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23 December 2024

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

Termination of Proposed Acquisition of Ilios Hydrogen Canada Limited

Heads of Terms signed for Proposed Reverse Takeover of FUSE-AI GmbH

Continuation of Suspension of Listing

On 6 November 2023 the Company announced that it had entered into non-binding heads of terms to acquire Ilios Hydrogen Canada Limited ("Ilios"). Since that time, both the Company and Ilios have spent considerable time attempting to raise the capital required for the transaction and to reach an acceptable agreement on valuation and the final structure of the transaction. To date, this has not been possible and the Company therefore announces that the proposed acquisition of Ilios has been terminated.

The Company is pleased to announce that it has agreed in principle the acquisition of 100% of the outstanding shares in FUSE-AI GmbH ("**FUSE-AI**") 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 FUSE-AI

FUSE-AI is a Hamburg-based company specializing in the development of AI-powered software solutions for the clinical sector, which has established itself in recent years as an innovative company in the field of medical artificial intelligence.

FUSE-AI has gained particular recognition with its AI software solution «Prostate.Carcinoma.ai», which enables radiologists to save over 30% of time in MRI image analysis and reduces the error rate significantly from an average of 14% to 1%. The software is already ready for distribution in more than 42 countries, with recurring revenues being generated through distributors. This technology forms the foundation for further growth and the expansion into new application areas in diagnostic assistance software.

FUSE-AI is backed by Xlife Sciences AG, a SIX listed incubator and accelerator focused on the value development and commercialization of promising research projects from universities and other research institutions in the life sciences sector.

Further information can be found here: <https://fuse-ai.de/>

The Proposed Acquisition

Xlife Sciences AG's announced on 21 November 2024 that FUSE-AI's shareholders had passed a unanimous resolution to list the FUSE-AI on the London Stock Exchange. The proposed listing is intended to support the further growth of FUSE-AI and the expansion into new application areas in diagnostic assistance software.

Pineapple Power, as a listed shell, is well placed to facilitate this listing. As such, the Company and shareholders of FUSE-AI, including Xlife Sciences AG entered into non-binding heads of terms for the acquisition of 100% of the issued share capital of FUSE-AI by way of the allotment and issue of new ordinary shares in Pineapple Power. It is envisaged that, in conjunction with the Proposed Acquisition, there will be an equity financing to fund future investment and the working capital requirements of the enlarged group.

On completion of the Proposed Acquisition, it is the Company's intention is to seek re-admission to trading on the Equity Shares (Commercial Companies) 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 FUSE-AI will form a majority of the board of the Company; and
- the sellers of FUSE-AI 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;
- the admission of the enlarged share capital of the Company to the Equity Shares (Commercial Companies) segment of the Official List and to trading on the Main Market of the London Stock Exchange;
- the raising of an appropriate amount of new equity funds by the Company;
- the Takeover Panel waiving any obligation the FUSE-AI sellers (and any persons acting in concert with them) might otherwise incur under Rule 9 of the City Code by virtue 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, the Company is required to publish a prospectus, to be approved by the FCA, which will include relevant details relating to the Company, FUSE-AI and the Proposed Acquisition, amongst other things. It is currently expected that should the Proposed Transaction proceed, the prospectus will be published, and the Proposed Acquisition will complete, during Q2 2025.

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

Continuation of Suspension of Listing

The Proposed Acquisition, if completed, would constitute a reverse takeover under the Listing Rules. The listing of the Company's ordinary shares was suspended on 24 April 2023. As the Company is currently unable to provide full disclosure on FUSE-AI as required under the UK Listing Rules, it has requested from the Financial Conduct Authority, and been granted, a continuation of the current suspension of listing in its shares pending either the issue of an announcement providing further details on the Proposed Acquisition, the publication of a prospectus, or an announcement that the Proposed Acquisition is not proceeding. Any restoration of the listing is subject to the approval of the Financial Conduct Authority.

Further announcements and updates will be made in due course.

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