June 1, 2023

Pineapple Energy Closes Debt Financing with Decathlon Capital Partners

–$7.5 million debt instrument with 48-month term–
–Retires SUNation short-term seller's note with no equity dilution–
–Allows Pineapple to move forward with full integration of SUNation for synergy realization–

MINNETONKA, Minn., June 01, 2023 (GLOBE NEWSWIRE) -- Pineapple Energy Inc. (NASDAQ: PEGY) (the "Company" or "Pineapple"), a leading provider of solar power, battery storage systems, and smart energy control to households and small businesses, today announced the closing of a $7.5 million debt deal with Decathlon Capital Partners, the country's largest revenue-based funding investor.

The transaction, which carries a 48-month term, is a straight debt instrument, thus avoiding any equity dilution. Debt service payments begin at a smaller initial level and increase over the course of the loan in several step-ups, tracking the Company's revenue growth. Along with Decathlon's collaborative approach and covenant-light terms, these features make this an ideal funding instrument for Pineapple at this stage of the company's life.
Funds will be utilized as follows:

- $5.0 million to retire the short-term note issued in connection with the SUNation acquisition
- $1.5 million to retire other debt
- $1.0 million remaining for working capital as needed

Pineapple Chief Financial Officer Eric Ingvaldson commented, "After careful consideration of all available financing options, the terms negotiated with Decathlon were the most favorable for the PEGY shareholders. We took advantage of our ability to issue senior-secured debt to retire certain obligations and to refinance other obligations over a 4-year term. Most importantly, we resolved short-term liquidity concerns resulting from the SUNation acquisition and related short-term note due in August. SUNation is now fully a part of Pineapple, and we are acting with urgency to fully integrate the business and realize synergies on both the revenue and expense sides. This funding round wouldn't have been possible without our relentless focus on execution and operational excellence, as demonstrated by our achieving positive cash flow from operations in Q1. We will continue to run the businesses aggressively and with financial discipline."

Pineapple Chief Executive Officer Kyle Udseth added, "This is a huge milestone for Pineapple, and I want to say 'thank you' to our new financing partners at Decathlon and to our employees for all their hard work in getting this across the finish line. With this debt funding round, we can move the company forward without taking equity dilution, which has been a primary focus of ours with residential solar valuations so irrationally low. We'll keep our eye on the ball of helping homeowners go solar, driving top-line revenue growth and bottom-line profitability, and we're confident that high-quality and sustainable companies that

strive to deliver a great customer experience will be rewarded over time. We believe this funding round validates our strategy and our leadership team's ability to execute, and we appreciate the confidence that Decathlon has shown in us here."

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, Sungevity, and Horizon Solar Power) provide homeowners and small businesses 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, including statements regarding future financial performance, future growth or growth opportunities, future opportunities, future flexibility to pursue acquisitions, future cash flows, and the expected financial impact of, and results following, the SUNation acquisition. These statements are based on the Company'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 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. The Company does not undertake any obligation to update or revise these forward-looking statements for any reason, except as required by law.

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