



Pineapple
ENERGY



CSI

Merger aims to establish a vertically integrated energy services company through the acquisition of regional solar, storage and energy service businesses nationwide



Investor Presentation

February 28, 2022

Certain Notices

FORWARD LOOKING STATEMENTS

In connection with this presentation and in this presentation, management of Communications Systems, Inc. ("CSI") makes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of present or historical fact, included in this presentation regarding the proposed merger transaction involving Pineapple Energy LLC ("Pineapple") are forward-looking statements. These forward-looking statements are based on CSI management's current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. These forward-looking statements are subject to numerous risks and uncertainties, including: (i) the conditions to the closing of CSI-Pineapple merger transaction may not be satisfied; (ii) the occurrence of any other risks to consummation of the CSI-Pineapple merger transaction, including the risk that the CSI-Pineapple merger transaction will not be consummated within the expected time period or any event, change or other circumstances that could give rise to the termination of the CSI-Pineapple merger transaction; (iii) the CSI-Pineapple merger transaction has involved greater than expected costs and delays and may in the future involve unexpected costs, liabilities or delays; (iv) the Company's ability to sell its other legacy operating business assets and its real estate assets at attractive values; (v) there is no assurance that CSI will receive any of the maximum \$7.0 million earnout relating to the August 2, 2021 sale of CSI's Electronics & Software Segment; (vi) the combined company will be entitled to retain ten percent of the net proceeds of CSI legacy assets that are sold pursuant to agreements entered into after the effective date of the merger; (vii) risks that the merger will disrupt current CSI plans and operations or that the business or stock price of CSI may suffer as a result of uncertainty surrounding the CSI-Pineapple merger transaction; (viii) the outcome of any legal proceedings related to the CSI-Pineapple merger transaction; (ix) the fact that CSI cannot yet determine the exact amount and timing of any additional pre-CSI-Pineapple merger cash dividends, if any, or the ultimate value of the Contingent Value Rights that CSI intends to distribute to its shareholders immediately prior to the closing of the CSI-Pineapple merger transaction; and (x) the anticipated benefits of the proposed merger transaction with Pineapple may not be realized in the expected timeframe, or at all. CSI undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Certain market data information in this presentation is based on the estimates of Pineapple Energy and CSI management. Pineapple Energy and CSI obtained the industry, market and competitive position data used throughout this presentation from internal estimates and research as well as from industry publications and research, surveys and studies conducted by third parties. Pineapple Energy and CSI believes their estimates to be accurate as of the date of this presentation. However, this information may prove to be inaccurate because of the method by which Pineapple Energy or CSI obtained some of the data for its estimates or because this information cannot always be verified due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process.

TRADEMARKS AND INTELLECTUAL PROPERTY

All trademarks, service marks, and trade names of Pineapple or CSI or their respective subsidiaries or affiliates used herein are trademarks, service marks, or registered trademarks of Pineapple or CSI, respectively, as noted herein. Any other product, company names, or logos mentioned herein are the trademarks and/or intellectual property of their respective owners.

Certain Notices (Cont'd)

ADDITIONAL INFORMATION AND WHERE TO FIND IT

In connection with the proposed merger with Pineapple, Communications Systems, Inc. ("CSI") filed a registration statement on Form S-4 (File No. 333-260999) with the Securities and Exchange Commission (SEC) on November 12, 2021 (as amended, the "Registration Statement"). The Registration Statement includes a proxy statement/prospectus, and was declared effective by the SEC on February 3, 2022. Beginning February 4, 2022, a copy of the proxy statement/prospectus dated February 3, 2022 was sent to CSI shareholders as of the close of business on January 27, 2022, the record date established for the special meeting.

CSI URGES INVESTORS, SHAREHOLDERS AND OTHER INTERESTED PERSONS TO READ THE REGISTRATION STATEMENT AND PROXY STATEMENT/PROSPECTUS, AND ANY AMENDMENTS OR SUPPLEMENTS THERETO, AND ANY OTHER DOCUMENTS TO BE FILED WITH THE SEC IN CONNECTION WITH THE MERGER BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION.

The Registration Statement, preliminary and definitive proxy statement/prospectus, any other relevant documents, and all other documents and reports CSI filed with or furnishes to the SEC are (or, when filed, will be) available free of charge under the "Financial Reports" tab of the Investors Relations section of our website at www.commsystems.com or by directing a request to: Communications Systems, Inc., 10900 Red Circle Drive, Minnetonka, MN 55343. The contents of the CSI website is not deemed to be incorporated by reference into presentation, the Registration Statement or the proxy statement/prospectus. The documents and reports that CSI files with or furnishes to the SEC are (or, when filed, will be) available free of charge through the website maintained by the SEC at <http://www.sec.gov>.

PARTICIPANTS IN THE SOLICITATION

CSI, Pineapple and their respective directors and executive officers may be considered participants in the solicitation of proxies by CSI in connection with approval of the proposed merger and other proposals to be presented at the CSI special meeting of shareholders. Information regarding the names of these persons and their respective interests in the transaction, by securities holdings or otherwise, are set forth in the proxy statement/prospectus dated February 3, 2022. To the extent CSI directors and executive officers or their holdings of CSI securities have changed from the amounts disclosed in such filing, to CSI's knowledge, these changes have been reflected on statements of change in ownership on Form 4 on file with the SEC. You may obtain these documents (when they become available, as applicable) free of charge through the sources indicated above.

Today's Presenters



Kyle Udseth

Founder & CEO, Pineapple



Mark Fandrich

Chief Financial Officer, CSI



Roger Lacey

Executive Chairman, CSI



Creating CSI Shareholder Value Over the Year



Announced: March 2021

Anticipated Close: March 2022



Steps completed

- › CSI announces agreement to merge with Pineapple Energy LLC
- › CVRs to be distributed to pre-merger CSI shareholders
- › Closed sale of its E&S businesses (Transition Networks and Net2Edge) to Lantronix
- › Paid \$3.50 per share dividend
- › Entered into agreement for \$32 million in equity financing for post-merger Pineapple Energy
- › Secured reimbursement of transaction expenses for the benefit of CVR holders
- › Existing CSI shareholders will continue to hold 9.7 million shares in the post-merger Pineapple Holdings

Source: CSI Press Releases



Why Support the Transaction?

Strategic and Financial Benefits of the Transaction

CSI shareholders, through their ownership of CSI common stock following the merger, to benefit from

Fast-growing industry

Customer sentiment and continued public policy momentum, growing scale-derived operating efficiencies that may be re-invested into the post-merger company

Pineapple's vision of building a vertically integrated business

The potential growth of Pineapple's residential solar, battery storage, and grid services solutions business



Acquisitions

1. **HEC** is a leading sustainable energy provider in Hawaii, with over 9,000 residential systems installed and growing
2. **E-Gear** operates as a technology developer and manufacturer of energy management software and hardware in Hawaii.
3. Pineapple's cornerstone acquisitions of selected assets of **Sungevity** and **Horizon Solar Power** in December 2020 provides a well-known brand name and access to a database with both historical customers and 115,000 unconverted Sungevity leads
4. **National consolidation strategy** to acquire leading independent solar, storage and home energy management companies

Furthermore....

- Public company expense post-merger will be born by post-merger company, not CVRs
- CVRs provides pre-merger CSI shareholders opportunity to receive value of pre-merger CSI assets
- Estimated \$3.4 million in CSI transaction expenses to be paid from PIPE Offering proceeds

Pineapple Energy At a Glance

Vision: Aiming to build the nation's leading residential energy management company

The Pineapple Energy family of brands provides homeowners an end-to-end product offering spanning solar, battery storage, and grid services.



Portfolio of Brands



The growth strategy includes:

- Organically **grow in legacy markets** i.e. CA, NJ, NY, MA
- **Grow via acquisition** in markets e.g. TX, FL, AZ, NV
- **Cross-selling** battery storage, energy management, EV chargers etc. to current customers
- **Grid services** from aggregating customer products expands scope & creates **recurring revenue model**
- HEC has operated on an **EBITDA positive** basis

Summary – Maximizing CSI Shareholder Value

2018

- May 2018 – CSI Announces Exploration of Strategic Alternatives
- July 2018 - CSI Engages Northland Capital Markets
- December 18, 2018 - CSI Initiates Restructure and New Leadership

2019

- April 5, 2019 - CSI Subsidiary, Suttle Inc., Sells Its FutureLink™ Fiber Business Line

2020

- March 11, 2020 - CSI Subsidiary, Suttle Inc., Sells the Remainder of its Business Line
- May 14, 2020 - CSI Acquires Ecessa Corporation
- June 1, 2020 - CSI Makes Minority Investment In Quortus
- November 5, 2020 - CSI Acquires IVDesk's Operating Assets

2021

- March 2, 2021 - CSI Announces Agreement For Merger Transaction With Pineapple Energy LLC
- June 28, 2021 - CSI Announces Agreement for \$25 Million PIPE Investment
- July 28, 2021 - CSI Approved The Sale Of Its Transition Networks And Net2Edge Businesses
- September 15, 2021 - CSI Announces Agreement For Upsized \$32 Million PIPE Investment

2018

2019

2020

2021

2022

Contingent Value Right
(CVR)

CSI Legacy Asset Summary Available to CVR

- \$6.4 million in Cash + Reimbursement of Merger Related Expenses (Est. \$3.4 million)
- \$6.82 million from Pending Sale of Minnetonka HQ (less expenses, commissions)
- Any earnouts paid from the sale of Electronics & Software segment to Lantronix (Max \$7.0 million)
- Any future proceeds from the sale of the Services & Support (S&S) operating segment
- CVRs reduced by legacy asset transaction expense, cash needed to fund the continued operation of the S&S segment, and also reserves and holdbacks in the form of time-bound escrows

Post-Closing Senior Management & Board of Directors



Kyle Udseth

Chief Executive Officer & Director



Mark Fandrich

Chief Financial Officer



Roger Lacey

Chairman



Scott Honour

Director



Randy Sampson

Independent Director



Michael Zapata

Independent Director



Marilyn Adler

Independent Director

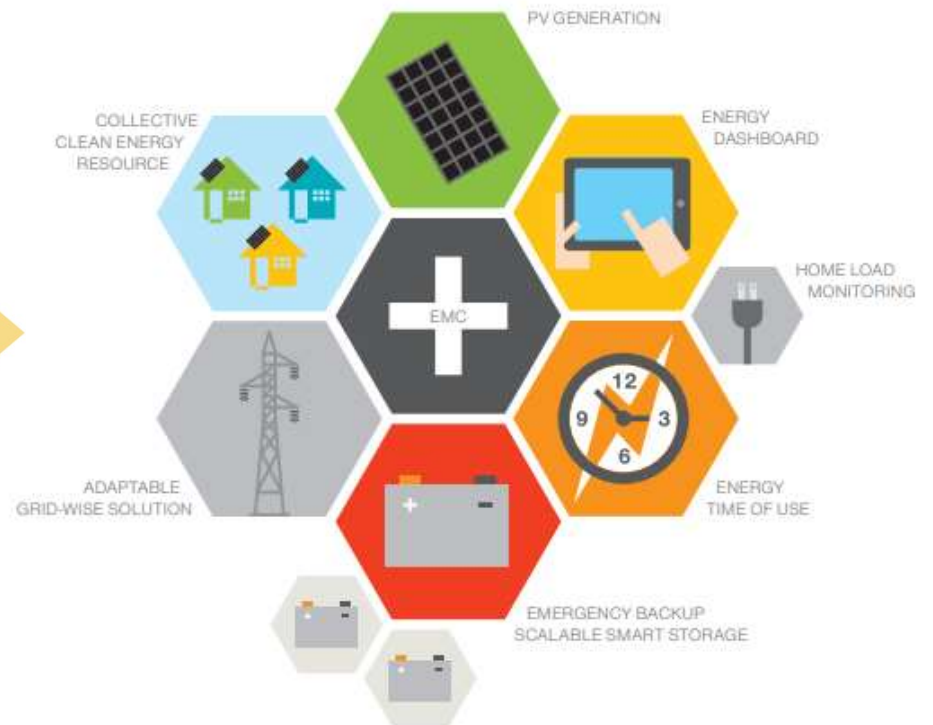
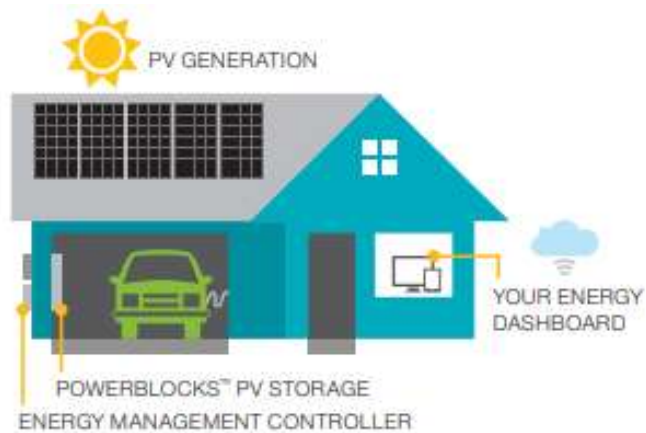


Tom Holland

Independent Director



Home Energy Mgmt. – The Future of Home Ownership



Providing Energy Security to Our Customers

We provide customers the best products that fit their unique needs



Pineapple
ENERGY

Expertise

**Acquisition Targets/
Third Party Partners**

Lead to Sale

Design

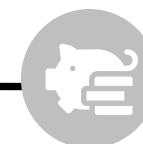
Technology

Grid Services

Installation

Service

Financing



Digital, Word-of-mouth
and referral leads; flexible
sales options to meet
customer preference

Goal to be leading nationwide
vendor for cutting-edge
product offerings from
Enphase, Generac, and others

Become a pioneer in partnering with
utilities to monetize grid-edge assets
(i.e. batteries, smart-energy
controllers)

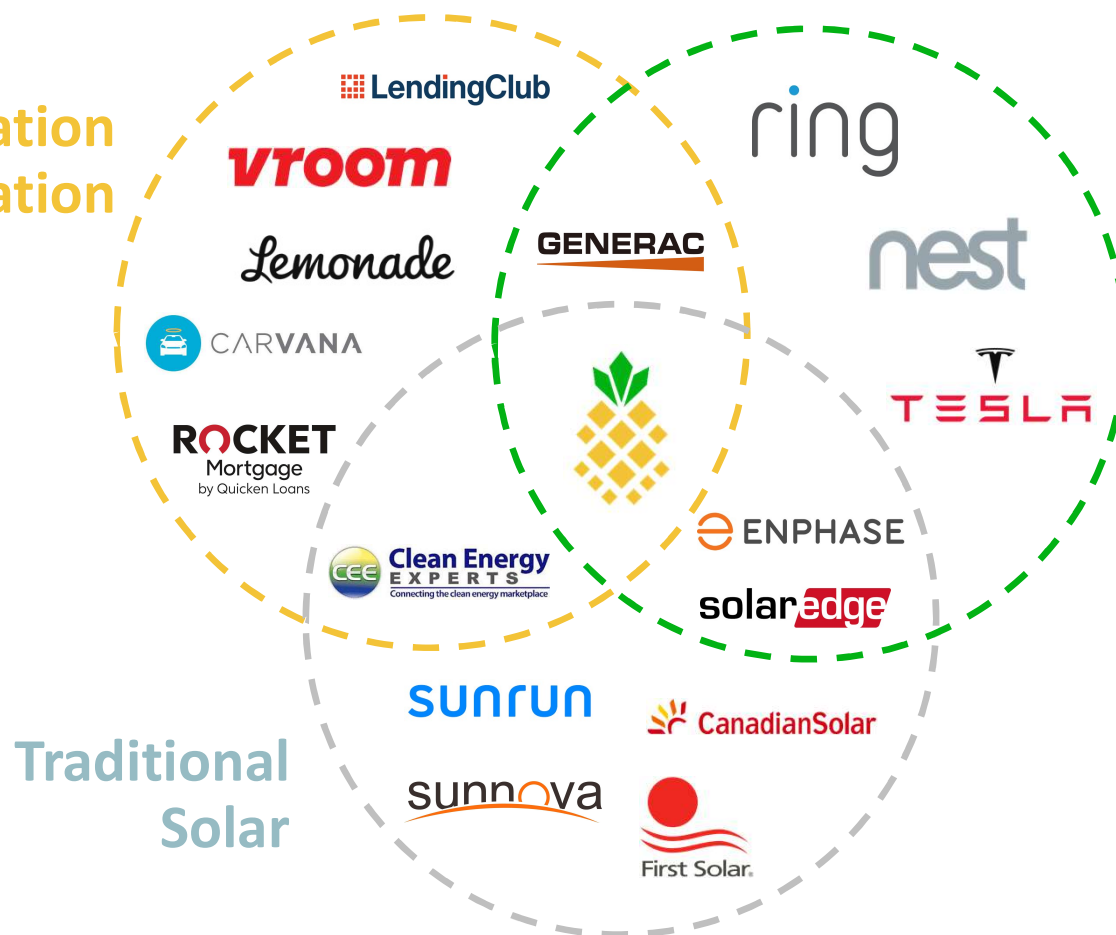
Customer management platform ensuring high
quality, low risk delivery coupled with best-in-
class customer engagement

We deliver exceptional customer experiences, leading to referrals and cross-sell opportunities

Differentiation in the Market

Lead Generation
& Origination

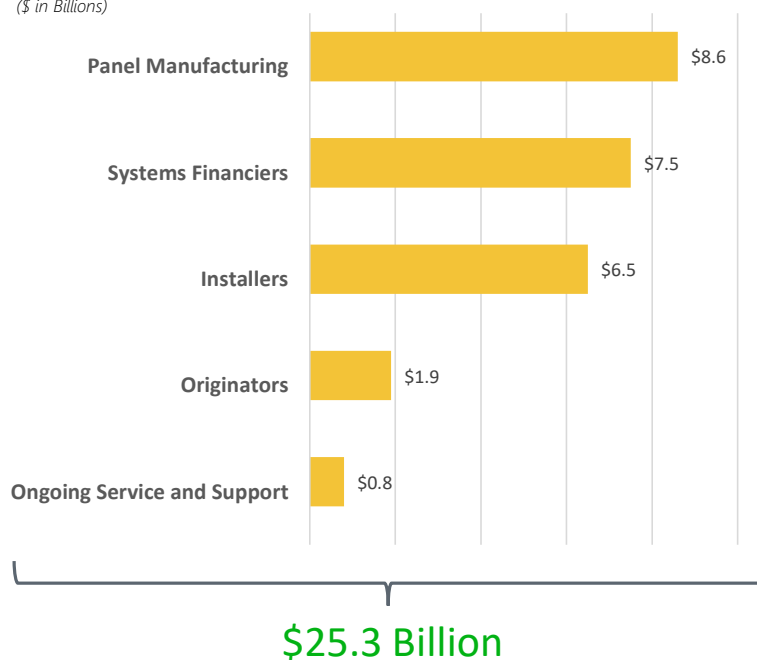
Best-of-Breed
Technology



Residential Solar Sector Snapshot

Total Market Opportunity in Core Verticals ¹

(\$ in Billions)



2023E Total U.S. Residential Solar Market

Key Growth Drivers of Residential Solar



Ongoing decline in cost makes solar an attractive solution for homeowners



New consumer financing structures provide access to residential solar systems for an expanding customer base



Residential solar enables other energy products and services, such as storage and EV charging, adding additional value



State-level policy developments around financial incentives and tariffs help bolster the market

(1) Source: Allied Market Research [Month/Year]

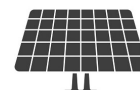
Residential Solar Ancillary Products & Services

Solar is just the Start

- Residential solar can unlock adjacent revenue opportunities:
 - Energy Storage:** Support rooftop solar and provide ancillary grid services
 - Smart Appliances:** Improve efficiency from common household appliances
 - Energy Mgmt. / Software:** Control and optimize household energy use
 - Services / Repair:** Maintain optimal performance of equipment
 - Comfort / Lighting:** Improve energy efficiency by controlling HVAC and lighting
 - Security:** Give homeowners peace of mind that their homes are secured

Residential Energy Services Platform

Residential Solar



Ability to cross sell/upsell additional smart home products



Energy Storage

Market Size:
~\$1.5bn



Smart Appliances

Market Size:
~\$4.3bn



Energy Mgmt. Software

Market Size:
~\$2.9bn



Comfort / Lighting

Market Size:
~\$8.8bn



Service / Repair

Market Size:
~\$2.0bn



Security

Market Size:
~\$7.0bn

\$25.3 Billion

2023E Total U.S. Residential Solar Market ¹

(1) Source: Allied Market Research [Month/Year]

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