

This announcement contains inside information as stipulated under the UK version of the Market Abuse Regulation No 596/2014 which is part of English Law by virtue of the European (Withdrawal) Act 2018, as amended. On publication of this announcement via a Regulatory Information Service, this information is considered to be in the public domain.

24 April 2023

Pineapple Power Corporation PLC (the "Company" or "Pineapple Power")

Heads of Terms signed

Proposed Reverse Takeover of Element-2 Limited

Suspension of Listing

The Company is pleased to announce that as of 21 April 2023 it has entered into a non-binding heads of terms with Element 2 Limited ("E-2" or "**Element 2**"), based in Yorkshire in the United Kingdom, to acquire 100% of the outstanding shares in E-2 in an all-share transaction, subject to legal, financial and other due diligence and entry into a legally binding sale and purchase agreement (the "**Proposed Acquisition**"). As no binding agreement has yet been reached, the Company cannot guarantee that the Proposed Acquisition will complete.

About Element 2

Element 2 is the UK's leading hydrogen refuelling business. The company works closely with vehicle manufacturers, transport operators and fleet owners to identify and develop hydrogen refuelling sites and provide a regular supply of fuel cell grade hydrogen.

Element 2 is investing in prime locations across the UK and Ireland. The company already has established strategic hydrogen refuelling sites along critical haulage routes across the country. Element 2 is operating at five refuelling locations across the UK and is in the process of building two permanent refuelling stations along the M6 and A1(M) motorways, presently.

Background to the Proposed Acquisition

Pineapple Power was formed as a "cash shell" with a specific focus on acquisitions in the clean and renewable energy sectors, as outlined in its prospectus published on 21 December 2020 (the "**Prospectus**"), which can be found on the Company's website -

<https://www.pineapple-powercorp.com/investors/>

The Proposed Acquisition is in line with the Company's acquisition strategy.

The Proposed Acquisition

Following recent discussions, on 21 April, 2023 Pineapple Power entered into non-binding heads of terms with E-2 for the acquisition of 100% of the issued share capital of Element 2 for a consideration of £120 million, to be satisfied by the allotment and issue of new ordinary shares in Pineapple Power to the shareholders of E-2. It is envisaged that, in conjunction with the Proposed Acquisition, there will be an equity financing to fund future investment and working capital requirements of Element 2.

On completion of the Proposed Acquisition, it is the Company's intention is to seek admission of its ordinary share capital, as enlarged following completion of the Proposed Acquisition and related financing, to the Standard Segment of the Official List of the Financial Conduct Authority ("**FCA**") and to trading on the Main Market of the London Stock Exchange (together, "**Admission**").

It is anticipated that, following completion of the Proposed Acquisition:

- the current directors of Element 2 will form a majority of the board of the Company; and
- the shareholders of Element 2 will become majority shareholders of the enlarged Company.

The Proposed Acquisition is conditional on, amongst other things:

- obtaining the necessary regulatory approvals of the FCA;
- the satisfactory completion, by each of the parties to the transaction, of legal, financial and commercial due diligence;
- the parties agreeing, signing and exchanging a legally binding share sale and purchase agreement;
- Admission;
- the raising of an appropriate amount of new equity funds by the Company;
- the Takeover Panel waiving any obligation the E-2 shareholders (and any persons acting in concert with them) might otherwise incur under Rule 9 of the City Code by virtue of the issue to them of consideration shares (the "**Rule 9 Waiver**"); and
- the passing of necessary resolutions to approve the Proposed Acquisition (including the Rule 9 Waiver) by the shareholders of the Company at a duly convened general meeting (the "**General Meeting**").

In order to effect Admission, obtain the Rule 9 Waiver and to convene the General Meeting, the Company is required to publish a prospectus, to be approved by the FCA, which will include relevant details relating to the Company, E-2 and the Proposed Acquisition, amongst other things. It is currently expected that should the Proposed Acquisition proceed, the prospectus will be published, and the Proposed Acquisition will complete, during H2 2023.

The Company has engaged certain advisers, and will engage other professionals, to rapidly progress the requisite due diligence and the preparation of transaction documentation including the sale and purchase agreement and the prospectus.

At this stage, there can be no guarantee that the Proposed Acquisition will complete nor as to the final terms of the Proposed Acquisition. Further announcements and updates will be made in due course.

Suspension of Listing

The Proposed Acquisition, if completed, would constitute a reverse takeover under the Listing Rules. As the Company is currently unable to provide full disclosure under Listing Rule 5.6.15, it has requested from the Financial Conduct Authority, and been granted, a suspension of listing in its shares with immediate effect pending either the issue of an announcement

The statements contained in this announcement that are not historical facts are "forward-looking" statements. These forward-looking statements are subject to a number of substantial risks and uncertainties, many of which are beyond the Company's control and actual results and developments may differ materially from those expressed or implied by these statements for a variety of factors. These forward-looking statements are statements based on the Company's current intentions, beliefs and expectations about among other things, the Company's financial condition, prospects, growth, strategies and the industry in which the Company operates. Forward-looking statements are typically identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "intends", "estimates", "plans", "assumes" or "anticipates" or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. In addition, from time to time, the Company or its representatives have made or may make forward-looking statements orally or in writing. Furthermore, such forward-looking statements may be included in, but are not limited to, press releases or oral statements made by or with the approval of an authorised executive officer of the Company. No assurance can be given that such future results will be achieved; actual events or results may differ materially from those expressed in or implied by these statements as a result of risks and uncertainties facing the Company and its subsidiaries. Many of these risks and uncertainties relate to factors that are beyond the Company's ability to control or estimate precisely, such as changes in taxation and fiscal policy, future market conditions, currency fluctuations, the behaviour of other market

participants, the actions of governmental regulators and other risk factors such as the Company's ability to continue to obtain financing to meet its liquidity needs, changes in the political, social and regulatory framework in which the Company operates or in economic or technological trends or conditions, including inflation and consumer confidence, on a global, regional or national basis. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. The forward-looking statements contained in this announcement speak only as of the date of this announcement and the Company undertakes no duty to update any of them publicly in light of new information or future events, except to the extent required by applicable law or regulation.

Neither the content of the Company's or Element-2's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's or Element 2's website (or any other website) is incorporated into, or forms part of, this announcement.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

ACQSEISMLEDSELL