

## The London Tunnels

### Noteworthy advances in FY25

The London Tunnels' (TLT's) FY25 results mark a clear inflection point for the company as it has transitioned from a development-stage vehicle to an asset-backed infrastructure business, underpinned by an independently valued long-dated property asset, a strengthened equity base and the establishment of institutional-grade governance. Key developments during the year were receiving planning permission from both the City of London Corporation and the London Borough of Camden. Following period-end, the company delisted from Euronext Amsterdam. This was driven by a technical market-structure issue, primarily the application of UK Stamp Duty Reserve Tax (SDRT), which created settlement inefficiencies and limited investor access. The delisting was not reflective of the project's fundamentals. The company is pre-revenue and requires additional capital, estimated by management at £80m, to complete the project. The final stages are now scheduled for completion in FY28, with full operations expected to commence in FY28, versus FY27 previously. The modest timetable adjustment is consistent with large-scale infrastructure developments.

### Balance sheet strengthened

The FY25 results show a meaningful improvement in balance sheet quality, driven by asset recognition and proactive capital structure management. The Kingsway Exchange Tunnels have been recognised at a fair value of £21.5m under IFRS 13, supported by an independent RICS valuation, providing a valuation anchor for future financing discussions. During the year, TLT converted a substantial portion, £13.9m, of convertible and zero-coupon debt into equity. These conversions, including £2.2m of related-party transactions, demonstrate sponsor alignment and long-term commitment. The period-end net debt position, including lease liabilities, reduced to c £6.0m from c £7.4m (end-FY24).

### Listing and governance

The application of SDRT of 1.5% on transfers of UK shares materially affected settlement efficiency for the company's listing. In response, management delisted TLT in September 2025, prioritising capital efficiency over maintaining a suboptimal listing. The SDRT regime applies to UK-incorporated companies with an offshore listing and is not specific to the company. Management believes TLT meets all the quantitative criteria under the equity standard requirements for a potential Nasdaq listing, one of which is minimum NAV of \$5m. The company has an established governance framework, including an independent chair, a majority non-executive board and dedicated committees for audit and risk, disclosure, nomination and remuneration, and sustainability and ESG. Management considers the framework broadly aligned with governance expectations of major international markets.

Historical financials		
Year end	PBT (£m)	EPS (p)
3/24	(4.9)	(11.00)
3/25	2.2	0.02

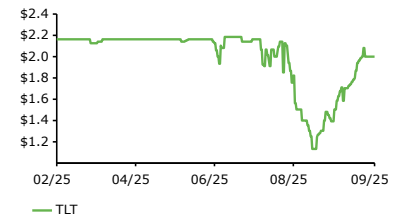
Source: Company accounts. Note: FY24 is restated.

Travel and leisure

24 February 2026

**Price** \$3.00  
**Market cap** \$212m  
 \$1.35/£

#### Share price performance



#### Share details

Code	TLT
Listing	JPJ
Shares in issue	70.7m
Net cash/(debt) at 31 March 2025 including lease liability	£(6.0)m

#### Business description

The London Tunnels is aiming to develop a major heritage and cultural attraction in central London on the site of the historic Kingsway Exchange Tunnels, which it has purchased. Full commercial launch is targeted for 2028. Management expects the project will draw up to three million visitors per year when mature.

#### Bull points

- Landmark, irreplaceable central London infrastructure with historical provenance, benefiting from sustained media interest.
- Substantial optionality across high-growth experiential leisure segments, including heritage-led attractions, hospitality and cultural partnerships.
- Attractive to potential operating partners, such as content owners and theme parks.

#### Bear points

- Further funding required to complete the project.
- Involves large-scale infrastructure delivery but execution risk is partially mitigated as the tunnels are already constructed, with established access, structural integrity and planning consent secured.
- As a pre-revenue contract, financial forecasts necessarily involve long-term assumptions.

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