



Pineapple Corporation plc

An Introduction

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SUMMARY

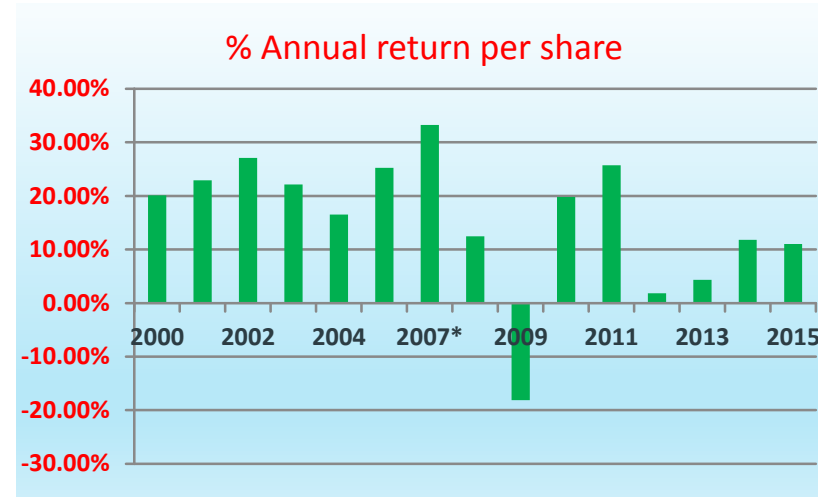
- Pineapple Corporation plc is a UK REIT currently listed in Luxembourg
- Formed in 1999 the company has generated a compound annual return of 15.7%
- Successful management team with 100+ years of management experience
- Very low cost base with lean operations
- Targets only high potential investments with substantial added value opportunity
- High quality industry contacts provide privileged and early access to investment deals
- Untapped development opportunities within the existing portfolio
- Lost high value investment opportunities due to capital constraints

Net Asset Value in GBP per share

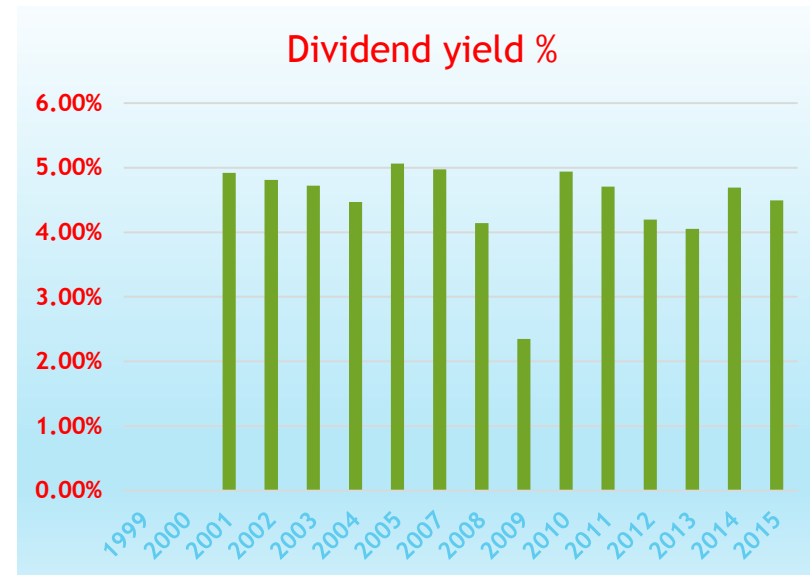


A TRACK RECORD ...

- 15.7% compound total return for the period 31st December 1999 to 31st March 2014
- The current NAV stands at s £28.3million
- Average dividend yield of 4.47% since 2001
- Total gearing reduced to 39% as at 31st March 2015, thus very low risk investment due to low reliance on bank financing
- Mixed residential and commercial portfolio guarantees a balanced investment - commercial properties with higher yields generating good cash flow and residential investments providing stronger capital growth
- No rights issue required during recent downturn with dividend payment maintained



... OF SUCCESS



INVESTMENT STRATEGY & EXPERTISE



- We only target high potential investments with substantial added value opportunity
- Primarily investment opportunities in London and SE England - areas less adversely affected by recent downturn and showing quicker economic recovery.
- Early access to new market investment opportunities due to close business link at Board level with Willmotts Chartered Surveyors.
- Directors Tom Berglund, Tony Sperrin and David Farley bring over 100+ years of experience in the property sector





TAX EFFICIENT STRUCTURE

- As a UK Real Estate Investment Trust the company is not liable for corporation tax on profits generated from property rentals or capital gains on investment sales
- Withholding tax is deducted at the UK basic rate on any property income distributions made

LOW COST OPERATION

- Operates on a low cost base
- Directors are not remunerated
- No office rental or other normal overheads
- A simple management fee of 0.5% of net asset value is charged to cover all operational expenses
- £84,000 per annum covers all rent, rates, service charges and administrative staff
- Access to a wide range of property expertise at no additional cost, due to close links with Willmotts e.g. planning applications, rent reviews, valuations, insurance, building surveying services, property management etc.



PLANNED FUND RAISE



Pineapple are looking to raise new equity funding, due to:

- Current cash constraints relative to investment opportunities
- Inability to take full advantage of development opportunities within both the existing portfolio and in new market investments
- Current REIT status limits the company's ability to 'trade' the portfolio

New equity funding will be matched with equal bank funding

These new funds will be reinvested within 24 months to generate an early enhanced return.

A low cost base will be maintained across the larger portfolio



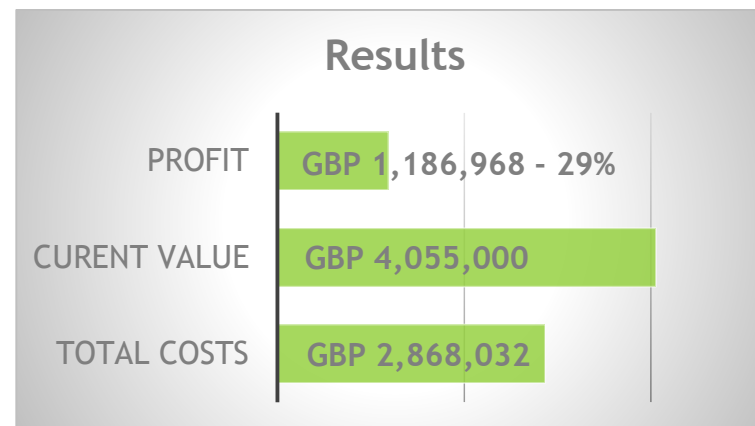
ACQUISITION EXAMPLES

Sheen Lane



- This site was introduced through Willmotts, following an abortive auction sale. The purchasers had failed to complete and the vendors had already exchanged on the acquisition of a new property, so were willing to accept a low price for a quick completion.
- The site comprised of a commercial property (used for manufacturing engineering components) with offices above and a storage unit on a strip of land at the rear which extended back to a residential road.

- Consent was obtained for change of use to retail on the ground floor and for conversion of the offices into six flats on the first and second floors.. Consent was also obtained to demolish the storage unit and to build a four bedroom house on the land at the rear.
- An agreement to enter into a lease was agreed with Tesco's whereby they carried out the redevelopment of the ground floor at their own cost in return for a twelve month rent free period.
- The project was completed over a two year timescale and the results are summarised in the pie chart



Lennox Gardens

This site was introduced through Willmotts who were disposing of a portfolio of properties for a long standing client.

The property originally acquired was a short head leasehold interest with sixteen years to run over a large double fronted Victorian property situated in Lennox Gardens in Knightsbridge. The property consisted of five occupied flats and a vacant caretakers flat. One of the flats was a protected tenancy, the others had been sold off on leases (all now with sixteen years to run). The property had a fault in its service charge recovery provisions and had fallen into a state of disrepair. The freehold was owned by Wellcome Trust. When the leasehold interest was acquired there were seven cautions registered on the title at land Registry.

Over a period of six years the following steps were taken, with a view to eventually acquiring possession of the whole property and converting it back into a single residence:

- Negotiated and settled all issues with parties who had registered cautions on the title
- Renegotiated and agreed revised service charge recovery provisions with all the other lessees, enabling proper maintenance to be carried out and costs properly recovered.
- As part of the negotiations obtained release of any requirement for the basement flat to be used as a caretakers flat (thereby obtaining the use and benefit of the flat for ourselves).
- Obtained vacant possession of the flat which had been occupied by a protected tenant.
- Bought the interest of two of the short leasehold flats.
- Acquired the freehold interest from Wellcome Trust through enfranchisement rights.

At this stage we had invested about £9M in the project and needed another £10M to acquire the final two flats and to redevelop the property, when we were offered £14.5M for our interest.

Since we had no certain rights to acquire the last two flats we took our profit at this stage.



Hammersmith Road



Willmotts were disposing of a portfolio of West London properties on behalf of another long standing client. Although not interested in acquiring the entire portfolio they enter into a joint acquisition agreement with a trader and acquired only the long term investment properties with the remainder acquired by the trader acquired for resale.

'Hammersmith Road' was the principle property acquired in this deal. This consisted of:

- 3 commercial units, 1 let to Tesco's, 1 let to a hairdressers and 1 let (but not yet occupied) to a Lebanese restaurant.
- 12 residential flats above the commercial units (known as Richmond Court) let on individual assured short hold tenancy agreements.
- One vacant and dilapidated office unit adjoining the residential flats.
- One house in multiple occupation let to a housing association using it as a halfway house for recovering drug addicts.

In the two years since we acquired the property we have:

- Re-let the residential flats to an organisation who lets the flats to American students, increasing the rent roll by 50% and eliminating any void periods and/or repair costs.
- Obtained planning consent and converted the office unit into a three bedroom flat (and then let it to the same American student organisation).
- Obtained planning consent and developed a further four flats on the roof of the existing flats (and then let it to the same American student organisation).
- Obtained planning consent and converted the house in multiple occupation into five self contained flats and built a further three bedroom flat on the roof of that building.
- Taken a surrender of the lease to the Lebanese restaurant and re-let the unit to a coffee shop at twice the annual rental value.

Results	
Profit	GBP 3,916,000
Total Cost of Development	GBP 9,482,000
Current Value Nov. 2014	GBP 13,398,000



CONTACT

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