

Pineapple Corporation plc

News Bulletin

Dear Shareholder,

Your Board is very pleased to update on the recent developments of our company.

In our previous report we advised you that we had disposed of the Alpha House and Stanhope House properties. Since then Pineapple has made a profitable disposal of its leasehold interest in High Wycombe for £1.1 million. The substantial profits we have gained on the above disposals together with the equity investment realised have created circa £10 million available resources within the company (after repayment of bank funding).

The above investments attracted annual rental income in excess of £600,000. The Board has therefore been busy sourcing opportunities that will serve to replace this income as well as to provide potential for capital growth.

We are now pleased to announce that we have just acquired a modern block of 13 flats in Aldgate (City of London) for £8.6 million. This property has already been fully let to an existing Pineapple tenant, attracting an initial rent of £395,000 p.a., rising to £471,000 p.a. over 5 years. This site also has some development potential.

Pineapple has also recently acquired a large site in South Wimbledon for £3.8 million. The plot comprises roughly 15,000 sq. ft. and includes 2 industrial units. This exciting opportunity has considerable long term development and rental potential both for industrial use and as artist studios. It is unlikely that there will be any material contribution to the company's income for the next 18 months, however it is anticipated that the potential combined income thereafter will be in excess of £600,000 p.a. There will be capital expenditure for the site's development affecting cashflow.

We mentioned in our previous report the extension works at Delta House Studios as a part allocation of our available resources. The project will be completed this summer creating 40 more artist studios contributing an immediate annual income of £240,000 from tenants already committed.

In summary, our three recent disposals have given us capital gains in excess of £5 million and available cash resources of £10 million but have reduced our annual income by £600,000 in the short term. However the acquisitions and developments to which Pineapple has committed these resources are projected to comfortably generate income well in excess of what has been lost.

On a cautionary note, it is difficult to have precise figures on future rents at this early stage of our recently acquired developments and it must be also stressed that further capital expenditure will be needed to unlock this income potential, particularly at the South Wimbledon site. We will continue to keep you informed as to our progress on these and any other significant developments.

You will recall that the Board decided to recognise the exceptional profits arising from our recent disposals by paying an additional Property Income Distribution (PID) of 5p per share last December. The Board has also voted to make a final PID for this financial year of 8.5p per share payable at the end of March 2018. This will mean that the total return to shareholders during the year will amount to 22.5p per share.

With best wishes,

A handwritten signature in black ink, reading "Ben Berghund". The signature is written in a cursive style with a large initial 'B' and a long, sweeping underline.

Chairman, March 2018