

Pineapple Power Corporation Plc

Annual Report and Financial Statements

**For the year ended
31 December 2023**

Registered number 09081452 (England and Wales)

**PINEAPPLE POWER CORPORATION PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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PINEAPPLE POWER CORPORATION PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

COMPANY INFORMATION

Directors (both non-executive)	Claudio Morandi Andrew Holland
Company Secretary	Cargil Management Services Limited
Registered Office	Studio 16 Cloisters House 8 Battersea Park Road London SW8 4BG
Independent Auditor	PKF Littlejohn LLP 15 Westferry Circus London E14 4HD
Bankers	Lloyds Bank Plc 99 - 101 South Road Haywards Heath RH16 4ND
Legal Advisors	Fladgate LLP 16 Great Queen Street London WC2B 5DG
Brokers	Peterhouse Capital Ltd 80 Cheapside London EC2V 6EE Oberon Capital Nightingale House 65 Curzon Street London W1J 8PE
Registrar	Share Registrars Limited 27/28 Eastcastle Street London W1W 8DH
Registered Number	09081452
Website	www.pineapple-powercorp.com

PINEAPPLE POWER CORPORATION PLC
CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER

I am pleased to present the financial statements for Pineapple Power Corporation plc (the "Company" or "Pineapple") for the year ended 31 December 2023.

Following Pineapple's listing, the Company remains focused on acquiring potential interests in renewable energy projects, and other disruptive technologies.

The Company was formed to undertake an acquisition of a controlling interest in a company or business (an "Acquisition"). Any Acquisition is expected to constitute a reverse takeover transaction and consideration for the Acquisition may be in part or in whole in the form of share-based consideration or funded from the Company's existing cash resources or the raising of additional funds.

On April 21, 2023, the Company announced that it had entered into a non-binding heads of terms agreement with Element 2 Limited ("E2" or "Element 2"), based in Yorkshire, to acquire 100% of the outstanding shares in Element 2 in an all-share transaction. The Company subsequently terminated that agreement as announced on October 21, 2023.

On November 3, 2023, the Company announced that it had entered into a non-binding heads of terms agreement with Ilios Hydrogen Canada Limited ("Ilios" or "Ilios Hydrogen"), based in Vancouver, B.C., Canada, to acquire 100% of the outstanding shares in Ilios 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")

The Company is currently involved in the process of advancing the agreement with Ilios Hydrogen and will update the market in due course, when appropriate.

I look forward to reporting our progress to you over the next period.

Financial

Funding

The Company is funded through investment from its Shareholders following the Company's successful Standard Listing IPO onto the London Stock Exchange on December 24, 2020, a subsequent placing by the Company on 21 July 2022 raising a further £357,900 before costs and a subsequent placing on 23 March 2023 raising £350,000 before costs.

Revenue

The Company has generated no revenue during the year.

Expenditure

During the year, the Company has continued its fiscal discipline by continuing to maintain low overheads, where possible.

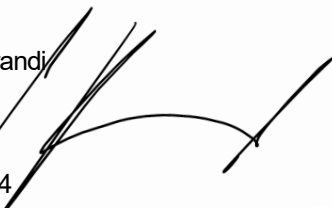
Liquidity, cash and cash equivalents

At 31 December 2023, the Company held £189,536 (2022: £315,892) of cash and cash equivalents, all of which are denominated in pounds sterling.

Claudio Morandi

Chairman

29 April 2024



**PINEAPPLE POWER CORPORATION PLC
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

Understanding our business

The Company was incorporated on 11 June 2014, with the view of pursuing an initial public offering of its securities onto the London Stock Exchange through a Standard Listing to raise the necessary funds required for the execution of the business strategy and business model, which is to acquire a business or asset in the clean and renewable energy sectors.

This IPO was completed in December 2020, with the Company successfully raising £1,316,010 before costs with Admission to the Main Market of the London Stock Exchange. In July 2022, the Company successfully raised a further £357,900 before costs. In March 2023, the Company successfully raised a further £350,000 before costs.

Key performance indicators

Appropriate key performance indicators will be identified in due course as the business strategy is implemented following a successful acquisition. Given the current nature of the Company's business, the Directors are of the opinion that the primary performance indicator is the completion of an acquisition.

Principal risks and uncertainties

The principal risks currently faced by the Company relate to:

Acquiring Less than Controlling Interests

The Company may acquire either less than whole voting control of, or less than a controlling equity interest in, a target, which may limit the Company's operational strategies and reduce its ability to enhance Shareholder value.

Inability to Fund Operations Post-Acquisition

The Company may be unable to fund the operations post acquisition of the target business if it does not obtain additional funding, however, the Company will ensure that appropriate funding measures are taken to ensure minimum commitments are met.

The Company's Relationship with the Directors and Conflicts of Interest

The Company is dependent on the Directors to identify potential acquisition opportunities and to execute an acquisition. The Directors are not obliged to commit their whole time to the Company's business; they will allocate a portion of their time to other businesses which may lead to the potential for conflicts of interest in their determination as to how much time to assign to the Company's affairs.

Suitable Acquisition Opportunities may not be Identified or Completed

The Company's business strategy is dependent on the ability of the Directors to identify sufficient and suitable acquisition opportunities. If the Directors do not identify a suitable acquisition target, the Company may not be able to fulfil its objectives. Furthermore, if the Directors do identify a suitable target, the Company may not acquire it at a suitable price or at all. In addition, if an acquisition is identified and subsequently aborted the Company may be left with substantial transaction costs.

Risks Inherent in an Acquisition

Although the Company and the Directors will evaluate the risks inherent in a particular target, they cannot offer any further assurance that all of the significant risk factors can be identified or properly assessed. Furthermore, no assurance can be made that an investment in Ordinary Shares in the Company will ultimately prove to be more favourable to investors than a direct investment, if such an opportunity were available, in a target business.

PINEAPPLE POWER CORPORATION PLC
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Reliance on External Advisors

The Directors expect to rely on external advisors to help identify and assess potential acquisitions and there is a risk that suitable advisors cannot be placed under contract or that such advisors that are contracted fail to perform as required.

Failure to Obtain Additional Financing to Complete an Acquisition or Fund a Target's Operations

There is no guarantee that the Company will be able to obtain any additional financing needed to either complete an acquisition or to implement its plans post acquisition or, if available, to obtain such financing on terms attractive to the Company. In that event, the Company may be compelled to restructure or abandon the acquisition or proceed with the acquisition on less favourable terms, which may reduce the Company's return on the investment. The failure to secure additional financing on acceptable terms could have a material adverse effect on the continued development or growth of the Company and the acquired business.

Reliance on Income from the Acquired Activities

Following an acquisition, the Company may be dependent on the income generated by the acquired business or from the subsequent divestment of the acquired business to meet the Company's expenses. If the acquired business is unable to provide the sufficient funds to the Company, the Company may be unable to pay its expenses or make distributions and dividends on the Ordinary Shares.

Restrictions in Offering Ordinary Shares as Consideration for an Acquisition or Requirements to Provide Alternative Consideration.

In certain jurisdictions, there may be legal, regulatory or practical restrictions on the Company using its Ordinary Shares as consideration for an acquisition or which may mean that the Company is required to provide alternative forms of consideration. Such restrictions may limit the Company's acquisition opportunities or make a certain acquisition more costly, which may have an adverse effect on the results of operations of the Company.

Gender analysis

A split of our employees and directors by gender and average number during the year is shown below:

Male		Female
Directors	2	nil

The main decision made by the directors during the year was to use some or all of the net proceeds raised in the placings achieved on 24 December 2020, 21 July 2022 and 23 March 2023 to acquire a company, business, project or asset in the renewable, clean energy or other sector.

The Corporate Governance Statement on pages 10 and 11 sets out the structures, committees and meetings held during the year, together with the experience of the directors.

The directors take feedback from shareholders and endeavors at every opportunity to pro-actively engage with all shareholders (via regular news reporting-RNS) and engage with any specific shareholders in response to particular queries they may have from time to time.

The Company currently has no employees, other than the directors, and so there are no factors which could affect employee interests.

The Company has not started a business activity and therefore only has professional advisors and a limited number of suppliers, no customers or others who require consideration by the directors and there are no activities that could impact the community or the environment.

The directors acknowledge that the Company will seek to maintain a reputation for high standards of business conduct and that it will treat all members fairly as between themselves and also in its dealings with any individual members.

**PINEAPPLE POWER CORPORATION PLC
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

Corporate social responsibility

We aim to conduct our business with honesty, integrity and openness, respecting human rights and the interests of our shareholders and employees. We aim to provide timely, regular and reliable information on the business to all our shareholders and conduct our operations to the highest standards.

We strive to create a safe and healthy working environment for the wellbeing of our staff and create a trusting and respectful environment, where all members of staff are encouraged to feel responsible for the reputation and performance of the Company.

We aim to establish a diverse and dynamic workforce with team players who have the experience and knowledge of the business operations and markets in which we operate. Through maintaining good communications, members of staff are encouraged to realise the objectives of the Company and their own potential.

The Board would like to take this opportunity to thank our shareholders, Board and advisors for their support during the year.

This report was approved by the board on 29 April 2024 and signed on its behalf by:



Claudio Morandi

Chairman

29 April 2024

**PINEAPPLE POWER CORPORATION PLC
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

The only employees in the Company are the Directors, who are all considered to be key management personnel.

Claudio Morandi

Claudio is a highly qualified company director, and experienced company restructuring and development specialist. He has enjoyed a long and rewarding career in the financial services industry predominantly based in Switzerland while working with merchant and investment banks and corporations based in North America and throughout Europe.

In 2008, he established Valreco AG, based in Zug, Switzerland, a financial services and investment company specialising in direct investments in public and private corporations, corporate finance, restructuring and mergers and acquisitions. As the founder and Managing Director of Valreco, he has been involved in a number of notable transactions, including the restructuring of one of Europe's largest hedge funds and the reorganisation of distressed investments for a private German corporation in the biodiesel industry. He sold the company in 2017 and resigned from the board of directors in December 2020.

Previously, as an Investment Manager of Mercer International Inc., he was instrumental in the acquisition of a number of German industrial companies. During his tenure with Mercer, the company's net assets grew by acquisitions and restructurings fivefold. Subsequently, as the Senior Vice President of Investment Banking at MFC Bancorp, a successor company to Mercer, he initiated and co-managed several transactions including the acquisition and integration of Bank Rinderknecht AG.

Claudio has graduated as a Certified Banker & Merchant at the KV Business School of Zurich, Switzerland in 1982. After having passed basic military services, he gained his Diplomas in National and Business Economics in Zurich. He is fluent in German, English and French and speaks some Italian. He is a resident of Switzerland.

Andrew Holland

Andrew is a qualified and highly experienced accounting, audit and wealth manager who operates his own company - Ivory Wealth Management - from his offices in Cape Town, South Africa where he resides with his family.

He commenced his career in the financial services industry at Arthur Andersen in the Audit and Business Advisory Department and went from there to Investec where he held the position of Associate Investment Director responsible for developing funds under management and discretionary portfolio management. Subsequently, as an Investment Director, he joined Truestone Capital (Mauritius), a niche investment management and advisory firm which provided financial advice and investment management to high net worth individuals and clients in the UK.

Prior to relocating to South Africa in 2014, he held the position of Senior Private Banker at Kleinwort Benson, now Kleinwort Hambros, a long established and large international private investment bank where he was responsible for development of investment and taxation strategies for clients as well as the on-going management and monitoring of portfolios.

PINEAPPLE POWER CORPORATION PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors present their report and the audited financial statements for the year ended 31 December 2023. The Company was incorporated in England on 11 June 2014.

Principal Activity

The principal activity of the Company during the year was that of identifying potential companies, businesses or asset(s) for acquisition.

Results

The Company recorded a loss for the year before taxation of £510,417 (2022: £367,956)

Dividends

No dividend has been paid during the year nor do the Directors recommend the payment of a final dividend (2022: £nil).

Directors

The Directors who served at any time during the year were:

- Claudio Morandi Non-Executive Director
- Andrew Holland Non-Executive Director

Details of the Directors' holding of Ordinary Shares are set out in the Directors' Remuneration Report from page 12.

Share Capital

Pineapple Power Corporation Plc is incorporated as a public limited company and is registered in England and Wales with the registered number 09081452. Details of the Company's issued share capital, together with details of the movements during the year, are shown in Note 14. The Company has one class of Ordinary Share and all shares have equal voting rights and rank pari passu for the distribution of dividends and repayment of capital.

PINEAPPLE POWER CORPORATION PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Substantial Shareholdings

At 22 April 2024 the Company had been informed of the following substantial interests over 3% of the issued share capital of the Company.

	Holdings	Percentage
Clive de Larrabeiti	6,600,100	* 7.92%
Sebastien Willems	4,691,400	5.63%
Andrew Holland	3,833,333	4.60%
Peter Mills	3,602,100	** 4.32%
Claudio Morandi	2,000,000	2.40%

* Of which 1,600,000 are held by family members

** Of which 302,000 are held by family members and 1,000,000 by a Company wholly owned by Peter Mills

Corporate Governance Statement

The Board is committed to maintaining appropriate standards of corporate governance. The statement below, together with the report on Directors' remuneration on pages 12 to 13, explains how the Company has observed principles set out in The UK Corporate Governance Code ("the Code") as relevant to the Company and contains the information required by section 7 of the UK Listing Authority's Disclosure Rules and Transparency Rules.

The Company has decided not to apply the Code given its current size and resources. The Company is a small company with modest resources. The Company has a clear mandate to optimise the allocation of limited resources to source acquisition(s) and support its future plans. The Company strives to maintain a balance between conservation of limited resources and maintaining robust corporate governance practices. As the Company evolves, the Board is committed to enhancing the Company's corporate governance policies and practices deemed appropriate to the size and maturity of the organisation.

Board of Directors

The Board currently consists of two non-executive Directors. It met when necessary throughout the year to discuss key issues and to monitor the overall performance of the Company. Both directors attended every meeting. With a Board comprising of just the two non-executive Directors, all matters and committees, such as Remuneration, Audit and Nominations are considered by the Board as a whole. The Directors will actively seek to expand Board membership to provide additional levels of corporate governance procedures at the relevant opportunity.

Audit Committee

The Board seeks to present a balanced and understandable assessment of the Company's position and prospects in all interim, final and price-sensitive reports and information required to be presented by statute. The Directors consider the size of the Company and the close involvement of executive Directors in the day-to-day operations makes the maintenance of both an Audit Committee and an internal audit function unnecessary. The Directors will continue to monitor this situation.

**PINEAPPLE POWER CORPORATION PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

Independent auditor

The Board will meet with the auditor at least twice a year to consider the results, internal procedures and controls and matters raised by the auditor. The Board considers auditor independence and objectivity and the effectiveness of the audit process. It also considers the nature and extent of the non-audit services supplied by the auditor reviewing the ratio of audit to non-audit fees and ensures that an appropriate relationship is maintained between the Company and its external auditor.

The Company has a policy of controlling the provision of non-audit services by the external auditor in order that their objectivity and independence are safeguarded. As part of the decision to recommend the appointment of the external auditor, the Board takes into account the tenure of the auditor in addition to the results of its review of the effectiveness of the external auditor and considers whether there should be a full tender process. There are no contractual obligations restricting the Board's choice of external auditor.

Remuneration committee

There is no separate Remuneration Committee at present, instead all remuneration matters are considered by the Board as a whole. It meets when required to consider all aspects of directors' and staff remuneration, share options and service contracts.

Nominations committee

A nominations committee has not yet been established.

Internal financial control

Financial controls have been established so as to provide safeguards against unauthorised use or disposition of the assets, to maintain proper accounting records and to provide reliable financial information for internal use. Key financial controls include:

- the maintenance of proper records;
- a schedule of matters reserved for the approval of the Board;
- evaluation, approval procedures and risk assessment for acquisitions; and
- close involvement of the Directors in the day-to-day operational matters of the Company.

Shareholder Communications

The Company uses its corporate website (<http://www.pineapple-powercorp.com>) to ensure that the latest announcements, press releases and published financial information are available to all shareholders and other interested parties.

The AGM is used to communicate with both institutional shareholders and private investors and all shareholders are encouraged to participate. Separate resolutions are proposed on each issue so that they can be given proper consideration and there is a resolution to approve the Annual Report and Accounts. The Company counts all proxy votes and will indicate the level of proxies lodged on each resolution after it has been dealt with by a show of hands.

PINEAPPLE POWER CORPORATION PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Directors' Remuneration Report

Remuneration Policies (unaudited)

The Directors have considered the requirement for a UK 10-year performance graph comparing the Company's Total Shareholder Return with that of a comparable indicator. The Directors do not currently consider that including the graph will be meaningful because the Company has only been listed for just over 3 years and is not paying dividends and is currently incurring losses. In addition, the remuneration of Directors was not linked to performance, and we therefore do not consider the inclusion of this graph to be useful to shareholders at the current time. The Directors will review the inclusion of this table for future report.

The remuneration policy of the Company in effect from 3 July 2020 was that each Director shall be entitled to a salary not in excess of £24,000 per annum from the date of Admission until the completion of an acquisition and it is intended that these policies will be continued for the next and subsequent years subject to any acquisition. At the forthcoming AGM shareholders will be asked to vote on the remuneration policy of the Company, as per previous AGM. The date of Admission was 24 December 2020.

At such time upon completion of an acquisition, a remuneration committee may be appointed to reassess an appropriate level of Directors' remuneration and it is envisaged that the remuneration policy be amended so as to attract, retain and motivate Executive Directors and senior management of a high calibre with a view to encouraging commitment to the development of the Company and for long term enhancement of shareholder value. The Board believes that share ownership by Executive Directors strengthens the link between their personal interests and those of shareholders although there is no formal shareholding policy in place.

The current Directors' remuneration comprises a basic fee and at present, there is no bonus or long-term incentive plan in operation for the Directors. Directors also receive reimbursement for expenses incurred whilst performing services for the Company.

Service contracts (unaudited)

The Executive Directors have entered into Service Agreements with the Company and continue to be employed until terminated by the Company.

In the event of termination or loss of office the Director is entitled only to payment of his basic salary in respect of his notice period. In the event of termination or loss of office in the case of a material breach of contract the Director is not entitled to any further payment.

Each Director is paid at a rate of £24,000 per annum.

The contracts are available for inspection at the Company's registered office.

Approval by members (unaudited)

The remuneration policy above will be put before the members for approval at the next Annual General Meeting.

The Directors have considered the requirement to present information on the relative importance of spend on pay compared to shareholder dividends paid. Given that the Company does not currently pay dividends we have not considered it necessary to include such information.

Implementation Report

Particulars of Directors' Remuneration (audited)

Particulars of directors' remuneration, under the Companies Act 2006 are required to be audited, are given in Note 5 and further referenced in the Directors' report.

PINEAPPLE POWER CORPORATION PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Remuneration paid to the Directors' during the year ended 31 December 2023 was:

Non-Executive Director	Base salary £	Pension contribution £	Total £
Claudio Morandi	24,000	-	24,000
Andrew Holland	24,000	-	24,000
	<u>48,000</u>	<u>-</u>	<u>48,000</u>

Remuneration paid to the Directors' during the year ended 31 December 2022 was:

Non-Executive Director	Base salary £	Pension contribution £	Total £
Claudio Morandi	24,000	-	24,000
Andrew Holland	24,000	-	24,000
	<u>48,000</u>	<u>-</u>	<u>48,000</u>

There were no performance measures associated with any aspect of Directors' remuneration during the year.

Payments to past Directors (audited)

There are no payments to past Directors.

Bonus and incentive plans (audited)

There were no bonus and incentive plans in place during the year.

Percentage change in the remuneration of the Chief Executive (unaudited)

The Company does not yet have a Chief Executive and as such, no CEO disclosure has been presented.

Other matters

The Company does not have any pension plans for any of the Directors and does not pay contributions in relation to their remuneration. The Company has not paid out any excess retirement benefits to any Directors.

PINEAPPLE POWER CORPORATION PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Directors interests in shares (audited)

The Company has no Director shareholder requirements.

The beneficial interest of the Directors in the Ordinary Share Capital of the Company at 31 December 2023 was:

	Number	%age of issued share capital - 2023	%age of issued share capital – 2022
Claudio Morandi	2,000,000	2.40%	2.40%
Andrew Holland	3,833,333	4.60%	3.60%

The beneficial interest of the Directors in the Ordinary Share Capital of the Company at 31 December 2022 was:

	Number	%age of issued share capital – 2022	%age of issued share capital – 2021
Claudio Morandi	2,000,000	2.40%	3.35%
Andrew Holland	3,000,000	3.60%	3.35%

Remuneration Committee (unaudited)

There is no separate Remuneration Committee at present, instead all remuneration matters are considered by the Board as a whole. It meets when required to consider all aspects of directors' remuneration, share options and service contracts.

From the outset the Board has set out and implemented a policy designed in its view to attract, retain and motivate executive Directors of the right calibre and ability. There have been no major changes during the year either in that policy or its implementation, including levels of remuneration and terms of service for the Directors.

**PINEAPPLE POWER CORPORATION PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

Statement of Directors' Responsibilities in respect of the Annual Report and the financial statements

The Directors are responsible for preparing this report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether they have been prepared in accordance with UK-adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Company financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations, and for ensuring that the Annual report includes information required by the Listing Rules of the Financial Conduct Authority.

The financial statements are published on the Company's website (<http://www.pineapple-powercorp.com>). The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and accordingly, the Auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom covering the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

PINEAPPLE POWER CORPORATION PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors confirm that to the best of their knowledge:

- the Company financial statements, prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- this Annual report includes the fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that it faces; and
- the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide information necessary for shareholders to assess the Company's performance, business and strategy.

Disclosure and Transparency Rules

Details of the Company's share capital and warrants are given in Notes 14 and 15 respectively. There are no restrictions on transfer or limitations on the holding of the ordinary shares. None of the shares carry any special rights with regard to the control of the Company. There are no known arrangements under which the financial rights are held by a person other than the holder and no known agreements or restrictions on share transfers and voting rights.

As far as the Company is aware there are no persons with significant direct or indirect holdings other than the Directors and other significant shareholders as shown on page 10.

The provisions covering the appointment and replacement of directors are contained in the Company's articles, any changes to which require shareholder approval. There are no significant agreements to which the Company is party that take effect, alter or terminate upon a change of control following a takeover bid and no agreements for compensation for loss of office or employment that become effective as a result of such a bid.

Requirements of the Listing Rules

Listing Rule 9.8.4 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures required in relation to Listing Rule 9.8.4.

Financial Instruments

The Company has exposure to credit risk, liquidity risk and market risk. Note 19 presents information about the Company's exposure to these risks, along with the Company's objectives, processes and policies for managing the risks.

Greenhouse Gas (GHG) Emissions

The Company is aware that it needs to measure its operational carbon footprint in order to limit and control its environmental impact. However, given the very limited nature of its operations during the year under review, it has not been practical to measure its carbon footprint. In the future, the Company will only measure the impact of its direct activities, as the full impact of the entire supply chain of its suppliers cannot be measured practically. The Company has not made separate disclosures relating to energy consumption and efficiency as the entity consumed less than 40,000 kWh of energy during the period.

Future developments after the reporting period

On April 18, 2024 the Company provided details, conditional upon completion of the RTO with Ilios Hydrogen, of 3 new Board appointments.

**PINEAPPLE POWER CORPORATION PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

Directors' Indemnity Provisions

The Company has not yet implemented Directors and Officers Liability Indemnity insurance.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future while it undertakes further fundraising. Further details are given in Note 2.2 to the Financial Statements. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

Anti-corruption and anti-bribery

The government of the United Kingdom has issued guidelines setting out appropriate procedures for companies to follow to ensure that they are compliant with the UK Bribery Act 2010. The Company has conducted a review into its operational procedures to consider the impact of the Bribery Act 2010 and the Board has adopted an anti-corruption and anti-bribery policy as part of its Admission to the LSE.

Donations

The Company made no political donations during the year (2022: £nil).

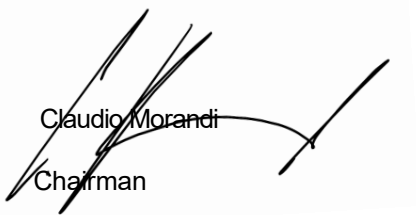
Auditors and disclosure of information to auditors

The Directors who held office at the date of approval of the Directors' Report confirm that:

- so far as they are each aware, there is no relevant audit information of which the Company's Independent Auditor is unaware; and
- each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Independent Auditor is aware of that information.

The auditors, PKF Littlejohn LLP, were reappointed by the Directors of the Company on 28 June 2023. They have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

This directors' report was approved by the Board of Directors on 29 April 2024 and is signed on its behalf by:


Claudio Morandi
Chairman
29 April 2024

**PINEAPPLE POWER CORPORATION PLC.
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PINEAPPLE POWER
CORPORATION PLC FOR THE YEAR ENDED 31 DECEMBER 2023**

Opinion

We have audited the financial statements of Pineapple Power Corporation plc (the 'company') for the year ended 31 December 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cashflows, the Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2.2 of the financial statements, which indicates that the company has incurred a net loss of £510,417 during the year ended 31 December 2023 and has net assets of £143,637 as at 31 December 2023. The company requires additional funding to cover their committed costs as well as the forthcoming reverse takeover costs. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included the following procedures:

- Obtaining management's cash flow forecasts for the going concern period being twelve months from the date of signing the financial statements;
- Testing the mathematical accuracy of the cash flow forecasts;
- Understanding the cash flow forecasts including the key assumptions and inputs used and sources of these inputs;
- Challenging the appropriateness of key assumptions and inputs used;
- Stress-testing the cash flow forecasts through a review of the application of reasonably foreseeable downside scenarios; and
- Evaluating events after the year-end, which would be expected to impact the going concern assessment and challenging the directors thereon to ensure that they had been factored into the assessment.

Based on the work we have performed, the events or conditions that cast significant doubt on the company's ability to continue as a going concern have been appropriately described and disclosed in note 2.2 and the conclusions reached are supported by the underlying cashflow forecasts reviewed as part of our work in this area. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**PINEAPPLE POWER CORPORATION PLC.
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PINEAPPLE POWER
CORPORATION PLC FOR THE YEAR ENDED 31 DECEMBER 2023**

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Materiality for the financial statements as a whole	£7,000 (2022: £13,000)
Basis of materiality	5% (2022: 5%) of net assets
Rationale: Benchmark	As the company is still a cash shell, net assets are used to fund the directors acquisition strategy and as such, we consider net assets as the key metric of the users of the financial statements.
Rationale: Percentage	The percentage applied to the benchmark has been selected to bring into scope all significant classes of transactions, account balances and disclosures relevant for the shareholders, and also to ensure that matters that would have a significant impact on the results were appropriately considered.
Performance materiality (70%; 2022: 70%)	£4,900 (2022: £9,100)
Factors considered to determine performance materiality	Our risk assessment of the control environment; <ul style="list-style-type: none"> • Our cumulative knowledge of the company and its environment; • The level of judgement required in key accounting estimates; and • The stability in key management personnel.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality to determine the nature and extent of our testing, for example in determining sample sizes.

We agreed to report to the directors all corrected and uncorrected misstatements we identified through our audit with a value in excess of £350 (2022: £650). We also agreed to report any other misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Our approach to the audit

In designing our audit, we determined materiality as above and assessed the risk of material misstatement in the financial statements. In particular, we tailored the scope of our audit to ensure that we performed sufficient audit work to be able to give an opinion on the financial statement as a whole, taking into account the cash shell nature of the company. We looked at areas involving significant accounting estimates and judgement by the directors, being the share-based payment transactions and considered, as part of our work on going concern, future events that are inherently uncertain such as future cash injections. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by management that represented a risk of material misstatement due to fraud. Our audit was performed from our London office with regular contact with management and the directors throughout the audit. This, in conjunction with additional procedures performed, gave us appropriate evidence for our opinion on the financial statements.

**PINEAPPLE POWER CORPORATION PLC.
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PINEAPPLE POWER
CORPORATION PLC FOR THE YEAR ENDED 31 DECEMBER 2023**

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material uncertainty related to going concern section, we have determined that there are no other key audit matters to communicate in our report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**PINEAPPLE POWER CORPORATION PLC.
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PINEAPPLE POWER
CORPORATION PLC FOR THE YEAR ENDED 31 DECEMBER 2023**

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research and application of cumulative audit knowledge.
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from the listing rules, UK taxation law, disclosure guidance and transparency rules, the Companies Act 2006, anti-bribery and anti-money laundering regulations and UK-adopted international accounting standards.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
 - Holding discussions with management and the directors and considering whether there were any known or suspected instances of non-compliance with laws and regulations or fraud;
 - Reviewing board meeting minutes;
 - Reviewing Regulatory News Service (RNS) announcements; and
 - Reviewing legal and regulatory correspondence and legal expenses.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the valuation of share-based payment transactions. We addressed this by challenging the assumptions and judgements made by management when auditing these accounting estimates and ensuring that there were adequate disclosures included in the respective notes.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

**PINEAPPLE POWER CORPORATION PLC.
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PINEAPPLE POWER
CORPORATION PLC FOR THE YEAR ENDED 31 DECEMBER 2023**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the board of directors on 10 February 2021 to audit the financial statements for the period ending 31 December 2020 and subsequent financial periods. Our total uninterrupted period of engagement is 4 years, covering the periods ending 31 December 2020 to 31 December 2023.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Mark Ling (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor**

**15 Westferry Circus
Canary Wharf
London E14 4HD**

29 April 2024

PINEAPPLE POWER CORPORATION PLC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2023

	Notes	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Revenue		-	-
Administrative expenses		(516,191)	(368,146)
Bank interest received		5,774	190
Operating loss	5	(510,417)	(367,956)
Loss on ordinary activities before taxation		(510,417)	(367,956)
Tax on loss on ordinary activities	7	-	-
Loss and total comprehensive loss for the period attributable to the owners of the company		(510,417)	(367,956)
Loss per share (basic and diluted) attributable to the equity holders (pence)	8	(0.0063)	(0.0057)

The above results relate entirely to continuing activities.

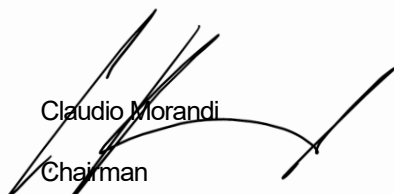
The accompanying notes on pages 27 to 39 form part of these financial statements.

PINEAPPLE POWER CORPORATION PLC
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 31 DECEMBER 2023

	Notes	Year ended 31 December 2023 £	Year ended 31 December 2022 £
FIXED ASSETS			
Office Equipment	9	51	641
CURRENT ASSETS			
Prepayments and other receivables	10	6,114	7,499
Cash and cash equivalents	11	189,536	315,892
		195,650	323,391
TOTAL ASSETS		195,701	324,032
CURRENT LIABILITIES			
Trade and other payables	12	52,064	50,501
TOTAL LIABILITIES		52,064	50,501
NET ASSETS		143,637	273,531
EQUITY			
Share capital	14	833,329	716,662
Share premium	14	1,250,382	1,032,669
Share based payment reserve	15	46,142	168,240
Retained loss		(1,986,216)	(1,644,040)
TOTAL EQUITY		143,637	273,531

The accompanying notes on pages 27 to 39 form part of these financial statements.

These financial statements were approved by the Board of Directors on 29 April 2024 and were signed on its behalf by:


 Claudio Morandi
 Chairman

Company number: 09081452

PINEAPPLE POWER CORPORATION PLC
STATEMENT OF CASHFLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2023

	Year ended 31 December 2023	Year ended 31 December 2022
	£	£
Cash flow from operating activities		
Loss for the year	(510,417)	(367,956)
Depreciation	591	588
Share based payments	46,142	-
Operating cashflow before working capital movements	(463,684)	(367,368)
(Increase)/decrease in trade and other receivables	1,385	(1,154)
Increase/(decrease) in other payables and accruals	1,563	(218,137)
Net cash (outflow) from operating activities	(460,736)	(586,659)
Investing activities		
Purchase of office and computer equipment	-	-
Net cash (outflow) from investing activities	-	-
Financing activities		
Net proceeds from issue of ordinary shares	334,380	342,117
Net cash inflow from financing activities	334,380	342,117
Net increase/(decrease) in cash and cash equivalents	(126,356)	(244,542)
Cash and cash equivalents at the beginning of the year	315,892	560,434
Cash and cash equivalents at the end of the year	189,536	315,892

The accompanying notes on pages 27 to 39 form part of these financial statements.

PINEAPPLE POWER CORPORATION PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2023

	Share Capital	Share Premium	Share Based Payment Reserve	Retained Loss	Total
	£	£	£	£	£
Balance at 1 January 2022	597,362	809,852	168,240	(1,276,083)	299,371
Total comprehensive income for the year	-	-	-	(367,956)	(367,956)
<i>Transactions with owners</i>					
Issue of new shares	119,300	238,600	-	-	357,900
Costs relating to share issue	-	(15,783)	-	-	(15,783)
Balance at 31 December 2022	716,662	1,032,669	168,240	(1,644,039)	273,532
Total comprehensive income for the year	-	-	-	(510,417)	(510,417)
<i>Transactions with owners</i>					
Issue of new shares	116,667	233,333	-	-	350,000
Costs related to shares issue	-	(15,620)	-	-	(15,620)
Expiration of Options & Warrants	-	-	(168,240)	168,240	-
Issue of Options	-	-	46,142	-	46,142
Balance at 31 December 2023	833,329	1,250,382	46,142	(1,986,216)	143,637

The accompanying notes on pages 27 to 39 form part of these financial statements.

PINEAPPLE POWER CORPORATION PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1 GENERAL INFORMATION

Pineapple Power Corporation Plc (the “Company”) looks to identify potential companies, businesses or asset(s) that will increase shareholder value.

The Company is domiciled in the United Kingdom and incorporated and registered in England and Wales as a public limited company. The Company’s registered office is Studio 16, Cloisters House, 8 Battersea Park Road, London SW8 4BG. The Company’s registered number is 09081452.

2 BASIS OF PREPARATION

2.1

The Financial Statements of the Company have been prepared in accordance with UK-adopted international accounting standards and the Companies Act 2006.

The Financial Statements have been prepared under the historical cost convention. The principal accounting policies are set out below and have, unless otherwise stated, been applied consistently for all periods presented in these Financial Statements. The Financial Statements are prepared in pounds Sterling and presented to the nearest pound.

2.2 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

The Company had a net cash outflow for the year of £126,356 (2022 outflow: £244,542) and at 31 December 2023 had cash and cash equivalents balance of £189,536 (2022: £315,892).

The Company has no revenue but has cash resources to finance activities whilst it raises further funds. The Company is aware that further funding is required to cover the costs of the forthcoming RTO. This is being undertaken but has not yet been completed as at the date of this report. The Board has factored this within its cash flow forecast and has assessed and concluded that there will be sufficient headroom to support the Company’s working capital requirements. Accordingly, the Board believes it appropriate to adopt the going concern basis in the approval of the financial statements.

2.3 Standards, amendments and interpretations to existing standards that are effective and adopted and those in issue but not yet effective

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2023:

- Presentation of Financial Statements and IFRS Practice Statement 2 - Amendments to IAS 1;
- Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates - Amendment to IAS 8;
- Income Taxes – Deferred Tax related to Assets and Liabilities arising from a single transaction - Amendments to IAS 17.

Standards in issue but not yet effective - The effective date of the below standards is 1 January 2024

- Presentation of Financial Statements. Classification of Liabilities as Current or Non-current - Amendments to IAS 1;
- Lease Liability in a Sale and Leaseback - Amendments to IFRS 16 Leases;
- Presentation of Financial Statements: Non-current Liabilities with Covenants – Amendments to IAS 1;
- Statement of Cash Flows and IFRS 7 -Financial Instruments – Disclosures: Supplier Finance Arrangements – Amendments to IAS 7.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

PINEAPPLE POWER CORPORATION PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Financial liabilities at amortised cost

Financial liabilities measured at amortised cost using the effective interest rate method include current borrowings and trade and other payables that are short term in nature. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate ("EIR"). The EIR amortisation is included as finance costs in profit or loss. Trade payables other payables are non-interest bearing and are stated at amortised cost using the effective interest method.

Derecognition

A financial asset is derecognised when:

1. the rights to receive cash flows from the asset have expired, or
2. the Company has transferred its rights to receive cash flows from the asset or has undertaken the commitment to fully pay the cash flows received without significant delay to a third party under an arrangement and has either:
 - a) transferred substantially all the risks and the assets of the asset or
 - b) has neither transferred nor held substantially all the risks and estimates of the asset but has transferred the control of the asset.

Impairment

The Company recognises a provision for impairment for expected credit losses regarding all financial assets. Expected credit losses are based on the balance between all the payable contractual cash flows and all discounted cash flows that the Company expects to receive. Regarding trade receivables, the Company applies the IFRS 9 simplified approach in order to calculate expected credit losses. Therefore, at every reporting date, provision for losses regarding a financial instrument is measured at an amount equal to the expected credit losses over its lifetime without monitoring changes in credit risk. To measure expected credit losses, trade receivables and contract assets have been grouped based on shared risk characteristics.

PINEAPPLE POWER CORPORATION PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Trade and other receivables

Trade and other receivables are initially recognised at fair value when related amounts are invoiced then carried at this amount less any allowances for doubtful debts or provision made for impairment of these receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and are subject to an insignificant risk of changes in value.

Trade payables

These financial liabilities are all non-interest bearing and are initially recognised at the fair value of the consideration payable.

2.7 Equity

Share capital is determined using the nominal value of shares that have been issued.

The Share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the Share premium account, net of any related income tax benefits.

Equity-settled share-based payments are credited to a share-based payment reserve as a component of equity until related options or warrants are exercised or lapse.

Retained losses includes all current and prior period results as disclosed in the income statement.

2.8 Share-based payments

The Company issued warrants to certain brokers and advisers in 2020. The remaining warrants expired on 24 December 2023. On 8 February 2021, the Company issued 6,000,000 options to Directors and Advisors which expired on 7 February 2023.

On 20 February 2023, a total of 6,750,000 Options were awarded to Directors and Advisors involved in the continuing advancement of the Company's goal to complete a reverse take-over transaction in the renewable energy sector.

The Options have an exercise price of 3p per Ordinary Share. The Options vest and are exercisable 6 months from the date of grant and expire in two years from the date of grant. The Options granted represent in aggregate 8.1 per cent of the Company's current issued share capital. These incentive stock options replace the previously granted options issued to Directors and Advisors in February 2021 which have now expired.

The new Options have been granted in the amounts set out below:

Name	Position Held	No. of Options granted
Claudio Morandi	Non-executive Director	1,250,000
Andrew Holland	Non-executive Director	1,250,000
Clive de Larrabeiti	Corporate Finance Advisor	1,250,000
Peter Mills	Corporate Administrator	1,250,000
Graham Cooley	Corporate Advisor	1,250,000
Richard Offer	Corporate Finance Advisor	500,000
		6,750,000

PINEAPPLE POWER CORPORATION PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at date of grant. The fair value so determined is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions. Fair value is measured using the Black Scholes pricing model. The key assumption used in the model have been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

2.9 Taxation

Tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.10 Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the entity's accounting policies, management makes estimates and assumptions that have an effect on the amounts recognised in the financial information. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Apart from share warrants and options discussed in note 2.8 the Directors consider that there are no other critical accounting judgements or key sources of estimation uncertainty relating to the financial information of the Company.

2.11 Loss per share

Basic loss per share is calculated as the profit or loss attributable to equity holders of the parent for the period, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares.

PINEAPPLE POWER CORPORATION PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2.12 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board as a whole.

3. SEGMENT REPORTING

As identifying and assessing investment projects is the only activity the Company is involved in and is therefore considered as the only operating/reporting segment. Therefore, the financial information of the single segment is the same as set out in the statement of comprehensive income and statement of financial position.

4. OPERATING LOSS

This is stated after charging:

	2023	2022
	£	£
Auditor's remuneration audit of the Company	48,000	18,000
Directors' remuneration	48,000	48,000
Operating expenses	414,417	301,956
	<hr/> 510,417	<hr/> 367,956

5. OPERATING EXPENSES

	2023	2022
	£	£
Broker fees	48,600	37,800
Transaction costs RTO	20,400	1,002
Legal fees	47,460	47,100
Consultancy fees	171,140	148,140
Listing fees	61,205	34,345
Share option expense	46,142	-
PR & media	3,688	13,200
Other expenditure	15,782	20,369
	<hr/> 414,417	<hr/> 301,956

PINEAPPLE POWER CORPORATION PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

6. AUDITOR'S REMUNERATION

	2023	2022
	£	£
Fees payable to the Company's current auditor:		
audit of the Company's financial statements	36,000	18,000
additional audit relating to previous year	12,000	-
	<u>48,000</u>	<u>18,000</u>

7. TAXATION

	2023	2022
	£	£
The charge / credit for the year is made up as follows:		
Current tax	-	-
Deferred tax	-	-
Taxation charge / credit for the year	<u>-</u>	<u>-</u>
A reconciliation of the tax charge / credit appearing in the income statement to the tax that would result from applying the standard rate of tax to the results for the year is:		
Loss per accounts	(510,417)	(367,956)
Tax credit at the standard rate of corporation tax in the UK of 19% (2022: 19%)	<u>(96,979)</u>	<u>(69,912)</u>
Impact of costs disallowed for tax purposes	5,582	453
Impact of unrelieved tax losses carried forward	91,397	69,459
	<u>-</u>	<u>-</u>

Estimated tax losses of £1,785,033 (2022: £1,252,287) are available for relief against future profits.

Factors affecting the future tax charge

The standard rate of corporation tax in the UK is 25% from 1 April 2023 and a new 19% small profits rate of corporation tax was introduced for companies whose profits do not exceed 50,000 pounds. Accordingly, the Company's effective tax rate for the period was 19% (2022: 19%).

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8. LOSS PER SHARE

The calculation of the loss per share is based on the loss for the financial period after taxation of £510,417 (2022: loss £367,956) and on the weighted average of 80,743,837 (2022: 65,096,540) ordinary shares in issue during the period.

The warrants and options outstanding at 31 December 2023 are considered to be anti-dilutive in that their conversion into ordinary shares would not reduce the net loss per share. Consequently, there is no diluted loss per share to report for the period.

9. OFFICE & COMPUTER EQUIPMENT

	2023
	£
Cost	
Balance at 31 December 2022	<u>1,818</u>
Balance at 31 December 2023	<u>1,818</u>
Depreciation	
Balance at 31 December 2022	1,177
Charge for the year	<u>590</u>
Balance at 31 December 2023	<u>1,767</u>
Net Book Value	
At 31 December 2022	<u>641</u>
At 31 December 2023	<u><u>51</u></u>

10. PREPAYMENTS AND OTHER RECEIVABLES

	2023	2022
	£	£
Other Receivables	-	806
Prepayments	6,114	6,693
	<u>6,114</u>	<u>7,499</u>

11. CASH AND CASH EQUIVALENTS

	2023	2022
	£	£
Cash at bank	189,536	315,892
	<u>189,536</u>	<u>315,892</u>

Cash at bank comprises balances held by the Company in current bank accounts.

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12. TRADE & OTHER PAYABLES

	2023	2022
	£	£
Trade payables	16,064	32,501
Accruals and other payables	36,000	18,000
	<u>52,064</u>	<u>50,501</u>

Trade payables and accruals principally comprise amounts outstanding for trade purchases and continuing costs. The Directors consider that the carrying value amount of trade and other payables approximates to their fair value. Refer Note 19.

13. DEFERRED TAXATION

No deferred tax asset has been recognised by the Company due to the uncertainty of generating sufficient future profits and tax liability against which to offset the tax losses. Note 7 above sets out the estimated tax losses carried forward.

14. SHARE CAPITAL / SHARE PREMIUM

	Number of shares on issue	Share capital	Share premium	Total
	£	£	£	£
Balance as at 1 January 2022	59,736,211	597,362	809,852	1,407,214
Issue of new shares	11,930,000	119,300	238,600	357,900
Transaction Costs	-	-	(15,783)	(15,783)
Balance as at 31 December 2022	<u>71,666,211</u>	<u>716,662</u>	<u>1,032,669</u>	<u>1,749,331</u>
Issue of new shares	11,666,667	116,667	233,333	350,000
Transaction Costs	-	-	(15,620)	(15,620)
Balance as at 31 December 2023	<u>83,332,878</u>	<u>833,329</u>	<u>1,250,382</u>	<u>2,083,711</u>

The Company has only one class of share. All ordinary shares have a par value of 1p, are fully paid and authorised, have equal voting rights and rank pari passu for the distribution of dividends and repayment of capital. At 31 December 2023, there were warrants over 0 unissued ordinary shares (2022: 10,000)

During the year, 11,666,667 new ordinary 1p shares were issued at 3p per share in a new placing.

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15. SHARE BASED PAYMENT RESERVE

	2023	2022
	£	£
At 1 January 2023	168,240	168,240
Expiration of Options & Warrants	(168,240)	-
Fair value of options granted during the year	46,142	-
At 31 December 2023	<u>46,142</u>	<u>168,240</u>

The Company determines the fair value of its share options granted using a model based on the Black- Scholes-Merton methodology. In determining the fair value of its share options granted, the Company made the following assumptions.

Grant date	Share Price	Exercise Price	Expected. Option Life Years	Expected Volatility	Expected Dividend Yield	Risk free Interest Rate	Fair Value at date of Grant
2023	2.5p	3p	2	45.6%	0%	3.788%	0.05356p

Expected volatility was determined by reference to historical share price over a period of two years which is inline with the expected option life of the share option.

Subsequent changes in market conditions do not impact the amount charged to the statement of comprehensive income. Expected volatility was determined by reference to historical experience.

The Company did not issue any warrants in the current year.

As at 31 December 2023, the remaining warrants expired. On 8 February 2021, the Company issued 6,000,000 options to Directors and Advisors. These options expired on 8 February 2023.

As at 31 December 2023 and 26 April 2024, there were 6,750,000 options outstanding.

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Details of the options outstanding are as follows:

Issued	Exercisable from	Expiry date	Number outstanding	Exercise price
20 February 2023	6 months from date of grant	19 February 2025	6,750,000	£0.03

The market price of the shares at year end was £0.0274 per share. During the year, the minimum and maximum prices were £0.027 and £0.0487 per share respectively.

16. CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2022 and 31 December 2023.

17. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2022 and 31 December 2023.

18. COMMITMENTS UNDER OPERATING LEASES

There were no commitments under operating leases at 31 December 2022 and 31 December 2023.

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments comprise primarily cash and various items such as trade debtors and trade payables which arise directly from operations. The main purpose of these financial instruments is to provide working capital for the Company's operations. The Company does not utilise complex financial instruments or hedging mechanisms.

Financial assets by category

	2023	2022
	£	£
Current Assets:		
Other receivables (excluding prepayments)	-	806
Cash and cash equivalents	189,526	315,892
	<hr/>	<hr/>
Categorised as financial assets at amortised cost	189,526	316,698
	<hr/>	<hr/>

Financial liabilities by category

	2023	2022
	£	£
Current Liabilities:		
Trade and other payables	16,064	32,501
	<hr/>	<hr/>
Categorised as financial liabilities measured at amortised cost	16,064	32,501
	<hr/>	<hr/>

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Credit risk

The maximum exposure to credit risk at the reporting date by class of financial asset was:

	2023	2022
	£	£
Other receivables	-	806

Capital management

The Company considers its capital to be equal to the sum of its total equity. The Company monitors its capital using a number of key performance indicators including cash flow projections, working capital ratios, the cost to achieve development milestones and potential revenue from partnerships and ongoing licensing activities.

The Company's objective when managing its capital is to ensure it obtains sufficient funding for continuing as a going concern. The Company funds its capital requirements through the issue of new shares to investors.

Interest rate risk

The maximum exposure to interest rate risk at the reporting date by class of financial asset was:

	2023	2022
	£	£
Bank balances	189,536	315,892

The nature of the Company's activities and the basis of funding are such that the Company will have significant liquid resources. The Company will use these resources to meet the cost of operations.

The Company is not financially dependent on the income earned on these resources and therefore the risk of interest rate fluctuations is not significant to the business and the Directors have not performed a detailed sensitivity analysis.

Credit and liquidity risk

Credit risk is managed on a Company basis. Funds are deposited with financial institutions with a credit rating equivalent to, or above, the main UK clearing banks. The Company's liquid resources are invested having regard to the timing of payment to be made in the ordinary course of the Company's activities. All financial liabilities are payable in the short term (between 0 to 3 months) and the Company maintains adequate bank balances to meet those liabilities.

Currency risk

The Company operates in a global market with income and costs possibly arising in a number of currencies. The majority of the operating costs are incurred in £GBP. The Company does not hedge potential future income or costs, since the existence, quantum and timing of such transactions cannot be accurately predicted. The Company did not have foreign currency exposure at year end.

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20. RELATED PARTY TRANSACTIONS

Key management personnel compensation

The Directors are considered to be key management personnel. Detailed remuneration disclosures are provided in the remuneration report on pages 12 – 13.

21. EVENTS SUBSEQUENT TO YEAR END

On April 18, 2024 the Company provided details, conditional upon completion of the RTO with Ilios Hydrogen, of 3 new Board appointments.

22. CONTROL

In the opinion of the Directors there is no single ultimate controlling party at the year end.