

Pineapple Corporation plc

News Bulletin

Dear Shareholder,

Your Board is pleased to advise you of two recent sale transactions. These have impacted significantly and beneficially on the Company's financial position.

Firstly we have recently completed the sale of Alpha House and its adjacent residential property in SW19 for £11.05M. This transaction followed a favourable rent review achieved after extensive negotiations. The sale proceeds exceeded the value in the Audited Accounts at 31st March 2017 by some £3.8M.

Secondly we have finally completed the sale of Stanhope House, our development in Portsmouth. This property will be demolished by the new owners and rebuilt largely as student accommodation. The price achieved was £2.5M, paid immediately, plus a 999 year lease back on a 4,000 square foot retail unit constructed by the new owners on the ground floor of the development. Your Board estimates the gross value of this transaction to be approximately £3.6M – about double our valuation from when the sale was initially agreed.

In the annual accounts each year the Board estimates the net asset value (NAV) of the company based upon, inter alia, the current value of its portfolio. The Board then calculates the NAV per share and this figure is shown in the annual accounts. This year it was £4.23.

The above transactions have served to increase the NAV per share by some 10%.

A small part of the funds arising will be used to finance the construction of a new extension to our Delta House property (close to the new Wimbledon football stadium development). This project will increase the number of artist studio units to 75 or so, making your company an important provider of much needed studio space in the capital.

The company now has considerable resources to make further acquisitions which have significant development and investment potential. Meanwhile our bank borrowings have been materially reduced.

The Board considers that the profits arising from the sales mentioned above are exceptional and has thus resolved to pay an additional Property Income Distribution (PID) of 5p per share as a bonus to our shareholders, payable in mid-December. In passing this resolution the Board are satisfied that there has been no adverse impact on the company's portfolio since the 2017 accounts.

We take this opportunity to wish all our investors a happy festive season and a prosperous 2018.



Chairman, November 2017