

March 30, 2022



Pineapple Energy Launches Next Phase of Corporate Development

*--Formed by Merger of Pineapple Energy LLC and Communication Systems Inc.—
--Stock Trading on Nasdaq Market, Symbol PEGY—
--Closes Concurrent Mergers with Hawaii Energy Connection, E-Gear—
--In Various Stages of Negotiations with Potential Acquisition Partners —*

MINNETONKA, Minn., March 30, 2022 (GLOBE NEWSWIRE) -- Pineapple Energy (“Pineapple”), a leading provider of sustainable solar energy and back-up power to households and small businesses, today launched its next phase of corporate development after the closing of the merger between Pineapple Energy LLC and Communications Systems Inc. (“CSI”). Pineapple is now publicly traded on the Nasdaq market under the symbol PEGY.

Elaborating on its growth strategy, Pineapple CEO Kyle Udseth stated, “We are in preliminary discussions on several potential acquisitions. These companies all have high quality management teams and proven market leadership. We see a strong cultural fit with each company and believe that every one of the targets can bring us unique product capabilities and/or access to new markets. The owners of these businesses are all anticipating more substantive discussions now that Pineapple has closed the CSI merger.”

Roger Lacey, Chairman of Pineapple Energy, noted, “I am excited about the opportunities in front of Pineapple. We appreciate the support of CSI shareholders and are pleased to welcome the PIPE investors to the Pineapple family. We are confident that Pineapple can execute its M&A strategy with this strong shareholder support as a foundation.”

Acquisition Strategy

Pineapple closed the concurrent acquisitions with Hawaii Energy Connection (“HEC”) and E-Gear. These acquisitions add to Pineapple’s initial acquisitions of Sungevity and Horizon Solar. Pineapple estimates that HEC and E-Gear combined generated approximately \$19 million of revenue in 2021 and expects them to generate a combined \$23 to \$25 million of revenue in 2022.

The company intends to actively pursue additional acquisitions in addition to driving organic growth. Pineapple is actively building a pipeline of potential acquisition partners. The Company believes there are dozens of regional residential rooftop solar installers across the U.S. that could benefit from the synergy of being part of a larger organization with national brand recognition, volume purchasing power, and the support of sophisticated marketing, operations, and administrative systems. Pineapple also expects to explore possible business combinations with leading energy technology solution providers which would expand Pineapple’s energy management solutions capabilities. Through a steady flow of

acquisitions, Pineapple believes it can grow into one of the nation's leading residential solar and energy storage suppliers.

In conjunction with the merger with CSI, Pineapple closed on a \$32 million concurrent offering of preferred stock and warrants. The net proceeds are being used for expenses related to the CSI merger, the HEC and E-Gear mergers, and general corporate expenses.

Leadership

Pineapple will be led by Kyle Udseth as Chief Executive Officer and Mark Fandrich as Chief Financial Officer. Kyle was formerly the CEO of Pineapple Energy LLC; Mark was formerly the CFO of CSI. Former HEC and E-Gear CEO Chris DeBone will lead Pineapple's Product and Technology efforts and apply his expertise on public policy and utility relations.

Pineapple has formally appointed to its Board of Directors **Marilyn Adler**, the founder and Managing Partner of Mizzen Capital, and **Tom Holland**, the Chief Operating Officer of Homebound Inc., a California-based housing company.

Marilyn and Tom join a Board that now consists of **Kyle Udseth**, Chief Executive Officer of Pineapple Holdings; **Roger Lacey**, former executive chairman of CSI; **Randall Sampson**, president, chief executive officer, and a board member of Canterbury Park Holding; **Scott Honour**, Managing Partner of Northern Pacific Group; and **Michael Zapata**, Chief Executive Officer of Schmitt Industries.

Disposition of Former CSI Assets

Former CSI shareholders of record as of the close of business on Friday, March 25, 2022 received one contractual non-transferable Contingent Value Right (CVR) per share of CSI common stock held, which entitles the CVR holder to a portion of the proceeds of dispositions of CSI's pre-merger assets after the effective time of the merger. Pineapple intends to complete the disposition of CSI assets as quickly as possible while maximizing the value it can realize from those sales.

Forward-Looking Statements

This press release 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 here due to changes in economic, business, competitive or regulatory factors, and other risks and uncertainties, including those described in "Risks Related to the Combined Company Following Consummation of the Merger" in Item 1A of the Company's Form 10-K for the fiscal year ended December 31, 2021 filed with the Securities and Exchange Commission on March 14, 2022 and other factors set forth in the company's filings with the Securities and Exchange Commission. The forward-looking statements in this press release speak only as of the date of this press release. Pineapple Energy does not undertake any obligation to update or revise these forward-looking statements for any reason, except as required by law.

About Pineapple Energy

Pineapple Holdings, Inc., which does business as Pineapple Energy (f/k/a Communications Systems, Inc.) (Nasdaq: PEGY), 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, Hawaii Energy Connection, E-Gear, Sungevity and Horizon Solar Power, provide homeowners and small businesses with an end-to-end product offering spanning solar, battery storage, and grid services.

Contacts:

For Pineapple Energy

Mark Fandrich
Chief Financial Officer
+1 (952) 582-6416
mark@pineappleenergy.com

The Blueshirt Group
Gary Dvorchak, CFA
Managing Director
+1 (323) 240-5796
gary@blueshirtgroup.com



Source: Pineapple Energy