

November 8, 2024



Pineapple Energy Announces Distribution to Contingent Value Rights Holders

RONKONKOMA, N.Y., Nov. 08, 2024 (GLOBE NEWSWIRE) -- **Pineapple Energy Inc. (Nasdaq: PEGY) ("Pineapple" or the "Company")**, a leading provider of sustainable solar energy and backup power to households, businesses, municipalities, and for servicing existing systems, today announced that it will distribute to the holders of its non-transferable Contingent Value Rights ("CVRs") a payment of \$850,269, or \$0.35 per CVR.

"Since taking the helm, one of our top priorities has been honoring the trust of our investors. Making good on our commitments means meeting our obligations to CSI shareholders through these CVR distributions," said Scott Maskin, Interim Chief Executive Officer. "Our new leadership team continues to author a new future for Pineapple Energy, with a focus on elevating our corporate governance, properly aligning our cost structure, creating a new corporate culture, and refining our strategy to most effectively and efficiently address the significant long-term market opportunities we believe exist in our industry."

Pursuant to the merger of Communications Systems Inc. (CSI) and Pineapple, which was completed on March 28, 2022 (the "Merger"), CSI shareholders of record at the close of business on March 25, 2022 (the "CVR Holders") received one contractual, non-transferable CVR per share of CSI common stock. Subject to the terms of the Contingent Value Rights Agreement dated March 25, 2022 and amended on March 27, 2024, which governs the rights of Pineapple and the CVR Holders, each CVR represents the right to receive a pro rata portion of net proceeds available from the disposition of CSI's premerger assets following the Merger.

In addition to the distribution to all CVR Holders, a nominal amount (in addition to the \$0.35) will be paid solely to the Pineapple Energy Employee Stock Ownership Plan ("ESOP") (formerly Communication Systems, Inc. Employee Stock Ownership Plan) with respect to the CVRs held by the ESOP to permit the orderly termination of the ESOP in 2024. The ESOP acquired its CVRs at the time of the Merger for CSI shares allocated to the accounts of CSI employees and former employees.

This payment of \$0.35 per CVR is not a taxable event. Please refer to Pineapple's IRS Form 8937 posted at <https://ir.pineappleenergy.com/financial-information/cvr> and Pineapple's March 29, 2023 Form 8-K Report providing "Important Information for Holders of Contingent Value Rights" which is posted at https://ir.pineappleenergy.com/sec-filings/all-sec-filings/content/0000897101-23-000130/peggy230377_8k.htm for more information.

We expect that the \$0.35 per CVR payment to the CVR Holders will commence by November 15, 2024.

About Pineapple Energy

Pineapple is focused on growing leading local and regional solar, storage, and energy

services companies nationwide. Our vision is to power the energy transition through grass-roots growth of solar electricity paired with battery storage. Our portfolio of brands (SUNation, Hawaii Energy Connection, E-Gear) provide homeowners and businesses of all sizes with an end-to-end product offering spanning solar, battery storage, and grid services.

Forward Looking Statements

This press release includes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the Company's current expectations or beliefs and are subject to uncertainty and changes in circumstances, including the Company's expectations regarding its ability to effect the reverse stock split and regain compliance with Nasdaq's continued listing standards. While the Company believes its plans, intentions, and expectations reflected in those forward-looking statements are reasonable, these plans, intentions, or expectations may not be achieved. For information about the factors that could cause such differences, please refer to the Company's filings with the Securities and Exchange Commission, including, without limitation, the statements made under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 and in subsequent filings. The Company does not undertake any obligation to update or revise these forward-looking statements for any reason, except as required by law.

Safe Harbor Statement

Our prospects here at Pineapple Energy Inc. are subject to uncertainties and risks. This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Act of 1934. The Company intends that such forward-looking statements be subject to the safe harbor provided by the foregoing Sections. These forward-looking statements are based largely on the expectations or forecasts of future events, can be affected by inaccurate assumptions, and are subject to various business risks and known and unknown uncertainties, a number of which are beyond the control of management. Therefore, actual results could differ materially from the forward-looking statements contained in this presentation. The Company cannot predict or determine after the fact what factors would cause actual results to differ materially from those indicated by the forward-looking statements or other statements. The reader should consider statements that include the words "believes", "expects", "anticipates", "intends", "estimates", "plans", "projects", "should", or other expressions that are predictions of or indicate future events or trends, to be uncertain and forward-looking. We caution readers not to place undue reliance upon any such forward-looking statements. The Company does not undertake to publicly update or revise forward-looking statements, whether because of new information, future events or otherwise. Additional information respecting factors that could materially affect the Company and its operations are contained in the Company's filings with the SEC which can be found on the SEC's website at www.sec.gov.

Contacts:

Scott Maskin
Interim Chief Executive Officer
+1 (631) 823-7131
scott.maskin@pineappleenergy.com

Pineapple Investor Relations
+1 (952) 996-1674

IR@pineappleenergy.com



Source: Pineapple Energy