

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (date of earliest event reported): June 10, 2022

Pineapple Energy Inc

(Exact name of Registrant as Specified in its Charter)

Minnesota

(State Or Other Jurisdiction Of Incorporation)

001-31588

(Commission File Number)

41-0957999

(I.R.S. Employer Identification No.)

**10900 Red Circle Drive
Minnetonka, MN**

(Address of Principal Executive Offices)

55343

(Zip Code)

(952) 996-1674

Registrant's Telephone Number, Including Area Code

Securities registered pursuant to Section 12(b) of the Act

Title of Each Class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value, \$.05 per share	PEGY	The Nasdaq Stock Market, LLC

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions *see* General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.01. Completion of Acquisition or Disposition of Assets.

On June 10, 2022, Pineapple Energy Inc. (the "Company") completed the previously announced transaction contemplated by the Purchase Agreement, dated November 18, 2021, as amended pursuant to that certain (i) First Amendment to Purchase Agreement, dated February 15, 2022, (ii) Second Amendment to Purchase Agreement, dated April 11, 2022, (iii) Third Amendment to Purchase Agreement, dated April 25, 2022, and (iv) Fourth Amendment to Purchase Agreement, dated May 26, 2022 (collectively, as amended, the "Purchase Agreement") by and between the Company and Buhl Investors LLC, a Minnesota limited liability company, or its assigns, for the sale of the Company's headquarters building (the "Building") located at 10900 Red Circle Drive, Minnetonka, Minnesota.

Pursuant to the Purchase Agreement, the Company sold the Building for \$6.5 million cash. The net proceeds from the sale are expected to be distributed to holders of the Company's contingent value rights by July 30, 2022, after certain adjustments are made for commissions, fees, closing expenses, and any reserves required under terms of the recently completed merger of Pineapple Energy LLC with Communications Systems, Inc., including, without limitation, the application of \$410,000 of the proceeds to offset rent payable by the Company during the first 24 months following the commencement date of the lease described below.

Simultaneously with the closing of the sale of the Building, the Company entered into a five-year lease agreement to lease approximately 8,590 square feet of the Building, with an option to renew the lease thereafter for five additional years.

The foregoing descriptions are not intended to be complete descriptions of the Purchase Agreement or the transactions contemplated therein and are qualified in their entirety by reference to the full text of the Purchase Agreement and its amendments, copies of which are filed or incorporated by reference as Exhibits 10.1 through 10.5 attached hereto.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On June 15, 2022, the Company announced that Mark Fandrich would be resigning from his position as Chief Financial Officer, effective on the date the Company files its second quarter Form 10-Q (the "Effective Date"), which is currently anticipated to be August 12, 2022. Mr. Fandrich is expected to continue in his role until the Effective Date. The Company's Board of Directors intends to initiate a search for Mr. Fandrich's replacement.

Item 7.01. Regulation FD Disclosure.

On June 15, 2022, the Company issued two press releases announcing the events disclosed above, the texts of which are furnished as Exhibits 99.1 and 99.2 attached hereto and incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

The following exhibits are filed or furnished, as applicable, with this Current Report on Form 8-K.

Exhibit Number	Exhibit
<u>10.1</u>	<u>Purchase Agreement, dated November 18, 2021, between Communications Systems, Inc. and Buhl Investors LLC, a Minnesota limited liability company, or its affiliated assignee with respect to property at 10900 Red Circle Drive, Minnetonka, Minnesota (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on November 23, 2021)</u>
<u>10.2</u>	<u>First Amendment to Purchase Agreement, dated February 15, 2022, to Purchase Agreement, dated November 18, 2021, between Communications Systems, Inc. and Buhl Investors LLC, a Minnesota limited liability company, or its affiliated assignee with respect to property at 10900 Red Circle Drive, Minnetonka, Minnesota (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 16, 2022)</u>
<u>10.3</u>	<u>Second Amendment to Purchase Agreement, dated April 11, 2022, to Purchase Agreement, dated November 18, 2021, as amended, between the Company and Buhl Investors LLC, with respect to property at 10900 Red Circle Drive, Minnetonka, Minnesota (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 13, 2022)</u>
<u>10.4</u>	<u>Third Amendment to Purchase Agreement, dated April 25, 2022, to Purchase Agreement, dated November 18, 2021, as amended, between the Company and Buhl Investors LLC, with respect to property at 10900 Red Circle Drive, Minnetonka, Minnesota (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 28, 2022)</u>
<u>10.5</u>	<u>Fourth Amendment to Purchase Agreement, dated May 26, 2022, to Purchase Agreement, dated November 18, 2021, as amended, between the Company and Buhl Investors LLC, with respect to property at 10900 Red Circle Drive, Minnetonka, Minnesota</u>
<u>99.1</u>	<u>Pineapple Energy, Inc. Press Release, dated June 15, 2022, regarding sale of headquarters building</u>
<u>99.2</u>	<u>Pineapple Energy, Inc. Press Release, dated June 15, 2022, regarding Chief Financial Officer transition</u>
104	Cover Page Interactive Data File (formatted as Inline XBRL)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PINEAPPLE ENERGY INC

By: /s/ Mark D. Fandrich

Mark D. Fandrich, Chief Financial Officer

Date: June 15, 2022

FOURTH AMENDMENT TO PURCHASE AGREEMENT

THIS FOURTH AMENDMENT TO PURCHASE AGREEMENT (this “**Amendment**”) is made and entered into as of May 26, 2022 (the “**Effective Date**”) by and between Pineapple Energy Inc., f/k/a/ Communications Systems, Inc., a Minnesota corporation (“**Seller**”) and Buhl Investors, LLC, a Minnesota limited liability company, or its assigns (“**Buyer**”).

RECITALS

WHEREAS, Seller and Buyer entered into a Purchase Agreement dated November 18, 2021, amended pursuant to that certain First Amendment to Purchase Agreement dated February 15, 2022, that certain Second Amendment to Purchase Agreement dated April 11, 2022, and that certain Third Amendment to Purchase Agreement dated April 25, 2022 (collectively, the “**Purchase Agreement**”) wherein Seller agreed to sell to Buyer, and Buyer agreed to buy from Seller, that certain real property located at 10900 Red Circle Drive, located in the city of Minnetonka, Hennepin County, Minnesota, and as more particularly described in the Purchase Agreement; and

WHEREAS, Buyer and Seller now desire to further amend the Purchase Agreement in the manner set forth below.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

1. Recitals; Defined Terms. The foregoing recitals are true and correct and are incorporated herein by reference. All capitalized terms in this Amendment shall have the same meaning as set forth in the Purchase Agreement, except as otherwise noted herein.
2. Inspection and Contingency Rights/Closing Date. Buyer hereby waives all of its contingency rights held under the Purchase Agreement upon the expiration of the Contingency Termination Date. The Contingency Termination Date shall be 11:59 pm CDT on Thursday, May 26, 2022, at which time the Earnest Money shall become nonrefundable to Buyer. The Closing Date is June 10, 2022.
3. Purchase Price. The definition of Purchase Price is hereby amended and restated to be the sum of Six Million Five Hundred Thousand and No/100 Dollars (\$6,500,000.00).
4. Conflict Provision. This Amendment is intended to supplement and amend the provisions of the Purchase Agreement. To the extent that any of the provisions contained herein are inconsistent with the provisions of the Purchase Agreement, the provisions of this Amendment shall control. Except as specifically modified herein, the Purchase Agreement shall remain unchanged and in full force and effect.
5. Counterpart Execution. This Amendment may be executed via electronic transmission including the use of DocuSign or similar services, facsimile transmission, or via email and in one or more counterparts which, taken together, shall constitute one and the same amendment.

[Signature page to follow.]

IN WITNESS WHEREOF, this Amendment has been executed and delivered by Seller and Buyer and shall be deemed to be effective as of the date set forth above.

SELLER:

Pineapple Energy Inc.,
a Minnesota corporation

By: /s/ Mark Fandrich
Mark Fandrich
Chief Financial Officer

BUYER:

Buhl Investors, LLC,
a Minnesota limited liability company

By: /s/ Peter Deanovic
Peter Deanovic
Chief Executive Officer



Pineapple Energy Completes Sale of Headquarters Building

Minnetonka, Minn. – (BUSINESS WIRE) – June 15, 2022 – Pineapple Energy Inc. (“Pineapple” or “the Company”), a leading provider of sustainable solar energy and back-up power to households and small businesses, today announced that it sold its headquarters building in Minnetonka to Buhl Investors LLC (“Buhl”), a Twin Cities real estate investment firm with a focus on providing highly innovative investment solutions across a variety of product types.

Buhl will convert the use of the building to multi-tenant, and Pineapple has agreed to lease approximately 8,500 of the 100,000 square foot facility. Pineapple’s corporate operations will be headquartered in the building along with Pineapple’s legacy IT Solutions & Services operating segment (JDL Technologies and Ecessa Corporation), which will continue to occupy space in the building until they are sold.

The sale price was \$6.5 million cash. Proceeds net of commissions, fees, closing expenses, and any reserves required under the merger agreement between Pineapple Energy LLC and Communications Systems, Inc. will be distributed to CVR holders by July 30, 2022.

Pineapple’s Chief Executive Officer Kyle Udseth commented, “Closing on the sale of the legacy CSI headquarters building is one more positive step in completing the post-merger transition to the new Pineapple Energy and fulfills a CSI obligation to the CVR holders. Even though the CVR transaction is not related to go-forward Pineapple, we do benefit from locating our corporate headquarters in a newly-renovated building on attractive lease terms, which we believe will assist us to attract and retain talent.”

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 (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, 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, 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.



Contacts:

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Pineapple Energy Announces Chief Financial Officer Transition

Minnetonka, Minn. – (BUSINESS WIRE) – June 15, 2022 – Pineapple Energy Inc. ("Pineapple" or "the Company"), a leading provider of sustainable solar energy and back-up power to households and small businesses, today announced that Chief Financial Officer Mark Fandrich has decided to resign his position, effective on the date the Company files its second quarter Form 10-Q, which is currently anticipated to be August 12, 2022. Mr. Fandrich will work with Corporate Controller Kristin Hlavka and CEO Kyle Udseth through completion of the Company's second quarter SEC filings and has also agreed to provide support after August 12th related to the sale of the remaining CSI legacy assets JDL and Ecessa.

Mark Fandrich commented, "My decision to leave was not easy considering my view that the future for Pineapple in residential solar is very promising. That said, I believe a change now allows me to refocus my skill set as I start exploring new opportunities while also spending more time with my family. I greatly appreciate the opportunities presented to me at CSI and Pineapple and enjoyed working with the true professionals on our executive team."

Pineapple Chairman Roger Lacey commented, "Mark was instrumental in executing the successful multiyear strategic transformation of Communications Systems, Inc. into Pineapple Energy Inc., which positions us as an exciting new entrant in the substantial and fast-growing market of residential solar. Mark's dedication to the project and persistence in overcoming many challenges were critical to our success. We acknowledge his desire to wrap up this phase of his career and wish him nothing but success in his next endeavors. We also very much appreciate his intention to support us during the transition period as we identify a new CFO."

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 (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

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