



Pineapple  
ENERGY

# Investor Presentation

May 2023

# Forward-Looking Statements Disclosure

This presentation includes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding future financial performance, future growth, and future acquisitions. These statements are based on Pineapple Energy's current expectations or beliefs and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive or regulatory factors, and other risks and uncertainties, including those set forth in the company's filings with the Securities and Exchange Commission. The forward-looking statements in this presentation speak only as of the date of this presentation. Pineapple Energy does not undertake any obligation to update or revise these forward-looking statements for any reason, except as required by law.



# Agenda

- 1 Introduction
- 2 Pineapple Energy Overview
- 3 Market Overview
- 4 Roll-up Strategy
- 5 Financial Overview





# 1 Introduction





# Pineapple Energy Overview



## Vision

Power the energy transition through grass-roots growth of solar electricity paired with battery storage

## Strategy

Find, acquire, integrate, and grow leading solar, storage, and energy services companies

2020	PEGY	MN
<i>Founded</i>	<i>Ticker</i>	<i>HQ</i>
255	62K	50%
<i>Headcount<sup>1</sup></i>	<i>Systems Installed, All-Time<sup>2</sup></i>	<i>Referral Rate<sup>3</sup></i>

<sup>1</sup>As of March 31, 2023.

<sup>2</sup>As of March 31, 2023. Includes Hawaii Energy Connection, SUNation, Sungevity, and Horizon Solar Power residential installed systems.

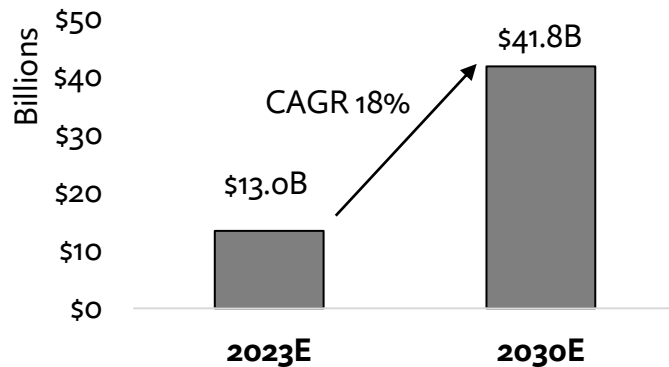
<sup>3</sup>Represents referred jobs / total jobs sold during January-March 2023. Includes Hawaii Energy Connection and SUNation.



# Why Pineapple Energy?

**1** Rapidly scaling in the residential energy market, a large market with significant tailwinds

Residential Solar Total Addressable Market



% of US Homes with Solar

4.4%

12.4%

## Market Tailwinds

- Rising utility rates
- More frequent disasters
- Poor grid reliability
- Declining solar and battery costs
- Expanding policy support (IRA)
- Growing adoption of EVs

**2** Differentiated M&A roll-up strategy, with robust acquisition pipeline

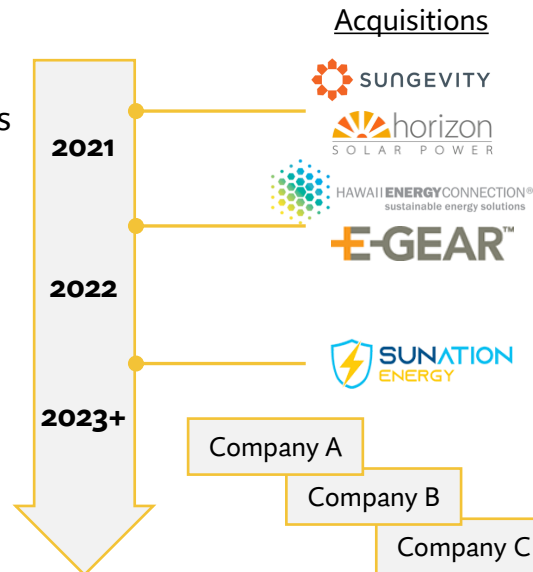
Find and acquire mid-size installers

Pursue customer-centric approach in market

Competitive advantage from lower customer acquisition costs and integration synergies

Pineapple has executed on strategy...

...and has robust acquisition pipeline



**3** Fast-growing business with stable backlog and expanding customer base for up/cross-sell

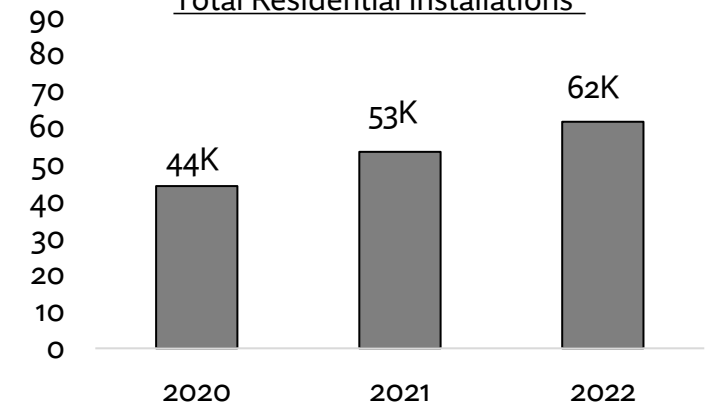
**+60%** kW Sold 2023 Q1 YoY

**+52%** kW Installed 2023 Q1 YoY

**+28%** Revenue 2023 Q1 QoQ<sup>1</sup>

**+60%** Gross Profit 2023 Q1 QoQ

Total Residential Installations<sup>2</sup>



<sup>1</sup>All growth figures from PEGY GAAP reported, 2023 Q1 earnings  
<sup>2</sup>As of March 31, 2023. Includes Hawaii Energy Connection, SUNation, Sungevity, and Horizon Solar Power installed systems.





## 2 Pineapple Energy Overview





# Business Overview



## Grid Services/VPP<sup>1</sup> Technology

**E-GEAR™**



Energy Management  
Control



Battery Energy  
Storage System

- Develops, manufactures, and sells patented edge-of-grid energy management software and hardware
- Designed in and for the solar progressive Hawaiian environment
- Commercialize IP via pipeline of licensing agreements with energy services companies and utilities (e.g., March 2023 Eguana licensing agreement)

## Solar & Battery Storage



Residential



Service



Commercial

- Provide solar power systems, battery storage, and service to residential and commercial customers, primarily in Hawaii and New York
- Complete all functions in-house as full-service installer, allowing total control over customer's experience from sale to install
- Focused historically on the homeowner (loan) model vs third-party ownership (lease/PPA) model <sup>2</sup>

## Lead Generation/Brands



- Hold national brand recognition
- Offer large database of unsold leads to feed into solar power installers
- Has large installed base which can be leveraged for referrals and/or additional upsell/cross-sell opportunities



# PEGY's Key Value Proposition...

## ...for Customers

- Save modestly upfront on utility bills and/or benefit from more predictable utility bills
- Gain access to more reliable energy source which can provide peace of mind during storms or disasters
- Reduce carbon footprint

- Learn and share best practices with peers
- Gain access to shared services (e.g., HR, marketing, regulatory, technology, legal)
- Benefit from cost synergies of being part of larger company (e.g., equipment purchasing, financing)

## ...for Companies Looking to Join Pineapple

## ...for Investors

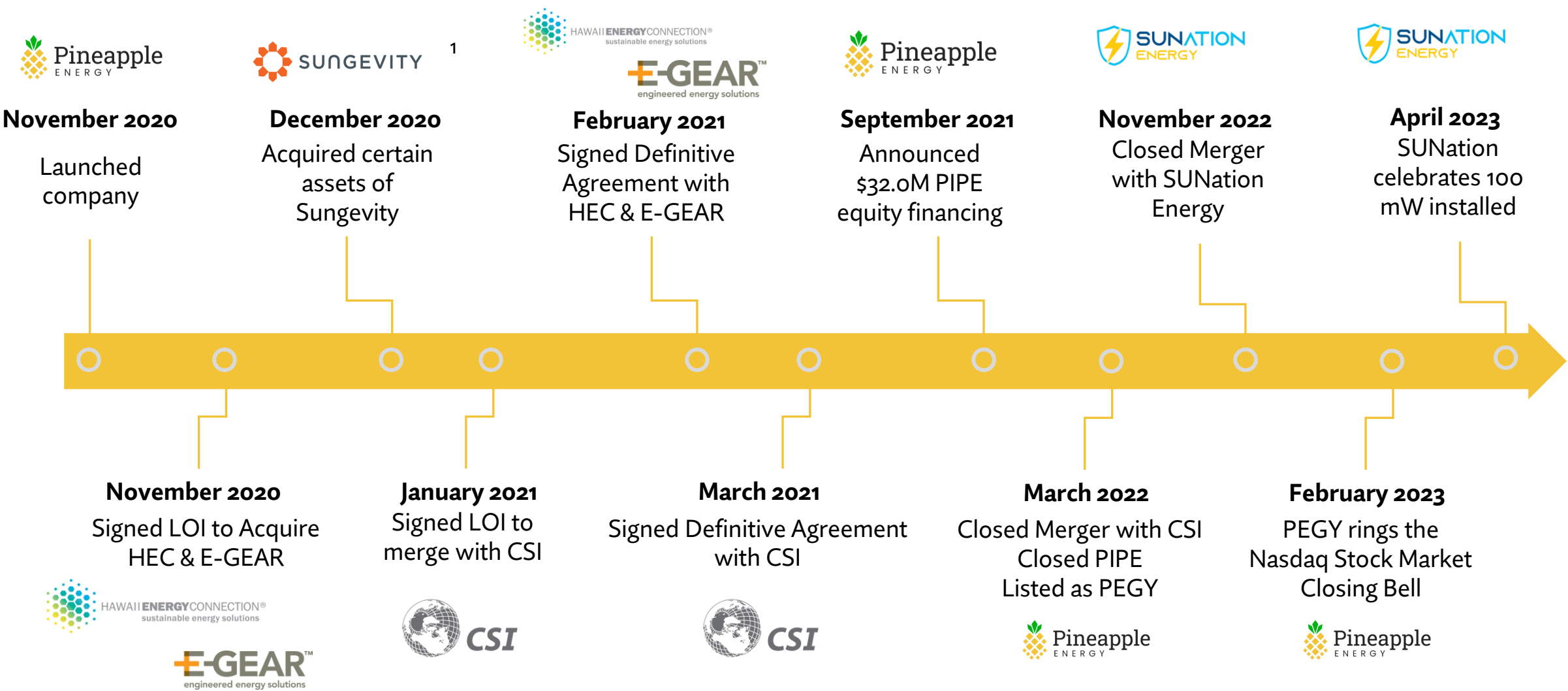
- Hold exposure to high-growth business supported by strong backlog and steady cashflows
- Offer step-change growth through M&A pipeline
- Leverage acquired customer base for potential future earnings (e.g., upsell, grid services/VPP)

- Decrease greenhouse gas emissions and mitigate climate change
- Create strong career opportunities accessible for those without a college degree
- Support the United States transition to clean energy and greater energy independence

## ...for Society



# History & Key Milestones



<sup>1</sup>Northern Pacific Group was an equity owner of Sungevity prior to liquidation



# Customer-Centric Approach

## Pineapple puts the customer above all else...

- ✓ Completes offerings in-house as full-service installer for total control of customer experience
- ✓ Offers diverse product and financing options that best match customer needs
- ✓ Delivers clear, transparent sales agreements
- ✓ Invests in digital tools to manage job lifecycle
- ✓ Fosters sales culture focused on education rather than only aggressive close
- ✓ Monitors and tracks online reviews
- ✓ Manages service response timeliness and quality
- ✓ Active in local community to build trusted brand

...leading to happy customers, high referrals, and low CAC

4.7/5.0

Google Online Review<sup>1</sup>

50%

2023 Q1 Sales Referral Rate<sup>2</sup>

\$0.33

2022 Customer Acquisition Cost<sup>3</sup>













<sup>1</sup>GoogleReviews (weighted) as of April 2023. Includes HEC and SUNation.

<sup>2</sup>Represents referred jobs sold / total jobs sold during January to March 2023. Includes HEC and SUNation.










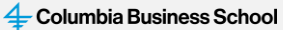






<sup>3</sup>Represents total sales and marketing expenses per watt sold during January-December 2022. Includes HEC and SUNation.

# Seasoned Management & Board

## Management

<b>Kyle Udseth</b> CEO    	<ul style="list-style-type: none"> <li>Co-founded Pineapple Energy LLC in 2020</li> <li>Previous Senior Director of Marketing &amp; Customer Experience at Sunnova and Head of Customer Marketing at Sunrun</li> </ul>
<b>Eric Ingvaldson</b> CFO  	<ul style="list-style-type: none"> <li>Holds diverse experience across large public, middle market, and startup companies</li> <li>Previously led all finance operations of C.H. Robinson's international division, growing business from \$100M to \$2.0B, and was finance leader for company's global M&amp;A</li> </ul>
<b>Chris DeBone</b> SVP, Tech   	<ul style="list-style-type: none"> <li>Co-founded Hawaii Energy Connection ("HEC") in 2008 and E-Gear in 2015</li> <li>Nationally recognized subject matter expert in energy management software and hardware technology</li> </ul>
<b>Scott Maskin</b> SVP & GM, New York 	<ul style="list-style-type: none"> <li>Co-founded SUNation Energy in 2003</li> <li>Holds deep expertise in building residential solar company centered around the customer experience</li> </ul>
<b>Jim Brennan</b> SVP, Corp Dev  	<ul style="list-style-type: none"> <li>Served as Chief Growth Officer for SUNation Energy</li> <li>Previously has held senior operating roles for various healthcare and technology companies and has led sale of multiple companies</li> </ul>

## Board

<b>Roger Lacey</b> 	<b>Thomas Holland</b>   
<b>Marilyn Adler</b>  	<b>Scott Honour</b>  
<b>Michael Zapata</b>  	<b>Randall Sampson</b> 
<b>Kyle Udseth</b>    	<b>Scott Maskin</b> 





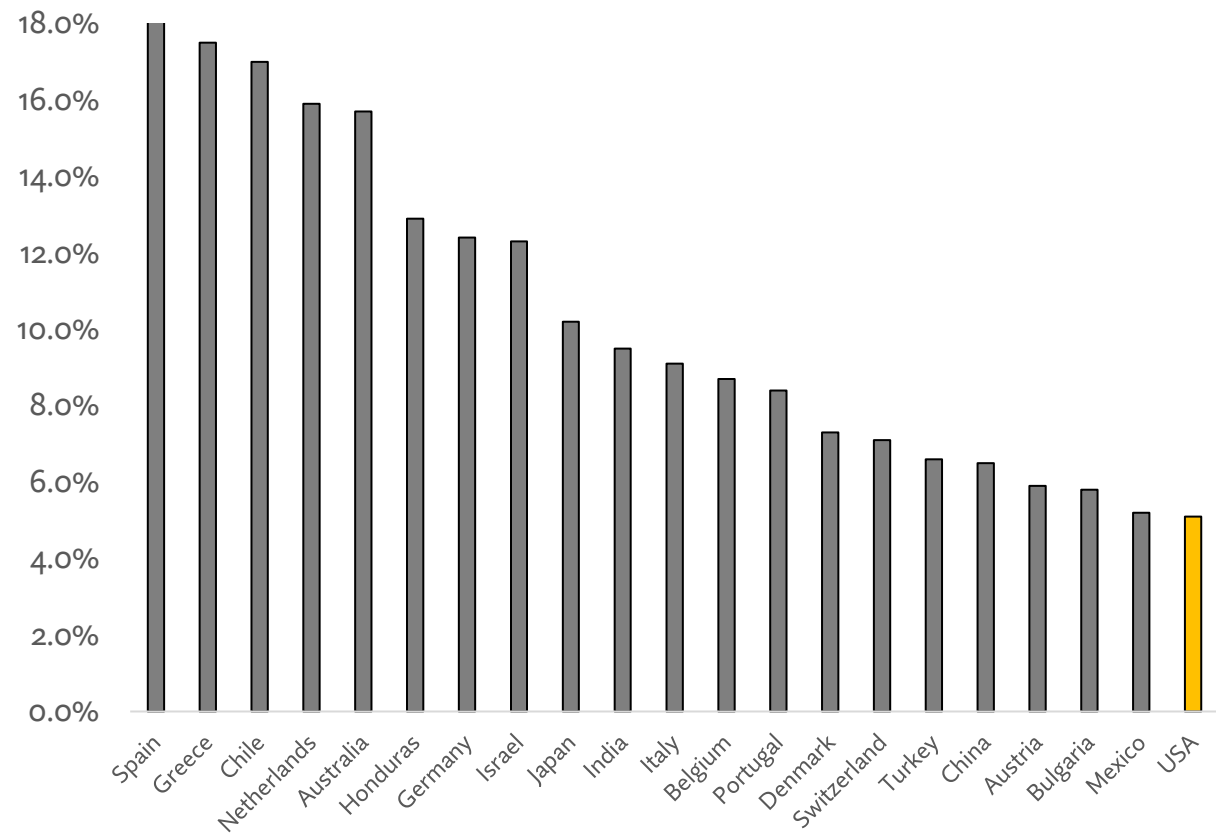
# 3 Market Overview





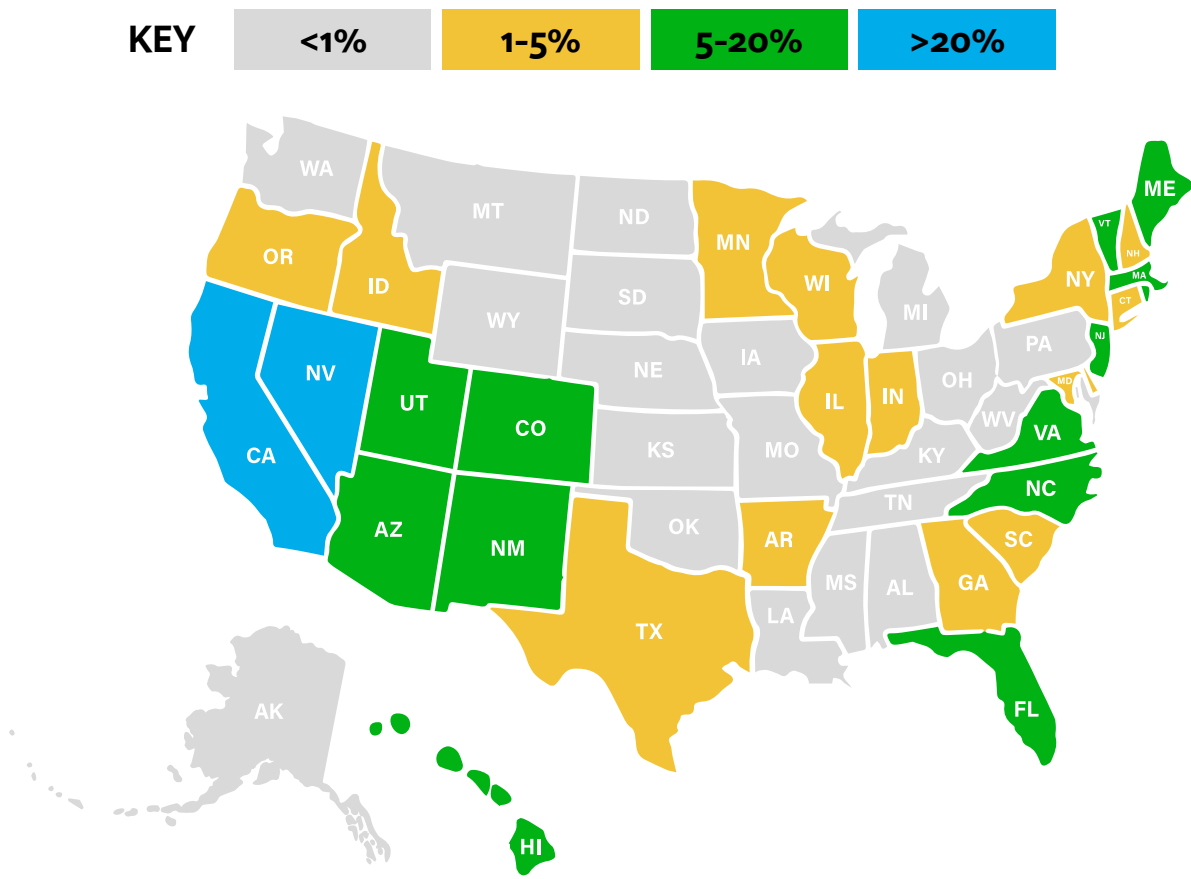
# The US is below average for solar penetration

Country % of Annual Electricity Generation from Solar



The United States lags the rest of the world in solar adoption

US State % of Annual Electricity Generation from Solar



(1) Average calculation excludes California, Massachusetts, and Washington DC  
Source: IEA - Snapshot of Global PV Markets – 2023; EIA, Electric Power Monthly



# Residential Solar Market Drivers

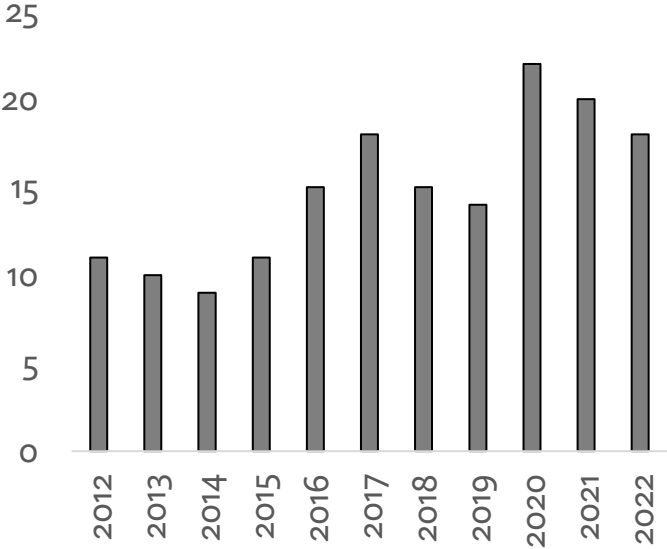
## Rising Utility Rates

	% Change Feb '22 to '23
US Average Resi Electricity Price	+15.4%
Hawaii Resi Electricity Price	+15.4%
NY Resi Electricity Price	+9.3%
Inflation	+6.0%

Utility electricity prices have outpaced inflation

## More Frequent Disasters

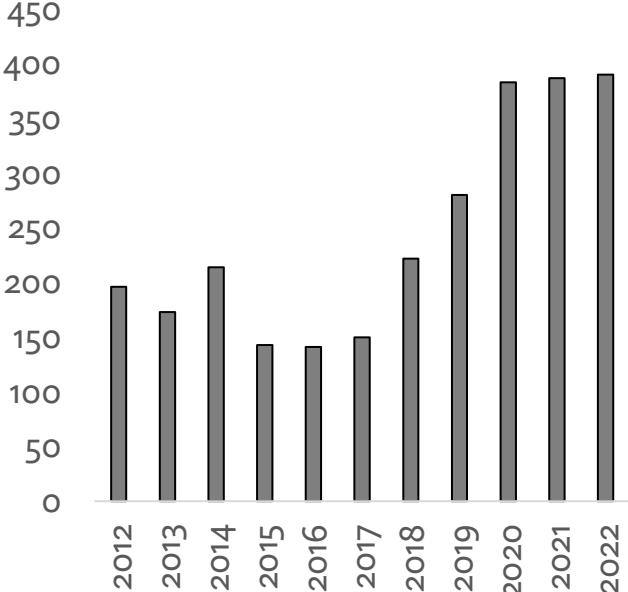
US Billion Dollar Disaster Events (#)



Climate change has increased frequency and size of disasters, disrupting power sources

## Poor Grid Reliability

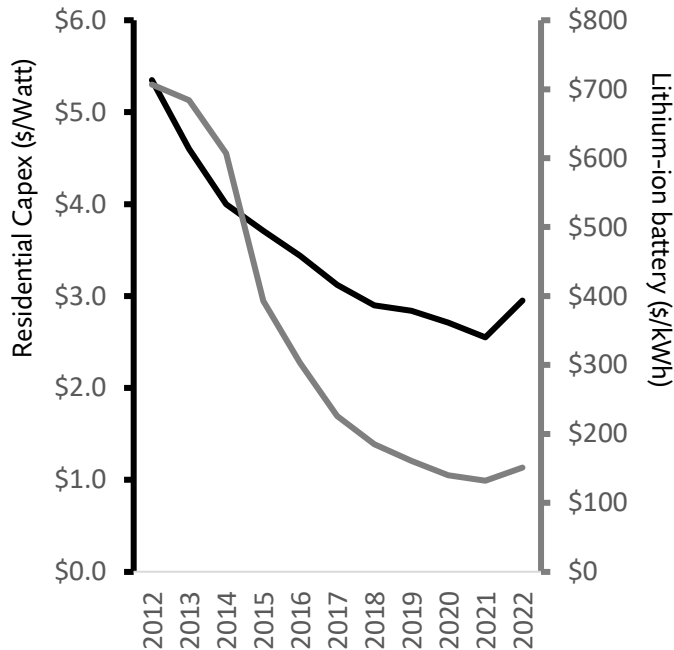
Major US Power Outage Surges



US aging transmission network has seen more power surges

# Residential Solar Market Drivers

## Declining input costs



The costs of technology inputs have declined significantly over the last decade

## Expanding policy support

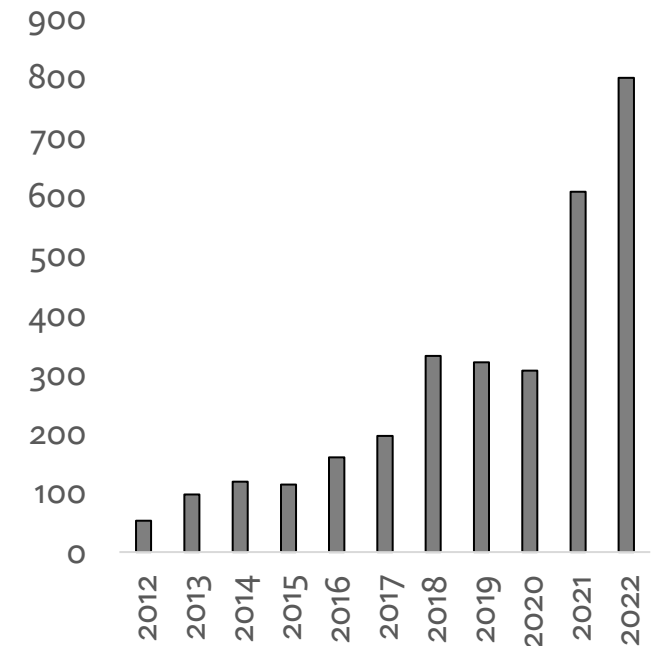
### Inflation Reduction Act

- ✓ Extended 30% tax credit for installing residential solar until end of 2032
  - Standalone battery storage sales eligible
- ✓ Introduced new “adders” tax credits
  - 10% for projects using domestic hardware
  - 10% for projects in former energy community
  - 10% for projects that sell electricity for LMI communities or on Tribal Land
- ✓ Expanded Energy Efficient Home Improvement credit
  - Beginning in 2023, individuals can receive up to \$1200 credit for qualifying home improvement products

IRA makes solar more accessible and will accelerate adoption over the next decade

## Growing adoption of EVs

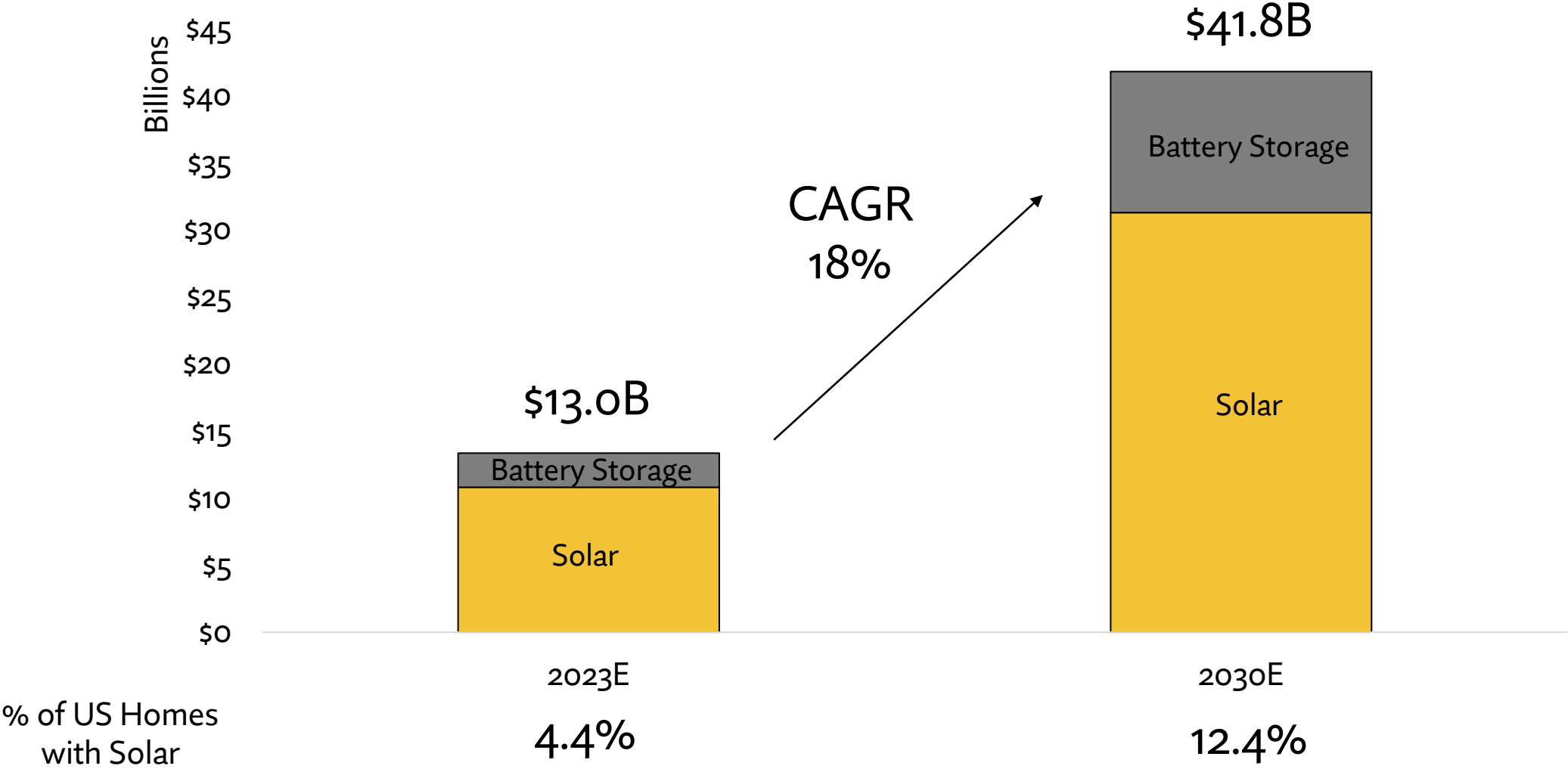
### US Sales of Plug-in EVs (Th)



EVs increase home energy consumption, and ~40% of EV owners also have solar



# Residential Solar Estimated Market





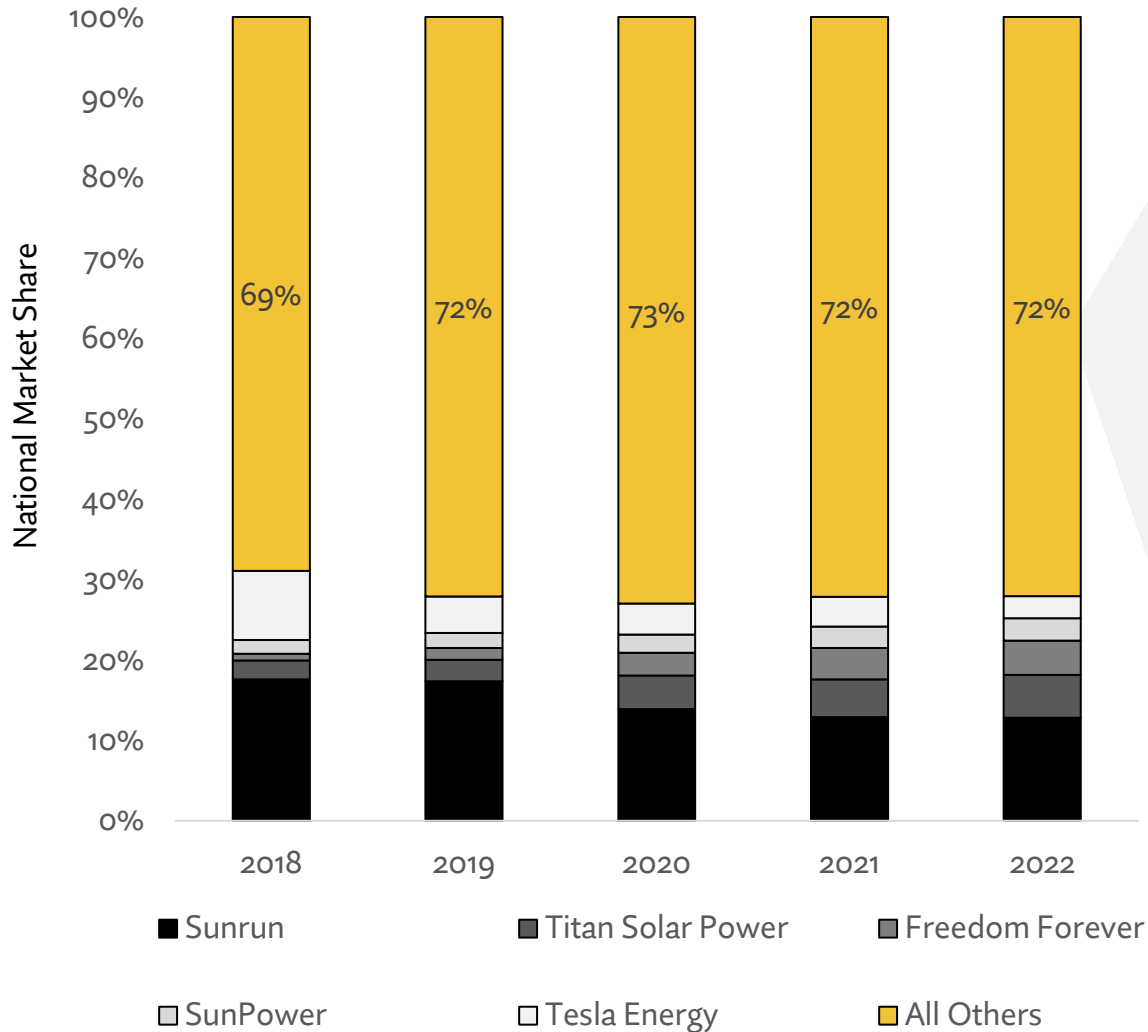


# 4 Roll-Up Strategy





# Highly Fragmented Industry



72% of residential solar market served by long tail of local/regional installers

These installers have often built successful businesses....

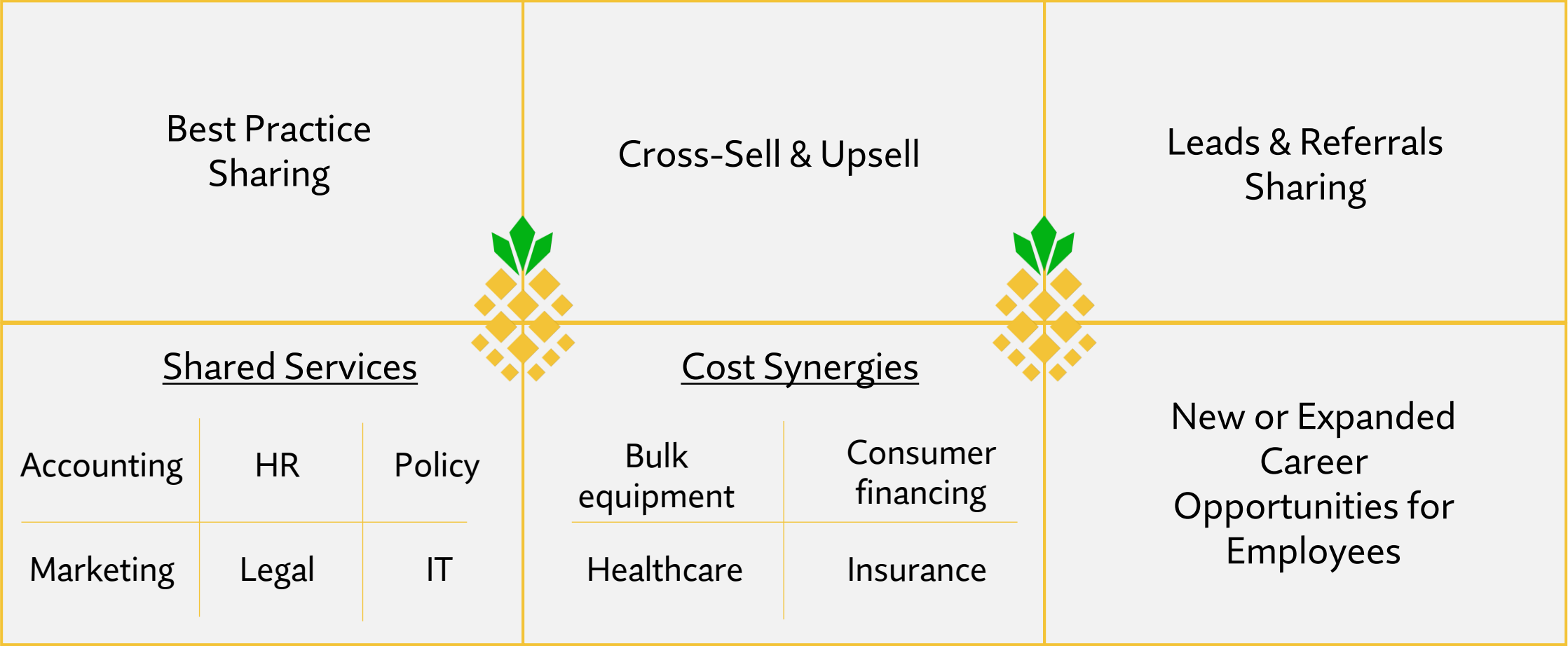
- Strong financial health
- Trusted community brand
- Focused on customer experience
- Expansion beyond just solar to storage
- Seasoned management operating team

....but they often face challenges in the next phase of growth

- “Back of line” for supply chain
- Lack of specialized functional talent
- Lack of experience in new markets

# PEGY Value Proposition

How Pineapple supports next phase of growth:

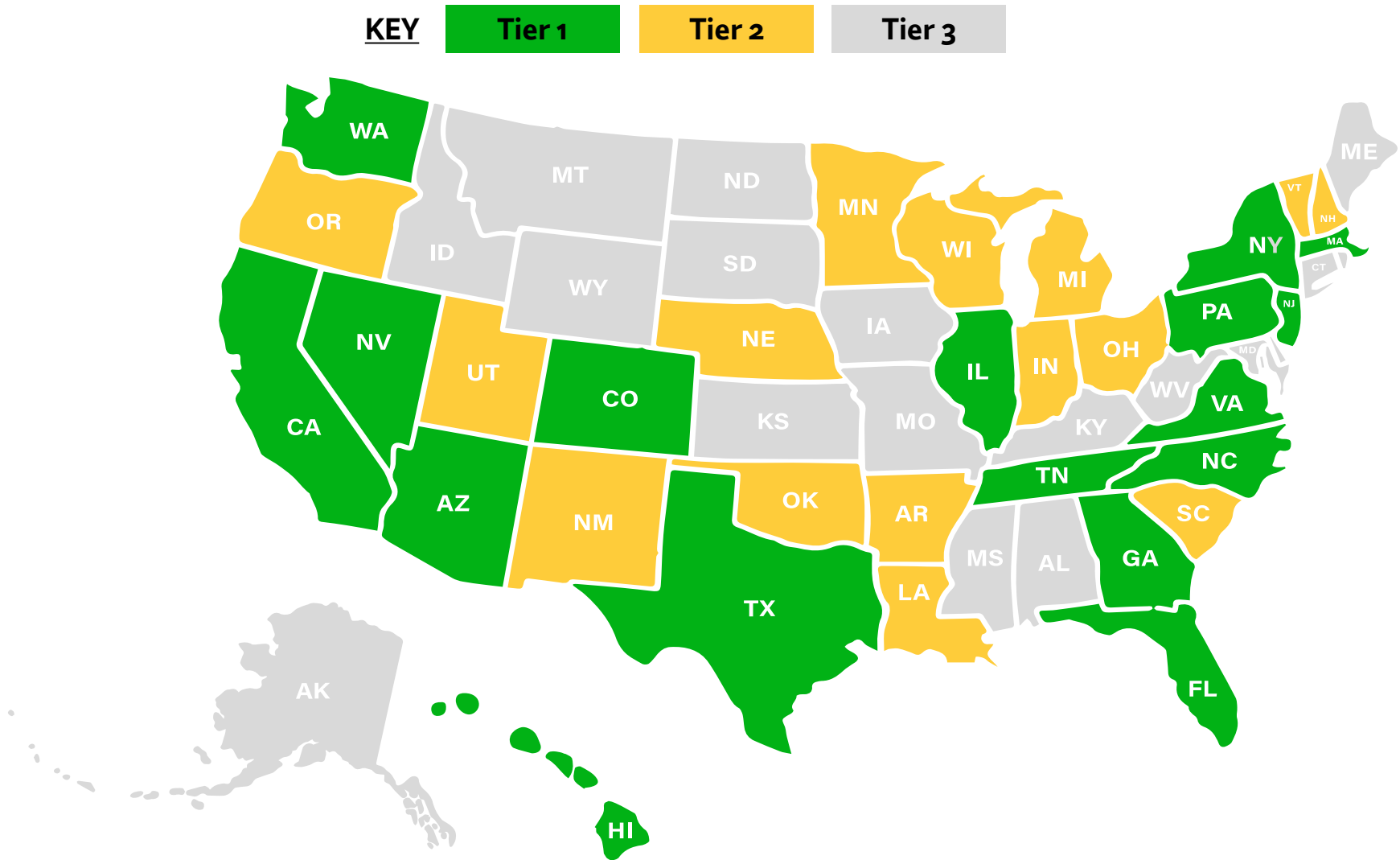




# Focus States for Potential Acquisitions

**States tiered by:**

- # of addressable single-family, detached, occupied homes
- % of state's electricity from solar
- Expected solar growth potential
- Peak sun hours
- Battery attachment rate
- Growth in utility pricing
- # of declared disasters
- Net metering policy positioning
- # of providers ranked in 2022 SolarPower leaderboard

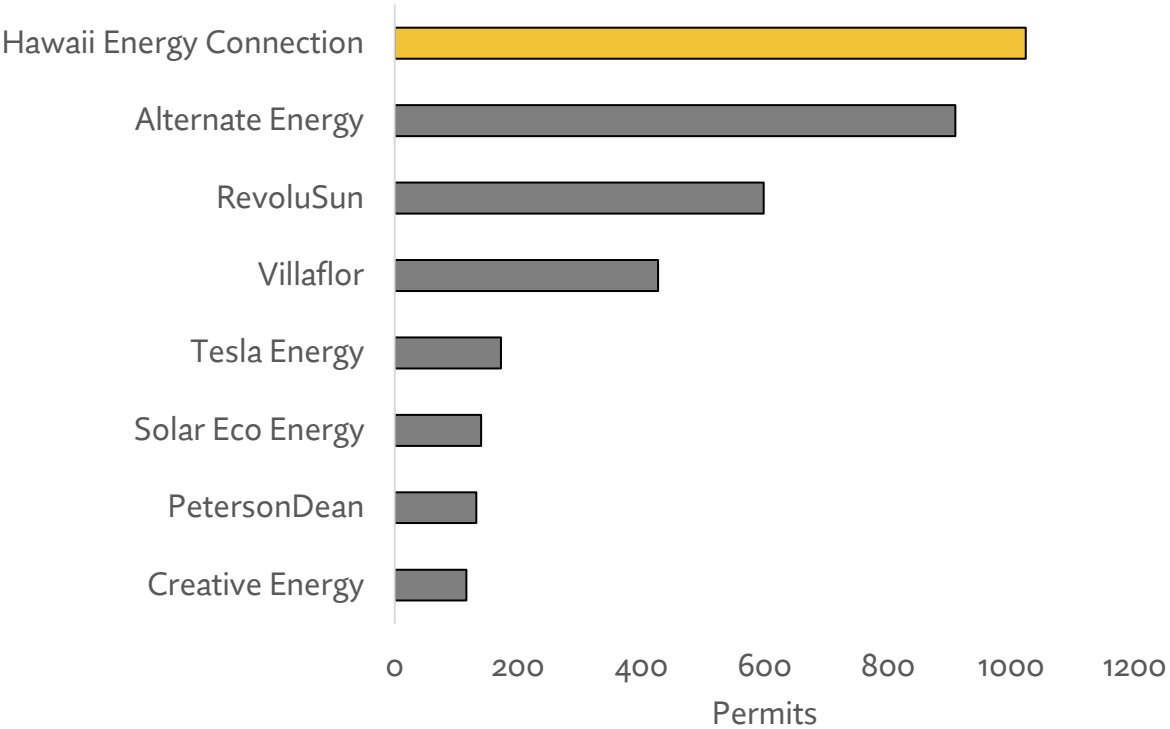


# Executing on Strategy



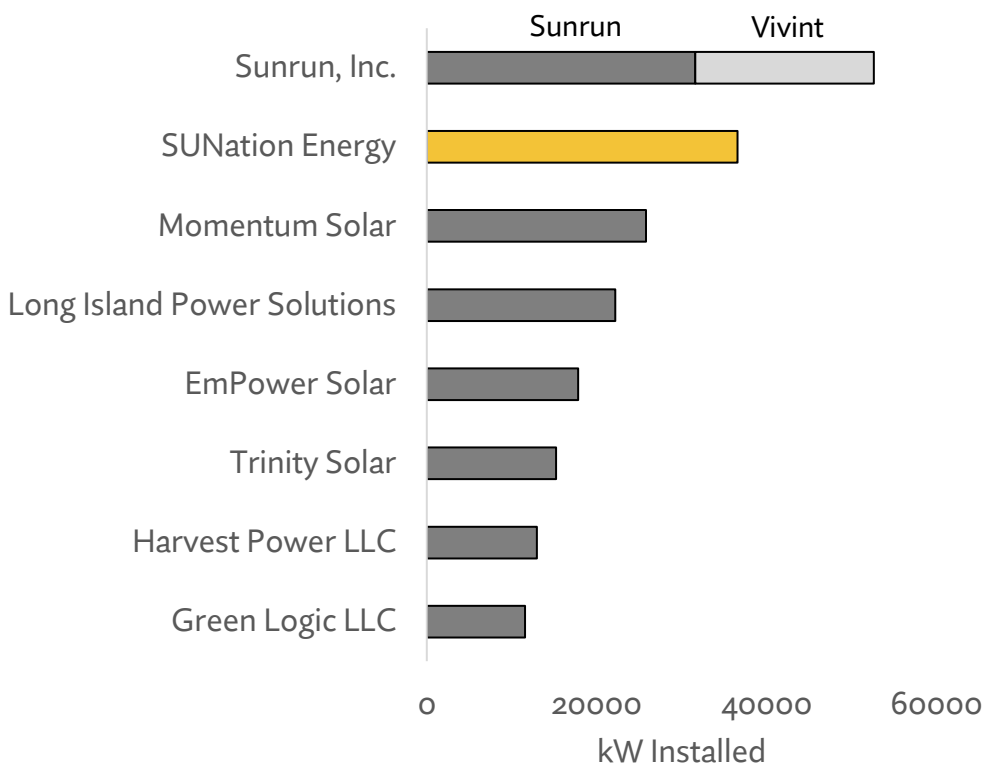
In March 2022, PEGY acquired  
Hawaii’s HEC

Permits Filed in HECO territory, 2017-2022 Q1



In November 2022, PEGY acquired  
Long Island’s SUNation Energy

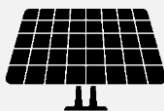
Wattage Installed (kW) for PSEG territory, 2017-2022 Q2



Source: Wood Mackenzie – US PV Leaderboard –2022 Q2 ; PSEG; HECO (residential market permits only)

# Substantial Incremental Revenue Opportunities

## Upfront Sale



Residential  
Solar



Energy  
Storage

## Upsell/Cross-sell Opportunities



More Energy  
Storage



EV  
Charging



Service and  
Repair



Home Energy  
Management



Smart  
Lighting



Heat  
Pump

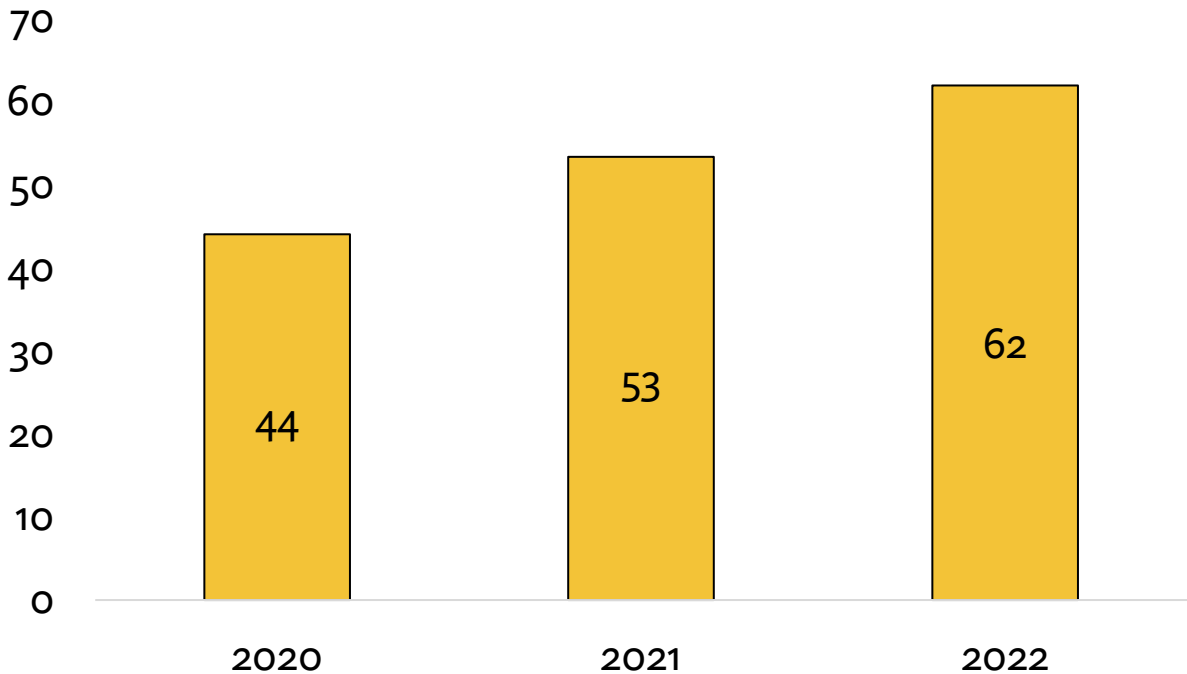


Smart  
Circuits



Security

PEGY Residential Installations, Total (K)<sup>1</sup>



Acquisitions







# 5 Financial Overview





# First Quarter 2023 GAAP Results<sup>1</sup>

	1 <sup>st</sup> Quarter 2023	1 <sup>st</sup> Quarter 2022
Revenue	\$22,065,424	\$231,868
Gross Profit	\$8,006,315	\$65,708
Operating Expense	\$10,155,841	\$1,599,718
Net (Loss) Income	(\$2,599,672)	(\$1,889,536)
Cash, restricted cash & investments <sup>2</sup>	\$7,610,981	\$10,506,026
Diluted Earnings (Loss) per share	(\$0.26)	(\$0.58)

<sup>1</sup> Includes continuing operations and excludes discontinued operations.

<sup>2</sup> Includes restricted cash and liquid investments of \$4,190,567 as of March 31, 2023 and \$4,463,089 as of December 31, 2022, earmarked for payment of contingent value rights.

# Reconciliation of Non-GAAP to GAAP Financial Information

	Three Months Ended March 31	
	2023	2022
Net (Loss) Income	(\$2,597,652)	(\$2,634,695)
Interest Expense	458,218	376,937
Interest Income	(13,693)	(2,625)
Income Taxes	5,732	85,806
Depreciation	110,325	70,936
Amortization	1,266,698	1,222,731
Stock Compensation	312,445	-
Gain on sales of assets	(244,271)	-
Fair value remeasurement of contingent value rights	250,000	-
Fair value remeasurement of earnout consideration	825,000	-
<b>Adjusted EBITDA</b>	<b>\$372,802</b>	<b>(\$880,910)</b>



# Condensed Consolidated Balance Sheet

	March 31, 2023		March 31, 2023
Cash and cash equivalents	\$1,920,414	Accounts payable	\$7,748,143
Restricted cash and cash equivalents	3,672,510	Customer deposits	2,752,156
Total Current Assets	23,593,003	Total Current Liabilities	23,398,120
		Total Long-Term Liabilities	23,445,695
Property, plant, and equipment, net	1,473,464	<b>Total Liabilities</b>	<b>\$46,843,815</b>
Goodwill	20,545,850		
Intangible assets, net	19,280,111	<b>Total Stockholder's Equity</b>	<b>\$24,997,862</b>
<b>Total Assets</b>	<b>\$71,841,677</b>	<b>Total Liabilities and Stockholder's Equity</b>	<b>\$71,841,677</b>

# First Quarter 2023 Pro Forma Results<sup>1</sup>

	Three Months Ended March 31	
	2023	2022
Revenue	\$22,065,424	\$13,794,605
Net (Loss) Income	(\$2,597,652)	(\$2,634,695)
Adjusted EBITDA <sup>2</sup>	\$372,802	(\$880,910)

<sup>1</sup>Pro forma information represents the results of operations as if the Company had completed the CSI merger, the HEC and E-Gear asset acquisitions and the SUNation acquisition as of January 1, 2021. The unaudited pro forma financial information presented is not necessarily indicative of consolidated results of operations of the combined business had the acquisition occurred at the beginning of the respective period, nor is it necessarily indicative of future results of operations of the combined company.

<sup>2</sup>Adjusted EBITDA is a non-GAAP financial measure. Adjusted EBITDA is a non-GAAP financial measure provided in this release, and is net income (loss), on a pro forma basis calculated in accordance with GAAP, adjusted for pro forma interest, income taxes, depreciation, amortization, impairment loss, and non-cash fair value remeasurement adjustments as detailed in the reconciliations presented in the press release.