November 20, 2026

SUNation Energy Announces Third Quarter 2026 Results; Reports Sequential Revenue and Gross Margin Improvement and Provides Suniva Merger Update

Third-quarter revenue of $11.2 million increased from $8.2 million in the second quarter; year-over-year results continued to reflect lower residential demand following the expiration of the Section 25D federal residential tax credit.

Commercial revenue increased 20% year-over-year to $2.7 million; SG&A expense declined 37% year-over-year to $4.3 million.

Results included $9.8 million of non-cash goodwill and intangible asset impairment charges.

SUNation continues to prioritize liquidity, cost management, and execution of its proposed merger with Suniva.

RONKONKOMA, N.Y., Nov. 20, 2026 (GLOBE NEWSWIRE) -- SUNation Energy, Inc. (Nasdaq: **SUNE**) ("**SUNation**" or the "**Company**"), a leading provider of residential and commercial solar energy systems, battery storage solutions and comprehensive energy services, today announced financial results for the third quarter ended September 30, 2026 ("**Q3 2026**").

Third-quarter revenue increased sequentially to $11.2 million from $8.2 million, and gross margin improved to 30.8% from 26.1%, reflecting higher revenue across the Company's New York and Hawaii operations. Year-over-year performance continued to reflect downward pressure from the residential solar market's adjustment to the expiration of the Section 25D federal residential tax credit at the end of 2025 under the One Big Beautiful Bill Act ("**OBBBA**"). Consolidated revenue declined 41% year over year, with lower residential revenue partially offset by growth in commercial revenue.

SUNation Reduces Costs and Advances Suniva Merger

The Company continued to manage its cost structure, reducing selling, general and administrative ("**SG&A**") expense by 37% year over year. Results also included $9.8 million of non-cash goodwill and intangible asset impairment charges following an assessment of asset recoverability in light of lower forecast revenue and operating results. Including these charges, SUNation reported an operating loss of $11.7 million and a net loss of $11.8 million.

SUNation also continued to advance its proposed reverse merger with Suniva, Inc. ("**Suniva**"). SUNation currently anticipates closing in the first quarter of 2027, subject to satisfaction or waiver of applicable closing conditions and receipt of required approvals and

regulatory clearances.

Q3 2026 HIGHLIGHTS

- ***Revenue and gross margin improved sequentially***
  Revenue increased to $11.2 million from $8.2 million in Q2 2026, and gross margin improved to 30.8% from 26.1%. Revenue declined 41% year over year, primarily reflecting lower residential installation activity.

- ***Commercial revenue grew 20% year over year***
  Commercial revenue reached $2.66 million, compared with $2.23 million in Q3 2025, primarily driven by growth in New York.

- ***SG&A expense declined 37% year over year***
  SG&A expense decreased to $4.33 million from $6.90 million, reflecting lower selling and marketing expenses and personnel cost reductions.

- ***Net loss reflected non-cash impairment charges***
  Net loss was $11.82 million, compared with $0.39 million in Q3 2025. Results included $9.82 million of non-cash goodwill and intangible asset impairment charges reflecting lower forecast revenue and operating results.

- ***Suniva merger process advanced***
  The companies amended their merger agreement during the quarter to address financing, stockholder approvals and closing requirements. Closing is currently anticipated in Q1 2027, subject to applicable conditions and approvals.

Commercial Growth Supports Revenue Diversification

The quarter's sequential revenue and gross-margin improvement occurred within a residential market that continued to operate below prior-year activity levels. Residential revenue declined 52% year over year, while commercial revenue increased 20%. Commercial and service revenue together represented approximately 33% of consolidated revenue, compared with approximately 18% in Q3 2025.

The prior-year quarter also benefited from residential demand ahead of the year-end 2025 tax credit expiration, contributing to the year-over-year comparison. Management continues to emphasize commercial projects, battery storage, service and adjacent energy offerings as part of its efforts to diversify revenue.

Storage Opportunities Support Adaptation to Residential Market Changes

The expiration of the Section 25D federal residential tax credit at year-end 2025 under OBBBA continued to affect residential demand, installation volumes and financing economics during Q3 2026, following elevated activity ahead of the expiration. Lower installation volumes also increased fixed labor and overhead costs as a percentage of revenue.

Battery storage remains an area of focus. Hawaii's Bring Your Own Device Plus program provides incentives for qualifying customers to add storage to existing or new rooftop solar systems. Hawaii Energy Connection's battery attachment rates increased 13% year over

year during the quarter.

Updated Asset Values and Liquidity Priorities

The Company's impairment assessment reflected a material reduction in forecast revenue and operating results. Goodwill impairment charges related to the SUNation Residential and SUNation Commercial reporting units, while intangible asset impairment charges related to tradenames and trademarks across the New York and Hawaii businesses.

SUNation continues to prioritize cash preservation, disciplined working capital management and additional financing to support operations and maintain financial flexibility. The Company ended the quarter with $2.79 million in cash and cash equivalents and requires additional capital to meet its obligations and operating needs.

MANAGEMENT COMMENTARY

"Third-quarter revenue and gross margin improved from the second quarter as activity increased across our New York and Hawaii businesses," said **Scott Maskin, Chief Executive Officer of SUNation**. "Commercial revenue grew 20% year over year, and commercial and service work represented a larger share of our business. Residential demand continues to reflect the change in customer economics following the expiration of the federal residential tax credit, and our teams remain focused on matching our offerings and operating structure to the market we are serving."

Mr. Maskin continued, "Our priorities remain disciplined execution, customer service, cost management and liquidity. We are pursuing commercial projects, storage installations, service work, roofing and adjacent energy opportunities while managing expenses closely. We also continued to advance the Suniva merger process during the quarter, including an amendment to the merger agreement addressing financing and closing-related matters."

James Brennan, SUNation's Chief Financial Officer and Chief Operations Officer, said, "Higher sequential revenue supported gross-margin improvement to 30.8%, while year-over-year SG&A expense declined 37% following reductions in selling, marketing and personnel costs. Our reported results also included $9.8 million of non-cash impairment charges reflecting the effect of lower forecast revenue and operating results on the carrying value of goodwill and intangible assets."

Mr. Brennan added, "Cash preservation, working capital management and access to additional capital remain essential. We ended September with $2.8 million of cash and cash equivalents, and our working capital position continues to require close management. We are evaluating financing sources and managing our obligations while supporting customer commitments and the proposed transaction."

Mr. Maskin concluded, "We currently anticipate completing the Suniva merger in the first quarter of 2027, subject to the required conditions and approvals. Our immediate responsibility is to operate the business carefully through that process, serve our customers and preserve financial flexibility. The experience of our teams in New York and Hawaii, our customer relationships and our range of energy services remain important foundations as we navigate the current market."

Q3 2026 FINANCIAL AND OPERATIONAL RESULTS

FINANCIAL RESULTS

- ***Revenue***
  Consolidated revenue was $11.20 million, compared with $18.99 million in Q3 2025, a decrease of 41%. Residential contract revenue declined 52%, partially offset by 20% growth in commercial revenue.

- ***Gross profit and margin***
  Gross profit was $3.45 million, compared with $7.21 million in Q3 2025. Gross margin was 30.8%, compared with 38.0% in the prior-year quarter, reflecting lower revenue and fixed labor and overhead costs that declined more slowly than sales volume. Gross profit and margin improved sequentially from approximately $2.1 million and 26.1%, respectively, in Q2 2026.

- ***Operating expenses and cost reductions***
  Total operating expenses were $15.16 million, compared with $7.46 million in Q3 2025, including $9.82 million of non-cash goodwill and intangible asset impairment charges and $0.46 million of Suniva merger transaction costs. SG&A expense declined 37% to $4.33 million from $6.90 million, reflecting lower selling and marketing expenses and personnel cost reductions.

- ***Net loss***
  Net loss was $11.82 million, or $1.81 per basic and diluted share, compared with $0.39 million, or $0.12 per basic and diluted share, in Q3 2025. The increase reflected the impairment charges and lower gross profit, partially offset by reduced SG&A expense. Operating loss was $11.71 million, compared with $0.25 million in Q3 2025. Impairment charges comprised $4.92 million of goodwill and $4.90 million of intangible assets. Amortization expense was unchanged year over year at $0.56 million.

For the nine months ended September 30, 2026, revenue was $26.56 million, gross profit was $7.17 million and SG&A expense was $13.87 million, compared with $44.69 million, $16.48 million and $19.38 million, respectively, in the prior-year period. Net loss, including the third-quarter impairment charges, was $19.25 million, compared with $13.50 million in the prior year.

BALANCE SHEET AND LIQUIDITY

The following comparisons are with December 31, 2025, unless otherwise indicated.

- ***Cash and working capital***
  Cash and cash equivalents were $2.79 million at September 30, 2026, compared with $7.18 million at year-end. The Company had a working capital deficit of $5.35 million, compared with positive working capital of $1.07 million. Net cash used in operating activities during the first nine months of 2026 was $6.54 million, partially offset by $2.11 million of net cash provided by financing activities.

- ***Payables and loans payable***
  Accounts payable declined 23% to $5.66 million from $7.40 million. The aggregate

carrying amount of current and long-term loans payable and related interest, including related-party balances, declined to $4.98 million from $6.60 million, reflecting repayments, the related-party debt conversion completed earlier in 2026 and borrowings under the affiliated revolving credit facility.

- ***Credit facility extension***
  On October 15, 2026, the maturity of the Company's $1.5 million affiliated revolving credit facility was extended to April 15, 2027. Borrowings outstanding were $0.80 million at September 30, 2026, and the Company was in compliance with the facility's covenants and other requirements at that date.

Total liabilities were $22.78 million, compared with $23.90 million at year-end. Current liabilities increased to $16.96 million from $15.41 million, while long-term liabilities declined to $5.82 million from $8.49 million. Stockholders' equity was $8.69 million, compared with $24.35 million at year-end and $20.52 million at June 30, 2026, with the sequential decline primarily reflecting the third-quarter net loss, including impairment charges.

The Company requires additional capital resources and is considering all available options, including the ongoing strategic initiatives previously announced. The availability, timing, and terms of any additional funding remains undetermined.

OPERATIONAL RESULTS

- ***Residential revenue***
  Consolidated residential contract revenue was $7.53 million, compared with $15.66 million in Q3 2025, reflecting lower installation activity in New York and.

- ***Commercial revenue***
  Consolidated commercial contract revenue increased 20% to $2.66 million from $2.23 million, primarily driven by New York, where commercial revenue increased to $2.63 million from $2.23 million.

- ***Service revenue***
  Consolidated service revenue was $1.01 million, compared with $1.11 million in Q3 2025. Hawaii service revenue increased 54% to $0.37 million, supported by increased repair and replacement installations, partially offsetting lower New York service revenue.

By operating segment, SUNation NY reported revenue of $8.01 million and gross profit of $2.61 million, compared with $13.01 million and $5.29 million, respectively, in Q3 2025. HEC reported revenue of $3.19 million and gross profit of $0.84 million, compared with $5.98 million and $1.92 million, respectively. Hawaii's lower residential installation volumes were partially offset by higher price per watt, increased battery attachment rates and service growth.

The Company continues to evaluate product offerings and financing options to support solar and storage adoption while pursuing commercial, service, roofing and adjacent energy opportunities.

STRATEGIC INITIATIVES AND PROPOSED SUNIVA MERGER

SUNation continued to advance its proposed reverse merger with Suniva during Q3 2026. The transaction, announced in June following the Board's review of strategic alternatives, would result in Suniva becoming a wholly owned subsidiary of SUNation.

On September 4, 2026, the parties amended the merger agreement to address financing arrangements, stockholder approvals and closing requirements. The amendment revised SUNation's closing net cash requirement to negative $2.5 million, subject to adjustment for potential capital raises, and added a proposed increase in authorized common shares from 1.0 billion to 1.5 billion to the matters requiring stockholder approval.

The amendment also provides for SUNation to use reasonable best efforts to repay or convert into equity up to approximately $2.61 million of specified related-party loans. Any conversion would be at $2.26 per share and subject to stockholder approval (with any related parties abstaining from the vote). These arrangements remain subject to the merger agreement, as amended.

The Company has confidentially submitted a registration statement on Form S-4 containing a proxy statement/prospectus relating to the proposed transaction. Closing remains subject to required stockholder approvals, effectiveness of the registration statement, Nasdaq listing approval and other applicable closing conditions and regulatory clearances. The timing and completion of the transaction remain uncertain.

Alongside the merger process, SUNation continued to manage its capital resources. During the first nine months of 2026, the Company completed a private placement generating approximately $2.7 million in gross proceeds for working capital and general corporate purposes, converted $1.2 million of related-party note principal into equity and made approximately $1.2 million of payments against third-party and related-party loans.

BUSINESS STRATEGY AND OUTLOOK

SUNation's near-term priorities are to preserve liquidity, manage working capital, align costs with current revenue levels and advance the proposed Suniva merger. Management expects residential demand and installation activity to remain sensitive to customer financing economics and the market's adjustment to the expiration of the Section 25D federal residential tax credit.

The Company remains focused on serving customers in New York and Hawaii while diversifying revenue through commercial projects, battery storage, maintenance and repair, roofing and adjacent energy services. Management will continue to evaluate financing alternatives to support operations and maintain financial flexibility as it pursues these priorities.

ABOUT SUNATION ENERGY, INC.

SUNation Energy Inc. (Nasdaq: SUNE) is a leading provider of sustainable solar energy and backup power solutions to residential, commercial, and municipal customers. The Company designs, installs, and services solar energy systems and related technologies, helping customers reduce energy costs, increase energy independence, and transition to cleaner energy solutions.

For more information, visit: **ir.sunation.com**

ABOUT SUNIVA

Headquartered in metro Atlanta, Georgia, Suniva is the leading American manufacturer of high-efficiency crystalline silicon photovoltaic (PV) solar cells. As the only U.S.-owned and operated solar cell manufacturer in the country, the company is known for its high-quality products, industry-leading technology, reliability, and high-power density. For more information, visit www.suniva.com.

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FORWARD-LOOKING STATEMENTS

This communication contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include all statements that are not historical facts and may be identified by words such as “anticipate,” “believe,” “expect,” “intend,” “estimate,” “plan,” “project,” “target,” “design,” “will,” “would”, “could”, “should”, “may”, “forecast”, “potential”, “target” and similar expressions.

These statements include, but are not limited to, statements regarding: the projected funding status, capacity, and completion and production ramp schedule of Suniva’s Laurens County project; the benefits of the project to Laurens County, including job creation projections, the State of South Carolina and the nation’s energy infrastructure and independence; the efficacy of Suniva’s supply chain and long-term product offtake agreements to achieve their intended purposes; and any statements regarding the proposed merger of SUNation and Suniva.

These forward-looking statements are based on current expectations and assumptions and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied. These risks include, among others: risks relating to constructing, equipping, permitting and ramping up the Laurens facility on time and on budget; the ability to convert offtake agreements into realized revenue; competition, tariffs, trade actions and changes in tax incentives, including the Section 45X advanced manufacturing production credit; technology, supply-chain and execution risks; the accuracy of third-party market data and forecasts; the operating history of Suniva; potential net losses incurred as a result of the

current expansion stage nature of Suniva, as well as net losses carried forward from SUNation's long standing business operations after the completion of the merger; the ability to raise additional capital; the ability of Suniva to execute on its business plans and for the combined companies to integrate SUNation's solar installation systems into Suniva's solar cell manufacturing operations; the effects of the One Big Beautiful Act of 2025 on the residential solar industry, which has had a material negative impact on residential solar installations since the January 2026 effectiveness thereof; Suniva's limited experience in operating a public company; the substantial competition Suniva faces in developing and selling its solar cell development products; the ability to attract, hire, and retain skilled executive officers and employees; the ability of SUNation or Suniva to protect their respective intellectual property and proprietary technologies; reliance on third parties, contract manufacturers, and contract research organizations; the risk that the risk that the proposed merger may not be completed on the anticipated timeline or at all; the failure to obtain required stockholder approvals, SEC effectiveness of the Form S-4 registration statement, or Nasdaq listing approval; the parties' ability to satisfy the conditions to closing and to close expected financing; uncertainties as to the timing of the consummation of the proposed transactions and the ability of each of the parties to consummate the proposed transactions; risks related to SUNation's continued listing on Nasdaq until the closing of the proposed transactions; risks related to SUNation's and Suniva's ability to correctly estimate their respective operating expenses and expenses associated with the proposed transactions, as well as uncertainties regarding the impact any delay in the closing would have on the anticipated cash resources of the combined company upon closing and other events and unanticipated spending and costs that could reduce the combined company's cash resources; the occurrence of any event, change or other circumstance or condition that could give rise to the termination of the Merger Agreement; competitive responses to the proposed transactions; unexpected costs, charges or expenses resulting from the proposed transactions; the outcome of any legal proceedings that may be instituted against SUNation, Suniva or any of their respective directors or officers related to the Merger or the proposed transactions contemplated thereby; potential adverse reactions or changes to business relationships resulting from the announcement or completion of the proposed transactions; the effect of the announcement or pendency of the transactions on SUNation's or Suniva's business relationships, operating results and business generally; the compliance and qualification for initial listing on Nasdaq related to the expected trading of the combined company's stock on Nasdaq and the combined company's ability to remain listed following the proposed transactions; the risk that as a result of adjustments to the Exchange Ratio (as set forth in the Merger Agreement) SUNation's stockholders and Suniva's stockholders could own more or less of the combined company than is currently anticipated; risks related to the market price of SUNation common stock relative to the Exchange Ratio; legislative, regulatory, political and economic developments and general market conditions, including those surrounding the viability of residential solar businesses following the loss of federal tax credits beginning in January 2026; and the other risks described in SUNation's filings with the U.S. Securities and Exchange Commission (the "SEC") and to be described in the Form S-4 and related proxy statement/prospectus.

These forward-looking statements speak only as of the date of this press release. Suniva and SUNation expressly disclaim any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect any change in expectations or any change in events, conditions or circum-stances on which any such statement is based, except as required by law.

NO OFFER OR SOLICITATION

This communication is for informational purposes only and does not constitute (i) a solicitation of a proxy, consent or approval with respect to any securities or in respect of the proposed transactions or (ii) an offer to sell or buy, or the solicitation of an offer to sell or buy, any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act.

Subject to certain exceptions to be approved by the relevant regulators or certain facts to be ascertained, the public offer will not be made directly or indirectly, in or into any jurisdiction where to do so would constitute a violation of the laws of such jurisdiction, or by use of the mails or by any means or instrumentality (including without limitation, email, telephone and the internet) of interstate or foreign commerce, or any facility of a national securities exchange, of any such jurisdiction.

NEITHER THE SEC NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SECURITIES OR DETERMINED IF THIS PRESS RELEASE IS TRUTHFUL OR COMPLETE.

ADDITIONAL INFORMATION AND WHERE TO FIND IT

This press release is not a substitute for the registration statement or for any other document that SUNation may file with the U.S. Securities and Exchange Commission ("SEC") in connection with the proposed transactions. In connection with the proposed Merger transaction, SUNation intends to file with the SEC a registration statement on Form S-4 that will include a proxy statement of SUNation and a prospectus (the "proxy statement/prospectus"). INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT, THE PROXY STATEMENT/PROSPECTUS AND ANY OTHER RELEVANT DOCUMENTS WHEN FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS, CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. Investors and security holders may obtain free copies of these documents, when available, at the SEC's website at www.sec.gov. In addition, investors and stockholders should note that SUNation communicates with investors and the public using its website (www.sunation.com) and the investor relations website, (https://ir.sunation.com/), where anyone will be able to obtain free copies of the proxy statement/prospectus and other documents filed by SUNation with the SEC and stockholders are urged to read the proxy statement/prospectus and the other relevant materials when they become available before making any voting or investment decision with respect to the proposed transactions.

PARTICIPANTS IN THE SOLICITATION

SUNation, Suniva and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from SUNation's shareholders in respect of the proposed transaction. Information regarding SUNation's directors and executive officers is set forth in SUNation's most recent Annual Report on Form 10-K, including any information incorporated by reference, as filed with the SEC on March 23, 2026, as supplemented by its

periodic SEC reports thereafter. Additional information regarding the participants in the solicitation and a description of their direct and indirect interests will be included in the proxy statement/prospectus when it becomes available.

CONSOLIDATED STATEMENTS OF OPERATIONS

Unaudited

Table 3: Consolidated Operating Results

	Three Months Ended September 30					
	2026		2025		Change	
(In Thousands, except per share data)	Amount	% of Sales	Amount	% of Sales	$	%
Sales	$ 11,201	100%	$ 18,994	100%	$ (7,793)	-41.0%
Cost of sales	7,747	69%	11,782	62%	(4,035)	-34.3%
Gross profit	3,454	31%	7,212	38%	(3,758)	-52.1%
Operating expenses:						
Selling, general and administrative expenses	4,327	39%	6,898	36%	(2,571)	-37.3%
Amortization expense	559	5%	559	3%	—	0.0%
Transaction costs	457	4%	—	0%	457	NM
Goodwill impairment loss	4,918	44%	—	0%	4,918	NM
Intangible asset impairment loss	4,901	44%	—	0%	4,901	NM
Total operating expenses	15,162	135%	7,457	39%	7,705	103.3%
Operating loss	(11,708)	-105%	(246)	-1%	(11,462)	4664.6%
Other income (expense):						
Investment and other income	12	0%	15	0%	(3)	-22.1%
Gain on sale of assets	32	0%	—	0%	32	NM
Fair value remeasurement of contingent value rights	—	0%	(2)	0%	2	-100.0%
Interest expense	(162)	-1%	(144)	-1%	(18)	13.3%
Other expense, net	(118)	-1%	(131)	-1%	13	-9.5%
Net loss before income taxes	(11,826)	-106%	(376)	-2%	(11,450)	3042.8%
Income tax (benefit) expense	(6)	0%	17	0%	(23)	-135.9%
Net loss	$ (11,820)	-106%	$ (393)	-2%	$ (11,427)	2907.9%
Basic and diluted net loss per share	$ (1.81)		$ (0.12)			
Weighted average basic and dilutive shares	6,513,108		3,406,614			

CONSOLIDATED BALANCE SHEET HIGHLIGHTS

(In thousands)

Table 4: Balance Sheet Highlights

	September 30	June 30	September 30
	2026	2026	2025
Cash and cash equivalents	$ 2,787	$ 3,061	$ 5,415
Current assets	11,610	10,549	17,170
Total assets	31,463	40,922	49,607
Current liabilities	16,957	13,773	19,034
Total liabilities	22,778	20,398	27,879
Total stockholders' equity (deficit)	8,685	20,524	21,728
Working capital	(5,347)	(3,224)	(1,865)

CONSOLIDATED CASH FLOW SUMMARY

(In thousands)

Table 5: Cash Flow Summary

	Three Months Ended		
	September 30 2026	June 30 2026	September 30 2025
Net cash (used in) provided by operating activities	$ (276)	$ (1,100)	$ 2,387
Net cash provided by (used in) investing activities	33	(2)	(9)
Net cash (used in) provided by financing activities	(31)	2,477	(148)
Net (decrease) increase in cash, cash equivalents, and restricted cash	(274)	1,375	2,230
Cash, cash equivalents and restricted cash at beginning of period	3,061	1,687	3,474
Cash, cash equivalents and restricted cash at end of period	2,787	3,061	5,704

	Nine Months Ended September 30	
	2026	2025
Net cash used in operating activities	$ (6,540)	$ (1,146)
Net cash provided by (used in) investing activities	34	(18)
Net cash provided by financing activities	2,111	5,716
Net (decrease) increase in cash, cash equivalents, and restricted cash	(4,395)	4,552
Cash, cash equivalents and restricted cash at beginning of period	7,182	1,152
Cash, cash equivalents and restricted cash at end of period	$ 2,787	$ 5,703

SEGMENT PERFORMANCE SUMMARY

(In thousands)

Table 6: SUNation NY Segment Results

	Three Months Ended September 30	
	2026	2025
Revenue	$ 8,007	$ 13,015
Gross profit	2,612	5,291
Gross margin	32.6%	40.7%
Operating (loss) income	(6,946)	4,415

Table 7: Hawaii Energy Connection Segment Results

	Three Months Ended September 30	
	2026	2025
Revenue	$ 3,193	$ 5,979
Gross profit	842	1,920
Gross margin	26.4%	32.1%
Operating loss	(3,647)	444

ADJUSTED EBITDA RECONCILIATION

Non-GAAP Financial Measures

This press release also includes non-GAAP financial measures that differ from financial measures calculated in accordance with United States generally accepted accounting principles ("GAAP"). Adjusted EBITDA is a non-GAAP financial measure provided in this release, and is net loss calculated in accordance with GAAP, adjusted for interest, income taxes, depreciation, amortization, stock compensation, transaction costs, gain on sale of assets, earnout consideration compensation, financing fees, and non-cash fair value remeasurement adjustments as detailed in the reconciliations presented below in this press release.

These non-GAAP financial measures are presented because the Company believes they are useful indicators of its operating performance. Management uses these measures principally as measures of the Company's operating performance and for planning purposes, including the preparation of the Company's annual operating plan and financial projections. The Company believes these measures are useful to investors as supplemental information and because they are frequently used by analysts, investors, and other interested parties to evaluate companies in its industry. The Company also believes these non-GAAP financial measures are useful to its management and investors as a measure of comparative operating performance from period to period.

The non-GAAP financial measures presented in this release should not be considered as an alternative to, or superior to, their respective GAAP financial measures, as measures of financial performance or cash flows from operations as a measure of liquidity, or any other performance measure derived in accordance with GAAP, and they should not be construed to imply that the Company's future results will be unaffected by unusual or non-recurring items. In addition, these measures do not reflect certain cash requirements such as tax payments, debt service requirements, capital expenditures and certain other cash costs that may recur in the future. Adjusted EBITDA contains certain other limitations, including the failure to reflect our cash expenditures, cash requirements for working capital needs and cash costs to replace assets being depreciated and amortized. In evaluating non-GAAP financial measures, you should be aware that in the future the Company may incur expenses that are the same as or similar to some of the adjustments in this presentation. The Company's presentation of non-GAAP financial measures should not be construed to imply that its future results will be unaffected by any such adjustments. Management compensates for these limitations by primarily relying on the Company's GAAP results in addition to using non-GAAP financial measures on a supplemental basis. The Company's definition of these non-GAAP financial measures is not necessarily comparable to other similarly titled captions of other companies due to different methods of calculation.

Table 8: Reconciliation of GAAP Net Loss To Adjusted EBITDA

	Three Months Ended September 30	
	2026	2025
Net Loss	**$ (11,820,205)**	**$ (392,975)**
Interest expense	162,445	143,420
Interest income	(5,279)	(9,670)
Income taxes	(5,981)	16,679
Depreciation	62,688	68,674
Amortization	559,375	559,375
Transaction costs	456,889	—
Goodwill impairment loss	4,917,533	—
Intangible asset impairment loss	4,900,884	—
Stock compensation	(18,158)	18,899
Earnout consideration compensation	—	491,130
Gain on sale of assets	(32,532)	—
FV remeasurement of contingent value rights	—	2,318
Adjusted EBITDA	**$ (822,341)**	**$ 897,850**

Source: SUNation Energy, Inc.