulting in a closing cash balance of £1,176,218 (30 September 2022: £500).

The principal source of cash inflow during the period was the Company's financing activities, comprising cash inflows of £1,161,000 (30 September 2022: £nil) from proceeds of the issue of Zero Coupon Convertible Bonds.

Cash outflows from operating activities of £553,956 (30 September 2022: £nil) comprised an operating loss of £1,363,387 (30 September 2022: £nil), an increase in trade and other receivables of £186,694 (30 September 2022: £nil), an increase in trade and other payables of £1,350,785 (30 September 2022: £nil) and net finance income and costs of £753,252 (30 September 2022: £nil).

Further to this, there was a net cash outflow of £3,255,463 (30 September 2022: £nil) relating to investing activities, which comprised the purchase of intangible assets of £2,105,463 (30 September 2022: £nil) and lease deposits paid to ETL and EC1 Property Management Limited of £1,150,000 (30 September 2022: £nil).

Assets

As at 30 September 2023, the Company's non-current assets of £23,705,463 (31 March 2023: £nil) comprised right-of use assets of £9,600,000 (31 March 2023: £nil) and intangible assets of £14,105,463 (31 March 2023: £nil).

The right-of-use assets of £9,600,000 (31 March 2023: £nil) represent the fair value of the Company's lease on the Tunnels, pursuant to the lease purchase agreement entered into on [●] July 2023.

The intangible assets of £14,105,463 (31 March 2023: £nil) represents the initial fair value of £12,000,000 in relation to the intellectual property acquired from Cupcake in July 2023, being the date the Company entered into the lease purchase agreement for the Tunnels. Subsequent to July 2023, the Company has incurred an additional £2,105,463 further developing the tunnels.

Current assets of £2,055,252 (31 March 2023: £2,890,965) comprised cash of £1,176,218 (31 March 2023: 2,716,725) and trade and other receivables of £879,034 (31 March 2023: £174,240).

This resulted in total assets of £25,760,715 as at 30 September 2023 (31 March 2023: £2,890,965).

Liabilities

As at 30 September 2023, the Company's current liabilities of £10,520,227 (31 March 2023: £169,961) comprised £9,000,000 of lease liabilities (31 March 2023: £nil) in relation to the Tunnels, £10,000 (31 March 2023: £20,000) of accruals and £1,510,227 (31 March 2023: £149,961) of trade and other payables.

Non-current liabilities totalled £9,626,376 (31 March 2023: £2,848,543) as at 30 September 2023, comprising Zero Coupon Convertible Bonds of £4,658,276 (31 March 2023: £2,848,543) and loans from Cupcake of £4,968,100 (31 March 2023: £nil).

This resulted in total liabilities of £20,146,603 as at 30 September 2023 (31 March 2023: £3,018,504).

Net (liabilities)/assets

As at 30 September 2023, the Company had total assets of £25,760,715 (31 March 2023: £2,890,965) and total liabilities of £20,146,603 (31 March 2023: £3,018,504), resulting in net assets of £5,614,112 (31 March 2023: net liabilities of £127,539).

PART IV

TAXATION

The following information is based on UK tax law and HMRC practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her position should contact their professional advisor immediately.

1. TAX TREATMENT OF UK INVESTORS

The following information, which relates only to UK taxation, is applicable to persons who are resident in the UK and who beneficially own Ordinary Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:

- who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), 10 per cent per cent or more, of the shares in the Company; or
- who intend to acquire Ordinary Shares as part of tax avoidance arrangements; or
- who are in any doubt as to their taxation position.

Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

2. DIVIDENDS

Where the Company pays dividends, no UK withholding taxes are deducted at source. Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

UK resident individual Shareholders who are domiciled in the UK, and who hold their Ordinary Shares as investments, will be subject to UK income tax on the amount of dividends received from the Company.

Dividend income received by UK tax resident individuals before 6 April 2024 will have a £1,000 per annum dividend tax allowance. From 6 April 2024 the allowance reduces to £500.

Dividend receipts received before 6 April 2024 in excess of £1,000 will be taxed at 8.75 per cent per cent for basic rate taxpayers, 33.75 per cent per cent for higher rate taxpayers, and 39.35 per cent per cent for additional rate taxpayers. Dividend receipts received after 6 April 2024 in excess of £500 will be taxed at the same rates.

Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received, but will not be entitled to claim relief in respect of any underlying tax.

3. DISPOSALS OF ORDINARY SHARES

Any gain arising on the sale, redemption or other disposal of Ordinary Shares will be taxed at the time of such sale, redemption or disposal as a capital gain.

The rate of capital gains tax on disposal of Ordinary Shares by basic rate taxpayers is 10 per cent per cent and for higher rate and additional rate taxpayers is 20 per cent per cent.

For Shareholders within the charge to UK corporation tax, indexation allowance up until 1 January 2018 may reduce any chargeable gain arising on disposal of Ordinary Shares, but will not create or increase an allowable loss.

Subject to certain exemptions, the corporation tax rate applicable to its taxable profits is currently 25 per cent per cent for profits in excess of £250,000, with profits below £50,000 to be taxed at 19 per cent, and a marginal rate on profits between these values. The profit limits are reduced under certain circumstances, with close investment-holding companies not being entitled to the lower rate.

4. Further information for shareholders subject to UK income tax and capital gains tax

“TRANSACTIONS IN SECURITIES”

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HMRC to raise tax assessments so as to cancel “*tax advantages*” derived from certain prescribed “*transactions in securities*”.

STAMP DUTY AND STAMP DUTY RESERVE TAX

No UK stamp duty or stamp duty reserve tax will be payable on the allotment and issue of Ordinary Shares pursuant to the Placing.

Most investors will purchase existing Ordinary Shares using the CREST paperless clearance system and these acquisitions will be subject to stamp duty reserve tax at 0.5 per cent. Where Ordinary Shares are acquired using paper (i.e., non-electronic settlement), stamp duty will become payable at 0.5 per cent if the purchase consideration exceeds £1,000.

The above comments are intended as a guide to the general stamp duty and stamp duty reserve tax position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

THIS SUMMARY OF UK TAXATION ISSUES CAN ONLY PROVIDE A GENERAL OVERVIEW OF THESE AREAS AND IT IS NOT A DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN THE COMPANY. THE SUMMARY OF CERTAIN UK TAX ISSUES IS BASED ON THE LAWS AND REGULATIONS IN FORCE AS OF THE DATE OF THIS DOCUMENT AND MAY BE SUBJECT TO ANY CHANGES IN UK LAWS OCCURRING AFTER SUCH DATE. LEGAL ADVICE SHOULD BE TAKEN WITH REGARD TO INDIVIDUAL CIRCUMSTANCES. ANY PERSON WHO IS IN ANY DOUBT AS TO THEIR TAX POSITION OR WHERE THEY ARE RESIDENT, OR OTHERWISE SUBJECT TO TAXATION, IN A JURISDICTION OTHER THAN THE UK, SHOULD CONSULT THEIR PROFESSIONAL ADVISER.

PART V

HISTORICAL FINANCIAL INFORMATION

This section of the Prospectus includes the historical financial information for the Group as at and for the 12-month period from the date of incorporation on 27 January 2021 to 31 December 2021 and the 15-month period ended 31 March 2023, as well as an Accountants Report thereon prepared by Crowe U.K. LLP. It also includes the unaudited financial information for the Group for the six months ended 30 September 2023. This section is set out in four parts as follows:

- Section A: sets out Crowe U.K. LLP's Accountants Report in respect of the historical financial information of the Group;
- Section B: sets out the historical financial information of the Group for the two year periods ended 31 December 2021 and 31 March 2023;
- Section C: sets out unaudited financial information of the Group for the six month period ended 30 September 2023; and
- Section D: sets out the Group's capitalisation and indebtedness.

SECTION (A) ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE COMPANY



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[●] December 2023

The Directors
The London Tunnels PLC
2nd Floor, Nicola Jane House
Southern Gate
Chichester
West Sussex PO19 8SE

SPARK Advisory Partners Limited
5 St. John's Lane
London EC1M 4BH

Dear Sirs and Madams,

Introduction

We report on the audited historical financial information of The London Tunnels PLC (the "**Company**") for the 12-month period from the date of incorporation on 27 January 2021 to 31 December 2021 and the 15-month period ended 31 March 2023 (together, the "**Company Financial Information**"), set out in Section B "*Historical Financial Information of the Company*" of Part V "*Financial Information on the Company*" of the Company's prospectus dated [●] October 2023 (the "**Prospectus**").

Opinion on financial information

In our opinion, the Company Financial Information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the Company as at 31 December 2021 and 31 March 2023 and its losses, cash flows, statements of comprehensive income and changes in equity for the periods then ended, in accordance with UK-adopted international accounting standards ("**IFRS**").

Responsibilities

The directors of the Company (the "**Directors**") are responsible for preparing the Company Financial Information in accordance with IFRS.

It is our responsibility to form an opinion on the Company Financial Information and to report our opinion to you.

Basis of preparation

The Company Financial Information has been prepared for inclusion in the Prospectus on the basis of the accounting policies set out in note 3 to the Company Financial Information. This report is required by item 18.3.1 of Annex 1 to the UK version of Regulation number 2019/980 of the European Commission, supplementing Regulation (EU) 2017/1129, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (together, the "**Prospectus Regulation**") and is given for the purpose of complying with that requirement and for no other purpose.

Basis of opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Financial Reporting Council in the United Kingdom (the “**FRC**”). We are independent of the Company in accordance with relevant ethical requirements. In the United Kingdom, this is the FRC’s Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the Company Financial Information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the Company Financial Information and whether the accounting policies are appropriate to the Company’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Company Financial Information is free from material misstatement, whether caused by fraud or other irregularity or error.

Conclusions relating to going concern

We have not identified a material uncertainty related to events or conditions that, individually or collectively, may cast doubt on the ability of the Company to continue as a going concern for a period of at least 12 months from the date of this report. We therefore conclude that the Directors’ use of the going concern basis of accounting in the preparation of the Company Financial Information is appropriate.

Declaration

For the purposes of Prospectus Regulation Rule PRR 5.3.2 R (2)(f), we are responsible for this report as part of the Prospectus and we declare, to the best of our knowledge, the information contained in this report is in accordance with the facts and that this report makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex 1 to the Prospectus Regulation.

Yours faithfully,

Crowe U.K. LLP
Chartered Accountants

SECTION (B) HISTORICAL FINANCIAL INFORMATION OF THE COMPANY

STATEMENT OF COMPREHENSIVE INCOME

The audited Statements of Comprehensive Income of the Company for the 11-month period from the date of incorporation on 27 January 2021 to 31 December 2021 and the 15-month period ended 31 March 2023 are set out below:

		<i>Audited</i> Period ended 31 December 2021 £	<i>Audited</i> Period ended 31 March 2023 £
	<i>Notes</i>	<hr/>	<hr/>
Total revenue		—	—
Administrative expenses		(91,702)	(308,904)
Other income		—	89,210
		<hr/>	<hr/>
Operating loss		(91,702)	(219,694)
Interest payable and similar expenses	7	—	(180,560)
		<hr/>	<hr/>
Loss before taxation		(91,702)	(400,254)
Tax on loss	8	—	—
		<hr/>	<hr/>
Loss for the financial period		(91,702)	(400,254)
		<hr/>	<hr/>
Loss per ordinary share from loss from continuing operation attributable to the ordinary equity holders of the Company:			
Basic		(0.003)	(0.012)

STATEMENT OF FINANCIAL POSITION

The audited Statements of Financial Position of the Company as at 31 December 2021 and 31 March 2023 are set out below:

	<i>Audited</i> As at 31 December 2021 £	<i>Audited</i> As at 31 March 2023 £
Current assets		
Trade and other receivables	9 32,400	174,240
Cash and cash equivalents	—	2,716,725
	<u>32,400</u>	<u>2,890,965</u>
Current liabilities		
Trade and other payables	10 (91,702)	(169,961)
	<u>(91,702)</u>	<u>(169,961)</u>
Non-current liabilities		
Zero Coupon Convertible Bonds	11 —	(2,848,543)
	<u>59,302</u>	<u>(127,539)</u>
Net assets		
Capital and reserves		
Called up share capital	12 32,400	32,400
Equity reserve	14 —	332,017
Accumulated losses	(91,702)	(491,956)
	<u>(59,302)</u>	<u>(127,539)</u>
Total equity		

STATEMENT OF CHANGES IN EQUITY

The audited Statements of Changes in Equity of the Company for the 11-month period from the date of incorporation on 27 January 2021 to 31 December 2021 and the 15-month period ended 31 March 2023 are set out below:

	Notes	Share capital £	Equity reserve £	Accumulated losses £	Total £
On incorporation on 27 January 2021		1	—	—	1
Loss and total comprehensive income for the period		—	—	(91,702)	(91,702)
Issue of share capital	12	32,399	—	—	32,399
As at 31 December 2021		32,400	—	(91,702)	(59,302)
Loss and total comprehensive income for the period		—	—	(400,254)	(400,254)
Equity component of Zero Coupon Convertible Bonds issued	14	—	332,017	—	332,017
As at 31 March 2023		32,400	332,017	(491,956)	(127,539)

STATEMENTS OF CASH FLOWS

The audited Statements of Cash Flows of the Company for the 11-month period from the date of incorporation on 27 January 2021 to 31 December 2021 and the 15-month period ended 31 March 2023 are set out below:

	<i>Audited</i> Period ended 31 December 2021 £	<i>Audited</i> Period ended 31 March 2023 £
<i>Loss for the period</i>	(91,702)	(400,254)
<u>Adjustments for:</u>		
Finance costs	—	180,560
Movement in trade and other receivables	—	(141,840)
Movement in trade and other payables	91,702	78,259
<i>Cash from operations</i>	—	(283,275)
Net cash used in operating activities	—	(283,275)
Proceeds from issue of shares	—	—
Proceeds from issue of bond	—	3,000,000
Net cash from financing activities	—	3,000,000
Net cash flow	—	2,716,725
<i>Cash and cash equivalents at the beginning of period</i>	—	—
Cash and cash equivalents at the closing period	—	2,716,725

NOTES TO THE COMPANY FINANCIAL INFORMATION

1. Company information

The London Tunnels Limited (formerly London Light Line Limited) is a private company limited by shares incorporated in England and Wales. On 2 November 2023, the Company re-registered as a public company in the name of The London Tunnels Plc. The registered office is 2nd Floor, Nicola Jane House, Southern Gate, Chichester, West Sussex PO19 8SE.

2. Basis of preparation

2.1. Reporting periods

The Company has changed its accounting reference date from 31 December to 31 March in order to coincide with the accounting period of its parent undertaking. The Company Financial Information covers the 11-month period from the date of incorporation on 27 January 2021 to 31 December 2021 and the 15-month period from 1 January 2022 to 31 March 2023.

2.2. Accounting convention

The Company Financial Information has been prepared in accordance with UK-adopted international accounting standards (“IFRS”).

The Company Financial Information is prepared in £, which is the functional currency of the Company. Monetary amounts in the Company Financial Information are rounded to the nearest £.

The Company Financial Information has been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

2.3. Going concern

The Company’s business activities include the proposed development of the Kingsway Exchange Tunnels, together with the factors likely to affect this future development, including the timing of the project to start generating revenues have been discussed by the Directors. The Company has the financial resources based on commitments by investors which are expected to include a fund raising in Q4 2023 to achieve the ownership and development of the Tunnels without the requirement to borrow further money.

As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they have adopted the going concern basis of accounting in preparing the Company Financial Information.

3. Accounting policies

3.1. Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

3.2. Financial instruments

Financial instruments are recognised when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the Company Financial Information, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include receivables and cash and bank balances, are initially measured at transaction price, including transaction costs, and are subsequently carried at

amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including payables, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

3.3. Compound instruments

The component parts of compound instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity net of income tax effects and is not subsequently remeasured.

3.4. Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

3.5. Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be

available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

3.6. Contingent liability

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4. Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both periods.

a) Financial instruments

Management judgement is required in determining the classification of the Zero Coupon Convertible Bonds whether as financial liability or equity instruments. Further details of the impact of this judgement on the Zero Coupon Convertible Bonds are given in note 11.

5. Segmental analysis

The business of the Company comprises of one operating segment being the proposed development of the Tunnels as set out in Part I: "*Information on the Company*" of this document. As such, the Company Financial Information of the segment is the same as that set out in the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cash Flows.

6. Employees

The average monthly number of persons (including the Directors) employed by the Company during the period was:

<i>Audited</i> As at 31 December 2021 Number	<i>Audited</i> As at 31 March 2023 Number
5	5

Their aggregate remuneration comprised:

	<i>Audited</i> Period ended 31 December 2021 £	<i>Audited</i> Period ended 31 March 2023 £
Wages and salaries	—	6,115
Social security costs	—	325
	—	6,440

7. Interest payable and similar expenses

	<i>Audited</i> Period ended 31 December 2021 £	<i>Audited</i> Period ended 31 March 2023 £
Other finance costs:		
Zero Coupon Convertible Bond finance cost	—	180,560

8. Taxation

The actual charge for the period can be reconciled to the expected credit for the period based on the profit or loss and the standard rate of tax as follows:

	<i>Audited</i> Period ended 31 December 2021 £	<i>Audited</i> Period ended 31 March 2023 £
Loss before taxation	(91,702)	(400,254)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00 per cent	(17,423)	(76,048)
Unutilised tax losses carried forward	17,423	76,048
Taxation charge for the period	—	—

The Company has not recognised deferred tax assets arising from the accumulated tax losses due to uncertainty of their future recovery. The deferred tax asset not recognised is approximately £490,000 at 31 March 2023 (31 December 2021: £90,000)

9. Other receivables

	<i>Audited</i> As at 31 December 2021 £	<i>Audited</i> As at 31 March 2023 £
Amounts owed by Cupcake	32,400	31,900
Other receivables	—	65,740
Prepayments	—	76,600
	32,400	174,240

10. Trade and other payables

	<i>Audited</i> As at 31 December 2021 £	<i>Audited</i> As at 31 March 2023 £
Trade payables	—	149,254
Taxation and social security	—	707
Accruals	91,702	20,000
	<u>91,702</u>	<u>169,961</u>

11. Zero Coupon Convertible bonds

	<i>Audited</i> As at 31 December 2021 £	<i>Audited</i> As at 31 March 2023 £
Zero Coupon Convertible Bonds	—	2,848,543

On 28 November 2022, the Company created 6,000 unsecured Zero Coupon Convertible Bonds of £600 each. The Zero Coupon Convertible Bonds are redeemable partly in cash on 30 September 2025 and partly in shares, with the redemption price used to subscribe for new Ordinary Shares.

During the periods presented, the Company issued 5,000 of the Zero Coupon Convertible Bonds for £3,000,000.

The net proceeds received from the issue of the Zero Coupon Convertible Bonds have been split between the financial liability element and an equity component, representing the fair value of the embedded option to convert part of the financial liability into equity.

The liability component of the Zero Coupon Convertible Bonds is measured at amortised cost, and the difference between the carrying amount of the liability at the date of issue and the amount reported on the Statement of Financial Position represents the effective interest rate, less interest paid to that date.

The effective rate of interest is [●] per cent.

The equity component of the Zero Coupon Convertible Bonds has been credited to the “Equity reserve” within “equity” on the Statement of Financial Position.

	<i>As at</i> 31 December 2021 £	<i>As at</i> 31 March 2023 £
Liability component of Zero Coupon Convertible Bonds	—	2,848,543

The proceeds received from the issue of the Zero Coupon Convertible Bonds have been split between the financial liability element and an equity component, representing the fair value of the embedded option to convert part of the financial liability into equity.

The liability component is measured at amortised cost, and the difference between the carrying amount of the liability at the date of issue and the amount reported on the Statement of Financial Position represents the discount rate, less interest payable to that date.

The equity component of the Zero Coupon Convertible Bonds convertible loan notes has been credited to the equity reserve.

The calculation of the fair value of conversion rights impacts the profit or loss over the period of the Zero Coupon Convertible Bonds. The calculation of fair value by discounting total cash flows to maturity is sensitive to management's estimate of the appropriate discount rate applied in the event that the conversion rights were not embedded in the loan notes. Management has concluded that the discount rate to be 35.70%-39.16% per cent.

Reconciliation of liabilities to cashflows arising from financing activities.

	Zero Coupon Convertible Bonds £
At date of incorporation on 27 January 2021	—
Non-cash	—
At 31 December 2021	—
Cash flow	3,000,000
Non-cash	(151,457)
At 31 March 2023	<u>2,848,543</u>

12. Share capital

	<i>Audited As at 31 December 2021 Number</i>	<i>Audited As at 31 March 2023 Number</i>	<i>Audited As at 31 December 2021 £</i>	<i>Audited As at 31 March 2023 £</i>
Ordinary Shares issued and unpaid	32,400	32,400	32,400	32,400
Ordinary Shares of £1 each				

13. Loss per share

The calculation of basic and diluted earnings per share has been based on the following loss attributable to shareholders and weighted-average number of Ordinary Shares outstanding at the year end.

	Period ended 31 December 2021 £	Period ended 31 March 2023 £
Loss for the period	(91,702)	(400,254)
Weighted average number of shares	32,400	32,400
Loss per share	(0.003)	(0.012)

For diluted loss per share, the weighted average number of Ordinary Shares in issue is adjusted to assume conversion of all potential dilutive Zero Coupon Convertible Bonds over Ordinary Shares. Potential Ordinary Shares resulting from the conversion of Zero Coupon Convertible Bonds have an anti-dilutive effect due to the Company being in a loss position. As a result, diluted loss per share is disclosed as the same value as basic loss per share.

14. Equity reserve

During the period ended 31 March 2023, an amount of £332,017 has been credited to equity reserve as the fair value of the non-liability element of the Zero Coupon Convertible Bonds issued in the period, as disclosed in note 11.

15. Contingent liabilities

The Company is seeking to obtain planning permission for a venue from which to establish and operate the business in future. The outcome of this application is currently uncertain. Should the planning process be successful, fees totalling £1,494,768 (2021: £410,034) will become payable subject also to the Company having raised sufficient funds to compete RIBA stages 3 and 4.

16. Financial instruments

The Company's financial instrument comprises the trade and other receivable, trade and payable and other financial liabilities. The Company's accounting policy and method adopted, including the criteria for recognition, is set out in Note 3 "Accounting policies" to the Company Financial Information. The Company does not use its financial instrument for speculative purposes.

The main risks arising from the Company's activities are market risk, credit risk and liquidity risk.

(a) Market risk

Market risk is the risk that the fair value of future cash flows will fluctuate because of changes in market price. This risk is primarily comprised of interest risk and foreign currency risk

(b) Foreign currency risk management

As highlighted earlier in these financial statements, the presentation currency of the Company is pound sterling. The Company has no exposure to foreign currency risk as it has no foreign currency denominated assets and liabilities. The Company does not enter into any derivative financial instruments to manage its exposure to foreign currency risk.

(c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises principally from the Company's cash balances and other receivables

The Company gives careful consideration to which organisations it uses for its banking services in order to minimise credit risk. The Company considers the banks and financial institutions have low credit risks. Therefore, the Company is of the view that the loss allowance is immaterial and hence no provision is required

The concentration of the Company's credit risk is considered by counterparty and geography. The Company does not have any significant concentrations of credit risk at the reporting date related to external third parties

(d) Liquidity risk

Liquidity risk is the risk that an entity may not be able to generate sufficient cash resources to settle its obligations as they fall due. The Directors monitor cash flow requirements regularly and adopt a prudent liquidity risk management approach to ensure sufficient cash is available for operational expenses.

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total contractual undiscounted cash flows
At 31 December 2021	£	£	£	£
Trade and other payables	91,702	—	—	91,702
Total	91,702	—	—	91,702

At 31 December 2023	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total contractual undiscounted cash flows
	£	£	£	£
Trade and other payables	169,961	—	—	91,702
Zero Coupon Convertible Bond	—	2,848,543	—	3,000,000
Total	169,961	2,848,543	—	5,169,961

17. Events after the reporting date

On 12 April 2023, the Company issued a further tranche of 1,000 Zero Coupon Convertible Bonds of £600 each to the value of £600,000.

In July 2023, the Company entered into a lease purchase agreement with ETL in respect of the Tunnels.

On 11 September 2023, the Company created 1,200 Zero Coupon Convertible Bonds for £600 each to the value of £720,000.

On 14 September 2023, the Company issued 935 Zero Coupon Convertible Bonds for £600 each to the value of £561,000.

On 26 October 2023, the Company undertook a share split such that its Ordinary Shares of £1.00 each were converted at a ratio of 1 ordinary share to 1,000 new Ordinary Shares, resulting in a new nominal value of £0.001. The share split was approved by the Shareholders by ordinary resolution.

On 2 November 2023, the Company re-registered as a PLC.

18. Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	Audited Period ended 31 December 2021	Audited Period ended 31 March 2023
	£	£
Aggregate compensation	—	6,440

Transactions with related parties

During the period, the Company entered into the following transactions with related parties:

	Purchases Period ended 31 December 2021	Purchases Audited Period ended 31 March 2023
	£	£
Client Services (Global) Limited	—	102,000

In addition to the amounts charged by Client Services (Global) Limited shown above, there are contingent liabilities of £1,494,768 (2021: £410,034) payable to Client Services (Global) Limited upon the granting of planning permission for the Company's planned development by the authorities subject also to the Company having raised sufficient funds to compete RIBA stages 3 and 4.

	<i>Audited</i> Period ended 31 December 2021 £	<i>Audited</i> Period ended 31 March 2023 £
Amounts due from related parties		
Cupcake Partners Limited	32,400	31,900
Amounts due to related parties		
Client Services (Global) Limited	—	40,800

Other information

A. S. D. Murray is a director of Cupcake Partners Limited, the parent company.

K. J. Leo is a director of Client Services (Global) Limited.

19. Directors' transactions

Dividends totalling £nil (2021: £nil) were paid in the period in respect of Ordinary Shares held by the Directors.

Sundry income of £89,210 in the period ended 31 March 2023 comprises the forgiveness of a debt owed to A.S.D. Murray as at 31 December 2021.

20. Ultimate controlling party

The parent company of the Company is Cupcake Partners Ltd and its registered office is 20th Floor, 283 Lockhart Road, Wah Hing Commercial Building, Wanchai, Hong Kong.

21. Nature of the Company Financial Information

The Company Financial Information presented above does not constitute statutory financial statements for the periods under review.

SECTION (C) UNAUDITED INTERIM FINANCIAL INFORMATION OF THE COMPANY

This section of the Prospectus includes the unaudited historical financial information for the Company as at and for the six-month periods ended 30 September 2023 and 30 September 2022.

STATEMENT OF COMPREHENSIVE INCOME

The unaudited Statements of Comprehensive Income of the Company for the six-month period ended 30 September 2022 and the six-month period ended 30 September 2023 are set out below:

	<i>Notes</i>	<i>Unaudited Six-month period ended 30 September 2022</i>	<i>Unaudited Six-month period ended 30 September 2023</i>
		£	£
Total revenue		—	—
Administrative expenses		—	(610,135)
Other operating income		—	—
		<hr/>	<hr/>
Operating loss		—	(610,135)
Interest receivable and similar income		—	520
Interest payable and similar expenses	7	—	(753,772)
		<hr/>	<hr/>
Loss before taxation		—	(1,363,387)
Tax on loss	8	—	—
		<hr/>	<hr/>
Loss for the financial period		<hr/> <hr/>	<hr/> <hr/> (1,363,387)

STATEMENT OF FINANCIAL POSITION

The audited Statement of Financial Position of the Company as at 31 March 2023 and the unaudited Statement of Financial Position of the Company as at 30 September 2023 are set out below:

	Notes	<i>Audited</i> As at 31 March 2023 £	<i>Unaudited</i> As at 30 September 2023 £
Fixed assets			
Right-of-use assets	13	—	9,600,000
Intangible assets	8	—	14,105,463
		—	23,705,463
Current assets			
Other receivables	9	174,240	879,034
Cash at bank and in hand		2,716,725	1,176,218
		2,890,965	2,055,252
Current liabilities	10,13	(169,961)	(10,520,227)
Net current liabilities		2,721,004	(8,464,975)
Total assets less current liabilities		2,721,004	15,240,448
Non-current liabilities			
Zero Coupon Convertible Bonds	11	(2,848,543)	(4,658,276)
Loans from group undertakings	12	—	(4,968,100)
		(2,848,543)	(9,626,376)
Net assets		(127,539)	5,614,112
Capital and reserves			
Called up share capital	14	32,400	32,400
Equity reserve	15	332,017	7,437,055
Profit and loss reserves		(491,956)	(1,855,343)
Total equity		(127,539)	5,614,112

STATEMENT OF CHANGES IN EQUITY

The unaudited Statements of Changes in Equity of the Company for the six-month period ended 30 September 2022, the six-month period ended 31 March 2023 and the six-month period ended 31 March 2023 are set out below:

	Notes	Share capital £	Equity reserve £	Profit and loss reserves £	Total £
As at 1 April 2022 <i>(unaudited)</i>		32,400	—	(91,702)	(59,302)
Loss and total comprehensive income for the period		—	—	—	—
As at 30 September 2022 <i>(unaudited)</i>		32,400	—	(91,702)	(59,302)
Loss and total comprehensive income for the period		—	—	(400,254)	(400,254)
Issue of Zero Coupon Convertible Bonds	14,15	—	332,017	—	332,017
As at 31 March 2023 <i>(audited)</i>		32,400	332,017	(491,956)	(127,539)
Loss and total comprehensive income for the period		—	—	(1,363,387)	(1,363,387)
Other movements		—	7,000,000	—	7,000,000
Equity component of Zero Coupon Convertible Bonds issued	14,15	—	105,038	—	105,038
As at 30 September 2023 <i>(unaudited)</i>		32,400	7,437,055	(1,855,343)	5,614,112

STATEMENTS OF CASH FLOWS

The unaudited Statements of Cash Flows of the Company for the six-month period ended 30 September 2022 and the six-month period ended 30 September 2023 are set out below:

	<i>Unaudited</i> Period ended 30 September 2022 £	<i>Unaudited</i> Period ended 30 September 2023 £
<i>Operating loss</i>	—	(1,363,387)
<i>Adjustments for:</i>		
Finance income	—	(520)
Finance costs		753,772
Movement in trade and other receivables	—	(186,694)
Movement in trade and other payables	—	1,350,785
<i>Cash from operations</i>	—	553,956
Net cash used in operating activities	—	553,956
Purchase of intangible assets	—	(2,105,463)
Lease deposits paid to ETL and EC1 Property Management Limited		(1,150,000)
Net cash used in investing activities	—	(3,255,463)
Proceeds from issue of shares	500	—
Proceeds from issue of convertible loans	—	1,161,000
Net cash from financing activities	500	1,161,000
Net cash outflow	500	(1,540,507)
<i>Cash b/fwd</i>	—	2,716,725
Cash c/fwd	500	1,176,218

NOTES TO THE COMPANY INTERIM FINANCIAL INFORMATION

1. Company Information

The Company is a private company limited by shares incorporated in England and Wales. The registered office is 2nd Floor, Nicola Jane House, Southern Gate, Chichester, West Sussex PO19 8SE.

2. Basis of preparation

The Company Interim Financial Information is for the six-month period ended 30 September 2023, being six months from the financial year end of the Company, being 31 March 2023. The Company Interim Financial Information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company Financial Information.

The Company Interim Financial Information is unaudited. The Company Interim Financial Information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The Company Interim Financial Information has been prepared on the historical cost basis, except for assets and liabilities measured at fair value through profit and loss, and are presented in £, which is the currency of the primary economic environment in which the Company operates. All amounts have been rounded to the nearest £, unless otherwise stated.

2.1 Accounting convention

The Company Interim Financial Information has been prepared in accordance with International Accounting Standard 34 *“Interim Financial Reporting”* (IAS 34).

2.2 Accounting policies

The Company Interim Financial Information has been prepared using applicable accounting policies and practices consistent with those adopted in the Company Financial Information set out in Section (B) *“Historical Financial Information of the Company”* of Part V *“Financial Information”* of this document, say for the following:

2.3 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial, and financial feasibility can be demonstrated.

2.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation will be recognised so as to write off the cost of assets less their residual values over their useful lives once the relevant assets are brought into use. The Directors do not expect this to begin before 2026.

2.5 Leased assets

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time, in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: an identified physically distinct asset can be identified; and the Company has the right to obtain substantially all of the economic benefits from the asset throughout the period of use and has the ability to direct the use of the asset over the lease term being able to restrict the usage of third parties as applicable.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonably certain to access that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove, or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. When the Company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the revised discount rate applicable at the date of estimation. An equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

Where the Company leases contain variable payment terms, payments determined as variable are treated as a charge to the income statement and not capitalised. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term.

2.6 Impairment of fixed assets

At each reporting period end date, the Directors review the carrying amounts of the Company's tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Directors estimate the recoverable amount of the Company's cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

2.7 Going concern

The Company's business activities including the proposed development of the Tunnels, together with the factors likely to affect this future development, including the timing of the project to start generating revenues have been discussed by the Directors. The Company has the financial resources based on commitments by investors which are expected to include a fund raising in Q4 2023 to achieve the ownership and development of the Tunnels without the requirement to borrow further money.

As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the Company Interim Financial Information.

3. Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both periods.

4. Turnover and other revenue

The Company is at a pre revenue stage and hence turnover to date is £nil.

	<i>Unaudited</i> Six-month period ended 30 September 2022 £	<i>Unaudited</i> Six-month period ended 30 September 2023 £
Other revenue		
Interest receivable and similar income	—	520
Other revenue	—	520

5. Employees

The average monthly number of persons (including the Directors) employed by the Company during the period was:

	<i>Unaudited</i> Six-month period ended 30 September 2022 Number	<i>Unaudited</i> Six-month period ended 30 September 2023 Number
Employee	6	5

Their aggregate remuneration comprised:

	<i>Unaudited</i> Six-month period ended 30 September 2022 £	<i>Unaudited</i> Six-month period ended 30 September 2023 £
Wages and salaries	—	66,271
Social security costs	—	8,399
	<u>—</u>	<u>74,670</u>

6. Interest payable and similar expenses

	<i>Unaudited</i> Six-month period ended 30 September 2022 £	<i>Unaudited</i> Six-month period ended 30 September 2023 £
Other finance costs:		
Zero Coupon Convertible Bond finance costs	—	753,772

7. Taxation

The actual charge for the period can be reconciled to the expected credit for the period based on the profit or loss and the standard rate of tax as follows:

	<i>Unaudited</i> Six-month period ended 30 September 2022 £	<i>Unaudited</i> Six-month period ended 30 September 2023 £
Loss before taxation	—	(1,363,387)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00 per cent (2022: 19.00 per cent)	—	(259,044)
Unutilised tax losses carried forward	—	259,044
Taxation charge for the period	<u>—</u>	<u>—</u>

8. Intangible fixed assets

	Intellectual property £	Development costs £	Total £
Cost			
As at 31 March 2023 (<i>audited</i>)	—	—	—
Additions	12,000,000	2,105,463	14,105,463
As at 30 September 2023 (<i>unaudited</i>)	12,000,000	2,105,463	14,105,463
Amortisation and impairment			
As at 31 March 2023 (<i>audited</i>)	—	—	—
Charge for the period	—	—	—
As at 30 September 2023 (<i>unaudited</i>)	—	—	—
Carrying amount			
As at 30 September 2023 (<i>unaudited</i>)	12,000,000	2,105,463	14,105,463
As at 31 March 2023 (<i>audited</i>)	—	—	—

9. Other receivables

	<i>Audited</i> As at 31 March 2023 £	<i>Unaudited</i> As at 30 September 2023 £
Amounts falling due within one year:		
Amounts owed by group undertakings	31,900	583,608
Other receivables	65,740	288,280
Prepayments and accrued income	76,600	7,146
	<u>174,240</u>	<u>879,034</u>

10. Current liabilities

	<i>Audited</i> As at 31 March 2023 £	<i>Unaudited</i> As at 30 September 2023 £
Trade payables	149,254	1,503,885
Taxation and social security	707	6,342
Accruals and deferred income	20,000	10,000
Lease liabilities (note 13)	—	9,000,000
	<u>169,961</u>	<u>11,120,227</u>

11. Zero Coupon Convertible Bonds

	Audited As at 31 March 2023 £	Unaudited As at 30 September 2023 £
Zero Coupon Convertible Bonds	2,848,543	4,658,276

On 28 November 2022, the Company created 6,000 unsecured Zero Coupon Convertible Bonds of £600 each. The Zero Coupon Convertible Bonds are repayable on 30 September 2024 at an agreed price of £1,000 per Zero Coupon Convertible Bond plus £0.60 per Zero Coupon Convertible Bonds conversion price. The conversion price will be withheld by the Company and converted into Ordinary Shares such that for every 5 Zero Coupon Convertible Bonds redeemed the Company will issue 3 Ordinary Shares fully paid.

During the period ended 31 March 2023, the Company issued 5,000 of the Zero Coupon Convertible Bonds for £3,000,000 in five separate tranches between the date of the instrument and the accounting period end.

On 12 April 2023, the Company issued the final 1,000 Zero Coupon Convertible Bonds for £600,000.

On 11 September 2023, the Company created 1,200 unsecured Zero Coupon Convertible Bonds of £600 each. The Zero Coupon Convertible Bonds are repayable on 30 September 2024 at an agreed price of £1,000 per Zero Coupon Convertible Bond, plus £1.75 per Zero Coupon Convertible Bonds conversion price. The conversion price will be withheld by the Company and converted into Ordinary Shares such that for every 4 Zero Coupon Convertible Bonds redeemed, the Company will issue 7 Ordinary Shares fully paid.

On 14 September 2023, the Company issued 935 Zero Coupon Convertible Bonds for £561,000.

The net proceeds received from the issue of the Zero Coupon Convertible Bonds have been split between the financial liability element and an equity component, representing the fair value of the embedded option to convert part of the financial liability into equity.

The liability component of the Zero Coupon Convertible Bonds is measured at amortised cost, and the difference between the carrying amount of the liability at the date of issue and the amount reported in the Statement of Financial Position represents the effective interest rate less interest paid to that date.

The effective rate of interest is [●] per cent.

The equity component of the Zero Coupon Convertible Bonds has been credited to the "Equity reserve" within "equity" on the Statement of Financial Position.

12. Loans from group undertakings

	Audited As at 31 March 2023 £	Unaudited As at 30 September 2023 £
Cupcake Partners Limited	—	4,968,100

The loan from Cupcake Partners Limited does not bear interest and is repayable in full at an agreed future date. The directors of Cupcake Partners Limited have confirmed that there is no intention for repayment to be required within 12 months of approval of this document.

13 Leases

Right-of use assets

	Leasehold property £	Total £
Cost		
As at 31 March 2023 (<i>audited</i>)	—	—
Additions	9,600,000	9,600,000
	<u>9,600,000</u>	<u>9,600,000</u>
As at 30 September 2023 (<i>unaudited</i>)	9,600,000	9,600,000
Depreciation		
As at 31 March 2023 (<i>audited</i>)	—	—
Charge for the period	—	—
As at 30 September 2023 (<i>unaudited</i>)	—	—
Net book value		
As at 30 September 2023 (<i>unaudited</i>)	9,600,000	9,600,000
As at 31 March 2023 (<i>audited</i>)	—	—

Lease liabilities

	Leasehold property £	Total £
Cost		
As at 31 March 2023 (<i>audited</i>)	—	—
Additions	9,600,000	9,600,000
	<u>9,600,000</u>	<u>9,600,000</u>
As at 30 September 2023 (<i>unaudited</i>)	9,600,000	9,600,000
Lease payments		
As at 31 March 2023 (<i>audited</i>)	—	—
Paid during the period	(600,000)	(600,000)
	<u>(600,000)</u>	<u>(600,000)</u>
As at 30 September 2023 (<i>unaudited</i>)	(600,000)	(600,000)
Lease liability		
As at 30 September 2023 (<i>unaudited</i>)	9,000,000	9,000,000
As at 31 March 2023 (<i>audited</i>)	—	—

Reconciliation of current and non-current lease liabilities

	Audited As at 31 March 2023	Unaudited As at 30 September 2023
Current	—	9,000,000
Non-current	—	—
Total	<u>—</u>	<u>9,600,000</u>

14. Share capital

	As at 31 March 2023 Number	As at 30 September 2023 Number	As at 31 March 2023 £	As at 30 September 2023 £
Ordinary Shares issued and fully paid				
Ordinary Shares of £1 each	32,400	32,400	32,400	32,400

15. Equity reserve

In the period ended 30 September 2023, an amount of £105,038 has been credited to “equity reserve” as the fair value of the non-liability element of the Zero Coupon Convertible Bonds issued in the period (31 March 2023: £332,017).

16. Financial commitments, guarantees and contingent liabilities

The Company is seeking to obtain planning permission for a venue from which to establish and operate the business in future. The outcome of this application is currently uncertain. Should the planning process be successful, professional fees totalling £1,494,768 (31 March 2023: £1,494,768) will become payable.

17. Events after the reporting date

On 26 October 2023, the Company undertook a share split such that its Ordinary Shares of £1.00 each were converted at a ratio of 1 ordinary share to 1,000 new Ordinary Shares, resulting in a new nominal value of £0.001. The share split was approved by the Shareholders by ordinary resolution.

On 2 November 2023, the Company re-registered as a PLC.

18. Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	<i>Unaudited</i> Six-month period ended 30 September 2022 £	<i>Unaudited</i> Six-month period ended 30 September 2023 £
Aggregate compensation	—	74,670

Transactions with related parties

During the period, the Company entered into the following transactions with related parties:

	<i>Unaudited</i> Six-month period ended 30 September 2022 £	<i>Unaudited</i> Six-month Period ended 30 September 2023 £
Client Services (Global) Limited	102,000	322,835

In addition to the amounts charged by Client Services (Global) Limited shown above, there are contingent liabilities of £1,494,768 (31 March 2023: £1,494,768) payable to Client Services (Global) Limited upon the granting of planning permission for the Company’s planned development by the authorities.

	Period ended 31 March 2023 £	Period ended 30 September 2023 £
Amounts due from related parties		
Cupcake Partners Limited	31,900	—
Amounts due to related parties		
Cupcake Partners Limited	—	4,968,100
Client Services (Global) Limited	40,800	58,800

The following amounts were outstanding at the reporting date:

Amounts due from related parties

	<i>Audited</i> As at 31 March 2023 £	<i>Unaudited</i> As at 30 September 2023 £
ETL	—	733,608
EC1 Property Management Limited	—	450,000

19. Nature of the Company Interim Financial Information

The Company Interim Financial Information presented above does not constitute statutory financial statements for the period under review.

SECTION (D) CAPITALISATION AND INDEBTEDNESS OF THE COMPANY

Capitalisation of the Company

The following table shows the Company's capitalisation as at 30 September 2023, as extracted from the Company's unaudited management information as at that date:

	<i>Unaudited</i> As at 30 September 2023 £
Total Current Debt	
– Guaranteed	[●]
– Secured	[●]
– Unguaranteed/unsecured	[●]
Total Non-Current Debt (excluding current portion of long-term debt)	
– Guaranteed	[●]
– Secured	[●]
– Unguaranteed/unsecured	[●]
Shareholder's Equity	
Share capital	[32,400]
Equity reserve	[7,437,055]
Profit and loss reserves	[(1,855,343)]
Total capitalisation	<u>[5,614,112]</u>

There has been no material change in the Company's capitalisation since 30 September 2023.

Indebtedness of the Company

The following table shows the Company's indebtedness as at 30 September 2023, as extracted from the Company's unaudited management information as at that date:

	<i>Unaudited</i> As at 30 September 2023 £
Cash	1,176,218
Cash equivalent	—
Trading securities	—
Liquidity (A) + (B) + (C)	<u>1,176,218</u>
Current financial receivable	1,183,608
Current bank debt	—
Current portion of non-current debt	[●]
Other current financial debt	[●]
Current Financial Debt (F) + (G) + (H)	<u>[●]</u>
Net Current Financial Indebtedness (I) – (E) – (D)	<u>[●]</u>
Non-current bank loans	—
Bonds issued	4,658,276
Other non-current loans	4,968,100
Non-current Financial Indebtedness (K) + (L) + (M)	<u>9,626,376</u>
Net Financial Indebtedness (J) + (N)	<u>[●]</u>

There has been no material change in the Company's indebtedness since 30 September 2023.

PART VI

THE SUBSCRIPTION AND PLACING

1. Subscription

The Company entered into the Subscription Agreements with the Subscribers on [●] 2023 pursuant to which the Company conditionally agreed to issue an aggregate of [●] new Ordinary Shares to the Subscribers at the Issue Price (the Subscription Shares), raising gross proceeds of £[●] and net proceeds of £[●] (after payment of outstanding costs incurred in connection with the Subscription, Placing and Admission). Completion of the Subscription, including the issuance of such Subscription Shares to the Subscribers is conditional on, *inter alia*, Admission. Based on the price paid by Subscribers in the Subscription, the implied market capitalisation of the Company on Admission will be approximately £[●].

The subscription monies payable by the Subscribers under the Subscription Agreements became payable on execution of the Subscription Agreement and as such the Company is holding or will hold such subscription monies pending Admission when the Ordinary Shares will be issued and allotted to the Subscribers. If Admission does not occur by [●] 2023, the subscription monies will be returned by the Company to the Subscribers.

The Subscribers constitute approximately [●] institutional and other investors. Subscriptions by the Subscribers have been procured by the Company.

Immediately following Admission, the Subscription will represent [●] per cent. of the Company's issued share capital (as enlarged by the Subscription Shares and the Conversion Shares) and will rank *pari passu* with the Ordinary Shares in all respects including, without limitation, in relation to any dividends and other distributions declared, paid or made following Admission.

Application has been made for the existing Ordinary Shares, the Subscription Shares and the Conversion Shares to be admitted to the standard segment of the Official List and to trading on London Stock Exchange's Main Market for listed securities. Settlement and admission of the new Ordinary Shares issued under the Subscription to the Subscribers is expected to take place on Admission.

2. Placing

The Company has received Letters of Intent from investors intending to invest in aggregate £[●] in the Placing immediately following Admission. Investors will be invited to place orders with the Company and/or the Joint Brokers to subscribe for Placing Shares at the Issue Price within the period up to [●] days following Admission (unless extended by agreement between the Company, SPARK, Oberon and VSA). The Placing may be completed in a series of tranches. On completion of each tranche, the number of Placing Shares issued and confirmation of admission to trading will be announced by the Company. A further announcement will be made to confirm the closing of the Placing and the aggregate number of Placing Shares issued and admitted to trading.

The maximum number of Placing Shares will be [●]. Therefore, the maximum amount that can be raised under the Placing will be £[●].

The Placing is not being underwritten.

If the Placing is extended, it will close in any event no later than [date – 90 days following Admission] 2024.

Upon completion of the Placing, the Placing Shares will represent up to [●] per cent. of the Company's issued share capital (as enlarged by the Placing) and will rank *pari passu* with the Ordinary Shares in all respects including, without limitation, in relation to any dividends and other distributions declared, paid or made following Admission.

3. Admission, dealings and CREST

Application has been made to the FCA for the ordinary Shares to be admitted to the Standard Listing segment of the Official List and to the London Stock Exchange for such shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

Admission is expected to take place and unconditional dealings in the Ordinary Shares are expected to commence on the London Stock Exchange at 8.00 a.m. on ●2023 (or such later date as may be agreed by the Company and its Brokers being not later than 8.00 a.m. on [●] 2024). Dealings on the London Stock Exchange before Admission will only be settled if Admission takes place. All dealings in Ordinary Shares prior to commencement of unconditional dealings will be at the sole risk of the parties concerned. Further applications will be made for the Placing Shares to be admitted to the standard segment of the Official List and to trading on London Stock Exchange's Main Market for listed securities.

CREST is the system for paperless settlement of trades in listed securities. CREST allows securities to be transferred from one person's CREST account to another's without the need to use share certificates or written instruments of transfer in accordance with the CREST Regulations.

The Articles permit the holding of Ordinary Shares in uncertificated form under the CREST system. Application has been made for the Ordinary Shares to be admitted to CREST with effect from Admission. It is anticipated that the New Ordinary Shares allotted under the Subscription and Placing will be delivered in uncertificated form and settlement and dealings will take place through CREST on Admission. No temporary documents of title will be issued. All documents sent by or to a Shareholder, or at their direction, will be sent through the post at the Shareholder's risk. Pending the despatch of definitive share certificates, instruments of transfer will be certified against the register of members of the Company.

Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST System if any Shareholder so wishes. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

4. Withdrawal rights in the event of the publication of a supplementary prospectus

If the Company is required to publish any supplementary prospectus, investors who have applied for Placing Shares under the Placing will have at least two clear Business Days following publication of the relevant supplementary prospectus to withdraw their application to acquire Placing Shares in its entirety. The right to withdraw an application to subscribe for or acquire Placing Shares in these circumstances will be available to all investors. If an application to acquire Placing Shares under the Placing is not withdrawn within the stipulated period, such application will remain valid and binding. Details of how to withdraw an application will be made available if a supplementary prospectus is published.

5. Selling and transfer restrictions

The distribution of this Prospectus and the offering, issue and on-sale of Ordinary Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions, including those described below. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

None of the Ordinary Shares may be offered for subscription, sale, purchase or delivery, and neither this Prospectus nor any other offering material in relation to the Ordinary Shares may be circulated in any jurisdiction where to do so would breach any securities laws or regulations of any such jurisdiction or give rise to an obligation to obtain any consent, approval or permission, or to make any application, filing or registration.

PART VII

ADDITIONAL INFORMATION

1. RESPONSIBILITY

The Company, whose registered office appears on page [●] of this document, and each of the Directors, whose names and business functions appear on page [●] of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document contains no omission likely to affect its import.

2. THE COMPANY

- 2.1 The Company was incorporated in England and Wales on 27 January 2021 with registered number 13160590 under Companies Act as a private company limited by shares with the name London Light Line Limited. On 10 March 2023, the Company changed its name to The London Tunnels Limited. On 2 November 2023, the Company re-registered as a public company limited by shares and changed its legal and commercial name to The London Tunnels PLC.
- 2.2 The principal legislation under which the Company operates is the Companies Act. The liability of the members is limited to the amount, if any, unpaid on the shares respectively held by them.
- 2.3 The Company's registered office is 2nd Floor, Nicola Jane House, Southern Gate, Terminus Road, Chichester, West Sussex, PO19 8SE and the telephone number is +44 (0)12 4379 0298.
- 2.4 The legal entity identifier (LEI) of the Company is 2138004SGDBMQ6VPDI31 and its SEDOL is BS28ZN5. The ISIN of the Ordinary Shares is GB00BS28ZN53.
- 2.5 The website of the Company is www.thelondontunnels.com. Information on the Company's website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.
- 2.6 The Company does not have any subsidiaries or investments or any investments in progress.

3. ISSUED SHARE CAPITAL

- 3.1 The issued share capital of the Company as at the date of this Prospectus and on Admission is as follows:

	Number of Ordinary Shares allotted and fully paid	Nominal value of Ordinary Shares (£)
On the date of this Prospectus	59,075,000	59,075
On Admission	[●]	[●]

- 3.2 The history of the share capital prior to Admission is as follows:

- (a) The Company entered into:
- (i) a zero coupon convertible bond instrument on 28 November 2022, as amended by the deed of consent and variation between the Company and Private Equity ESG Fund Inc (PEF) on 11 September 2023 (**2022 Bond Instrument**);
 - (ii) a zero coupon convertible bond instrument on 11 September 2023 (**First 2023 Bond Instrument**); and
 - (iii) a zero coupon convertible bond instrument on 12 October 2023 (**Second 2023 Bond Instrument**),
- and granted a number of zero coupon convertible bonds (**Zero Coupon Convertible Bonds**) to PEF, further details of which are set out in paragraph 3.2(d) and 5 below.

- (b) The Company's authorised share capital on 28 September 2023 was 50,000 ordinary shares of £1.00 each held by Cupcake Partners Limited.
- (c) The Company entered into a convertible bond instrument on 6 October 2023 (**Original Convertible Bond Instrument**) and an amendment deed to the Original Convertible Bond Instrument on 26 October 2023 (together the **Convertible Bond Instrument**). The Company granted a number of convertible bonds (**Convertible Bonds**) to a number of investors (**Convertible Bondholders**), under the Convertible Bond Instrument, that are convertible automatically on Admission, further details of which are set out in paragraph 11.6 below.
- (d) Under the:
- (i) 2022 Bond Instrument, the Company issued 6,000 Zero Coupon Convertible Bonds of £600 each to PEF, redeemable partly in cash in 2025 and partly in shares, with the redemption price used to subscribe for new Ordinary Shares. Share redemption for all of these Zero Coupon Convertible Bonds took place on 26 October 2023, pursuant to a letter agreement between the Company and PEF dated 24 October 2023 (**Letter Agreement**), resulting in the issue of 5,556 new Ordinary Shares (before the share split below) in the Company;
 - (ii) First 2023 Bond Instrument, the Company issued 1,200 unsecured Zero Coupon Convertible Bonds of £600 each to PEF, redeemable partly in cash in 2025 and partly in shares, with the redemption price used to subscribe for new Ordinary Shares. Share redemption for all of these Zero Coupon Convertible Bonds took place on 26 October 2023, pursuant to the Letter Agreement, resulting in the issue of 3,241 new Ordinary Shares in the Company (before the share split below); and
 - (iii) Second 2023 Bond Instrument, the Company issued 400 unsecured Zero Coupon Convertible Bonds of £600 each to PEF, redeemable partly in cash in 2025 and partly in shares, with the redemption price used to subscribe for new Ordinary Shares. Share redemption for all of these Zero Coupon Convertible Bonds took place on 26 October 2023, pursuant to the Letter Agreement, resulting in the issue of 278 new Ordinary Shares in the Company (before the share split below).

Further details of the Zero Coupon Convertible Bonds are set out in paragraph 5 below.

- (e) On 26 October 2023, the Company undertook a share split so that its ordinary shares of £1.00 each were converted at a ratio of 1 ordinary share to 1,000 new Ordinary Shares, resulting in a new nominal value of £0.001. The share split was approved by the Shareholders by ordinary resolution. The issued share capital immediately before and after the share split was as follows:

Shareholders	Ordinary Shares held immediately before the share split	Ordinary Shares held immediately after the share split
Cupcake Partners Limited	50,000	50,000,000
Private Equity (ESG) Fund Inc	9,075	9,075,000

- (f) The Company re-registered as a public limited company under the Companies Act on 2 November 2023 and changed its legal and commercial name to The London Tunnels PLC. The re-registration was approved by the Shareholders at the time by special resolution and new articles of association, being the Articles, were adopted. At the same time the Company passed resolution authorising the directors to issue up to a further aggregate nominal amount of £147,550, representing 100% of the Company's enlarged share capital following Admission, and disapplying pre-emption rights in relation to up to a further aggregate nominal amount of £147,550, representing 100% of the Company's enlarged share capital following Admission.

- (g) The Company entered into the Subscription Agreements with the Subscribers on [●] 2023 pursuant to which the Company conditionally agreed to issue [an aggregate of] [●] new Ordinary Shares to the Subscribers at the Issue Price.
- 3.3 The issue of [the Subscription Shares and] the shares on conversion of the Convertible Bonds on Admission will result in the Ordinary Shares on the date of this Prospectus being diluted so as to constitute approximately [●] per cent. of the enlarged issued share capital of the Company.
- 3.4 There are no shares in the Company's share capital that do not represent capital. The Company does not hold any shares in treasury.
- 3.5 On Admission, there will be no convertible securities, exchangeable securities or securities with warrants in the Company.
- 3.6 No capital has been paid for with assets other than cash within the period covered by the historical financial information.
- 3.7 There are no shares in the Company held by or on behalf of the Company itself.
- 3.8 There are no acquisition rights or obligations in relation to the issue of Ordinary Shares in the capital of the Company or an undertaking to increase the capital of the Company.
- 3.9 No capital of the Company is under option or agreed conditionally or unconditionally to be put under option.
- 3.10 In accordance with Companies Act, the Company has no limit on its authorised share capital.

4. SHARE CAPITAL AND OTHER AUTHORITIES

- 4.1 The Company passed written resolutions of the Shareholders of the Company on 26 October 2023, which provided that, amongst other resolutions:
- (a) the Company may undertake a share split so that the Ordinary Shares could be converted at a share split ratio of 1 ordinary share to 1,000 Ordinary Shares, from £1 nominal value to £0.001 nominal value. The share split was approved by the Shareholders by ordinary resolution;
- (b) conditional upon, and with effect from, Admission, in accordance with section 551 of the Companies Act, the Directors be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal value of £14,900, provided that this authority shall, unless renewed, varied or revoked by the Company, expire on 30 June 2024 save that the Company may, before such expiry, make offers or enter into agreements which would or might require shares to be allotted and the Directors may allot shares in pursuance of such offers or agreements notwithstanding that the authority conferred by this resolution has expired. This authority revokes and replaces all unexercised authorities previously granted to the Directors but without prejudice to any allotment of shares already made or offered or agreed to be made pursuant to such authorities. These shareholder authorities allow for, amongst others:
- (i) the conversion of the Convertible Bonds into Ordinary Shares on Admission;
- (ii) the issue of the Subscription Shares under the Subscription Agreements on Admission; and
- (iii) any raising up to a further £25 million by way of a series of placings, administered by the Company's broker, of up to 12,500,000 new Ordinary Shares at the Issue Price to take place at Admission and/or over a period of 60 days following Admission; and
- (c) the directors may issue up to a further aggregate nominal amount of £147,550, representing 100% of the Company's enlarged share capital following Admission, and disapplying pre-emption rights in relation to up to a further aggregate nominal amount of £147,550, representing 100% of the Company's enlarged share capital following Admission.

- 4.2 The Company held a general meeting of the Shareholders of the Company on 13 November 2023, which provided that subject to Admission, the Company be generally and unconditionally authorised for the purpose of section 701 of the Companies Act to make market purchases (within the meaning of section 693(4) of the Companies Act) of ordinary shares of £0.001 each in the capital of the Company on such terms and in such manner as the directors may from time to time determine, provided that:
- (a) The maximum aggregate number of ordinary shares which may be purchased is 11,433,750, (being approximately 15% of the Company's enlarged issued ordinary share capital following Admission and the associated fundraising to take place thereafter).
 - (b) The minimum price (excluding expenses) which may be paid for each ordinary share is £0.001.
 - (c) The maximum price (excluding expenses) which may be paid for each ordinary share is the price of an ordinary share on Admission.
- 4.3 The authority conferred by this resolution shall expire (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the Company's next annual general meeting or, if earlier, on 30 June 2024.
- 4.4 Save as disclosed above in this Part VII and in Part VI:
- (a) no share or loan capital of the Company has, within three years of the date of this document, been issued or agreed to be issued, or is now proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash, to any person;
 - (b) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital of the Company; and
 - (c) no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.
- 4.5 The Company remains subject to the provisions of section 561 of the Companies Act (which confers on Shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash other than by way of allotment to employees under an employees' share scheme as defined in section 1166 of the Companies Act) which will apply to any further issuances of share capital of the Company, save to the extent disappplied.

5. ZERO COUPON CONVERTIBLE BONDS

5.1 The Company entered into:

- (a) a zero coupon convertible bond note on 28 November 2022, as amended by the deed of consent and variation between the Company and Private Equity ESG Fund Inc (**PEF**) on 11 September 2023 (**2022 Bond Instrument**);
- (b) a zero coupon convertible bond note on 11 September 2023 (**First 2023 Bond Instrument**); and
- (c) a zero coupon convertible bond instrument on 12 October 2023 (**Second 2023 Bond Instrument**).

5.2 The Company has granted the following zero coupon convertible bonds (**Zero Coupon Convertible Bonds**) to PEF:

5.3 under the 2022 Bond Instrument:

- (a) £600,000 unsecured Zero Coupon Convertible Bonds issued on 22 December 2022;
- (b) £600,000 unsecured Zero Coupon Convertible Bonds issued on 3 January 2023;
- (c) £600,000 unsecured Zero Coupon Convertible Bonds issued on 17 January 2023;
- (d) £600,000 unsecured Zero Coupon Convertible Bonds issued on 3 March 2023;
- (e) £600,000 unsecured Zero Coupon Convertible Bonds issued on 3 March 2023; and

- (f) £600,000 unsecured Zero Coupon Convertible Bonds issued on 13 April 2023;
 - (g) under the First 2023 Bond Instrument:
 - (i) £561,000 unsecured Zero Coupon Convertible Bonds issued on 13 September 2023; and
 - (ii) £159,000 unsecured Zero Coupon Convertible Bonds issued on 11 October 2023; and
 - (h) under the Second 2023 Bond Instrument:
 - (i) £120,000 unsecured Zero Coupon Convertible Bonds issued on 18 October 2023; and
 - (i) £60,000 unsecured Zero Coupon Convertible Bonds issued on 20 October 2023.
- 5.4 The Zero Coupon Convertible Bonds under the 2022 Bond Instrument are governed by the 2022 Bond Instrument, the Zero Coupon Convertible Bonds under the First 2023 Bond Instrument are governed by the First 2023 Bond Instrument and the Zero Coupon Convertible Bonds under the Second 2023 Bond Instrument are governed by the Second 2023 Bond Instrument.
- 5.5 The Zero Coupon Convertible Bonds were partially redeemed on 26 October 2023, as a share redemption pursuant to a letter agreement between the Company and PEF dated 24 October 2023 (Letter Agreement). Under the Letter Agreement, the Company agreed to apply an increase ratio of 1.54321 to the shares due on conversion of the Zero Coupon Convertible Bonds' instruments, due to the Company allotting on 28 September 2023 a further 17,600 new ordinary shares at £1.00 each to Cupcake Partners Limited to ensure the Company had the required £50,000 of nominal share capital required to be re-registered as a public company (**Increase Ratio**). The Zero Coupon Convertible Bonds were partially redeemed as follows:
- (a) the Zero Coupon Convertible Bonds under the 2022 Bond Instrument were redeemed at a redemption price of £0.60 per Zero Coupon Convertible Bond. These Zero Coupon Convertible Bonds were subscribed for ordinary shares by PEF so that for every 5 Zero Coupon Convertible Bonds subject to the share redemption, the Company issued 3 ordinary shares of £1 each, so that PEF was issued 5,556 Ordinary Shares under the 2022 Bond Instrument (following application of the Increase Ratio);
 - (b) the Zero Coupon Convertible Bonds under the First 2023 Bond Instrument were redeemed at a redemption price of £1.75 per Zero Coupon Convertible Bond. These Zero Coupon Convertible Bonds were subscribed for ordinary shares by PEF so that for every 4 Zero Coupon Convertible Bonds subject to the share redemption, the Company issued 7 ordinary shares of £1 each, so that PEF was issued 3,241 ordinary shares under the First 2023 Bond instrument (following application of the Increase Ratio); and
 - (c) the Zero Coupon Convertible Bonds under the Second 2023 Bond Instrument were redeemed at a redemption price of £0.60 per Zero Coupon Convertible Bond. These Zero Coupon Convertible Bonds were subscribed for ordinary shares by PEF so that for every 5 Zero Coupon Convertible Bonds subject to the share redemption, the Company issued 3 ordinary shares of £1 each, so that PEF was issued 278 Ordinary Shares under the Second 2023 Bond Instrument (following application of the Increase Ratio).
- 5.6 Full redemption of the Zero Coupon Convertible Bonds is not due until 2025 and are redeemable at £1,000 per Zero Coupon Convertible Bond.

6. OBJECTS OF THE COMPANY

The Company's objects are unrestricted.

7. INFORMATION ON THE ORDINARY SHARES

The Ordinary Shares are fully paid ordinary shares in the share capital of the Company with a nominal value of £0.001 each. The Ordinary Shares have been created under the Companies Act and the Articles of Association. On Admission, the Company will have one class of ordinary shares.

7.1 Admission

- (a) Application has been made to the FCA and to London Stock Exchange respectively for admission of all of the existing Ordinary Shares and the Placing Shares: (i) to the Standard Listing segment of the Official List; and (ii) to London Stock Exchange's Main Market for listed securities.
- (b) It is expected that Admission will become effective and that dealings in the existing Ordinary Shares and the Placing Shares will commence on London Stock Exchange at 8.00 a.m. (London time) on [●] 2023.
- (c) No application will be made for the Ordinary Shares and the Placing Shares to be admitted to listing or dealt with on any other stock exchange. The Ordinary Shares will not be admitted to trading on any stock exchange other than London Stock Exchange's Main Market for listed securities.

7.2 Form and currency of the Ordinary Shares

- (a) The Ordinary Shares are in registered form and, from Admission, will be capable of being held in uncertificated form, and title to such shares may be transferred by means of a relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) as amended from time to time, the **CREST Regulations**). Where Ordinary Shares are held in certificated form, share certificates will be sent to the registered members' registered addresses within 10 business days of Admission by standard post (by first class post to UK addresses and standard airmail to non-UK Addresses). Where Ordinary Shares are held in CREST, the relevant CREST stock account of the registered members will be credited on the date of Admission.
- (b) The Ordinary Shares are denominated in pounds sterling.

7.3 Description of restrictions on free transferability

- (a) The Ordinary Shares are freely transferable.
- (b) The Company may, under the Articles of Association and the Companies Act send out statutory notices to those it knows, or has reasonable cause to believe, have an interest in its shares, asking for details of those who have an interest, and the extent of their interest, in a particular holding of shares. When a person receives a statutory notice and fails to provide any information required by the notice within the time specified in it, the Company can apply to a court for an order directing, amongst other things, that any transfer of the shares which are the subject of the statutory notice is void.
- (c) The Directors may also, without giving any reason, refuse to register the transfer of any certificated Ordinary Shares which, among other things, are not fully paid.

8. ARTICLES OF ASSOCIATION

The Articles of Association, which were adopted by a special resolution of the Company passed on 26 October 2023, contain (amongst others) provisions to the following effect:

8.1 Objects/purposes

The Articles do not provide for any objects of the Company and accordingly the Company's objects are unrestricted.

8.2 Voting rights

- (a) Subject to the provisions of the Companies Act, to any special terms as to voting on which any shares may have been issued or may from time-to-time be held and to any suspension or abrogation of voting rights pursuant to the Articles, at any general meeting, every member holding Ordinary Shares who is present in person (or, being a corporation, by representative) or by proxy shall, on a show of hands, have one vote and every member holding Ordinary Shares present in person (or, being a corporation, by representative) or by proxy shall, on a poll, have one vote for each share of which he is a holder. A shareholder entitled to more than one vote need not, if he votes, use all his votes or vest all the votes he uses the same way. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (b) Unless the Board otherwise determines, no member shall be entitled to receive any dividends or be present and vote at a general meeting or a separate general meeting of the holders of any class of shares, either in person or (save as proxy for another member) by proxy, or be reckoned in a quorum, or to exercise any other right or privilege as a member in respect of a share held by him, unless and until he shall have paid all calls for the time being due and payable by him in respect of that share, whether alone or jointly with any other person, together with interest and expenses (if any) payable by him to the Company or if he, or any other person whom the Company reasonably believes to be interested in such shares, has been issued with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares and has failed in relation to any such shares to give the Company the required information within 14 days.

8.3 Dividends

- (a) Subject to the provisions of the Companies Act and of the Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board.
- (b) Subject to the provisions of the Companies Act, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appears to the Board to be justified by the profits of the Company available for distribution. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividends as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer by the lawful payment of any interim dividend on any shares ranking after those preferential rights.
- (c) All dividends, interest or other sums payable and unclaimed for a period of twelve months after having become payable may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of twelve years after having become payable shall, if the Board so resolves, be forfeited and shall cease to remain owing by, and shall become the property of, the Company.
- (d) The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways.
- (e) The Board may also, with the prior authority of an ordinary resolution of the Company and subject to the Articles and such terms and conditions as the Board may determine, offer to holders of shares the right to elect to receive shares of the same class, credited as fully paid, instead of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution.

- (f) Unless the Board otherwise determines, the payment of any dividend or other money that would otherwise be payable in respect of shares will be withheld by the Company if such shares represent at least [0.25] per cent. in nominal value of their class and the holder, or any other person whom the Company reasonably believes to be interested in those shares, has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares and has failed to supply the required information within 14 days. Furthermore such a holder shall not be entitled to elect to receive shares instead of a dividend.

8.4 **Transfer of shares**

- (a) Subject to any applicable restrictions in the Articles, each member may transfer all or any of his shares which are in certificated form by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register of members.
- (b) The Board may, in its absolute discretion, refuse to register any transfer of a share in certificated form (or renunciation of a renounceable letter of allotment) unless:
 - (i) it is in respect of a share which is fully paid up;
 - (ii) it is in respect of only one class of shares;
 - (iii) it is in favour of a single transferee or not more than four joint transferees;
 - (iv) it is duly stamped (if so required); and
 - (v) it is deposited for registration to the registered office for the time being of the Company or such other place as the Board may from time-to-time determine, accompanied by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.
- (c) The board may refuse to register a transfer of an uncertificated share in such other circumstances as may be permitted or required by the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) and the relevant electronic system.
- (d) Unless the Board otherwise determines, a transfer of shares will not be registered if the transferor or any other person whom the Company reasonably believes to be interested in the transferor's shares has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares, has failed to supply the required information within 14 days and the shares in respect of which such notice has been served represent at least 0.25 per cent. in nominal value of their class, unless the member is not himself in default as regards supplying the information required and proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer, or unless such transfer is by way of acceptance of a takeover offer, in consequence of a sale on a recognised investment exchange or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded or is in consequence of a *bona fide* sale to an unconnected party.
- (e) If the Board refuses to register a transfer of a share, it shall send the transferee notice of its refusal, together with its reasons for refusal, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company.
- (f) No fee shall be charged for the registration of any instrument of transfer or any other document relating to or affecting the title to any shares.

8.5 Variation of rights

- (a) If at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any shares (whether or not the Company may be or is about to be wound up) may from time-to-time be varied or abrogated in such manner (if any) as may be provided in the Articles by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the relevant class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the class duly convened and held in accordance with the Act.
- (b) The quorum at every such meeting shall be not less than two persons present (in person or by proxy) holding at least one-third of the nominal amount paid up on the issued shares of the relevant class (excluding any shares of that class held as treasury shares) and at an adjourned meeting not less than one person holding shares of the relevant class or his proxy.

8.6 Alteration of share capital

The Company may, from time to time, by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into shares of larger nominal amount than its existing shares;
- (b) subject to the provisions of the Companies Act, sub-divide its shares or any of them, into shares of smaller nominal amount and may by such resolution determine that, as between the shares resulting from such a sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights or be subject to any such restrictions, as the Company has power to attach to new shares; and

8.7 General meetings

- (a) The Board may convene a general meeting (which is not an annual general meeting) whenever it thinks fit.
- (b) A general meeting shall be convened by such notice as may be required by law from time to time.
- (c) The notice of any general meeting shall include such statements as are required by the Companies Act and shall in any event specify:
 - (i) whether the meeting is convened as an annual general meeting or any other general meeting;
 - (ii) whether the meeting shall be a physical or electronic general meeting or a hybrid meeting (both physically and electronically);
 - (iii) for physical general meetings the place, the day, and the time of the meeting;
 - (iv) the general nature of the business to be transacted at the meeting;
 - (v) if the meeting is convened to consider a special resolution, the text of the resolution and the intention to propose the resolution as such; and
 - (vi) with reasonable prominence, that a member entitled to attend and vote is entitled to appoint one or (provided each proxy is appointed to exercise the rights attached to a different share held by the member) more proxies to attend and to speak and vote instead of the member and that a proxy need not also be a member.
- (d) The notice shall be given to the members (other than any who, under the provisions of the Articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the Directors and the auditors and to any other person who may be entitled to receive it. The accidental omission to give or send notice of any meeting, or, in cases where it is intended that it be given or sent out with the notice, any other document relating to the meeting including an appointment of proxy

to, or the non-receipt of either by, any person entitled to receive the same, shall not invalidate the proceedings at that meeting.

- (e) The right of a member to participate in the business of any general meeting shall include without limitation the right to speak, vote, be represented by a proxy or proxies and have access to all documents which are required by the Companies Act or the Articles to be made available at the meeting.
- (f) A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares of the Company. The Chairman of any general meeting may also invite any person to attend and speak at that meeting if he considers that this will assist in the deliberations of the meeting.
- (g) No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Subject to the Articles, two persons entitled to attend and to vote on the business to be transacted, each being a member so entitled or a proxy for a member so entitled or a duly authorised representative of a corporation which is a member so entitled, shall be a quorum. The Chairman of the meeting may, with the consent of the meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time-to-time (or indefinitely) and from place to place as the meeting shall determine. Where a meeting is adjourned indefinitely, the Board shall fix a time and place for the adjourned meeting. Whenever a meeting is adjourned for 14 days or more or indefinitely, seven clear days' notice at the least, specifying the place, the day and time of the adjourned meeting and the general nature of the business to be transacted, must be given in the same manner as in the case of the original meeting.
- (h) A resolution put to a vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result on a show of hands) a poll is duly demanded. Subject to the provisions of the Companies Act, a poll may be demanded by:
 - (i) the chairman of the meeting;
 - (ii) at least five members having the right to vote on the resolution;
 - (iii) a member or members representing not less than ten per cent. of the total voting rights of all the members having the right to vote on the resolution (excluding any voting rights attached to shares held as treasury shares); or
 - (iv) member or members holding shares conferring the right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than ten per cent. of the total sum paid up on all the shares conferring that right (excluding any voting rights attached to shares in the Company conferring a right to vote on the resolution held as treasury shares).

8.8 **Borrowing powers**

Subject to the provisions of the Companies Act, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (present and future) and uncalled capital or any part or parts thereof and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

8.9 **Issue of shares**

- (a) Subject to the provisions of the Companies Act, and to any relevant authority of the Company required by the Companies Act, the Board may allot, grant options over, offer or otherwise deal with or dispose of any new shares or rights to subscribe for or convert any security into shares, at such times and generally on such terms and conditions as the Board may decide.
- (b) Subject to the provisions of the Companies Act and to any rights for the time being attached to any existing shares, any shares may be allotted or issued with or have

attached to them such preferred, deferred or other rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Company may from time-to-time by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine and any share may be issued which is, or at the option of the Company or the holder of such share is liable to be, redeemed in accordance with the Articles or as the Directors may determine.

- (c) The business of the Company shall be managed by the Directors who, subject to the provisions of the Companies Act, the Articles and to any directions given by special resolution to take, or refrain from taking, specified action, may exercise all the powers of the Company, whether relating to the management of the business or not. Any Director may appoint any other Director, or any other person approved by resolution of the Directors and willing to act and permitted by law to do so, to be an alternate Director.

8.10 Directors' fees

- (a) The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time-to-time determine (not exceeding in aggregate £500,000 per annum or such other sum as the Company in general meeting shall from time-to-time determine). Any such fees payable shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to any other provision of the Articles or otherwise and shall accrue from day-to-day.
- (b) The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors.

8.11 Directors' interests

- (a) The Board may authorise any matter proposed to it in accordance with the Articles which would, if not so authorised, involve a breach by a Director of his duty to avoid conflicts of interest under the Companies Act, including any matter which relates to a situation in which a Director has or can have an interest which conflicts, or possibly may conflict, with the interest of the Company (including the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it but excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest). Any authorisation will only be effective if any quorum requirement at any meeting at which the matter was considered is met without counting the Director in question or any other interested Director and the matter was agreed to without their voting or would have been agreed to if their votes had not been counted. The Board may impose limits or conditions on any such authorisation or may vary or terminate it at any time.
- (b) Subject to having, where required, obtained authorisation of the conflict from the Board, a Director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a Director of the Company and in respect of which he has a duty of confidentiality to another person. In particular, a Director shall not be in breach of the general duties he owes to the Company under the Companies Act because he fails to disclose any such information to the Board or to use or apply any such information in performing his duties as a Director, or because he absents himself from meetings of the Board at which any matter relating to a conflict of interest, or possible conflict, of interest is discussed and/or makes arrangements not to receive documents or information relating to any matter which gives rise to a conflict of interest or possible conflict of interest and/or makes arrangements for such documents and information to be received and read by a professional adviser.
- (c) Provided that his interest is disclosed at a meeting of the Board, or in the case of a transaction or arrangement with the Company, in the manner set out in the Companies Act, a Director, notwithstanding his office:

- (i) may be a party to or otherwise be interested in any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (ii) may hold any other office or place of profit under the Company (except that of auditor of the Company or any of its subsidiaries);
- (iii) may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Board may arrange;
- (iv) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and
- (v) shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any office or employment or from any transaction or arrangement or from any interest in any body corporate. No such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such profit, remuneration or any other benefit constitute a breach of his duty not to accept benefits from third parties.

8.12 Restrictions on Directors voting

A Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any transaction or arrangement in which he has an interest which is to his knowledge a material interest and, if he purports to do so, his vote shall not be counted, but this prohibition shall not apply in respect of any resolution concerning any one or more of the following matters:

- (a) any transaction or arrangement in which he is interested by means of an interest in shares, debentures or other securities or otherwise in or through the Company;
- (b) the giving of any guarantee, security or indemnity in respect of money lent to, or obligations incurred by him or any other person at the request of or for the benefit of, the Company or any of its subsidiary undertakings;
- (c) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (d) the giving of any other indemnity where all other Directors are also being offered indemnities on substantially the same terms;
- (e) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
- (f) any proposal concerning any other body corporate in which he does not to his knowledge have an interest (as the term is used in Part 22 of the Act) in one per cent. or more of the issued equity share capital of any class of such body corporate (calculated exclusively of any shares of that class in that company held as treasury shares) nor to his knowledge holds one per cent. or more of the voting rights which he holds as shareholder or through his direct or indirect holding of financial instruments (within the meaning of the Disclosure and Transparency Rules) in such body corporate;
- (g) any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
- (h) any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors;

- (i) any proposal concerning the funding of expenditure by one or more Directors on defending proceedings against him or them, or doing anything to enable such Director or Directors to avoid incurring such expenditure.

8.13 Number of Directors

Unless and until otherwise determined by an ordinary resolution of the Company, the number of Directors (other than alternate Directors) shall be not less than two and the number is not subject to a maximum.

8.14 Directors' appointment and retirement

- (a) Directors may be appointed by the Company by ordinary resolution or by the Board. If appointed by the Board, a Director shall hold office only until the next annual general meeting and shall not be taken into account in determining the number of Directors who are to retire by rotation.
- (b) At each annual general meeting of the Company, any Directors appointed by the Board since the last annual general meeting shall retire.
- (c) At each annual general meeting, any Director who held office at the time of the two preceding annual general meetings and who did not retire at either of them shall retire from office and may offer himself for election/re-election by the members.
- (d) Any Director who would not otherwise be required to retire shall also retire if he has been with the Company for a continuous period of nine years or more at the date of the meeting.

8.15 Notice requiring disclosure of interest in shares

- (a) The Company may, by notice in writing, require a person whom the Company knows to be, or has reasonable cause to believe is interested in any shares or at any time during the three years immediately preceding the date on which the notice is issued to have been interested in any shares, to confirm that fact or (as the case may be) to indicate whether or not this is the case and to give such further information as may be required by the Directors. Such information may include, without limitation, particulars of the person's identity, particulars of the person's own past or present interest in any shares and to disclose the identity of any other person who has a present interest in the shares held by him, where the interest is a present interest and any other interest, in any shares, which subsisted during that three year period at any time when his own interest subsisted to give (so far as is within his knowledge) such particulars with respect to that other interest as may be required and where a person's interest is a past interest to give (so far as is within his knowledge) like particulars for the person who held that interest immediately upon his ceasing to hold it.
- (b) If any Shareholder is in default in supplying to the Company the information required by the Company within the prescribed period (which is 14 days after service of the notice), or such other reasonable period as the Directors may determine, the Directors in their absolute discretion may serve a direction notice on the Shareholder. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the "default shares") the Shareholder shall not be entitled to vote in general meetings or class meetings where the default shares represent at least 0.25 per cent. in nominal value of the class of shares concerned, the direction notice may additionally direct that dividends on such shares will be retained by the Company (without interest) and that no transfer of the default shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.

8.16 Untraced shareholders

Subject to the Articles, the Company may sell any shares registered in the name of a member remaining untraced for twelve years who fails to communicate with the Company following advertisement of an intention to make such a disposal. Until the Company can account to the member, the net proceeds of sale will be available for use in the business of

the Company or for investment, in either case at the discretion of the Board. The proceeds will not carry interest.

8.17 Indemnity of officers

Subject to the provisions of the Companies Act, but without prejudice to any indemnity to which he may otherwise be entitled, every past or present Director (including an alternate Director) or officer of the Company or a director or officer of an associated company (except the auditors or the auditors of an associated company) may at the discretion of the Board be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him for negligence, default, breach of duty, breach of trust or otherwise in relation to the affairs of the Company or of an associated company, or in connection with the activities of the Company, or of an associated company, or as a trustee of an occupational pension scheme (as defined in Section 235(6) of the Act). In addition the Board may purchase and maintain insurance at the expense of the Company for the benefit of any such person indemnifying him against any liability or expenditure incurred by him for acts or omissions as a Director or officer of the Company (or of an associated company).

9. SUBSTANTIAL SHAREHOLDERS

9.1 As at the date of this Prospectus, and on Admission, in so far as the Company is aware, the following persons (other than the Directors) are directly or indirectly, interested in 3 per cent. or more of the voting rights of the Company (**Major Shareholder**):

Name of Major Shareholder	Ordinary Shares held as at the date of this Prospectus		Ordinary Shares held on Admission	
	Number of Ordinary Shares	Percentage of Ordinary Shares	Number of Ordinary Shares	Percentage of Ordinary Shares
Cupcake Partners Limited	50,000,000	84.64	50,000,000	[●]
Private Equity (ESG) Fund Inc. (PEF)	1,722,000	2.91	[●]	[●]

Cupcake Partners Limited is wholly owned by Angus Murray. PEF is an investment fund of which Angus Murray is a director and which holds 1,722,000 Ordinary Shares for the benefit of Castlestone Management LLC (Castlestone), an investment adviser wholly owned by Angus Murray. In addition, 466,000 Ordinary Shares are held by Castlestone FAANG+ UCITS Fund, an investment fund in respect of which Castlestone provides investment advice.

- 9.2 Save as disclosed above, the Company is not aware of any person who, as at the date of this Prospectus, directly or indirectly, has a holding of Ordinary Shares, which is notifiable under United Kingdom law.
- 9.3 The Company is ultimately controlled by Mr Angus Murray who owns 100 per cent of the issued share capital of Cupcake Partners Limited.
- 9.4 Save as set out above, the Company and the Directors are not aware of any persons who, as at the date of this Prospectus, directly or indirectly, jointly or severally, exercise or could exercise control over the Company, nor are they aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.
- 9.5 Cupcake Partners Limited is the sole major Shareholder as at the date of this Prospectus and does not have different voting rights from any other Shareholder in respect of any Ordinary Shares held by it.

10. DIRECTORS' INTERESTS IN THE COMPANY INCLUDING SERVICE AGREEMENTS

10.1 Directors' interests

The table below sets out the interests of the Directors (which includes the senior managers) (all of which are beneficial and include interests of persons connected to them) in the share capital of the Company at the date of this Prospectus and immediately following Admission.

Directors	Ordinary Shares held at the date of this Prospectus		Ordinary Shares held on Admission	
	Number of Ordinary Shares	Percentage of Ordinary Shares	Number of Ordinary Shares	Percentage of Ordinary Shares
Angus Murray (Note 1)	51,722,000	81.55	51,722,000	[●]
Katharine Leo	—	—	—	—
Peter Curtin	—	—	—	—
Charles Nelson	—	—	—	—
Andrew Jones	—	—	—	—

Note 1: Angus Murray is interested in 50,000,000 Ordinary Shares held by Cupcake Partners Limited, a company wholly owned by him, and 1,722,000 Ordinary Shares held by Private Equity (ESG) Fund Inc, an investment fund in which he is a director and which holds these shares for the benefit of Castlestone Management LLC, an investment adviser wholly owned by him. In addition, a further 466,000 Ordinary Shares are held by Castlestone FAANG+ UCITS Fund, an investment fund in respect of which Castlestone provides investment advice.

10.2 Directors' terms of employment

The Directors and their functions are set out in Part II (*Directors and Corporate Governance*). In advance of Admission, each of the Executive Directors has entered into a service agreement with the Company and a letter of appointment with the Company and each of the Non-Executive Directors has entered into a letter of appointment with the Company.

If there are future changes to the Board and the Committees, the corporate governance of the Company could be impacted, although the relevant remaining board members would seek to constitute the Board and the Committees in line with the QCA Code.

10.3 Executive Directors

- (a) On [●] 2023, the Chief Executive Officer entered into a new service agreement with the Company for the position of Chief Executive Officer.
- (b) On [●] 2023, the Chief Operations Officer entered into a new service agreement with the Company for the position of Chief Operations Officer.
- (c) Summary details of the service agreements entered into by the Company and the Executive Directors are set out below:

(i) **Angus Stewart Douglas Murray**

Pursuant to an agreement with the Company dated [●] 2023, Mr Murray is employed by the Company as Chief Executive Officer. Mr Murray's salary is £140,000 per annum. Mr Murray's commencement date for the purpose of his continuous employment is 16 March 2023. In addition to the usual conduct-related termination rights, the agreement entitles Mr Murray to terminate his employment on not less than three months' notice. Mr Murray is not entitled to a payment on termination of his employment (other than any payments for remuneration, expenses, pay in lieu of accrued but untaken holiday and notice pay which may be payable as at the termination date). Mr Murray's agreement contains confidentiality undertakings and prohibitions (which apply for a period of between 3 to 6 months following termination of employment) on soliciting and dealing with suppliers and poaching employees.

(ii) **Katharine Jane Leo**

Pursuant to an agreement with the Company dated [●] 2023, Ms Leo is employed by the Company as Chief Operations Officer. Ms Leo's salary is £30,000 per annum. Ms Leo's commencement date for the purpose of her continuous employment is 1 January 2023. In addition to the usual conduct-related termination rights, the agreement entitles Ms Leo to terminate her employment on not less than three months' notice. Ms Leo is not entitled to a payment on termination of her employment (other than any payments for remuneration, expenses, pay in lieu of accrued but untaken holiday and notice pay which may be payable as at the termination date). Ms Leo's agreement contains confidentiality undertakings and prohibitions (which apply for a period of between 3 to 6 months following termination of employment) on soliciting and dealing with suppliers and poaching employees.

10.4 Non-Executive Directors

- (a) The Company has appointed 3 Non-Executive Directors, of whom 2 are independent. Each of the Non-Executive Directors has entered into a letter of appointment with the Company as follows:

Non-Executive Director	Title	Date of Appointment	Base Fee
Peter Francis Curtin	Non-Executive Chairman	27 January 2021	£25,000
Charles Edward Johannes Nelson	Independent Non-Executive Director	25 August 2023	£25,000
Andrew Peter Britton Jones	Independent Non-Executive Director	25 August 2023	£25,000

- (b) Summary details of the letters of appointment entered into by the Company and the Non-Executive Directors are set out below:

(i) **Peter Francis Curtin**

Pursuant to an agreement with the Company dated [●] 2023, Mr Curtin was appointed as non-executive chairman of the Company. The appointment will continue until terminated at any time by the Company in accordance with the Articles and subject to Shareholder review and re-election and is terminable earlier by either side giving three months' notice at any time. The fee payable to Mr Curtin will be £25,000 per annum before tax in respect of his role as non-executive chairman of the Company. This fee is based on the anticipated time commitment of a minimum of two days per month. Mr Curtin has agreed that he will not be entitled to receive any pay under this agreement until the Company's shares are admitted to trading on the London Stock Exchange.

(i) **Charles Edward Johannes Nelson**

Pursuant to an agreement with the Company dated [●] 2023, Mr Nelson was appointed as an independent non-executive director of the Company. The appointment will continue until terminated at any time by the Company in accordance with the Articles and subject to Shareholder review and re-election and is terminable earlier by either side giving three months' notice at any time. The fee payable to Mr Nelson will be £25,000 per annum before tax in respect of his role as an independent non-executive director of the Company. This fee is based on the anticipated time commitment of a minimum of two days per month. Mr Nelson has agreed that he will not be entitled to receive any pay under this agreement until the Company's shares are admitted to trading on the London Stock Exchange.

(ii) **Andrew Peter Britton Jones**

Pursuant to an agreement with the Company dated [●] 2023, Mr Jones was appointed as an independent non-executive director of the Company. The

appointment will continue until terminated at any time by the Company in accordance with the Articles and subject to Shareholder review and re-election and is terminable earlier by either side giving three months' notice at any time. The fee payable to Mr Jones will be £25,000 per annum before tax in respect of his role as an independent non-executive director of the Company. This fee is based on the anticipated time commitment of a minimum of two days per month. Mr Jones has agreed that he will not be entitled to receive any pay under this agreement until the Company's shares are admitted to trading on the London Stock Exchange.

10.5 Pension, retirement and similar benefits

The total amounts set aside or accrued by the Company to provide for pension, retirement or similar benefits is nil.

11. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company either: (i) within the period of two years immediately preceding the date of this Prospectus which are or may be material to the Company; or (ii) which contain any provisions under which any member of the Company has any obligation or entitlement which is, or may be, material to the Company as at the date of this Prospectus.

11.1 Arrangement Services Agreement

Pursuant to an arrangement services agreement between the Company and CSG dated 1 October 2023 (**ASA**), CSG has agreed to provide introductory and arrangement services in connection with procuring Subscribers for the Subscription Shares and the Placees for the Placing Shares proposed to be issued by the Company at the Issue Price. The ASA contains mutual warranties from the Company and CSG. Pursuant to the ASA, the Company has agreed to pay CSG a commission of 6 per cent of money received through the Placing. The ASA automatically terminates on completion of the proposed Placings.

11.2 Placing Agreement

Pursuant to the Placing Agreement, Oberon and VSA have agreed, conditional upon, among other things, Admission taking place on or before 8.00 a.m. on ● 2023 (or such later date as the Company, SPARK, Oberon and VSA may agree, being no later than ● 2023), to use its reasonable endeavours to procure Placees for the New Ordinary Shares proposed to be issued by the Company at the Issue Price. The Placing Agreement contains warranties from the Company and the Directors and indemnities from the Company in favour of SPARK, Oberon and VSA, together with provisions which enable SPARK, Oberon and VSA, to terminate the Placing Agreement in certain circumstances before Admission, including circumstances where any of the warranties are found to be untrue, inaccurate or misleading in any material respect. The liability of the Company for breach of warranty or indemnity is unlimited. The liability of the Directors for claims under the Placing Agreement is subject to conventional limitations. Pursuant to the Placing Agreement, the Company has agreed to pay Oberon and VSA fees and customary commissions.

11.3 General Services Agreement

The Company has entered into a General Services Agreement with CSG dated 27 January 2021, pursuant to which CSG provides managerial, administration and accounting services to the Company. From inception and up until the Company is successful in receiving Planning Permission, CSG has provided services based on an agreed fee schedule. Fees for the period from 27 January 2021 to 31 December 2022 will only become payable on receipt of Planning Permission and subject to the Company having raised sufficient funds to compete RIBA stages 3 and 4.

CSG charges a monthly fee of £34,000 plus VAT and charged a further £675,000 plus VAT in connection with validating the project during 2021 and 2022. At the date of this document, CSG is owed approximately £1,491,000 (excluding VAT).

The key provisions of the Service Agreement include:

- (a) Term: The Services Agreement shall remain in force unless otherwise terminated or agreed between the parties.
- (b) Functions as Service Provider: To provide assistance, as requested, relating to all aspects of the Company's business activities.
- (c) Authority, power and right on behalf of the Company to:
 - (i) discuss and obtain information from the Company's clients or counterparties;
 - (ii) discuss and obtain from potential counterparties of the Company; and
 - (iii) investigate in accordance with the instructions of the Company all arrangements and to supervise the implementation of such arrangements by the Company, as necessary.
- (d) Fees: In consideration of the Services to be performed by the Service Provider, the Service Provider will invoice for the Services performed at the rate agreed, plus such other expenses incurred by the Service Provider as shall be separately stated (**Fees**).
- (e) Termination by either party:
 - (i) Mutual termination clause at any time by giving 3 months' written notice.
 - (ii) At any time either party goes into liquidation, or be unable to pay its debts, or if a receiver is appointed of any of the party's assets, or if some event having equivalent effect occurs.
 - (iii) If either party commits any material breach of its obligations under the Services Agreement and (if such breach shall be capable of remedy), fail to remedy the breach within 30 days of notice served by the other party.

11.4 Intellectual Property Sale Agreement

Cupcake Partners Limited and The London Tunnels Limited entered into an Intellectual Property Sale Agreement on 27 January 2021, pursuant to which Cupcake Partners Limited assigned and transferred certain rights to The London Tunnels Limited (**Original IPSA**). The Original IPSA has been amended by an Amendment and Restatement of Intellectual Property Sale Agreement dated 25 October 2023 which clarifies the IP rights that have been assigned and the commercial terms set out in the Original IPSA (**IPSA Amendment**). The Original IPSA and the IPSA Amendment are together the "**IPSA**". Cupcake Partners Limited is the majority shareholder of the Company as at the date of this Prospectus.

Under the IPSA, Cupcake Partners Limited transferred the intellectual property rights in the proposed operation of a visitor attraction in the Tunnels (the Intellectual Property) to the Company for an initial consideration of £12,000,000, being (i) £7,000,000 as a capital contribution; and (ii) £5,000,000 as a non interest bearing loan. Under the IPSA, the outstanding balance of the £5,000,000 loan is repayable on demand following 31 December 2029.

11.5 Zero Coupon Convertible Bonds

The Company entered into:

- (a) a zero coupon convertible bond note on 28 November 2022, as amended by the deed of consent and variation between the Company and Private Equity ESG Fund Inc (**PEF**) on 11 September 2023 (**2022 Bond Instrument**);
- (b) a zero coupon convertible bond note on 11 September 2023 (**First 2023 Bond Instrument**); and
- (c) a zero coupon convertible bond instrument on 12 October 2023 (**Second 2023 Bond Instrument**).

Please refer to paragraph 5 of this Part VII (Additional Information) for further information on the Zero Coupon Convertible Bonds.

11.6 Convertible Bonds

The Company issued [●] convertible bonds (**Convertible Bonds**) to a number of investors (**Convertible Bondholders**), under a convertible bond instrument entered into by the Company on 6 October 2023 (**Original Convertible Instrument**) and the Original Convertible Bond Instrument was amended by the first amending deed on 26 October 2023 and the second amending deed on [●] November 2023 (together the **Convertible Bond Instrument**), that are convertible automatically on Admission at the Issue Price on the following terms:

- (i) the nominal amount of each Convertible Bond is £500 and the aggregate maximum principal amount of all the Convertible Bonds is £6,000,000 (**Principal Amount**). The Convertible Bonds may only be issued subject to a £5,000 minimum subscription of the Convertible Bonds that may be held by a single or joint registered holder;
- (ii) all the Convertible Bonds shall rank *pari passu*, equally and rateably, without discrimination or preference and as unsecured obligations of the Company;
- (iii) the Convertible Bonds shall be transferable only with the consent of the Company;
- (iv) the Convertible Bonds are issued subject to the following conditions:
 - (A) Interest is payable at 6 per cent, payable annually, and not payable if converted into Ordinary Shares in the first year.
 - (B) The Convertible Bonds then in issue (so far as not converted) shall be redeemed at the Principal Amount outstanding on the Maturity Date.
 - (C) The Company may pre-pay the Convertible Bonds by redeeming them in whole or in part at any time, by giving not less than 14 days' notice in writing to the relevant Convertible Bondholders.
 - (D) Upon the occurrence of any event of default under the Convertible Bond Instrument, the Convertible Bonds held by a Convertible Bondholder then in issue shall automatically (unless otherwise agreed in writing by such Convertible Bondholder) be redeemed at the Principal Amount.
 - (E) Not less than 7 Business Days prior to anticipated date of Admission the Company shall give notice to the relevant Convertible Bondholders, and the Principal Amount of the Convertible Bonds shall automatically convert into Ordinary Shares on the date of Admission.
 - (F) On Admission, the Directors shall convert the Principal Amount of the Convertible Bonds at a ratio of 110 per cent of the new Ordinary Shares that can be acquired by applying the outstanding amount of principal and interest (if any) to subscribe at the Issue Price, subject to any Adjustment Event (as defined in paragraph 11.6(iv)(G) below).
 - (G) Within 20 Business Days following an Adjustment Event (being any sub-division, consolidation, re-classification or pro-rata cancellation of the Ordinary Shares; or any reduction of capital; or any issue of Ordinary Shares (or rights to subscribe for Ordinary Shares) by way of capitalisation or bonus issue, or distribution of Ordinary Shares to holders of Ordinary Shares or by way of payment of a scrip dividend on the Ordinary Shares), the Convertible Bondholders who, from time to time, hold in aggregate more than 50 per cent of the Principal Amount of the Convertible Bonds in issue and outstanding may give notice to the Company that certification is required and the Company shall within 10 Business Days appoint an independent third party accountancy firm to certify in writing the adjustments to the number and nominal value of the Ordinary Shares to be converted which they consider to be necessary so that, after such adjustment and on conversion, the Convertible Bondholders shall be entitled to receive the same percentage of the issued share capital of the Company carrying the same proportion of votes exercisable at a general meeting of Shareholders and the same entitlement to participate in distributions of the Company, in each case as nearly as practicable, as would have been the case had no Adjustment Event occurred (and making such reduction or increase as is necessary to the

premium arising on the issue and allotment of the Ordinary Shares on conversion of the Convertible Bonds).

11.7 Subscription Agreements

- (a) The Company entered into the Subscription Agreements with the Subscribers on [●] 2023 pursuant to which the Company conditionally agreed to issue an aggregate of [●] new Ordinary Shares to the Subscribers at the Issue Price (the **Subscription Shares**). Completion of the Subscription, including the issuance of such Subscription Shares to the Subscribers, is conditional on, *inter alia*, Admission. See Part VII for further details.
- (b) The Subscription Agreements are on standard terms and include a subscription by the relevant Subscriber, conditions of issue of the Subscription Shares, customary warranties for the Company and the relevant Subscriber and other standard terms, including confidentiality and announcement provisions.

11.8 Agreements for lease

- (a) The Company has entered into agreements for lease, as follows:
 - (i) an agreement for lease between EC1 Property Management Limited, as landlord, and the Company, as tenant, in respect of property 40/41 Furnival Street (Title Number: NGL617306) (**EC1 Property**), dated [●] 2023 (**EC1 Lease**) under which the Company will be granted a lease of the EC1 Property on completion of the transfer of that property to EC1 Property Management Limited. The lease will be granted subject to an existing lease of the third, fourth, fifth and part basement floors of the EC1 Property dated 21 August 2023 and made between FEC Property Holdings (UK) Limited (1) and FEC Development Management Ltd (2). The Company will pay a non-refundable deposit of £410,000 plus VAT; and
 - (ii) an agreement for lease between Exchange Tunnels Limited, as landlord, and the Company, as tenant, in respect of properties:
 - (A) 31-33 High Holborn (part basement, part ground floor and part first floor only) (Title Number: LN170205);
 - (B) 38-39 Furnival Street (Title Number: 275219); and
 - (C) Kingsway Tunnels (Title Number: LN182998),(together, the **Exchange Tunnels Properties**) dated [●] 2023 (**Exchange Tunnels Lease**) under which the Company will be granted a lease of the Exchange Tunnels Properties on completion of the transfer of these properties to Exchange Tunnels Limited. The Company will pay non-refundable deposit of £500,000 plus VAT. If the Completion Date has not occurred on or before 29 March 2024 then the Company will pay an additional deposit of £500,000 plus VAT. As at the date of this document, the Company has paid a £1.1 million deposit.
- (b) Each of EC1 Property Management Limited and Exchange Tunnels Limited is a wholly owned subsidiary of Cupcake Partners Limited. Angus Murray is a director and ultimate owner of each of Exchange Tunnels Limited and EC1 Property Management Limited, through his sole ownership of Cupcake Partners Limited. Katharine Leo is also a director of each of EC1 Property Management Limited and Exchange Tunnels Limited. Peter Curtin is also a director of Exchange Tunnels Limited.
- (c) Summary details of the EC1 Lease and the Exchange Tunnels Lease are set out below:
 - (i) **EC1 Lease**
 - (A) Premium: £8,200,000 exclusive of VAT
 - (B) Completion Date: the date is to be agreed between the parties subject to EC1 Property Management Limited having completed the purchase of the

freehold and the Company having raised at least £[●] million under the Placing

- (C) Term: 100 years
 - (D) Rent: a peppercorn per annum (if demanded)
 - (E) Permitted Use: as a cultural and heritage experience showcasing the arts, the natural world and/or history including access to and the installation of equipment in relation to the property demised by the lease of the Tunnels and/or as offices or with the consent of EC1 Property Management Limited (such consent not to be unreasonably withheld or delayed) any other use falling within Class E of the Schedule to the Town and Country Planning (Use Classes) Order 1987
 - (F) Insurance: the Company to insure in joint names of Landlord (EC1 Property Management Ltd) and Tenant (the Company)
 - (G) Repair: the Company to keep the EC1 Property in repair
 - (H) Alterations: permitted without consent except where alterations would:
 - 1) adversely affect the EPC rating or environmental performance of the EC1 Property
 - 2) split the EC1 Property
 - 3) merge the EC1 Property with neighbouring premises, other than the Tunnels
 - (I) Alienation:
 - 1) Assignment of whole permitted with consent of EC1 Property Management Limited (not to be unreasonably withheld or delayed) to an assignee who simultaneously takes an assignment of the lease of the Tunnels but not during first two years of the term
 - 2) Charging of whole permitted with consent of EC1 Property Management Limited (not to be unreasonably withheld or delayed)
 - 3) Sharing occupation with group companies permitted without consent of EC1 Property Management Limited
 - 4) Underletting prohibited (subject to the terms of the underlease to FEC)
 - (J) Termination: automatically on termination of the lease of the Tunnels
 - (K) If the agreement for lease of the Tunnels is terminated, the EC1 Lease shall also terminate
- (ii) **Exchange Tunnels Lease**
- (A) Premium: £10,000,000 exclusive of VAT
 - (B) Term: 100 years
 - (C) Rent: a peppercorn per annum (if demanded)
 - (D) Permitted Use: as a cultural and heritage experience showcasing the arts, the natural world and/or history or with the consent of Exchange Tunnels (such consent not to be unreasonably withheld or delayed) any other use falling within Class E of the Schedule to the Town and Country Planning (Use Classes) Order 1987
 - (E) Insurance: the Company to insure in joint names of Landlord (Exchange Tunnels) and Tenant (the Company)
 - (F) Repair: the Company to keep the Exchange Tunnels Properties in repair
 - (G) Alterations: permitted without consent except where alterations would

- 1) adversely affect the EPC rating of the Exchange Tunnels Properties
 - 2) split the Exchange Tunnels Properties
 - 3) merge the Exchange Tunnels Properties with neighbouring premises, other than 40/41 Furnival Street
- (H) Alienation:
- 1) Assignment of whole permitted with consent of Exchange Tunnels (not to be unreasonably withheld or delayed) to an assignee who simultaneously takes an assignment of the lease of 40/41 Furnival Street but not during first two years of the term
 - 2) Charging of whole permitted with consent of Exchange Tunnels (not to be unreasonably withheld or delayed)
 - 3) Sharing occupation with group companies permitted without consent of Exchange Tunnels
 - 4) Underletting prohibited
- (I) Termination: automatically on termination of the lease of 40/41 Furnival Street.

11.9 Lock-In Agreements

- (a) On [●] 2023, the Company and each of Cupcake and [●] entered into lock-in agreements in relation to Admission (“**Lock-In Agreements**”).
- (b) Admission will be the holders of [●] Ordinary Shares in aggregate, representing approximately [●] per cent. of the share capital of the Company, having entered into Lock-in Agreements.
- (c) Pursuant to the Lock-In Agreements dated [●] 2023, [●], being the “Locked In Persons”, have each agreed with the Company, Oberon and VSA, not to dispose of their interests in Ordinary Shares and of any securities convertible into shares in the Company held by them and their connected persons (except in certain limited circumstances considered customary for agreements of this nature) within 12 months from Admission (“**Restricted Period**”) and, for a further period of 12 months following expiry of the Restricted Period, only to dispose of their Ordinary Shares through Oberon or VSA (or such other broker that may be appointed in place of Oberon or VSA) in such a way as to maintain an orderly market, except in certain limited circumstances considered customary for agreements of this nature.

11.10 Relationship Agreement

- (a) On [●] 2023, the Company and each of Cupcake and Angus Murray entered into a relationship agreement in relation to Admission (“**Relationship Agreement**”).
- (b) Cupcake and Angus Murray (and connected persons) will hold [●] Ordinary Shares respectively on Admission, representing in aggregate approximately [●] per cent. of the share capital of the Company at that time. Pursuant to the Relationship Agreement, each have undertaken to the Company that, for so long as they (either alone or together with their connected persons) is interested in Ordinary Shares carrying [●] per cent. or more of the Company’s voting share capital, they will not act to unduly influence the Company or its Board or otherwise interfere with the day-to-day management of the Company.

12. LITIGATION

There are no, and have not been, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened so far as the Company is aware) in the last 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of the Company.

13. INTELLECTUAL PROPERTY

Subject to paragraph 11.4, the Company is not dependent on any patents or licences, industrial, commercial or financial contracts, or new manufacturing processes, where such are of fundamental importance to the Company's business or profitability.

14. EMPLOYEES

As at the date of this Prospectus, the Company has 2 employees.

15. RELATED PARTY TRANSACTIONS

The Company has not entered into any related party transactions between incorporation and the date of this Prospectus save for:

- (a) the ASA with CSG, a company ultimately owned and controlled by Katharine Leo, a Director, as described in paragraph 11.1 of this part VIII;
- (b) the General Services Agreement with CSG, a company ultimately owned and controlled by Katharine Leo, a Director, as described in paragraph 11.3 of this part VIII; and
- (c) the IPSA with Cupcake, a company owned and controlled by Angus Murray, a Director, as described in paragraph 11.4 of this Part VIII.

16. NO SIGNIFICANT CHANGE STATEMENT

Since 31 March 2023, being the date to which the Historical Financial Information, set out in Section (B) "*Historical Financial Information of the Company*" of Part VI "*Financial Information on the Company*" of this Prospectus was prepared, there has been no significant change in the financial performance or financial position of the Company, save for:

- (a) [●];
- (b) [●],

17. MANDATORY BIDS AND COMPULSORY ACQUISITION RULES RELATING TO ORDINARY SHARES

Other than as provided by the City Code and Chapter 28 Companies Act, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules that apply to the Ordinary Shares.

The City Code is issued and administered by the Takeover Panel. The City Code will apply to the Company from Admission and the Shareholders will be entitled to the protection afforded by the City Code.

There have been no public takeover bids for the Company's Ordinary Shares.

17.1 Mandatory bid provisions

Under Rule 9 of the City Code, when: (i) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons in which he is already interested and in which persons acting in concert with him are interested) carry 30 per cent or more of the voting rights of a company subject to the City Code; or (ii) any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent but not more than 50 per cent of the voting rights of such a company, and such person or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then, except with the consent of the Takeover Panel, that person, and any person acting in concert with him, must make a general offer in cash to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights to acquire the balance of the shares not held by him and his concert party.

Except where the Takeover Panel permits otherwise, an offer under Rule 9 of the City Code must be in cash and at the highest price paid within the 12 months prior to the announcement of the offer for any shares in the company by the person required to make the offer or any person acting in concert with him. Offers for different classes of equity share capital must be comparable; the Takeover Panel should be consulted in advance in such cases.

17.2 Squeeze-out

Under Companies Act, if a “takeover offer” (as defined in section 974 Companies Act) is made for the Ordinary Shares and the offeror were to acquire, or unconditionally contract to acquire, not less than 90 per cent in value of the Ordinary Shares to which the offer relates and not less than 90 per cent of the voting rights carried by the Ordinary Shares to which the offer relates, it could, within three months of the last day on which its takeover offer can be accepted, compulsorily acquire the remaining 10 per cent. The offeror would do so by sending a notice to outstanding members telling them that it will compulsorily acquire their Ordinary Shares and then, six weeks later, it would execute a transfer of the outstanding Ordinary Shares in its favour and pay the consideration for the outstanding Ordinary Shares to the Company, which would hold the consideration on trust for outstanding members. The consideration offered to the minority shareholder whose shares are compulsorily acquired must, in general, be the same as the consideration that was available under the original offer unless a member can show that the offer value is unfair.

17.3 Sell-out

Companies Act also gives minority members a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the Ordinary Shares and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90 per cent in value of the Ordinary Shares and not less than 90 per cent of the voting rights carried by the Ordinary Shares, any holder of Ordinary Shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those Ordinary Shares. The offeror is required to give any member notice of its right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority members to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, three months from the date on which notice is served on members notifying them of their sell-out rights. If a member exercises its rights, the offeror is entitled and bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

18. TREND INFORMATION

The Company was incorporated in 2021 but has not yet undertaken any substantive trading activity to date. As a result, there has been no activity regarding production, sales, inventory and costs and selling prices from which to form a trend.

19. REGULATORY ENVIRONMENT

The Company does not operate in a sector which is subject to a particular regulatory regime (over and above the regulatory regime governing companies incorporated in England and Wales) which would materially affect its business, nor are there any governmental, economic, fiscal, monetary or political policies or factors that have materially affected its business to date.

20. GENERAL

20.1 The auditor of the Company for the period covered by the historical financial information was Royce Peeling Green Limited. Royce Peeling Green Limited is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

20.2 The Company will raise gross proceeds of £● at Admission (being the Subscription as described in this document) giving net proceeds of £● (after payment of outstanding costs incurred in connection with the Admission and Subscription). The total costs and expenses of

or incidental to the Admission and the Placing and the incorporation, establishment and initial capitalisation payable by the Company are expected to be approximately £[●] (excluding recoverable VAT), of which approximately £[●] (including irrecoverable VAT) relates to the Admission and the Placing.

- 20.3 The nominal value of the Ordinary Shares is denominated in pounds sterling.
- 20.4 Crowe U.K. LLP of 55 Ludgate Hill, London EC4M 7JW, Chartered Accountants. Crowe U.K. LLP is registered to carry out reporting accountant work by the Institute of Chartered Accountants in England and Wales and the Financial Reporting Council. Crowe U.K. LLP has been appointed as reporting accountant to the Company for the purposes of this Document and has given and not withdrawn its written consent to the inclusion in this Document of its accountant's report on the Company Financial Information included in Section A "*Accountant's Report on the Historical Financial Information of the Company*" of Part VI "*Financial Information on the Company*" of this Document in the form and context in which it appears, and has authorised the contents of its report for the purposes of the Document and Rule 5.3.2R(2)(f) of the Prospectus Regulation Rules. In addition, Crowe U.K. LLP has given and not withdrawn its written consent to the issue of this Document with the inclusion herein of the references to its name in the form and context in which it appears. Save for the remuneration payable in respect of its role as reporting accountant to the Company, Crowe U.K. LLP does not have a material interest in the Company.
- 20.5 Since incorporation, the Company has not made up any financial statements or published any financial information save for the information contained in Part VI of this document.

21. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered offices of the Company during normal business hours of any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until a date 12 months following Admission:

- (a) the Articles;
- (b) this document;
- (c) the accountant's report / historical financial information;
- (d) the service agreements and letters of appointment of Directors referred to in this Part VII;
- (e) the material contracts referred to in this Part VII; and
- (f) the consent letter referred to in paragraph 20.4 of this Part VII.

This Document is dated [●] 2023

PART VIII

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

Admission	the effective admission of the Ordinary Shares to listing on the Official List and trading on London Stock Exchange's Main Market for listed securities.
Articles of Association or Articles	means the articles of association of the Company in force from time to time.
Broker or Joint Broker	VSA Capital Limited and Oberon Investments Limited t/a Oberon Capital, authorised and regulated by the Financial Conduct Authority, acting as placing agent for the Company with respect to the Placing and as broker to the Company with effect from Admission.
BT	British Telecommunications plc
Business Day	a day on which commercial banks and foreign exchange markets are open for business in London.
certificated or in certificated form	means in relation to a share, warrant or other security, a share, warrant or other security, title to which is recorded in the relevant register of the share, warrant or other security concerned as being held in certificated form (that is, not in CREST).
Companies Act	means the Companies Act 2006, as amended.
Company	means The London Tunnels PLC, a public limited company incorporated in England and Wales company with registered number 13160590.
Company Financial Information	means the audited historical financial information of the Company for the 12-month period from the date of incorporation on 27 January 2021 to 31 December 2021 and the 15-month period ended 31 March 2023.
Company Interim Financial Information	means the unaudited interim financial information of the Company for the six-month period ended 30 September 2023.
Conversion Shares	the new Ordinary Shares to be issued on conversion of the Convertible Bonds.
Convertible Bonds	means the convertible bonds issued to certain investors, pursuant to a convertible bond instrument entered into on 6 October 2023, which are automatically convertible into new Ordinary Shares on Admission.
CREST or CREST System	means the paperless settlement system operated by Euroclear enabling securities to be evidenced otherwise than by certificates and transferred otherwise than by written instruments.
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended.
CSG	Client Services (Global) Limited.
Cupcake	Cupcake Partners Limited.
Directors or Board or Board of Directors	means the Directors as set out on page [●], "Director" is to be construed accordingly.
Disclosure Guidance and Transparency Rules or DTRs	the disclosure guidance published by the Financial Conduct Authority and the transparency rules made by the Financial Conduct Authority under section 73A of FSMA, as amended from time to time.

Document, document or Prospectus	this prospectus relating to the Company, prepared in accordance with the Prospectus Regulation Rules.
ETL	Exchange Tunnels Limited.
Executive Directors	means Angus Stewart Douglas Murray and Katharine Jane Leo.
Existing Ordinary Share Capital or Existing Ordinary Shares	means the [59,075,000] Ordinary Shares in issue at the date of this document.
Explorer Tours	means visitors to the Tunnels in their current, pre-development phase.
Euroclear	means Euroclear UK & International Limited.
FCA or Financial Conduct Authority	the Financial Conduct Authority of the United Kingdom acting in its capacity as the competent authority for the purposes of Part VI of FSMA in the exercise of its functions in respect of, among other things, the admission to the Official List.
Financial Indebtedness	any indebtedness for or in respect of: <ul style="list-style-type: none"> (a) moneys borrowed; (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent; (c) any amount raised pursuant to any purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument; (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with UK GAAP, be treated as a finance or capital lease; (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non- recourse basis); (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close- out of that derivative transaction, that amount) shall be taken into account); (h) any amount raised by the issue of shares which are expressed to be redeemable (other than at the option of the issuer thereof) before the Maturity Date or are otherwise classified as borrowings under UK GAAP; (i) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and (j) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above.]
FRC	Financial Reporting Council in the United Kingdom
FSMA	the Financial Services and Markets Act 2000, as amended.
HMRC	HM Revenue & Customs.

HSE	Health and Safety Executive.
IFRS	UK-adopted international accounting standards
ISIN	means the International Securities Identification Number.
Issue Price	means the price per Ordinary Share pursuant to the Subscription and Placing, being £[●].
person	an individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, government, or any agency or subdivision thereof or any other entity.
Letters of Intent	means the letters between the Company, [the Broker] and Placing Investors entered into prior to Admission whereby Placing Investors have expressed their intention to participate in the Placing.
Listing Rules	means the Listing Rules made by the FCA under Part VI of the FSMA.
London Stock Exchange	means London Stock Exchange plc.
Main Market	means the regulated market of London Stock Exchange for listed securities.
MAR	Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and any implementing legislation as it forms part of retained EU law as defined in the EUWA (as amended from time to time).
Non-Executive Directors	means Peter Francis Curtin, Charles Nelson and Andrew Jones.
Official List	the Official List maintained by the FCA.
Ordinary Shares	ordinary shares of £0.001 each in the capital of the Company, including the Placing Shares (where applicable).
Overseas Shareholders	holders of Ordinary Shares who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the UK or persons who are nominees or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the UK which may be affected by the laws or regulatory requirements of the relevant jurisdictions.
Premium Listing	means a listing on the premium segment of the Official List (pursuant to Chapter 6 of the Listing Rules).
Placing	means the subscription by the Placing Investors for the Placing Shares following Admission pursuant to the Letters of Intent.
Placing Investors	means the subscribers for Placing Shares pursuant to the Placing, comprising certain institutional and other investors.
Placing Shares	means pursuant to the Placing, the Company will issue and allot up to [●] Placing Shares at the Issue Price.
Planning Application	means the formal request to the relevant local authority for permission to develop the Tunnels.
Planning Permission	means the official permissions that the Company requires from the relevant local authorities before developing the Tunnels.
Pre-Planning Advice	means the process where councils offer pre application advice service which provides an opportunity to discuss a proposed scheme and get clear written expert advice from a planning officer

	before submitting an application. The process lets projects know whether or not your proposal is likely to be acceptable.
Prospectus Regulation	the Regulation of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (no. EU2017/1129).
Prospectus Regulation Rules	the prospectus regulation rules of the FCA made pursuant to section 73 of FSMA.
QCA	the Quoted Companies Alliance.
QCA Code	means the QCA Corporate Governance Code published by the QCA in 2018, as amended from time to time.
Registrar	Link Market Services Limited, trading as Link Group.
Regulated Information Service or RIS	one of the regulated information services authorised by the RIS or FCA to receive, process and disseminate regulator information in respect of listed companies.
Reverse Takeover	a transaction defined as a reverse takeover in Listing Rule 5.6.4R.
Securities Act	the United States Securities Act of 1933, as amended.
Shareholders or shareholders	the holders of Ordinary Shares.
Standard Listing	a standard listing on the Official List under Chapter 14 of the Listing Rules.
Subscriber	means subscribers for Subscription Shares pursuant to the Subscription, comprising certain institutional and other investors
Subscription	means the subscription by the Subscribers for the Subscription Shares at Admission pursuant to the Subscription Agreements.
Subscription Agreements	means the agreements entered into between the Company and the Subscribers relating to the Subscription, further details of which are set out in paragraph [●] of Part VII (<i>Additional Information</i>).
Subscription Shares	means the [●] new Ordinary Shares to be issued to the Subscribers on Admission.
subsidiary	has the meaning given to it by section 1159 Companies Act.
Takeover Panel	the Panel on Takeovers and Mergers.
The City of London Corporation	the City of London Corporation is the governing body of the Square Mile.
The London Borough of Camden	the London Borough of Camden is the local authority for the Borough of Camden, in Greater London.
the Tunnels	the previously named Kingsway Exchange or Kingsway Telephone Exchange tunnels.
TVAC	means The Visitor Attraction Consultants Ltd.
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland.
UK Prospectus Regulation	the UK version of the Prospectus Regulation (EU) 2017/1129, which is part of UK law by virtue of the EUWA.
United States, US or USA	the United States of America, its territories and possessions.
Zero Coupon Convertible Bonds	the zero coupon convertible bonds of the Company, details of which are set out in paragraph 5 of Part VII (<i>Additional Information</i>).

References to a “company” in this document shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established.

