

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

**FORM 10-Q**

(Mark One)

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

For the quarterly period ended March 31, 2026

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-31588

**SUNATION ENERGY, INC.**

(Exact name of registrant as specified in its charter)

Delaware _____ (State or other jurisdiction of incorporation or organization)	41-0957999 _____ (Federal Employer Identification No.)
171 Remington Boulevard, Ronkonkoma, NY 11779 _____ (Address of principal executive offices)	11779 _____ (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 \$0.05 per share	SUNE	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES  NO

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). YES  NO

Indicate by a check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer  Accelerated Filer  Non-accelerated Filer

Smaller Reporting Company  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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act. YES  NO

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Outstanding at May 5, 2026

4,123,106

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SUNATION ENERGY, INC.

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**SUNATION ENERGY, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

ASSETS	March 31 2026	December 31 2025
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 1,686,605	\$ 7,182,344
Trade accounts receivable, less allowance for credit losses of \$361,436 and \$308,629, respectively	3,244,008	4,239,483
Inventories	2,884,502	2,534,984
Prepaid income taxes	—	9,336
Related party receivables	21,205	21,412
Prepaid expenses	564,867	1,273,762
Costs and estimated earnings in excess of billings	239,599	658,177
Other current assets	408,748	554,481
<b>TOTAL CURRENT ASSETS</b>	<b>9,049,534</b>	<b>16,473,979</b>
PROPERTY, PLANT AND EQUIPMENT, net	952,366	1,015,528
<b>OTHER ASSETS:</b>		
Goodwill	17,443,869	17,443,869
Operating lease right of use asset, net	3,238,325	3,315,411
Intangible assets, net	9,423,958	9,983,333
Other assets, net	12,000	12,000
<b>TOTAL OTHER ASSETS</b>	<b>30,118,152</b>	<b>30,754,613</b>
<b>TOTAL ASSETS</b>	<b>\$ 40,120,052</b>	<b>\$ 48,244,120</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 4,612,752	\$ 7,395,318
Accrued compensation and benefits	1,542,404	1,653,994
Operating lease liability	298,910	292,240
Accrued warranty	208,207	225,318
Other accrued liabilities	761,764	973,302
Income taxes payable	1,837	—
Refundable customer deposits	920,699	1,073,284
Billings in excess of costs and estimated earnings	1,349,145	1,663,867
Current portion of loans payable	88,086	366,824
Current portion of loans payable - related party	2,775,486	1,763,424
<b>TOTAL CURRENT LIABILITIES</b>	<b>12,559,290</b>	<b>15,407,571</b>
<b>LONG-TERM LIABILITIES:</b>		
Loans payable and related interest	106,218	1,011,508
Loans payable and related interest - related party	3,006,190	3,457,864
Operating lease liability	3,080,742	3,158,478
Accrued compensation and benefits	1,107,299	863,693
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>7,300,449</b>	<b>8,491,543</b>
<b>COMMITMENTS AND CONTINGENCIES (Note 6)</b>		
<b>STOCKHOLDERS' EQUITY</b>		
Series D preferred stock, par value \$1.00 per share; 3,000,000 shares authorized; no shares issued and outstanding, respectively	—	—
Common stock, par value \$0.05 per share; 1,000,000,000 shares authorized; 3,406,616 and 3,406,616 shares issued and outstanding, respectively	170,331	170,331
Additional paid-in capital	77,972,475	77,966,554
Accumulated deficit	(57,882,493)	(53,791,879)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>20,260,313</b>	<b>24,345,006</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 40,120,052</b>	<b>\$ 48,244,120</b>

The accompanying notes are an integral part of the condensed consolidated financial statements.

**SUNATION ENERGY, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

	<b>Three Months Ended March 31</b>	
	<b>2026</b>	<b>2025</b>
Sales	\$ 7,194,449	\$ 12,636,638
Cost of sales	5,603,201	8,205,313
Gross profit	1,591,248	4,431,325
Operating expenses:		
Selling, general and administrative expenses	5,361,423	6,039,298
Amortization expense	559,375	559,375
Total operating expenses	5,920,798	6,598,673
Operating loss	(4,329,550)	(2,167,348)
Other income (expense):		
Investment and other income	48,628	48,165
Gain on sale of assets	2,700	—
Fair value remeasurement of contingent forward contract	—	109,492
Fair value remeasurement of contingent value rights	—	19,179
Financing fees	—	(576,594)
Interest expense	(133,449)	(571,240)
Gain (loss) on debt extinguishment	332,412	(343,471)
Other income (expense), net	250,291	(1,314,469)
Net loss before income taxes	(4,079,259)	(3,481,817)
Income tax expense	11,355	14,615
Net loss	(4,090,614)	(3,496,432)
Basic net loss per share	\$ (1.20)	\$ (106.71)
Diluted net loss per share	\$ (1.20)	\$ (106.71)
Weighted Average Basic Shares Outstanding	3,406,616	32,766
Weighted Average Dilutive Shares Outstanding	3,406,616	32,766

The accompanying notes are an integral part of the condensed consolidated financial statements.

**SUNATION ENERGY, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)**  
**(Unaudited)**

**For the Three Months Ended March 31, 2026**

	Series D Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount			
BALANCE AT DECEMBER 31, 2025	—	\$ —	3,406,616	\$ 170,331	\$ 77,966,554	\$ (53,791,879)	\$ 24,345,006
Net loss	—	—	—	—	—	(4,090,614)	(4,090,614)
Share based compensation	—	—	—	—	5,921	—	5,921
BALANCE AT MARCH 31, 2026	—	\$ —	3,406,616	\$ 170,331	\$ 77,972,475	\$ (57,882,493)	\$ 20,260,313

**For the Three Months Ended March 31, 2025**

	Series D Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount			
BALANCE AT DECEMBER 31, 2024	—	\$ —	9,343	\$ 467	\$ 51,445,995	\$ (42,899,046)	\$ 8,547,416
Net loss	—	—	—	—	—	(3,496,432)	(3,496,432)
Issuance of common stock under Equity Incentive Plan	—	—	4	—	—	—	—
Issuance of common stock under registered direct offering, net of issuance costs	—	—	9,825	492	8,481,400	—	8,481,892
Issuance of common stock under pre-funded warrant exercises	—	—	55,392	2,770	8,308	—	11,078
Issuance of Series D Preferred Stock	1	1	—	—	(1)	—	—
Issuance of common stock on At-the-Market sales, net of issuance costs	—	—	762	37	351,335	—	351,372
Issuance of common stock on settlement of loss contingencies	—	—	6,065	304	880,452	—	880,756
Share based compensation	—	—	—	—	30,815	—	30,815
BALANCE AT MARCH 31, 2025	1	\$ 1	81,391	\$ 4,070	\$ 61,198,304	\$ (46,395,478)	\$ 14,806,897

The accompanying notes are an integral part of the condensed consolidated financial statements.

**SUNATION ENERGY, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

	<b>Three Months Ended March 31</b>	
	<b>2026</b>	<b>2025</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (4,090,614)	\$ (3,496,432)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	622,537	627,315
Share based compensation	5,921	30,815
Credit loss provision	52,807	(25,079)
Provision to write down inventories to net realizable value	(26,770)	(10,855)
Amortization of right of use asset	77,086	86,201
Fair value remeasurement of contingent forward contract	—	(109,492)
Fair value remeasurement of contingent value rights	—	(19,179)
Gain (loss) on extinguishment of debt	(332,412)	343,471
Gain on sale of assets	(2,700)	—
Interest and accretion expense	93,473	571,241
Changes in assets and liabilities:		
Trade and related party accounts receivables	942,875	978,228
Inventories, net	(322,748)	205,946
Prepaid income taxes	11,173	14,615
Other assets	1,273,206	12,186
Accounts payable	(2,782,565)	(941,847)
Accrued compensation and benefits	132,016	20,770
Customer deposits	(152,586)	(443,775)
Other accrued liabilities	(614,438)	(148,679)
Accrued interest	(50,358)	(1,098,799)
Net cash used in operating activities	(5,164,097)	(3,403,349)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from the sale of property, plant and equipment	2,700	—
Net cash provided by investing activities	2,700	—
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Borrowings against related party working capital line of credit	800,000	—
Payments against loans payable	(851,616)	(9,401,939)
Payments against related party loans payable	(282,726)	—
Payments related to equity issuance costs	—	(1,568,099)
Proceeds from the issuance of common stock and pre-funded warrants under registered direct offering	—	9,473,398
Proceeds from the issuance of common stock on the exercise of pre-funded warrants	—	11,078
Proceeds from the issuance of Series A and Series B warrants	—	5,515,525
Proceeds from the issuance of common stock under at-the-market offering	—	351,372
Payment of contingent consideration related to acquisition	—	(389,104)
Net cash (used in) provided by financing activities	(334,342)	3,992,231
<b>NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>(5,495,739)</b>	<b>588,882</b>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF PERIOD</b>	<b>7,182,344</b>	<b>1,151,348</b>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF PERIOD</b>	<b>\$ 1,686,605</b>	<b>\$ 1,740,230</b>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
Income taxes paid	\$ —	\$ —
Interest paid	79,313	1,077,033
<b>NONCASH FINANCING AND INVESTING ACTIVITIES:</b>		
Loss on extinguishment of debt	—	(343,471)
Issuance of common stock for the settlement of loss contingencies	—	880,756

The accompanying notes are an integral part of the condensed consolidated financial statements.

SUNATION ENERGY, INC.  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited)

**NOTE 1 – NATURE OF OPERATIONS**

***Description of Business***

SUNation Energy, Inc. (“SUNE”, “SUNation Energy”, “we” or the “Company”) is a Delaware corporation, whose shares of Common Stock are listing on the Nasdaq Stock Market under its trading symbol “SUNE”.

SUNation Energy’s vision is to power the energy transition through grass-roots growth of solar electricity paired with battery storage. The Company is a domestic operator and consolidator of residential solar, battery storage, and grid services solutions. Our strategy is focused on acquiring, integrating, and growing leading local and regional solar, storage, and energy services companies nationwide.

Our current business units, Hawaii Energy Connection, LLC (“HEC”), and New York-based subsidiaries, the SUNation entities (collectively, “SUNation NY”) are engaged in the design, installation, and maintenance of solar energy systems across residential, commercial, and municipal sectors. Our team specializes in providing tailored solar solutions that meet the specific energy needs of each client, ensuring both efficiency and sustainability. In addition to our core solar services, we also offer energy storage systems to optimize energy use and increase reliability. Our New York business unit further integrates a broader range of services, including residential roofing solutions, to ensure seamless solar installations and long-term durability. Additionally, we provide community solar services that allow groups of individuals, businesses, or organizations to share the benefits of a single solar array, making renewable energy accessible to more people in the community.

On April 9, 2026, the Company announced that its Board of Directors has authorized the review of a full range of strategic alternatives aimed at increasing shareholder value and best positioning the Company for long-term success. In connection with the strategic review, the Company has engaged Maxim Group, LLC to serve as its M&A and financial advisor to assist in this strategic process. The review will consider a broad spectrum of possible actions, including, but not limited to, a potential sale of the Company, strategic merger or other business combinations, acquisitions, divestitures of assets, further optimization of the corporate structure, or other strategic or financial transactions that could enhance shareholder value and further optimize capital resources.

The Company has not set a timetable for the completion of a strategic transaction, and there can be no assurance that the exploration of a strategic transaction will result in any specific outcome. The Company does not intend to provide additional updates regarding this process unless the Board approves a particular course of action or determines additional disclosure is appropriate.

***Reverse Stock Split***

*April 2025 Reverse Stock Split*

On April 3, 2025, the Company’s shareholders approved a reverse stock split of the Company’s common stock at a ratio within a range of 1-for-2 and 1-for-200 and granted the Company’s board of directors the discretion to determine the timing and ratio of the split within such range. Additionally, the shareholders also approved an increase in authorized shares to 1,000,000,000 shares.

On April 9, 2025, the Company’s board of directors determined to effect the reverse stock split of the common stock at a 1-for-200 ratio (the “April Reverse Stock Split”) and approved an amendment (“April Reverse Stock Split Amendment”) to its Certificate of Incorporation to effect the April Reverse Stock Split.

On April 16, 2025, the Company amended its Certificate of Incorporation to implement the April Reverse Stock Split. The Company's common stock began trading on a split-adjusted basis when the market opened on April 21, 2025 (the "April Effective Date").

As a result of the April Reverse Stock Split on the April Effective Date, every 200 shares of common stock then issued and outstanding automatically were combined into one share of common stock, with no change in par value per share. No fractional shares were outstanding following the April Reverse Stock Split, and any fractional shares that would have resulted from the April Reverse Stock Split were rounded up to the nearest whole share. The number of shares of common stock outstanding was reduced from 672,799,910 to 3,406,614 immediately following this stock split.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### ***Basis of Presentation***

The accompanying condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and include the accounts of the Company and its wholly owned operating subsidiaries. Any reference in these notes to applicable guidance is meant to refer to the authoritative GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Update ("ASU") of the Financial Accounting Standards Board ("FASB").

Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with GAAP have been condensed or omitted. In the opinion of management, the accompanying condensed consolidated financial statements include all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of the results for the interim periods presented. The condensed consolidated financial statements and notes thereto should be read in conjunction with the Company's audited financial statements and notes thereto for the year ended December 31, 2025 included on the Company's Annual Report on Form 10-K, as filed with the Securities and Exchange Commission ("SEC") on March 23, 2026. The accompanying condensed consolidated balance sheet at December 31, 2025 has been derived from the audited balance sheet at December 31, 2025 contained in the above-referenced Form 10-K. Results of operations for interim periods are not necessarily indicative of the results of operations for a full year.

### ***Principles of Consolidation***

The condensed consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and accounts have been eliminated.

### ***Use of Estimates***

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company uses estimates based on the best information available in recording transactions and balances resulting from operations. Actual results could materially differ from those estimates. The Company's estimates consist principally of allowances for credit losses, revenue recognition on commercial projects based on percentage of completion, asset impairment evaluations, accruals for compensation plans, lower of cost or net realizable value, inventory adjustments, fair value measurements, provisions for income taxes and deferred taxes, depreciable lives of fixed assets, and amortizable lives of intangible assets.

### ***Inventories, Net***

Inventories, which consist primarily of materials and supplies used in the installation of solar systems, are stated at the lower of cost or net realizable value, with costs computed on a weighted average cost basis. The Company periodically reviews its inventories for excess and obsolete items and adjusts carrying costs to estimated net realizable values when they are determined to be less than cost. The inventory reserve was \$335,507 and \$362,277 at March 31, 2026 and December 31, 2025, respectively.

### ***Goodwill and Other Intangible Assets, net***

Goodwill represents the amount by which the purchase prices (including liabilities assumed) of acquired businesses exceed the estimated fair value of the net tangible assets and separately identifiable intangible assets of these businesses. Definite lived intangible assets, consisting primarily of trade names and technology, are amortized on a straight-line basis over the estimated useful life of the asset. Goodwill is not amortized but is tested at least annually for impairment. The Company reassesses the value of our reporting units and related goodwill balances annually on October 1 and at other times if events have occurred or circumstances exist that indicate the carrying amount of goodwill may not be recoverable.

### ***Recoverability of Long-Lived Assets and Intangible Assets***

The Company reviews its long-lived assets and definite lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be fully recoverable. If indicators of impairment exist, management identifies the asset group that includes the potentially impaired long-lived asset, at the lowest level at which there are separate, identifiable cash flows. If the fair value for the asset is less than the carrying amount of the asset, a loss is recognized for the difference between the fair value and carrying amount of the asset.

### ***Warrants***

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance, ASC 480 "Distinguishing Liabilities from Equity" and ASC 815, "Derivatives and Hedging." Management's assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, whether they meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815.

For issued or modified warrants that do not meet all the criteria for equity classification, such warrants are required to be recorded as a liability initially at their fair value on the date of issuance, and subsequently remeasured to fair value on each balance sheet date thereafter. Changes in the estimated fair value of liability-classified warrants are recognized in other income (expense) in the condensed consolidated statements of operations in the period of change.

### ***Derivative Liabilities***

The Company evaluates its contracts to determine if those contracts qualify as derivatives under ASC 815. For derivative financial instruments that are accounted for as liabilities, including the Company's contingent forward contract, the derivative instrument is initially recorded at its fair value and is then subsequently remeasured to fair value on each balance sheet date thereafter. Any changes in fair value are recorded in other income (expense) in the condensed consolidated statements of operations in the period of change.

### ***Revenue Recognition***

Revenue is recognized when there is a transfer of control of promised goods or services to customers in an amount that reflects the consideration that the Company expects to be entitled to in exchange for those goods or services. The Company sells solar power systems under construction and development agreements to residential and commercial customers. The completed system is sold as a single performance obligation. For residential contracts, revenue is

recognized at the point-in-time when the systems are placed into service. Any advance payments received in the form of customer deposits are recorded as contract liabilities.

Commercial contracts are generally completed within three to twelve months from commencement of construction. Construction on large projects may be completed within eighteen to twenty-four months, depending on the size and location of the project. Revenues from commercial contracts are recognized under a percentage of completion method, measured by the percentage of hours incurred to date against estimated total hours budgeted for each contract. Because of inherent uncertainties in estimating costs, it is at least reasonably possible that the estimates used will change within the near future. Contract costs include all direct material, labor costs and those indirect costs related to contract performance, such as indirect labor and other supplies. Selling, general and administrative costs are charged to expense as incurred. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Changes in job performance, job conditions and estimated profitability may result in revisions to costs and revenues which are recognized in the period in which the revisions are determined. Changes in estimated job profitability resulting from job performance, job conditions, contract penalty provisions, claims, change orders, and settlements, are accounted for as changes in estimates in the current period.

### ***Cost of Sales***

Cost of sales consists of direct and indirect material and labor costs for solar energy system installations as well as warranty costs, permitting fees, financing fees and overhead, including costs related to procurement, warehousing and inventory management.

### ***Segment Information***

Operating segments are defined as components of an enterprise for which separate financial information is available and evaluated regularly by the chief operating decision maker, or decision-making group, in deciding the method to allocate resources and assess performance. Our chief operating decision maker (“CODM”) is a committee comprised of our chief executive officer, chief operating officer and chief financial officer. Based on the financial information presented to and reviewed by our CODM in deciding how to allocate resources and in assessing performance, we have determined we have two operating and reportable segments.

### ***Net Loss Per Share***

Basic net loss attributable to common shareholders per common share is based on the weighted average number of common shares outstanding during each period. Diluted net loss attributable to common shareholders per common share adjusts for the dilutive effect of potential common shares outstanding. The Company’s only potential additional common shares outstanding are common shares that would result from the conversion of the convertible preferred shares, warrants, convertible debt and shares associated with the long-term incentive compensation plans, which resulted in no dilutive effect for the three months ended March 31, 2026 and March 31, 2025. The Company calculates the dilutive effect of outstanding warrants and unvested shares using the treasury stock method and the dilutive effect of outstanding preferred shares using the if-converted method. There were no options or deferred stock awards excluded from the calculation of diluted earnings per share because there were no outstanding options or deferred stock awards as of both March 31, 2026 and 2025. Restricted stock units totaling 3 and 5 would have been excluded from the calculation of diluted earnings per share for the three months ended March 31, 2026 and 2025, respectively, even if there had not been a net loss in those periods, because the exercise price was greater than the average market price of common stock during the period.

### ***Accounting Standards Issued***

In October 2023, the FASB issued ASU 2023-06, “Disclosure Improvements: Codification Amendments in Response to the SEC’s Disclosure Update and Simplification Initiative,” which is intended to clarify or improve disclosure and presentation requirements of a variety of topics. Many of the amendments will allow users to more easily compare entities subject to the SEC’s existing disclosures with those entities that were not previously subject to the requirements and align the requirements in the FASB accounting standard codification with the SEC’s regulations. The amendments in ASU 2023-06 will become effective on the date the related disclosures are removed from Regulation S-X or Regulation S-K by the SEC, and will no longer be effective if the SEC has not removed the applicable disclosure requirement by June 30,

2027. Early adoption is prohibited. The Company is currently evaluating this ASU and the impact it may have on its consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, “Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses”, which requires disclosure in the notes to the financial statements of specified information about certain costs and expenses. The amendments are effective for fiscal years beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The amendments should be applied either prospectively to financial statements issued for reporting periods after the effective date of this ASU or retrospectively to any or all prior periods presented in the financial statements. The Company is currently evaluating this ASU and the impact it may have on its consolidated financial statements.

In September 2025, the FASB issued ASU 2025-06, “Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software”, which removes all references to software development project stages and requires that an entity capitalize software costs when both (1) management has authorized and committed to funding the software project and (2) it is probable that the project will be completed and the software will be used to perform the function intended (referred to as the “probable-to-complete recognition threshold”). The ASU is effective for fiscal years beginning after December 15, 2027, and interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating this ASU and the impact it may have on its consolidated financial statements.

In December 2025, the FASB issued ASU 2025-11, “Interim Reporting (Topic 270): Narrow-Scope Improvements”, which clarifies interim disclosure requirements by improving the navigability of the required interim disclosures and clarifying when that guidance is applicable. The standard is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating this ASU and the impact it may have on its consolidated financial statements.

### ***Accounting Standards Adopted***

In November 2024, the FASB issued ASU 2024-04, “Debt with Conversion and Other Options,” which clarifies the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion. This ASU is effective for annual periods beginning after December 15, 2025, and interim reporting periods within those annual report periods. Early adoption is permitted for all entities that have adopted the amendments in ASU Update 2020-06. Adoption can be on a prospective or retrospective basis. The adoption of this ASU did not have a material impact on our consolidated financial statements.

In July 2025, the FASB issued ASU 2025-05, “Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets”. ASU 2025-05 provides a practical expedient that all entities can use when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under ASC 606, “Revenue from Contracts with Customers”. Under this practical expedient, an entity is allowed to assume that the current conditions it has applied in determining credit loss allowances for current accounts receivable and current contract assets remain unchanged for the remaining life of those assets. ASU 2025-05 is effective for fiscal years beginning after December 15, 2025, and interim reporting periods in those years. Entities that elect the practical expedient and, if applicable, make the accounting policy election are required to apply the amendments prospectively. The adoption of this ASU did not have a material impact on our consolidated financial statements.

## **NOTE 3 – REVENUE RECOGNITION**

### ***Disaggregation of revenue***

Revenues are recognized when control of the promised goods or services is transferred to our customers, in an amount that best reflects the consideration we expect to receive in exchange for those goods or services.

The following table disaggregates revenue based on type:

	Revenue by Type			
	Three Months Ended March 31			
	SUNation NY		HEC	
	2026	2025	2026	2025
Residential contracts	\$ 3,395,032	\$ 7,896,122	\$ 1,624,377	\$ 2,738,800
Commercial contracts	1,347,306	1,275,888	126,136	—
Service revenue	411,505	372,544	290,093	353,284
	<u>\$ 5,153,843</u>	<u>\$ 9,544,554</u>	<u>\$ 2,040,606</u>	<u>\$ 3,092,084</u>

The following table disaggregates revenue based on the timing of satisfaction of the performance obligations:

	Three Months Ended March 31			
	SUNation		HEC	
	2026	2025	2026	2025
	Performance obligations satisfied at a point in time	\$ 3,806,537	\$ 8,268,666	\$ 1,914,470
Performance obligations satisfied over time	1,347,306	1,275,888	126,136	—
	<u>\$ 5,153,843</u>	<u>\$ 9,544,554</u>	<u>\$ 2,040,606</u>	<u>\$ 3,092,084</u>

#### Contract Balances

Contract assets represent costs and earnings in excess of amounts billed and direct costs, including commissions, financing and permitting fees paid prior to recording revenue. Contract liabilities represent amounts billed to clients in excess of revenue recognized to date and billings in excess of costs and earnings. Contract assets were \$239,599, \$658,177, and \$560,648 at March 31, 2026, December 31, 2025, and January 1, 2025, respectively. Contract liabilities were \$2,269,844, \$2,737,151, and \$2,314,483 at March 31, 2026, December 31, 2025, and January 1, 2025, respectively. During the three months ended March 31, 2026, \$1,418,002 within contract liabilities as of December 31, 2025 has been recognized within revenue.

#### NOTE 4 – CONTRACTS IN PROGRESS

Billings in excess of costs and estimated earnings as of March 31, 2026 and December 31, 2025 are as follows:

	March 31, 2026	December 31, 2025
Billings to date	\$ 3,200,915	\$ 3,828,333
Costs incurred on uncompleted contracts	825,092	1,001,817
Estimated earnings	1,026,678	1,162,649
Cost plus estimated earnings	<u>1,851,770</u>	<u>2,164,466</u>
Billings in excess of costs plus estimated earnings on uncompleted contracts	<u>\$ 1,349,145</u>	<u>\$ 1,663,867</u>

Costs and estimated earnings in excess of billings as of March 31, 2026 and December 31, 2025 are as follows:

	March 31, 2026	December 31, 2025
Costs incurred on uncompleted contracts	\$ 3,587,045	\$ 3,283,890
Estimated earnings	4,114,884	3,817,017
Total costs and estimated earnings	7,701,929	7,100,907
Billings to date	7,462,330	6,442,730
Costs and estimated earnings in excess of billings on uncompleted contracts	<u>\$ 239,599</u>	<u>\$ 658,177</u>

## NOTE 5 –GOODWILL AND INTANGIBLE ASSETS

The Company reassesses the value of our reporting units and related goodwill balances annually on October 1 and at other times if events have occurred or circumstances exist that indicate the carrying amount of goodwill may not be recoverable.

The Company’s identifiable intangible assets with finite lives are being amortized over their estimated useful lives and were as follows:

	Estimated Useful Life	March 31, 2026			
		Gross Carrying Amount	Accumulated Amortization	Impairment loss	Net
Tradenames & trademarks	8 years	\$ 17,900,000	\$ (8,476,042)\$	— \$	9,423,958
Developed technology	4 years	2,400,000	(1,650,000)	(750,000)	—
		<u>\$ 20,300,000</u>	<u>\$ (10,126,042)\$</u>	<u>(750,000)\$</u>	<u>9,423,958</u>

	Estimated Useful Life	December 31, 2025			
		Gross Carrying Amount	Accumulated Amortization	Impairment loss	Net
Tradenames & trademarks	8 years	\$ 17,900,000	\$ (7,916,667)\$	— \$	9,983,333
Developed technology	4 years	2,400,000	(1,650,000)	(750,000)	—
		<u>\$ 20,300,000</u>	<u>\$ (9,566,667)\$</u>	<u>(750,000)\$</u>	<u>9,983,333</u>

Amortization expense on these identifiable intangible assets was \$559,375 during each of the three months ended March 31, 2026 and 2025, respectively. The estimated future amortization expense for identifiable intangible assets during the next fiscal years is as follows:

### Quarter Ending and Year Ending December 31:

Q2 - Q4 2026	\$	1,678,125
2027		2,237,500
2028		2,237,500
2029		2,237,500
2030		1,033,333
Total	\$	<u>9,423,958</u>

## NOTE 6 – COMMITMENTS AND CONTINGENCIES

### Revolving Line of Credit

On April 14, 2025, the Company entered into a Secured Revolving Line of Credit Agreement (the “Revolving Credit Agreement”) with MBB Energy, LLC (“MBB”), an affiliate of the Company, as lender, providing for a \$1.0 million revolving credit facility (the “Revolver”). The Revolver was set to mature on April 15, 2026; however, on April 14, 2026, the Board of Directors of the Company agreed to amend the Line of Credit Agreement and the Line of Credit Note to increase the Revolver to a total capacity of \$1,500,000 and to extend the maturity date of the Revolver by six months to October 15, 2026. See further discussion in Note 14, Subsequent Events.

Borrowings, if any, under the Revolver bear interest at a fixed annual rate of 8%, payable monthly in arrears on the first day of each calendar month. The Revolving Credit Agreement includes customary affirmative and negative covenants, as well as standard events of default, which, if triggered, may permit the lender to accelerate all outstanding obligations under the facility. The Company may repay outstanding borrowings at any time without penalty. As of March 31, 2026, \$800,000 has been drawn on the Revolver and is included within “Current portion of loans payable – related party” within

the condensed consolidated balance sheets. As of March 31, 2026, the Company was in compliance with all covenants and other requirements of the Revolving Credit Agreement.

#### *Loan Payable*

Pineapple Energy LLC entered into a loan on December 11, 2020 in an original amount of \$7,500,000 payable to Hercules Capital, Inc. (“Hercules”) under a loan and security agreement (the “Term Loan Agreement”), which was used to acquire fixed assets, inventory, and intangible assets of Sungevity in an asset acquisition in December 2020. The Term Loan Agreement was amended various times while it was outstanding, with the latest amended on September 20, 2024.

As of March 3, 2025, the combined loan and accrued interest balance, net of unamortized debt discount and debt issuance costs, was \$682,955 and the aggregate remaining balance of the Term Loan, including principal and interest, was \$1,230,555; however, the parties to the Term Loan Agreement agreed to a reduced aggregate repayment amount of \$1,138,263, in connection with the voluntarily early repayment in full.

On March 3, 2025, the Company repaid the remaining balance of this loan in full using a portion of the proceeds from the first tranche of the securities offering which occurred on February 27, 2025 (see Note 9, Equity, for further details). As a result of this complete repayment, the Term Loan Agreement has been terminated (together with other agreements and instruments related thereto), and no further monthly or other payments or remuneration of any kind shall be paid or be payable following the termination of this Term Loan Agreement, and no early termination penalties or prepayment premium were incurred by the Company in connection with the termination of this Loan Agreement. The Company recorded a loss on extinguishment of debt of \$455,308 in connection with the repayment of the loan, which represents the difference between (a) the reduced aggregate repayment amount and (b) the carrying amount of the loan at the repayment date, which included the outstanding principal and interest balance, less unamortized debt discount and debt issuance costs.

Interest and accretion expense was \$0 and \$100,450 for three months ended March 31, 2026 and 2025, respectively. The loan was collateralized by all of Pineapple Energy LLC’s personal property and assets.

#### *Decathlon Fixed Loan*

On June 1, 2023, the Company entered into a Revenue Loan and Security Agreement (the “Loan Agreement”) with Decathlon Specialty Finance, LLC (“Decathlon”). The Loan Agreement provided for a loan facility for the Company in the maximum amount of \$7.5 million with a maturity date of June 1, 2027 (the “Decathlon Fixed Loan”), with the full amount being advanced to the Company upon execution of the Loan Agreement. At issuance of the Loan Agreement, the Company concluded that the potential acceleration of amounts outstanding under the Loan Agreement upon an event of default included a substantial premium and met the requirement to be bifurcated and recorded as a derivative liability at fair value at inception and at the end of each quarterly reporting period. As of December 31, 2024, the fair value of this embedded derivative liability was estimated to be \$24,800 and was recorded within current liabilities.

The Company incurred an aggregate of \$348,065 in debt issuance costs that were recorded as a discount and were amortized using the effective interest method over the life of the Decathlon Fixed Loan using an effective interest rate of 21%. As of March 3, 2025, the combined loan and accrued interest balance, net of unamortized debt issuance costs, was \$6,435,999 and the aggregate balance, together with accrued principal and interest, remaining under the Loan Agreement was \$6,740,516; however, the parties to the Loan Agreement agreed to an early reduced aggregate remaining repayment amount of \$6,229,875, which was paid on March 3, 2025, using a portion of the proceeds from the first tranche of the securities offering which occurred on February 27, 2025 (see Note 9, Equity, for further details). As a result of this complete repayment, the Decathlon Loan Agreement had been terminated (together with other agreements and instruments related thereto), and no further monthly or other payments or remuneration of any kind shall be paid or be payable following the termination of this Loan Agreement, and no early termination penalties or prepayment premium were incurred by the Company in connection with the termination of this Loan Agreement. The Company recorded a gain on extinguishment of debt of \$230,924 in connection with the repayment of the loan, which represents the difference between (a) the reduced aggregate repayment amount and (b) the carrying amount of the loan at the repayment date, which included the outstanding principal and interest balance, plus the fair value of the embedded derivative liability, and less unamortized debt issuance costs.

The Company recorded interest expense of \$0 and \$232,866 for the three months ended March 31, 2026 and 2025, respectively.

#### *SUNation NY Long-Term Note and Earnout*

In connection with the SUNation NY acquisition, on November 9, 2022, the Company issued a \$5,486,000 Long-Term Promissory Note (the “Long-Term Note”). The Long-Term Note was unsecured and matured on November 9, 2025. It carried an annual interest rate of 4% until the first anniversary of issuance, then 8% thereafter until the Long-Term Note was paid in full. Interest was due annually on each December 31<sup>st</sup>. As the debt was part of the SUNation NY purchase price allocation, the Company assessed the fair market value of the debt instrument at \$4,830,533 at the asset acquisition date (a non-recurring Level 3 fair value input). The Company accretes the value of the debt over its life at a discount rate of approximately 11.2%. The Long-Term Note may be prepaid at the Company’s option at any time without penalty.

On March 13, 2025, the Company paid the previously unpaid interest totaling \$710,897, following the repayment in full of the Decathlon debt.

On April 10, 2025 the Long-Term Note was amended and restated as follows: The principal amount of \$5,486,000 previously due and payable under the original Long-Term Note, together with all accrued and unpaid interest owing thereunder, shall be due and payable on May 1, 2028 (the new “Maturity Date”), and such amended note (“Amended Long-Term Note”) became a senior secured instrument pursuant to a pledge agreement. The total balance of the Amended Long-Term Note on April 10, 2025 was \$5,605,436 and interest accrues at 8% per annum. Principal and interest payments under the Amended Long-Term Note shall be payable monthly on the first day of each month commencing with June 1, 2025 for thirty-six (36) consecutive months thereafter pursuant to the terms thereunder. The Amended Long-Term Note represented a modification under ASC 470-50 as the original loan agreement and amended loan agreement are not substantially different. The Company applied modification accounting to the amendment of the Long-Term Note and recorded \$38,613 of debt issuance costs as part of the discount on the Amended Long-Term Note.

On April 14, 2026, the Board of Directors of the Company approved the conversion of \$1,200,000 of the Long-Term Note to equity. See Note 14, Subsequent Events, for further discussion on this debt conversion.

On April 10, 2025, the Company agreed to also amend the terms of the unearned 2024 earnout by entering into the Senior Secured Contingent Note Instrument (“Contingent Note”). Pursuant to the terms of the Contingent Note, the unearned 2024 earnout was rescheduled and shall be based on the earnout terms set forth therein pursuant to the financial conditions and terms covering each of fiscal years 2024 and 2025 and, if attained, shall be payable in fiscal year 2026, which payment is further conditioned on the continued employment of the holders at the time of such earnout payment trigger date. The maximum amount due under the earnout liability is \$2,500,000 payable to the holders in the form of the Contingent Note, issuable on the earnout payment trigger date. Interest accrues on the Contingent Note commencing the month after issuance at a rate of 8% per annum, payable in arrears, and repayments of principal are due in 24 equal monthly installments commencing the month after issuance.

The earnout liability is accounted for under ASC 710 as a deferred compensation arrangement and is accreted to \$2,303,182 over the requisite service period as it is probable the financial conditions will be attained. The earnout liability represents the present value of the expected future cash flows as of the eligibility date of May 5, 2026. The balance of the earnout liability at March 31, 2026 and December 31, 2025 was \$2,066,958 and \$1,535,454, respectively. Compensation expense related to the earnout liability totaled \$531,503 and \$0 for the three months ended March 31, 2026 and 2025, respectively, and is recorded in “Selling, general and administrative expenses.”

#### *Conduit Capital Bridge Loan*

On July 22, 2024, the Company obtained bridge loan financing for working capital purposes from Conduit Capital U.S. Holdings LLC (“Conduit”), an unaffiliated lender (the “Original Conduit Note”). On such date, Conduit loaned the principal sum of \$500,000 to the Company on an original issue (“OID”) basis of 20% and accordingly, Conduit advanced \$400,000 to the Company (the “Initial Conduit Loan”). The loans due to Conduit accrued interest on the unpaid principal amount, without deduction for the OID, at an annual rate of 20%; provided that payment in full on the Conduit Maturity Date (as defined below) would satisfy the interest accrual on the loans from initial issuance to the Conduit Maturity Date.

All such loans were secured by a pledge of all of the Company's assets. The loans due to Conduit were scheduled to become due on July 21, 2025 (the "Conduit Maturity Date"). The loan was amended at various points in 2024, with the last amendment occurring on September 23, 2024. These amendments increased the borrowing availability to an aggregate amount of \$1,000,000.

As of February 28, 2025, the loan balance, net of unamortized debt issuance costs, was \$913,924, and the aggregate loan balance was \$1,000,000. On February 28, 2025, the Company paid the \$1,000,000 total loan balance to Conduit. As a result of this complete repayment, the Conduit note has been terminated and no further principal, interest or accrual thereunder remain following the repayment and related termination of the Conduit loan agreement(s). The Company recorded a loss on extinguishment of debt of \$57,716 in connection with the repayment of the loan, which represents the difference between (a) the aggregate repayment amount and (b) the carrying amount of the loan at the repayment date, which included the outstanding principal balance, plus the fair value of the embedded derivative liability, and less unamortized debt issuance costs.

The Company recorded interest expense of \$0 and \$33,312 during the three months ended March 31, 2026 and 2025, respectively.

#### *MBB Energy Bridge Loan*

On July 22, 2024, the Company obtained bridge loan financing for working capital purposes from MBB, an affiliate of the Company (the "Original MBB Note"). On such date, MBB loaned the principal sum of \$500,000 to the Company on an OID basis of 20% and accordingly, MBB advanced the sum of \$400,000 to the Company (the "Initial MBB Loan"). The loans due to MBB were scheduled to become due on July 21, 2025 (the "MBB Maturity Date"). At issuance of the Original MBB Note, the Company concluded that the potential acceleration of amounts outstanding under the loan agreements with MBB upon an event of default or if the Company consummated one or more equity offerings meeting certain criteria (as noted above) included a substantial premium and met the requirement to be bifurcated and recorded as a derivative liability at fair value at inception and at the end of each quarterly reporting period. The Company determined the initial fair value of this embedded derivative liability to be \$8,080 and recorded a corresponding debt discount. As of December 31, 2024, the fair value of this embedded derivative liability was estimated to be \$29,121 and was recorded within current liabilities.

The OID of \$100,000 was recorded as a discount and initially amortized using the effective interest method over the life of the Initial MBB Loan along with the initial fair value of the embedded derivative liability using an effective interest rate of approximately 24.3%.

On August 16, 2024, MBB provided an additional principal advance of \$500,000 (the "Second MBB Advance"). The Second MBB Advance represented a modification under ASC 470-50. A new effective interest rate of approximately 24.1% was established following the Second MBB Advance based on the carrying value of the revised cash flows.

As of February 28, 2025, the loan balance, net of unamortized debt issuance costs, was \$909,509, and the aggregate loan balance was \$1,000,000. On February 28, 2025, the Company repaid the \$1,000,000 total loan balance to MBB. As a result of this complete repayment, the MBB note has been terminated and no further principal, interest or accrual thereunder remain following the repayment and related termination of the MBB loan agreement(s). The Company recorded a loss on extinguishment of debt of \$61,370 in connection with the repayment of the loan, which represents the difference between (a) the aggregate repayment amount and (b) the carrying amount of the loan at the repayment date, which included the outstanding principal balance, plus the fair value of the embedded derivative liability, and less unamortized debt issuance costs.

The Company recorded interest expense of \$0 and \$34,900 during the three months ended March 31, 2026 and 2025, respectively.

### *Equipment Loans*

The Company obtains various equipment loan agreements through SUNation NY. These loans are secured by machinery and equipment and expire at various dates through August 2029 with interest rates ranging from 4.5 to 9.7% per annum. The balance for the equipment loans recorded at March 31, 2026 and December 31, 2025 was \$161,588 and \$175,370, respectively. Interest expense was \$3,607 and \$4,577 for the three months ended March 31, 2026 and 2025, respectively.

### *Promissory Note*

Through the 2022 SUNation NY acquisition, the Company acquired a promissory note with a former shareholder and member of SUNation NY through a buyout agreement. The promissory note included monthly payments of principal and interest at an annual rate of 3.25% and initially matured on March 1, 2031.

The balance for the promissory note recorded at December 31, 2025 was \$1,154,059. On January 30, 2026, the Company reached agreement with the former shareholder to settle the promissory note for a total aggregate of \$800,000, using proceeds from the Revolver (as noted above). The Company recorded a gain on extinguishment of debt of \$332,412 in connection with the repayment of the note, which represents the difference between (a) the reduced aggregate repayment amount and (b) the carrying amount of the note at the repayment date, which included the outstanding principal and interest balance.

Interest expense was \$3,126 and \$13,293 for the three months ended March 31, 2026 and 2025, respectively.

### *Other Contingencies*

In the ordinary course of business, the Company is exposed to legal actions and claims and incurs costs to defend against these actions and claims. Company management is not aware of any outstanding or pending legal actions or claims that could materially affect the Company's financial position or results of operations.

At December 31, 2024, the Company accrued \$1,300,000 for loss contingencies related to certain prior securities issuances. During 2025, the Company settled this obligation by issuing 6,068 shares (1,213,656 shares prior to the April Reverse Stock Split) of common stock and payment of \$740,458 in cash. There was no remaining accrual balance at March 31, 2026.

## **NOTE 7 – RELATED PARTY TRANSACTIONS**

### *Related party receivables*

The Company has provided advances to employees resulting in a balance as of March 31, 2026 and December 31, 2025 of \$21,205 and \$21,412, respectively.

### *Leases*

The Company leases its offices in Hawaii from a company owned by the prior owner of HEC, of whom is still an employee.

## Debt

As of March 31, 2026, the Company only has outstanding related party debt under the SUNation NY Long-Term Note and the Revolving Credit Agreement. The MBB Note was paid in full during the first quarter of 2025.

See further information regarding the related part debt, including the MBB Line of Credit facility within Note 6, Commitments and Contingencies.

On April 14, 2026, the Board of Directors of the Company approved the conversion of \$1,200,000 million of the Long-Term Note to equity at a premium of 10% per share above both the closing price and the 5-day closing average of the Company's common stock on Nasdaq Stock Market on April 13, 2026, thereby reducing the Company's principal debt thereunder following this debt to equity conversion. The Long-Term Note is held by the Company's chief executive officer and chief financial officer. See Note 14, Subsequent Events, for further discussion and details related to this debt conversion.

## NOTE 8 – SHARE-BASED COMPENSATION

### 2022 Equity Incentive Plan

On January 24, 2022 the CSI board of directors adopted, and on March 16, 2022 the Company's shareholders approved, the Company's 2022 Equity Incentive Plan ("2022 Plan"), which became effective on March 28, 2022. The 2022 Plan authorizes incentive awards to officers, key employees, non-employee directors, and consultants in the form of options (incentive and non-qualified), stock appreciation rights, restricted stock awards, stock unit awards, and other stock-based awards. Following amendments approved on December 7, 2022 and July 19, 2024, the 2022 Plan authorizes the issuance of up to 67 shares of common stock. At March 31, 2026, 4 shares had been issued under the 2022 Plan, 3 shares were subject to currently outstanding unvested restricted stock units ("RSUs"), and 60 shares were available for grant under future awards.

### Changes in Restricted Stock Units Outstanding

The following table summarizes the changes in the number of RSUs during the three months ended March 31, 2026:

	RSUs	Weighted Average Grant Date Fair Value Per Share
Outstanding – December 31, 2025	3	\$ 170,500.00
Units Granted	—	—
Shares Issued	—	—
Forfeited	—	—
Outstanding – March 31, 2026	<u>3</u>	<u>170,500.00</u>

All RSUs and weighted average grant date fair value per share values have been adjusted to reflect the impact of the Reverse Stock Split of the common stock at ratios of 1-for-200 that became effective on April 21, 2025. See Note 1, "Nature of Operations," for further details.

### Compensation Expense

Share-based compensation expense recognized for the three months ended March 31, 2026 and 2025 was \$5,921 and \$30,815, respectively. Unrecognized compensation expense related to outstanding RSUs was \$5,546 at March 31, 2026 and is expected to be recognized over a weighted-average period of 0.4 years. Share-based compensation expense is recorded as a part of selling, general and administrative expenses.

## Employee Stock Purchase Plan

On December 7, 2022, the Company's shareholders approved an Employee Stock Purchase Plan ("ESPP"), pursuant to which eligible employees are able to acquire shares of common stock at a purchase price determined by the board of directors or compensation committee prior to the start of each six-month plan phase, which price may not be less than 85% of the fair market value of the lower of the value on the first day or the last day of the phase, or the value on the last day of the phase. The ESPP is considered compensatory under current Internal Revenue Service rules. At March 31, 2026, 2 shares remained available for purchase under the ESPP.

### **NOTE 9 – EQUITY**

#### *At the Market Offering*

On October 21, 2024, the Company entered into an At the Market ("ATM") Offering Agreement (the "Sales Agreement") with Roth Capital Partners, LLC (the "Sales Agent") under which the Company had authorized the sale, at its discretion, of common stock shares in an aggregate offering amount up to \$10,000,000 under the Sales Agreement. During the three months ended March 31, 2025, the Company sold an aggregate of 762 shares (152,250 shares prior to the April Reverse Stock Split) of common stock, respectively, for gross proceeds of \$362,269 under the ATM facility, before deducting the related offering expenses. On August 11, 2025, the Company provided written notice of termination of the Sales Agreement to the Sales Agent pursuant to the terms thereunder.

See Note 14, Subsequent Events, for discussion and details relating to the Company's April 2026 entry into a new ATM facility with Maxim Group, LLC acting as sales agent thereunder.

#### *Series D Preferred Stock*

On February 26, 2025, the Company entered into a consent and waiver agreement to the loan agreement with Conduit. In accordance therewith, the Company issued one share of Series D Preferred Stock to Conduit as further collateral security for the Conduit Loan. The Series D Preferred Stock was issued in accordance with a Certificate of Designation of Preferences, Rights, and Limitations filed with the State of Delaware on February 27, 2025. In connection with the issuance of the share of Series D Preferred Stock, Conduit granted an irrevocable proxy to the Company to vote such share on an as-converted basis as a single class with the holders of the Company's common stock. Upon full payment of the Conduit Loan and following the April 2025 special meeting of shareholders, the Series D Preferred Stock was returned to the Company and was cancelled.

#### *February 2025 Offering*

On February 27, 2025, the Company entered into a securities purchase agreement (the "Purchase Agreement") with certain institutional investors in a registered direct offering (the "Offering") for a multi tranche offering in which Roth Capital Partners LLC ("Roth") acted as the placement agent pursuant to the terms of a Placement Agent Agreement ("PAA") of same date. The first tranche closing involved the purchase and sale of an aggregate of \$15,000,000 in securities in a first closing consisting of (i) 9,825 shares (1,965,000 shares prior to the April Reverse Stock Split) of common stock, and (ii) pre-funded warrants to purchase up to 55,392 shares (11,078,480 shares prior to the April Reverse Stock Split) of common stock (the "Pre-Funded Warrants"), and, subject to shareholder approval, an aggregate of \$5,000,000 in securities in a second closing consisting of (x) 21,739 shares (4,347,826 shares prior to the April Reverse Stock Split) of common stock or Pre-Funded Warrants, (y) series A warrants to purchase up to 86,957 shares (17,391,306 shares prior to the April Reverse Stock Split) of common stock (the "Series A Warrants"), and (z) series B warrants to purchase up to 86,957 shares (17,391,306 shares prior to the April Reverse Stock Split) of common stock (the "Series B Warrants") at a purchase price of \$230.00 per share (\$1.15 prior to the April Reverse Stock Split) and accompanying warrants or \$229.80 per Pre-Funded Warrant (\$1.1490 prior to the April Reverse Stock Split) and accompanying warrants. The Series A Warrants had an exercise price of \$345.00 per share (\$1.725 per share prior to the April Reverse Stock Split) subject to standard adjustments for dividends, splits and similar events; a one-time adjustment on the date of issuance (as described in the warrants), subject to a floor price described therein; and also subject to adjustment upon a Dilutive Issuance (as described in the warrants), subject to a floor price described therein. The Series B Warrants had an exercise price of \$575.00 per share (\$2.875 per share prior to the April Reverse Stock Split) subject to standard adjustments for

dividends, splits and similar events; a one-time adjustment on the date of issuance (as described in the warrants), all of which were subject to a floor price described therein; and also subject to adjustment upon a Dilutive Issuance (as described in the warrants), subject to a floor price described therein. The Series B Warrants could also be exercised on an alternative cashless basis pursuant to which the holder may exchange each warrant for 3 shares of common stock. The Series A Warrants and Series B Warrants were issuable at the second tranche closing and were exercisable immediately after issuance and carried a term of exercise equal to five years from the date of issuance. The first tranche closing of the Offering occurred on February 27, 2025.

The Company determined that the second closing of the Offering represents a firm commitment and a contingent forward contract to issue and sell additional shares of common stock or Pre-Funded Warrants and the Series A Warrants and Series B Warrants conditioned following receipt of approval by the Company's stockholders for the issuance of the Series A Warrants, Series B Warrants and the shares of common stock underlying such warrants. The Company determined that the contingent forward contract is a freestanding financial instrument that does not meet the requirements for equity classification due to certain settlement provisions that fail the indexation guidance in ASC 815-40 and meets the definition of a derivative. As a result, the contingent forward contract was recorded as a liability initially at its fair value on the date of issuance and will be subsequently remeasured to fair value on each balance sheet date until the underlying instruments are issued and sold in the second tranche closing of the Offering. The Company determined the initial fair value of the contingent forward contract to be \$5,515,525.

The shares of common stock and Pre-Funded Warrants issued and sold in the first closing of the Offering were classified as a component of permanent equity and recorded at the issuance date using a relative fair value allocation method of the remaining proceeds of the Offering after recording the contingent forward contract at its fair value on the date of issuance. The Pre-Funded Warrants were equity classified because they were freestanding financial instruments that were legally detachable and separately exercisable from the equity instruments, were immediately exercisable, did not embody an obligation for the Company to repurchase its shares, and permitted the holders to receive a fixed number of shares of common stock upon exercise. In addition, such Pre-Funded Warrants did not provide any guarantee of value or return. As of March 31, 2025, all 55,392 Pre-Funded Warrants (11,078,480 prior to the April Reverse Stock Split) issued and sold in the first closing of the Offering had been exercised in exchange for the issuance of 55,392 shares (11,078,480 shares prior to the April Reverse Stock Split) of the Company's common stock.

On April 3, 2025, the Company received the necessary approval by the Company's stockholders in a specially called stockholder meeting to approve the issuance of the Series A warrants, Series B warrants and the shares of common stock underlying such warrants, in addition to other matters. On April 7, 2025, the Company closed the second tranche of its previously announced securities purchase agreement, dated February 27, 2025, with certain institutional investors for the purchase and sale of 21,720 shares (4,347,826 shares prior to the April Reverse Stock Split) of the Company's common stock (or common stock equivalents in lieu thereof), Series A warrants to purchase up to an aggregate 86,957 shares (17,391,306 shares prior to the April Reverse Stock Split) of the Company's common stock and Series B warrants to purchase up to an aggregate 86,957 shares (17,391,306 shares prior to the April Reverse Stock Split) of the Company's common stock at an effective purchase price of \$230.00 per share (\$1.15 per share prior to the April Reverse Stock Split) (or common stock equivalents in lieu thereof) and associated warrants in a registered direct offering, which was priced at-the-market under applicable Nasdaq rules, for the second tranche gross proceeds of \$5,000,000. Together with the approximately \$15,000,000 in gross proceeds from the previously announced first tranche closing completed on February 27, 2025, the Company raised approximately \$20,000,000 in aggregate gross proceeds from the offering before deducting placement agent fees and other offering expenses payable by the Company.

The Company derecognized the contingent forward contract liability representing the firm commitment for the second closing on April 7, 2025, the date of the second closing. The Company determined the fair value of the contingent forward contract liability to be \$4,399,054 immediately prior to the second closing. During the three months ended March 31, 2025, the Company recorded a gain of \$109,492 from the change in fair value of the contingent forward contract, which is included in "Other (expense) income, net" in the condensed consolidated statements of operations.

The Series A warrants and Series B warrants did not meet the requirements for equity classification due to certain settlement provisions that fail the indexation guidance in ASC 815-40. As a result, the Series A warrants and Series B warrants were recorded as a liability initially at fair value on the date of issuance and were subsequently remeasured to fair value at each balance sheet date until exercised.

During the second quarter for 2025, the Series B warrants to purchase the Company's common stock were fully exercised in exchange for the issuance of 3,260,870 shares (652,173,983 shares prior to the April Reverse Stock Split) of the Company's common stock and are no longer outstanding.

On June 26, 2025, the Company and holders of Series A warrants to purchase the Company's common stock, mutually agreed to terminate and cancel the Series A warrants for an aggregate payment of to the Series A warrant holders of \$267,391. The shares of common stock issued and sold in the second closing and upon exercise of the Series B warrants are classified as a component of permanent equity and recorded at the issuance date fair value.

The Company agreed to pay Roth, acting as the placement agent, a cash fee of 7.5% of the gross proceeds the Company receives under the Purchase Agreement. During the three months ended March 31, 2025, the Company incurred an aggregate of \$1,568,099 in placement agent fees and related offering expenses, of which \$576,593 were allocated to the contingent forward contract and Series A and Series B warrants and expensed in Financing Fees, and \$991,506 were allocated to the shares of common stock and Pre-Funded Warrants issued and sold in the first closing of the Offering and recorded as a reduction to APIC in stockholders' equity.

#### **NOTE 10 – INCOME TAXES**

In the preparation of the Company's condensed consolidated financial statements, management calculates income taxes based upon the estimated effective rate applicable to operating results for the full fiscal year. This includes estimating the current tax liability as well as assessing differences resulting from different treatment of items for tax and book accounting purposes. These differences result in deferred tax assets and liabilities, which are recorded on the balance sheet. Management analyzes these assets and liabilities regularly and assesses the likelihood that deferred tax assets will be recovered from future taxable income.

The Company's effective income tax rate was (0.3%) and (0.4%) for the three months ended March 31, 2026 and 2025, respectively. The effective tax rate differs from the federal tax rate of 21% due to state income taxes and changes in valuation allowances related to deferred tax assets.

On July 4, 2025, the President signed H.R. 1, the "One Big Beautiful Bill Act," into law. The legislation includes several changes to federal tax law that generally allow for more favorable deductibility of certain business expenses beginning in 2025, including the restoration of immediate expensing of domestic R&D expenditures, reinstatement of 100% bonus depreciation, and more favorable rules for determining the limitation on business interest expense. Certain provisions became effective in 2025, while others became effective in 2026. The Company has evaluated the impact of the legislation and incorporated the applicable tax provisions into its consolidated financial statements.

#### **NOTE 11 – SEGMENT INFORMATION**

The Company's segment structure reflects how management makes financial decisions and allocates resources. The Company manages its operations based on the combined results of the residential and commercial businesses with a geographical focus. The SUNation NY segment provides solar power, battery storage, and related services to customers primarily in New York. The Hawaii Energy Connection ("HEC") segment provides the same products and services to residential and commercial customers in Hawaii. The Company's CODM is represented by a committee that includes the Company's CEO, CFO, and COO. The CODM regularly reviews discrete financial information for SUNation NY and HEC in deciding how to allocate resources and in assessing performance. Corporate and other represents the unallocated corporate business activities and corporate shared services, which support the Company's operating segments, along with operating and other expenses related to legacy CSI assets.

The CODM committee evaluates performance for both reportable segments based on segment revenue, gross profit, and operating (loss) income before income taxes. When using these metrics, the CODM committee considers forecast-to-actual variances on a quarterly basis when making decisions about the allocation of operating and capital resources to each segment. The CODM committee also uses these metrics for evaluating pricing strategy to assess the performance of each segment by comparing the results of each segment with one another and in determining the compensation of certain employees.

Summarized financial information for the Company's reportable segments are presented and reconciled to consolidated financial information in the following tables, including a reconciliation of segment earnings to income before income taxes. This reconciliation also represents the significant expense categories reviewed by the CODM.

	SUNation NY	HEC	Corporate and Other	Total
Three Months Ended March 31, 2026				
Sales	\$ 5,153,843	\$ 2,040,606	\$ —	\$ 7,194,449
Cost of sales	3,886,113	1,717,088	—	5,603,201
Gross profit	1,267,730	323,518	—	1,591,248
Operating expenses:				
Selling, general and administrative expenses	2,797,271	786,993	1,777,159	5,361,423
Amortization expense	203,125	356,250	—	559,375
Total operating expenses	3,000,396	1,143,243	1,777,159	5,920,798
Operating loss	(1,732,666)	(819,725)	(1,777,159)	(4,329,550)
Other income (expenses):				
Investment and other income	3,958	6,333	38,337	48,628
Gain on sale of assets	2,700	—	—	2,700
Interest expense	(6,733)	—	(126,716)	(133,449)
Gain on debt extinguishment	332,412	—	—	332,412
Other income (expense), net	332,337	6,333	(88,379)	250,291
Net loss before income taxes	\$ (1,400,329)	\$ (813,392)	\$ (1,865,538)	\$ (4,079,259)
Depreciation and amortization	\$ 246,686	\$ 375,851	\$ —	\$ 622,537
Assets	\$ 22,872,387	\$ 15,616,779	\$ 1,630,886	\$ 40,120,052

	SUNation NY	HEC	Corporate and Other	Total
Three Months Ended March 31, 2025				
Sales	\$ 9,544,554	\$ 3,092,084	\$ —	\$ 12,636,638
Cost of sales	5,871,972	2,333,341	—	8,205,313
Gross profit	3,672,582	758,743	—	4,431,325
Operating expenses:				
Selling, general and administrative expenses	3,847,500	976,674	1,215,124	6,039,298
Amortization expense	203,125	356,250	—	559,375
Total operating expenses	4,050,625	1,332,924	1,215,124	6,598,673
Operating income (loss)	(378,043)	(574,181)	(1,215,124)	(2,167,348)
Other income (expenses):				
Investment and other income	—	—	48,165	48,165
Fair value remeasurement of contingent forward contract	—	—	109,492	109,492
Fair value remeasurement of contingent value rights	—	—	19,179	19,179
Financing fees	—	—	(576,594)	(576,594)
Interest expense	—	—	(571,240)	(571,240)
Loss on debt extinguishment	—	—	(343,471)	(343,471)
Other (expense) income, net	—	—	(1,314,469)	(1,314,469)
Net loss before income taxes	\$ (378,043)	\$ (574,181)	\$ (2,529,593)	\$ (3,481,817)
Depreciation and amortization	\$ 251,050	\$ 376,265	\$ —	\$ 627,315
Assets	\$ 25,302,335	\$ 17,320,441	\$ 1,804,896	\$ 44,427,672

## NOTE 12 – FAIR VALUE MEASUREMENTS

The accounting guidance establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows:

Level 1 – Observable inputs that reflect unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access at the measurement date.

Level 2 – Observable inputs such as quoted prices for similar instruments and quoted prices in markets that are not active, and inputs that are directly observable or can be corroborated by observable market data. The types of assets and liabilities included in Level 2 are typically either comparable to actively traded securities or contracts, such as treasury securities with pricing interpolated from recent trades of similar securities, or priced with models using highly observable inputs, such as commodity options priced using observable forward prices and volatilities.

Level 3 – Significant inputs to pricing that have little or no observability as of the reporting date. The types of assets and liabilities included in Level 3 are those with inputs requiring significant management judgment or estimation, such as the complex and subjective models and forecasts used to determine the fair value of financial instruments.

Financial assets and liabilities measured at fair value on a recurring basis as of March 31, 2026 and December 31, 2025 are summarized below.

	March 31, 2026			Total Fair Value
	Level 1	Level 2	Level 3	
Cash equivalents:				
Money market funds	\$ 670,409	\$ —	\$ —	\$ 670,409
Total	<u>\$ 670,409</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 670,409</u>

	December 31, 2025			Total Fair Value
	Level 1	Level 2	Level 3	
Cash equivalents:				
Money market funds	\$ 665,582	\$ —	\$ —	\$ 665,582
Total	<u>\$ 665,582</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 665,582</u>

The following tables present reconciliations of recurring fair value measurements that use significant unobservable inputs (Level 3):

	Three Months Ended March 31, 2025			Total
	Contingent value rights	Embedded derivative liability	Contingent forward contract	
December 31, 2024	\$ (312,080)	\$ (82,281)	\$ —	\$ (394,361)
Additions	—	—	(5,515,525)	(5,515,525)
Extinguishment of debt	—	82,281	—	82,281
Fair value adjustments	19,179	—	109,492	128,671
March 31, 2025	<u>\$ (292,901)</u>	<u>\$ —</u>	<u>\$ (5,406,033)</u>	<u>\$ (5,698,934)</u>

The estimated fair value of the Contingent Value Rights (“CVR”) as of March 31, 2026 and December 31, 2025 was \$0, respectively. The Company recorded a \$19,179 gain on the fair value remeasurement of the CVRs during the three months ended March 31, 2025.

The estimated fair value of the contingent forward contract was \$0 as of March 31, 2026 and December 31, 2025, respectively. The estimated fair value was considered a Level 3 measurement and the fair value of the contingent forward

contract is determined using a Monte Carlo simulation. As a result of the fair value remeasurement, the Company recorded a remeasurement gain of \$0 and \$109,492 in the three months ended March 31, 2026 and 2025, respectively. See Note 9, Equity, for further information.

The fair value remeasurements noted above were recorded within other (expense) income in the condensed consolidated statements of operations.

We record transfers between levels of the fair value hierarchy, if necessary, at the end of the reporting period. There were no transfers between levels during the three months ended March 31, 2026.

#### **NOTE 13 – GOING CONCERN**

The Company's financial statements as of March 31, 2026 have been prepared in accordance with GAAP applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. Based on the Company's current financial position, and the Company's forecasted future cash flows for twelve months beyond the date of issuance of these financial statements, substantial doubt exists around the Company's ability to continue as a going concern for a reasonable period of time. As noted in Note 9, Equity, and Note 6, Commitments and Contingencies, the Company raised capital and satisfied certain outstanding debt obligations during 2025, however there remains uncertainty related to our future cash flows as it relies on the ability to generate enough cash flow from its operating segments to cover the Company's corporate overhead costs.

In order to continue as a going concern, the Company will need additional capital resources. Management plans to raise capital through sources that may include public or private equity offerings, debt financings and/or strategic alliances. However, management cannot provide any assurances that the Company will be successful in accomplishing any of its plans. These financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

#### **NOTE 14 – SUBSEQUENT EVENTS**

The Company has evaluated subsequent events through the date of this filing.

##### *At the Market Offering*

On April 8, 2026, the Company entered into a Sales Agreement (the "Maxim Sales Agreement") with Maxim Group, LLC ("Maxim" or the "Maxim Sales Agent") with respect to an offering and sale, at any time and from time to time, of the Company's common stock in an aggregate offering amount up to \$3,599,586 under the Maxim Sales Agreement. Sales of common stock, if any, will solely be made in "at the market offerings". The Company will pay the Maxim Sales Agent a cash commission in an amount up to 3.0% of the gross proceeds from each sale of shares sold pursuant to the Maxim Sales Agreement. To date, we have sold an aggregate of 38,524 shares for gross proceeds of \$60,604 under this ATM facility.

##### *Strategic Review Process*

On April 9, 2026, the Company announced that its Board of Directors has authorized the review of a full range of strategic alternatives aimed at increasing shareholder value and best positioning the Company for long-term success. In connection with the strategic review, the Company has engaged Maxim Group, LLC to serve as its M&A and financial advisor to assist in this strategic process. The review will consider a broad spectrum of possible actions, including, but not limited to, a potential sale of the Company, strategic merger or other business combinations, acquisitions, divestitures of assets, further optimization of the corporate structure, or other strategic or financial transactions that could enhance shareholder value and further optimize capital resources.

The Company has not set a timetable for the completion of a strategic transaction, and there can be no assurance that the exploration of a strategic transaction will result in any specific outcome.

*MBB Energy Line of Credit Agreement*

On April 14, 2026, the Board of Directors of the Company agreed to amend the Line of Credit Agreement and the Line of Credit Note in two principal respects: (i) to extend the Maturity Date by six (6) months to October 15, 2026 (“New Maturity Date”), and (ii) to increase the aggregate dollar capacity of the Line of Credit Agreement by fifty percent from a previous total of \$1,000,000 to a new aggregate total of \$1,500,000 (“Line of Credit Capacity”). Accordingly, the Company has amended the Line of Credit Agreement and amended the Line of Credit Note, in each case to reflect the New Maturity Date and increased Line of Credit Capacity.

*SUNation NY Long-Term Note*

On April 14, 2026, the Board of Directors approved entry into a “Debt Conversion Agreement” in connection with the conversion of up to \$1,200,000 of debt payable under the Long-Term Note into shares of restricted common stock (the “Conversion Shares”) of the Company pursuant to Regulation D of the Securities Act of 1933, as amended, on the following terms: (1) the Conversion Shares shall consist of restricted shares of voting common stock, par value \$0.05 per share, (2) the Conversion Shares, totaling 677,966 shares, were issued at a price per share of \$1.77, which reflects a premium of 10% above both the closing price and the prior five day closing average of the Company’s common stock on Nasdaq Stock Market on April 13, 2026 (and also above the 5-day closing average), and (3) the Conversion Shares shall be locked-up (non-tradeable, non-transferable and non-saleable) for a period of 180 days from the date of issuance, and further subject to such other applicable SEC and Nasdaq Stock Market rules, regulations and restrictions, including Rule 144, on shares held by persons deemed to be control persons or affiliates of the Company.

The conversion of debt to equity of the Long-Term Note reduced the outstanding secured debt of the Company payable under the Long-Term Note in the near term by approximately \$1,200,000. The Conversion Shares shall be issued to Messrs. Scott Maskin and James Brennan, each of whom is an affiliate and related party of the Company by virtue of their respective roles as chief executive officer and chief financial officer of the Company.

## Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

*The following discussion and analysis should be read in conjunction with our interim unaudited condensed consolidated financial statements and related notes included in this Quarterly Report on Form 10-Q (“Quarterly Report”) and our audited financial statements and notes contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 filed with the Securities and Exchange Commission (“SEC”) on March 20, 2026.*

### Forward-Looking Statements

This quarterly report and, from time to time, reports filed with the SEC, in press releases, and in other communications to shareholders or the investing public, may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. Words such as “may,” “will,” “can,” “should,” “would,” “could,” “anticipate,” “expect,” “plan,” “seek,” “believe,” “are confident that,” “look forward to,” “predict,” “estimate,” “potential,” “project,” “target,” “forecast,” “see,” “intend,” “design,” “strive,” “strategy,” “future,” “opportunity,” “assume,” “guide,” “position,” “continue” and similar expressions are intended to identify forward-looking statements. Forward-looking statements are based on current beliefs, expectations and assumptions that are subject to significant risks, uncertainties and changes in circumstances that could cause actual results to differ materially from such forward-looking statements. These risks, uncertainties and changes in circumstances include, but are not limited to:

- if our shareholders sell, or indicate an intention to sell, substantial amounts of our stock in the public market, the trading price of our common stock could decline;
- if we fail to design and implement and maintain effective internal controls over financial reporting, we may be subject to sanctions or investigations by regulatory authorities or lose investor confidence in the accuracy and completeness of our financial reports;
- if our common stock market price continues to be highly volatile, it may harm the value of the investment of our shareholders in our common stock;
- if we issue additional common stock, it may materially dilute the ownership interests of our shareholders;
- anti-takeover provisions in our organizational documents and agreements may discourage or prevent a change in control, even if a sale of the Company could be beneficial to our shareholders;
- our board of directors may establish shares of preferred stock in series and fix the designation, powers, preferences and rights of the shares of each series which may be senior to or on parity with our common stock, which may reduce its value;
- our continuing and potential growth strategy depends on the continued origination of solar installation agreements;
- if we fail to manage our operations and growth effectively, we may be unable to execute our business plan, maintain high levels of customer service or adequately address competitive challenges;
- we need to raise additional capital to fund our operations and repay our obligations, which funding may not be available on favorable terms or at all and may lead to substantial dilution to our existing shareholders;
- there is substantial doubt about our ability to continue as a going concern, which conditions may adversely affect our stock price and our ability to raise capital;
- our common stock may be delisted from the Nasdaq Capital Market if we cannot maintain compliance with the applicable listing standards;
- we may face claims for monetary damages, penalties, and other significant items pursuant to existing contractual arrangements, as well as litigation or threatened litigations, which, if material, may strain our cashflow and operations, as well as take away substantial time and attention from management that is necessary to for business operations and potential growth opportunities;
- we depend on a limited number of suppliers of solar energy system components and technologies to adequately meet demand for our solar energy systems;
- increases in the cost of our solar energy systems due to tariffs and other trade restrictions imposed by the U.S. government could have a material adverse effect on our business, financial condition and results of operations;

- changes in current laws or regulations or the imposition of new laws or regulations, in the solar energy sector, by federal or state agencies in the United States, such as the passing of the One Big Beautiful Bill Act in July 2025, could impair our ability to compete and could materially harm our business, financial condition and results of operations;
- our operating results and our ability to grow may fluctuate from quarter to quarter and year to year, which could make our future performance difficult to predict and could cause our operating results for a particular period to fall below expectations;
- if we are unable to make acquisitions on economically acceptable terms, our future growth would be limited, and any acquisitions we may make could reduce, rather than increase, our cash flows;
- product liability and property damage claims against us or accidents could result in adverse publicity and potentially significant monetary damages;
- we will not be able to insure against all potential risks and we may become subject to higher insurance premiums;
- damage to our brand and reputation or change or loss of use of our brand could harm our business and results of operations;
- the loss of one or more members of our senior management or key employees may adversely affect our ability to implement our strategy;
- our inability to protect our intellectual property could adversely affect our business. We may also be subject to intellectual property rights claims by third parties, which are extremely costly to defend, could require us to pay significant damages and could limit our ability to use certain technologies;
- we may be subject to interruptions or failures in our information technology systems;
- our information technology systems may be exposed to various cybersecurity risks and other disruptions that could impair our ability to operate, adversely affect our business, and damage our brand and reputation;
- our failure to hire and retain a sufficient number of key employees, such as installers and electricians, would constrain our growth and our ability to timely complete projects;
- our business is concentrated in certain markets, putting us at risk of region-specific disruptions;
- if sufficient additional demand for residential solar energy systems does not develop or takes longer to develop than we anticipate, our ability to originate solar installation agreements may decrease;
- our business prospects are dependent in part on a continuing decline in the cost of solar energy system components and our business may be adversely affected to the extent the cost of these components stabilize or increase in the future;
- we face competition from centralized electric utilities, retail electric providers, independent power producers and renewable energy companies;
- developments in technology or improvements in distributed solar energy generation and related technologies or components may materially adversely affect demand for our offerings;
- a material reduction in the retail price of electricity charged by electric utilities or other retail electricity providers could harm our business, financial condition and results of operations;
- terrorist or cyberattacks against centralized utilities could adversely affect our business;
- climate change may have long-term impacts on our business, industry, and the global economy;
- increases in the cost of our solar energy systems due to tariffs imposed by the U.S. government could have a material adverse effect on our business, financial condition and results of operations;
- we are not currently regulated as an electric public utility under applicable law, but may be subject to regulation as an electric utility in the future;
- electric utility policies and regulations, including those affecting electric rates, may present regulatory and economic barriers to the purchase and use of solar energy systems that may significantly reduce demand for our solar energy systems and adversely impact our ability to originate new solar installation agreements;
- we rely on net metering and related policies to sell solar systems to our customers in most of our current markets, and changes to policies governing net metering may significantly reduce demand for electricity from residential solar energy systems and thus for our installation services;
- a customer's decision to procure installation services from us depends in part on the availability of rebates, tax credits and other financial incentives. The expiration, elimination or reduction of these rebates, credits or incentives or our ability to monetize them could adversely impact our business;

- technical and regulatory limitations regarding the interconnection of solar energy systems to the electrical grid may significantly delay interconnections and customer in-service dates, harming our growth rate and customer satisfaction;
- compliance with occupational safety and health requirements and best practices can be costly, and noncompliance with such requirements may result in potentially significant monetary penalties, operational delays and adverse publicity;
- our financial performance;
- the period over which we estimate our existing cash and cash equivalents will be sufficient to fund our future operating expenses and capital expenditure requirements;
- our anticipated use of our existing resources;
- our conducting and completion of a strategic review, and our pursuit of, and ability to successfully identify and execute, strategic transactions;
- our ability to preserve our existing cash resources; and
- our expectations regarding the value or recovery that may be available to our stockholders and other stakeholders as part of a strategic alternative transaction process.

Other risks and uncertainties are discussed more fully under the caption “Risk Factors” in our filings with the SEC, including in Part I, Item 1A. “Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2025 and in Part II, Item 1A. “Risk Factors” of this Quarterly Report on Form 10-Q. Accordingly, you should not place undue reliance on forward-looking statements. To the extent permitted by applicable law, we expressly disclaim any intent or obligation to update any forward-looking statements to reflect subsequent events or circumstances.

## Overview

SUNation Energy Inc. (herein referred to as “SUNation Energy,” “SUNE,” “our,” “we” or the “Company”) is a Delaware corporation, whose shares of Common Stock are listed on the Nasdaq Stock Market under its trading symbol “SUNE”.

SUNation Energy’s vision is to power the energy transition through grass-roots growth of solar electricity paired with battery storage. The Company is a domestic operator and consolidator of residential solar, battery storage, and grid services solutions. Our strategy is focused on acquiring, integrating, and growing leading local and regional solar, storage, and energy services companies nationwide.

Our current business units, Hawaii Energy Connection, LLC (“HEC”), and New York-based subsidiaries, the SUNation entities (collectively, “SUNation NY”) are engaged in the design, installation, and maintenance of solar energy systems across residential, commercial, and municipal sectors. Our team specializes in providing tailored solar solutions that meet the specific energy needs of each client, ensuring both efficiency and sustainability. In addition to our core solar services, we also offer energy storage systems to optimize energy use and increase reliability. Our New York business unit further integrates a broader range of services, including residential roofing solutions, to ensure seamless solar installations and long-term durability. Additionally, we provide community solar services that allow groups of individuals, businesses, or organizations to share the benefits of a single solar array, making renewable energy accessible to more people in the community.

### *April 2025 Reverse Stock Split*

On April 3, 2025, the Company’s shareholders approved a reverse stock split of the Company’s common stock at a ratio within a range of 1-for-2 and 1-for-200 and granted the Company’s board of directors the discretion to determine the timing and ratio of the split within such range. Additionally, the shareholders also approved an increase in authorized shares to 1,000,000,000 shares. On April 9, 2025, the Company’s board of directors determined to effect the reverse stock split of the common stock at a 1-for-200 ratio (the “April Reverse Stock Split”) and approved an amendment (“April Reverse Stock Split Amendment”) to its Certificate of Incorporation to effect the April Reverse Stock Split. On April 16, 2025, the Company amended its Certificate of Incorporation to implement the April Reverse Stock Split. The Company’s common stock began trading on a split-adjusted basis when the market opened on April 21, 2025 (the “April Effective Date”).

The effect of the April Reverse Stock Split has been applied retroactively and is reflected in this Quarterly Report on Form 10-Q for all periods presented.

*April 2026 Strategic Review Process*

On April 9, 2026, the Company announced that its Board of Directors has authorized the review of a full range of strategic alternatives aimed at increasing shareholder value and best positioning the Company for long-term success. In connection with the strategic review, the Company has engaged Maxim Group, LLC to serve as its M&A and financial advisor to assist in this strategic process. The review will consider a broad spectrum of possible actions, including, but not limited to, a potential sale of the Company, strategic merger or other business combinations, acquisitions, divestitures of assets, further optimization of the corporate structure, or other strategic or financial transactions that could enhance shareholder value and further optimize capital resources.

The Company has not set a timetable for the completion of a strategic transaction, and there can be no assurance that the exploration of a strategic transaction will result in any specific outcome. The Company does not intend to provide additional updates regarding this process unless the Board approves a particular course of action or determines additional disclosure is appropriate.

## Results of Operations

### Comparison of the Three Months Ended March 31, 2026 and 2025

#### Consolidated Results

The following table summarizes our consolidated results for the three months ended March 31, 2026 and 2025:

	Three Months Ended March 31				Change	
	2026		2025		\$	%
	Amount	% of Sales	Amount	% of Sales		
Sales	\$ 7,194,449	100%	\$ 12,636,638	100%	\$ (5,442,189)	-43.1%
Cost of sales	5,603,201	78%	8,205,313	65%	(2,602,112)	-31.7%
Gross profit	1,591,248	22%	4,431,325	35%	(2,840,077)	-64.1%
Operating expenses:						
Selling, general and administrative expenses	5,361,423	75%	6,039,298	48%	(677,875)	-11.2%
Amortization expense	559,375	8%	559,375	4%	—	0.0%
Total operating expenses	5,920,798	82%	6,598,673	52%	(677,875)	-10.3%
Operating loss	(4,329,550)	-60%	(2,167,348)	-17%	(2,162,202)	99.8%
Other income (expense):						
Investment and other income	48,628	1%	48,165	0%	463	1.0%
Gain on sale of assets	2,700	0%	—	0%	2,700	
Fair value remeasurement of contingent forward contract	—	0%	109,492	1%	(109,492)	-100.0%
Fair value remeasurement of contingent value rights	—	0%	19,179	0%	(19,179)	-100.0%
Financing fees	—	0%	(576,594)	-5%	576,594	-100.0%
Interest expense	(133,449)	-2%	(571,240)	-5%	437,791	-76.6%
Gain (loss) on debt extinguishment	332,412	5%	(343,471)	-3%	675,883	-196.8%
Other income (expense), net	250,291	3%	(1,314,469)	-10%	1,564,760	-119.0%
Operating loss before income taxes	(4,079,259)	-57%	(3,481,817)	-28%	(597,442)	17.2%
Income tax expense	11,355	0%	14,615	0%	(3,260)	-22.3%
Net loss	\$ (4,090,614)	-57%	\$ (3,496,432)	-28%	\$ (594,182)	17.0%

Consolidated sales decreased \$5,442,189, or 43.1% to \$7,194,449 in the first quarter of 2026 from \$12,636,638 in the first quarter of 2025, with a 53% decrease within residential contract revenue and a 3% decrease in service revenue, partially offset by a 15% increase in commercial revenue. On a consolidated basis, overall kilowatts installed on residential projects decreased 52%, revenue per residential installation increased 2% and the overall price per watt on residential projects decreased 6% in the first quarter of 2026 as compared to the first quarter of 2025. The overall decrease in residential revenue is driven by decreased customer demand due to the expiration of federal tax credits at December 31, 2025 under the passing of the One Big Beautiful Bill Act.

Consolidated gross profit decreased to \$1,591,248 in the first quarter of 2026 as compared to gross profit of \$4,431,325 in the first quarter of 2025 due primarily to the decrease in revenue. Gross margin decreased to 22% during the first quarter of 2026 as compared to 35% in the first quarter of 2025 due to fixed costs in cost of sales not declining with the revenue decrease.

Consolidated operating expenses decreased 10% to \$5,920,798 in the first quarter of 2026 as compared to \$6,598,673 in the first quarter of 2025. Consolidated selling, general and administrative expenses decreased \$677,875, or 11%, to

\$5,361,423 in the first quarter of 2026 from \$6,039,298 in the first quarter of 2025, due primarily to lower selling and marketing expenses on lower revenue and lower personnel costs on headcount reductions in the first quarter of 2026, partially offset by \$531,503 in compensation expense related to the earnout liability as discussed in Note 6, Commitments and Contingencies Amortization expense remained flat at \$559,375 in the first quarter of 2026 as compared to the same period of the prior year.

Consolidated other income (expense) increased by \$1,564,760 to income of \$250,291 in the first quarter of 2026 as compared to \$1,314,469 of expense in the first quarter of 2025. The increase was primarily related to a \$437,791 decrease in interest expense and a \$675,883 increase in gain on debt extinguishment, partially offset by a \$109,492 decrease in gain on fair value remeasurement of contingent forward contract.

Consolidated operating loss in the first quarter of 2026 was \$4,329,550 as compared to \$2,167,348 in the first quarter of 2025. Net loss in the first quarter of 2026 was \$4,090,614, or \$ (1.20) per diluted share, compared to net loss of \$3,496,432, or \$(106.71) per diluted share, in the first quarter of 2025.

### **SUNation NY Operating Results**

SUNation NY revenue decreased 46% or \$4,390,712, to \$5,153,843 in the first quarter of 2026 as compared to \$9,544,554 in first quarter of 2025. Revenue in the first quarters of 2026 and 2025 by type were as follows:

	<b>Revenue by Type</b>	
	<b>Three Months Ended March 31</b>	
	<b>2026</b>	<b>2025</b>
Residential contracts	\$ 3,395,032	\$ 7,896,122
Commercial contracts	1,347,306	1,275,888
Service revenue	411,505	372,544
	<u>\$ 5,153,843</u>	<u>\$ 9,544,554</u>

Residential contract revenue decreased \$4,501,090, or 57%, due to a 57% decrease in number of systems installed, 54% decrease in kilowatts installed and a 7% decrease in revenue per install. This overall decrease is due partially to the decreased customer demand with the expiration of federal tax credits at December 31, 2025 under the passage of the One Big Beautiful Bill Act, along with a decrease in available install days due to weather-related events during the quarter. The weather-related events during the first quarter of 2026 resulted in 13.5 less available days to complete installations as compared to the same period of the prior year. Commercial contract revenue increased \$71,418, or 6%. Service revenue increased \$38,961, or 10%, due to an increase in battery installations.

Gross profit decreased 65% to \$1,267,730 in the first quarter of 2026 as compared to gross profit of \$3,672,582 in the first quarter of 2025 due primarily to the decrease in revenue and additional decrease in gross margin. Gross margin decreased to 24.6% in 2026 compared to 38.5% in 2025 due primarily to fixed labor and overhead costs that did not decrease at the same rate as the revenue decline.

Selling, general and administrative expenses decreased 27% or \$1,050,229 to \$2,797,271 in 2026 (54% as a percentage of sales) as compared to \$3,847,500 in 2025 (40% as a percentage of sales), due primarily to decrease in selling and marketing expenses on lower residential contract revenue. Amortization expense remained flat at \$203,125 in 2026 as compared to 2025.

## **HEC Operating Results**

HEC sales decreased 34%, or \$1,051,478, to \$2,040,606 in the first quarter of 2026 as compared to \$3,092,084 in the first quarter of 2025. Sales in 2026 and 2025 by type were as follows:

	Revenue by Type	
	Three Months Ended March 31	
	2026	2025
Residential contracts	\$ 1,624,377	\$ 2,738,800
Commercial contracts	126,136	—
Service revenue	290,093	353,284
	<u>\$ 2,040,606</u>	<u>\$ 3,092,084</u>

Residential contract sales decreased \$1,114,423, or 41%, due to a 38% decrease in kilowatts installed, a 54% decrease in installations, partially offset by a 46% increase in battery attachment rates, which is driving a 27% increase in average revenue per system installed. In May 2025, Hawaii implemented a new Bring Your Own Device Plus (“BYOD Plus”) program. Under this program, customers were paid a cash incentive and provided energy bill credits to add energy storage to an existing or new rooftop solar system. The overall decrease in residential installations is due to the expiration of federal tax credits at December 31, 2025 under the passage of the One Big Beautiful Bill Act. Service revenue decreased \$63,191, or 18%, due to a decrease in repair and replacement installations.

Gross profit decreased 57% to \$323,518 in the first quarter of 2026 as compared to gross profit of \$758,743 in the first quarter of 2025 due primarily to the decrease in revenue and decrease in gross margin. Gross margin decreased to 15.9% in the first quarter of 2026 compared to 24.5% in the first quarter of 2025, driven by an increase in labor and overhead costs as a percentage of revenue.

Selling, general and administrative expenses decrease 19% to \$786,993 in the first quarter of 2026 (39% as a percentage of sales) as compared to \$976,674 in the first quarter of 2025 (32% as a percentage of sales), due primarily to a decrease in general excise tax on lower revenue and personnel expenses on headcount reductions. Amortization expense remained flat at \$356,250 in 2026 as compared to 2025.

### **Liquidity and Capital Resources**

As of March 31, 2026, the Company had \$1,686,605 in cash, restricted cash and cash equivalents. Of this amount, \$670,409 was invested in short-term money market funds that are not considered to be bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation or other government agency. These money market funds seek to preserve the value of the investment at \$1.00 per share; however, it is possible to lose money investing in these funds. The remainder in cash and cash equivalents is operating cash.

The Company had working capital deficit of \$(3,509,756) at March 31, 2026, consisting of current assets of \$9,049,534 and current liabilities of \$12,559,290 compared to working capital of \$1,066,408 at December 31, 2025.

Cash used in operating activities was \$5,164,097 in the first three months of 2026 as compared to \$3,403,349 in the same period of 2025. The increase in negative cash flow from operations is primarily driven by the increase in the net loss and an increase in payments against accounts payable. Significant working capital changes in the three months ended March 31, 2026 included a decrease of accounts payable of \$2,782,565, an decrease in other assets of \$1,273,206, and a decrease in accounts receivable of \$942,875.

Net cash provided by investing activities was \$2,700 in the first three months of 2026.

Net cash used in financing activities was \$334,342 in the first three months of 2026 compared to \$3,992,231 provided by in the same period of 2025. Net cash used in financing activities in the first three months of 2026 was related to \$1,134,342 in payments against loans payable and related party loans payable, including the settlement of the debt with a former SUNation NY shareholder, partially offset by \$800,000 in borrowings against the related party line of credit. Net cash provided by financing activities in the first three months of 2025 was due to \$13,431,902 in net proceeds from the

issuance of common stock under a registered direct offering and \$351,372 in proceeds from the issuance of common stock under the at-the-market offering, partially offset by \$9,401,939 in payments against loans payable and \$389,104 in payments of contingent consideration.

In connection with the SUNation NY acquisition, on November 9, 2022, the Company issued a \$5,486,000 Long-Term Promissory Note (the “Long-Term Note”). The Long-Term Note was unsecured and matured on November 9, 2025. It carried an annual interest rate of 4% until the first anniversary of issuance, then 8% thereafter until the Long-Term Note was paid in full. The Company was required to make a principal payment of \$2.74 million on the second anniversary of the Long-Term Note. The Long-Term Note may be prepaid at our option at any time without penalty. On April 10, 2025, the Long-Term Note was amended and restated whereby the principal amount of \$5,486,000 previously due and payable under the original Long-Term Note, together with all accrued and unpaid interest owing thereunder, shall be due and payable on May 1, 2028, and such amended note became a senior secured instrument. Principal and interest payments under the amended Long-Term Note are payable monthly on the first day of each month commencing on June 1, 2025 for thirty-six consecutive months thereafter. Additionally, pursuant to the terms of that certain Senior Secured Contingent Note Instrument, entered into on April 10, 2025, the unearned 2024 earnout was rescheduled and is based on the earnout terms set forth therein pursuant to the financial conditions and terms covering each of fiscal years 2024 and 2025 and, if attained, shall be payable in fiscal year 2026, which payment is further conditioned on the continued employment of the note holders at the time of such earnout payment trigger date. See also Note 14, Subsequent Events, related to the conversion of \$1,200,000 of debt into equity in April 2026, which reduced the Long-Term Note obligations thereunder.

Based on the Company’s current financial position, and the Company’s forecasted future cash flows for twelve months beyond the date of issuance of these financial statements, substantial doubt exists around the Company’s ability to continue as a going concern for a reasonable period of time. As noted in Notes 6, 9 and 14, the Company raised capital and satisfied and reduced certain outstanding debt obligations during 2025 and 2026; however, there remains uncertainty related to our future cash flows as it relies on the ability to generate enough cash flow from its operating segments to cover the Company’s corporate overhead costs.

As a result, the Company requires additional funding and seeks to raise capital through sources that may include public or private equity offerings, debt financings and/or strategic alliances. On February 27, 2025, the Company entered into a securities purchase agreement with certain institutional investors for the purchase and sale of an aggregate of \$20.0 million in securities, with \$15.0 million in gross proceeds in the first closing on February 27, 2025 and \$5.0 million in gross proceeds in the second closing on April 7, 2025. The Company was able to use the proceeds to pay off approximately \$12.6 million in 2025 in outstanding debt and contingent liability obligations and since April 2025, the Company has further reduced certain debt obligations. However, it has not been sufficient to cover all of the Company’s current and future obligations. Additional funding or other financing structures may not be available on terms acceptable to the Company, or at all. If the Company is unable to raise additional funds, or further restructure remaining debt obligations, it would have a negative impact on the Company’s business, results of operations and financial condition. To the extent that additional funds are raised through the sale of equity or securities convertible into or exercisable for equity securities, the issuance of securities will result in dilution to the Company’s shareholders.

### **Critical Accounting Estimates**

The discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States (“GAAP”). The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Generally, we base our estimates on historical experience and on various other assumptions in accordance with GAAP that we believe to be reasonable under the circumstances. Actual results may differ from these estimates and such differences could be material to our financial position and results of operations. Critical accounting estimates are those that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on our financial condition and results of operations. For additional information, please see the discussion of our critical accounting estimates in our Annual Report

on Form 10-K for the year ended December 31, 2025. There have been no changes to our critical accounting estimates as described in our Annual Report on Form 10-K for the year ended December 31, 2025.

### **Recently Issued Accounting Pronouncements**

Recently issued accounting standards and their estimated effect on the Company's condensed consolidated financial statements are also described in Note 2, Summary of Significant Accounting Policies, to the Condensed Consolidated Financial Statements included in this report.

### **Item 3. Quantitative and Qualitative Disclosures about Market Risk**

Not applicable.

### **Item 4. Controls and Procedures**

#### *Evaluation of Disclosure Controls and Procedures*

The Company maintains disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that are designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and (ii) accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the disclosure controls and procedures, as defined in Rules 13a-15(e) under the Exchange Act, as of the end of the period covered by this report. Based on that evaluation, management concluded that the Company's disclosure controls and procedures were not effective because of material weaknesses in the Company's internal control over financial reporting described below.

#### *Material Weakness in Internal Control over Financial Reporting*

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as that term is defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act. Under the supervision and with the participation of the Company's management, including the CEO, CFO, and CAO, the Company conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of December 31, 2025, based on *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "Framework"). Based on that evaluation, management concluded that the Company's internal control over financial reporting was not effective as of December 31, 2025, due to material weaknesses in the Company's internal control over financial reporting. A material weakness is defined as a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

The following material weaknesses are identified:

- In prior years we identified material weaknesses in our internal control over financial reporting, and these material weaknesses persisted throughout the year ended December 31, 2025, due to our limited accounting and finance resources, which resulted in inappropriate preparation, review and maintenance of documentation and information that is critical to the design and consistent execution of internal controls.
- In the prior year we identified a material weakness as a result of an aggregation of control deficiencies in our Information Technology ("IT") controls, specifically around user access review, provisioning, change management, and cybersecurity of our accounting and customer resource management systems. These material weaknesses could result in a misstatement of account balances or disclosures that would result in a material misstatement to the annual or interim financial statements that would not be prevented or detected.

### *Remediation Plan*

To address the material weaknesses in our internal control over financial reporting, the Company is in the process of formalizing a remediation plan that will address our limited resources and also includes implementing a new Enterprise Resource Planning (“ERP”) system which provides the necessary control environment to help mitigate the potential for misstatements in financial reporting, including but not limited to segregation of duties, user permission and access controls, and automated processes. Additionally, we will work to design and implement formal policies and processes around our IT systems. While we believe that these efforts will improve our internal control over financial reporting, the design and implementation of our remediation is ongoing and will require validation and testing of the design and operating effectiveness of our internal controls over a sustained period of time. We will not be able to conclude whether the steps we are taking will fully remediate the material weaknesses in our internal control over financial reporting until we have completed our remediation efforts and subsequent evaluation of their effectiveness. Until these weaknesses are remediated, we plan to continue to perform additional analyses and other procedures to ensure that our consolidated financial statements are prepared in accordance with U.S. GAAP.

### *Inherent Limitations on Control Systems*

Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, will be or have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

### *Changes in Internal Controls over Financial Reporting*

There were no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, that occurred during the three months ended March 31, 2026, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. As reported in our Annual Report on Form 10-K for the year ended December 31, 2025, we concluded that our internal control over financial reporting was not effective.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

There are no updates to our legal proceedings previously reported on our annual report on Form 10-K, filed on March 20, 2026.

### Item 1A. Risk Factors

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed in “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2025 (the “Form 10-K”), which could materially affect our business, financial condition or future results.

There have been no material changes in the risk factors disclosed in our Form 10-K filed with the SEC on March 23, 2026, other than as set forth below.

#### **We periodically receive proposals to consider expansion, diversification and other forms of strategic transactions, and any such transactions that we may consider or consummate in the future could have negative consequences.**

On April 9, 2026, the Company announced that its Board of Directors has authorized the review of a full range of strategic alternatives aimed at increasing shareholder value and best positioning the Company for long-term success, and in connection therewith, the Company has engaged Maxim Group, LLC to serve as its M&A and financial advisor to assist in this strategic process. The review will consider a broad spectrum of possible actions, including, but not limited to, a potential sale of the Company, strategic merger or other business combinations, acquisitions, divestitures of assets, further optimization of the corporate structure, or other strategic or financial transactions that could enhance shareholder value and further optimize capital resources. Additionally, we have in the past and continue to periodically receive inquiries related to a range of strategic transactions and strategic alternatives, ranging from offers to acquire assets to grow our existing business to expansions to diversify our business and more. Strategic alternatives, if consummated, could take the form of mergers, acquisitions, partnerships, joint ventures, licensing arrangements or other strategic transactions.

We expect to continue to devote substantial time, as well as substantial human and capital resources, to exploring legitimate strategic options that we believe may increase shareholder value. There can be no assurance that any of these proposals will result in a successful consummation, if pursued, or that they will be completed on attractive terms or at all. Additionally, there can be no assurances that any particular course of action, business arrangement or transaction, or series of transactions, will lead to increased shareholder value or that it will ultimately result in a successful expansion or diversified business.

The process of evaluating these strategic options may be very costly, including such as legal and accounting fees, expenses and other related charges that would otherwise be committed to operations. In addition, any strategic business combination or other transactions that we may consummate in the future could have a variety of negative consequences and we may implement a course of action or consummate a transaction that yields unexpected results that adversely affect our business and decreases the remaining cash available for use in our business.

Additionally, a number of the foregoing and other significant factors may be beyond our control, including, among other things, market conditions, industry trends, the interest of third parties in a potential transaction with us, obtaining shareholder approval and the availability of financing to third parties in a potential transaction with us on reasonable terms. Any failure of such potential transaction to achieve the anticipated results could significantly impair our ability to enter into any future strategic transactions and may significantly diminish or delay any future distributions to our shareholders.

If we are not successful in identifying a successful strategic alternative, expansion or diversification or if our plans are not executed in a timely fashion, this may cause reputational harm with our shareholders and the value of our common stock shares may be materially adversely impacted. In addition, speculation regarding any developments related to the review of strategic alternatives and/or perceived uncertainties related to the future of our business could cause our share price to fluctuate significantly or result in the total loss of your investment.

## **Changes in our business strategy or restructuring of our businesses may increase our costs or otherwise affect our businesses.**

We continually review our operations with a view toward reducing our cost structure, including, but not limited to, reducing our labor cost-to-revenue ratio, improving process and system efficiencies and increasing our revenues and operating margins. During the 2026, we have reduced headcount and related personnel costs as we adjust to the reduction in residential solar installation demand following the January 1, 2026 effective date of the loss of certain federal residential tax credits. Despite these efforts, we have needed and may continue to need to adjust our business strategies to meet these changes, or we may otherwise find it necessary to restructure our operations or particular businesses or assets. When these changes or events occur, we may incur costs to change our business strategy and may need to write down the value of assets or sell certain assets. Additionally, we may seek to strategically roll up entities that we believe will be revenue accretive, and/or consider strategic transactions that may significantly alter our principal business focus or expand or diversify our business, in each case, such strategic transaction may result in a need to execute a financing, including potentially significant dilutive financings. Any of these events our costs may increase, and we may have significant charges or losses associated with the write-down or divestiture of assets and our business may be materially and adversely affected.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not applicable during the reporting period. However, as discussed in Note 14, Subsequent Events, on April 14, 2026 the Board of Directors approved issuance of \$1.2 million in restricted shares of the Company's common stock related to the conversion of a portion of the Company's Long-Term Note, pursuant to which (1) Mr. Scott Maskin was issued 554,712 shares of restricted common stock and (2) Mr. James Brennan was issued 123,254 shares of restricted common stock, each issuance at a price of \$1.77 per share (a premium to both the stock price and 5-day average on April 13, 2026). In addition, such shares issued under the debt conversion agreement, are subject to a 6-month lock-up agreement, which is in addition to their other affiliate/control person restrictions.

### Item 3. Defaults Upon Senior Securities

Not Applicable.

### Item 4. Mine Safety Disclosures

Not Applicable.

### Item 5. Other Information

#### *Trading Arrangements*

During the three months ended March 31, 2026, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, modified, or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act or any non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K).

### Item 6. Exhibits

The following exhibits are included herewith:

[10.1](#) [ATM Sales Agreement, dated April 8, 2026, between SUNation Energy, Inc. and Maxim Group, LLC \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 9, 2026\)](#)

[10.2](#) [Amendment to Secured Revolving Line of Credit Agreement, dated April 14, 2026 \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 15, 2026\)](#)

<a href="#">10.3</a>	<a href="#">Amended Secured Revolving Line of Credit Note, dated April 14, 2026 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on April 15, 2026)</a>
<a href="#">10.4</a>	<a href="#">Debt Conversion Agreement, dated April 14, 2026 (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on April 15, 2026)</a>
<a href="#">19</a>	<a href="#">Insider Trading Policy</a>
<a href="#">31.1</a>	<a href="#">Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rules 13a-14 and 15d-14 of the Exchange Act)</a>
<a href="#">31.2</a>	<a href="#">Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rules 13a-14 and 15d-14 of the Exchange Act)</a>
<a href="#">32</a>	<a href="#">Certifications pursuant Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. §1350)</a>
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

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 thereto duly authorized.

SUNation Energy, Inc.

Date: May 15, 2026

By /s/ Scott Maskin  
Scott Maskin  
Chief Executive Officer

Date: May 15, 2026

By /s/ Kristin A. Hlavka  
Kristin A. Hlavka  
Chief Accounting Officer

**POLICY STATEMENT  
ON  
CONFIDENTIAL INFORMATION AND SECURITIES TRADING  
BY SUNATION ENERGY, INC. PERSONNEL**

**Summary**

*You may not buy or sell the common stock of SUNation Energy, Inc. ("SUNE" or the "Company") at a time when you may be in possession of material, non-public information about the Company. Such transactions are prohibited by both Company policy and federal securities laws. Similarly, you may not buy or sell the stock of Company customers or suppliers when you have received, through your employment or other relationship with SUNE, material non-public information about that customer or supplier. These prohibitions also apply to members of your household, as well as all others whose transactions may be attributable to you. Anyone who violates these prohibitions faces staggering civil and criminal penalties, as well as termination of employment.*

Material information is *any* information that could reasonably be expected to affect stock price. Either positive or negative information may be material. Once a public announcement has been made of the material information, you should wait at least two full trading days before engaging in any transactions, assuming at the time of the transaction you do not have other material information that has not been made public.

*Federal securities laws and Company policy also prohibit disclosure of material non-public information except on a need-to-know basis. Even if you are not engaging in any stock trading activity, you must not disclose material, non-public information to others, especially to those outside the Company.* Any questions from shareholders not subject to this policy, securities analysts, stockbrokers, or the media regarding the Company should be directed to the Chief Financial Officer.

For further information and guidance, please refer to the entire Policy Statement set forth below, or contact SUNE's Chief Financial Officer.

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\*Applicable if supplied with this Policy Statement.

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### **The Need For a Policy Statement**

Because the Company's stock is publicly-traded, the Company is required to take active steps to prevent violations of insider trading laws by Company personnel. Insider trading violations are pursued vigorously by the Securities Exchange Commission (SEC) and Department of Justice and are punished severely. While the regulatory authorities concentrate their efforts on the individuals who trade, or who tip inside information to others who trade, the federal securities laws also impose potential liability on companies and other "controlling persons" if they fail to take reasonable steps to prevent insider trading by company personnel.

We are adopting this Policy Statement both to satisfy the Company's obligation to prevent insider trading and to help Company personnel avoid the severe consequences associated with violations of the insider trading laws. The Policy Statement also is intended to prevent even the appearance of improper conduct on the part of anyone employed by or associated with SUNE (since anyone with material non-public information should be considered an "insider"). We have all worked hard to establish our reputation for integrity and ethical conduct. We cannot afford to have it damaged.

### **The Consequences**

Enforcement remedies available to the government or private plaintiffs under the federal securities laws include:

- SEC administrative sanctions;
- Securities industry self-regulatory organization sanctions;
- Civil injunctions;
- Damage awards to private plaintiffs;
- Disgorgement of all profits;
- Civil fines for the violator of up to three times the amount of profit gained or loss avoided;
- Civil fines for the employer or other controlling person of a violator (i.e., where the violator is an employee or other controlled person) of up to the greater of \$1,425,000 or three times the amount of profit gained or loss avoided by the violator;
- Criminal fines for individual violators of up to \$5,000,000 (\$25,000,000 for an entity); and
- Jail sentences of up to 20 years.

In addition, insider trading could result in serious sanctions by the Company, including dismissal. Insider trading violations are not limited to violations of the federal securities laws. Other federal and state civil or criminal laws, such as the laws prohibiting mail and wire fraud and the Racketeer Influenced and Corrupt Organizations Act (RICO), also may be violated in connection with insider trading.

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**Size of Transaction and Reason for Transaction Do Not Matter**

The size of the transaction or the amount of profit received does not have to be significant to result in prosecution. The SEC has the ability to monitor even the smallest trades, and the SEC performs routine market surveillance. Brokers or dealers are required by law to inform the SEC of any possible violations by people who may have material, non-public information. The SEC aggressively investigates even small insider trading violations.

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## Our Policy

If a Company director, officer, employee or representative has material non-public information (so-called “inside” information of a nature which could affect its stock price) relating to the Company, it is our policy that neither that person nor any related person may buy or sell Company securities or engage in any other action to take advantage of, or to pass on to others, that information. Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are no exception. Even the appearance of an improper transaction must be avoided to preserve our reputation for adhering to the highest standards of conduct. It is also our policy that SUNE personnel maintain the confidentiality of all non-public information regarding the Company. These policies also apply to information about any other company, including our customers or suppliers, obtained in the course of the individual’s employment or other relationship with SUNE.

**What is Material Information.** Material information is any information that a reasonable investor would consider important in a decision to buy, hold or sell stock. In short, any information which could reasonably be expected to affect the price of the stock is material information. Material information can be positive or negative and can relate to virtually any aspect of a company’s business or any type of security, debt or equity. Some examples of what would ordinarily be regarded as material are: projections of future earnings or losses or guidance regarding future results; news of a pending or proposed merger, acquisition, or tender offer; news of a significant sale of assets or the disposition of a subsidiary; changes in dividend policies, the declaration of a stock split, or the offering of additional securities; changes in management; impending bankruptcy or financial liquidity problems; and, as previously indicated, the gain or loss of a substantial customer or supplier.

**20/20 Hindsight.** Remember, if your securities transactions become the subject of scrutiny, they will be judged after-the-fact with the benefit of hindsight. As a result, before engaging any securities transaction you should carefully consider how regulators and others might view your transaction in hindsight.

**Transactions By Family Members.** The very same restrictions apply to your family members and others living in your household. Company personnel are expected to be responsible for the compliance of their immediate family and personal household with our policy.

**When Information Is “Non-public.”** Information is “non-public” if it is not available to the general public. In order for information to be considered public, it must be widely disseminated in a manner making it generally available to investors through such media as Dow Jones, Business Wire, Reuters, The Wall Street Journal, Associated Press, or United Press International, a broadcast on widely available radio or television programs, publication in a widely available newspaper, magazine or news web site, a Regulation FD-compliant conference call, or public disclosure documents filed with the SEC that are available on the SEC’s web site.

The circulation of rumors, even if accurate and reported in the media, does not constitute effective public dissemination. In addition, even after a public announcement, a reasonable period of time must lapse in order for the market to react to the information. Generally, one should allow two full trading days following publication as a reasonable waiting period before such information is deemed to be public.

**Disclosing Proprietary Information To Others Prohibited.** Whether the information is proprietary information about the Company or one of its customers or suppliers, or is information that could have an impact on the price of Company’s stock or a customer’s or a supplier’s stock, Company personnel must not disclose any such information to others. The above penalties apply to misuse of insider information, whether or not you derive any benefit from another’s actions. In order to prevent unintentional disclosure, all inquiries and requests for information regarding the Company or the Company’s customers or suppliers (e.g., from the shareholders not subject to this policy, media, stockbrokers, or securities analysts) should be referred to the Chief Financial Officer.

**Trading by Persons Other than Insiders.** Insiders may be liable for communicating or tipping material, non-public information to a third party (“tippee”), and insider trading violations are not limited to trading or tipping by insiders. Persons other than insiders also can be liable for insider trading, including tippees who trade on material, non-public information tipped to them or individuals who trade on material, non-public information that has been misappropriated.

Tippees inherit an insider’s duties and are liable for trading on material, non-public information illegally tipped to them by an insider. Similarly, just as insiders are liable for the insider trading of their tippees, so are tippees who pass the information along to others who trade. In other words, a tippee’s liability for insider trading is no different from that of an insider. Tippees can obtain material, non-public information by receiving overt tips from others or through, among other things, conversations at social, business, or other gatherings.

**Prohibition of Records Falsification and False Statements.** Section 13(b)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), requires companies subject to the Exchange Act to maintain proper internal books and records and to devise and maintain an adequate system of internal accounting controls. The SEC has supplemented the statutory requirements by adopting rules that prohibit (1) any person from falsifying records or accounts subject to the above requirements, and (2) officers or directors from making any materially false, misleading, or incomplete statement to any accountant in connection with any audit or filing with the SEC. These provisions reflect the SEC’s intent to discourage officers, directors and other persons with access to the Company’s books and records from taking action that might result in the communication of materially misleading financial information to the investing public.

**Guidelines for Maintaining Confidentiality.** The general rule should always be that “Company matters stay within the Company.”

- Do not discuss confidential matters affecting or related to the Company with family members, shareholders, stockbrokers, and friends.
- Do not disclose non-public information relating to Company matters to anyone, even to others within the Company, except on a “need-to-know” basis.
- Do not discuss Company matters in public places, such as restrooms, or in the Company’s hallways when persons other than Company personnel are within hearing range.
- Be careful with documents which contain non-public information--avoid leaving them in view, and consider destroying them before discarding them. Consider using code names or vague subject references for sensitive projects.
- Safeguard laptop computers, tablets, memory sticks, CDs and other items that contain confidential information.
- Use particular care when handling inquiries from the press, brokers and stock analysts. In most cases, only the Chief Executive Officer or CFO should deal with such inquiries.
- If you see others in the Company being careless with confidential information, remind them of this Policy. Report any violations of this Policy to the Chief Financial Officer. Early reporting may save the Company and the violator from very serious penalties.

### Examples of Insider Trading

Examples of insider trading cases include actions brought against corporate officers, directors, and employees who traded in a company’s securities after learning of significant confidential corporate developments; friends, business associates, family members and other tippees of such officers, directors, and employees who traded in the securities after receiving such information; government employees who learned of such information in the course of their employment; and other persons who misappropriated, and took advantage of, confidential information from their employers.

The following are illustrations of insider trading violations. These illustrations are hypothetical and, consequently, not intended to reflect on the actual activities or business of the Company or any other entity.

#### Trading by Insider

An officer of X Corporation learns that earnings to be reported by X Corporation will increase dramatically. Prior to the public announcement of such earnings, the officer purchases X Corporation’s stock. The officer, an insider, is liable for all profits as well as penalties of up to three times the amount of all profits. The officer also is subject to, among other things, criminal prosecution, including up to \$5,000,000 in additional fines and 20 years in jail. Depending upon the circumstances, X Corporation and the individual to whom the officer reports also could be liable as controlling persons.

#### Trading by Tippee

An officer of X Corporation tells a friend that X Corporation is about to publicly announce that it has concluded an agreement for a major acquisition. This tip causes the friend to purchase X Corporation’s stock in advance of the announcement. The officer is jointly liable with his friend for all of the friend’s profits, and each is liable for all civil penalties of up to three times the amount of the friend’s profits. The officer and his friend are also subject to criminal prosecution and other remedies and sanctions, as described above.

### Pre-Clearance of All Trades by All Officers, Directors and Employees

To provide assistance in preventing inadvertent violations of applicable securities laws and to avoid the appearance of impropriety in connection with the purchase and sale of the Company’s securities, **all transactions in the Company’s securities (including without limitation, acquisitions and dispositions of Company stock, the exercise of stock options and the sale of Company stock issued upon exercise of stock options) by officers, directors and employees (each, a “Pre-Clearance Person”) must be pre-cleared by the Company’s Chief Financial Officer.** Pre-clearance does not relieve anyone of his or her responsibility under SEC rules.

A request for pre-clearance may be oral or in writing (including by e-mail), should be made at least two business days in advance of the proposed transaction and should include the identity of the Pre-Clearance Person, the type of proposed transaction (for example, an open market purchase, a privately negotiated sale, an option exercise, etc.), the proposed date of the transaction and the number of shares or other securities to be involved. In addition, the Pre-Clearance Person must execute a certification (in the form approved by the Chief Financial Officer) that he or she is not aware of material nonpublic information about the Company. The Chief Financial Officer shall have sole discretion to decide whether to clear any contemplated transaction. (The Chief Executive Officer shall have sole discretion to decide whether to clear transactions by the Chief Financial Officer or persons or entities subject to this policy as a result of their relationship with the Chief Financial Officer.) All trades that are pre-cleared must be effected within five (5) business days of receipt of the pre-clearance unless a specific exception has been granted by the Chief Financial Officer. A pre-cleared trade (or any portion of a pre-

cleared trade) that has not been effected during the five (5) business day period must be pre-cleared again prior to execution. Notwithstanding receipt of pre-clearance, if the Pre-Clearance Person becomes aware of material non-public information or becomes subject to a black-out period before the transaction is effected, the transaction may not be completed.

None of the Company, the Chief Financial Officer or the Company's other employees will have any liability for any delay in reviewing, or refusal of, a request for pre-clearance submitted pursuant to this Section. Notwithstanding any pre-clearance of a transaction pursuant to this Section, none of the Company, the Chief Financial Officer or the Company's other employees assumes any liability for the legality or consequences of such transaction to the person engaging in such transaction.

#### Black-Out Periods

Additionally, no officer, director or employee shall purchase or sell any security of the Company during the period beginning on the 14<sup>th</sup> calendar day before the end of any fiscal quarter of the Company and ending upon completion of the second full trading day after the public release of earnings data for such fiscal quarter or during any other trading suspension period declared by the Company, except for:

- purchases of the Company's securities from the Company or sales of the Company's securities to the Company;
- exercises of stock options or other equity awards the surrender of shares to the Company in payment of the exercise price or in satisfaction of any tax withholding obligations in a manner permitted by the applicable equity award agreement, or vesting of equity-based awards that do not involve a market sale of the Company's securities (the "cashless exercise" of a Company stock option through a broker does involve a market sale of the Company's securities, and therefore would not qualify under this exception);
- *bona fide* gifts of the Company's securities; and
- purchases or sales of the Company's securities made pursuant to any binding contract, specific instruction or written plan entered into while the purchaser or seller, as applicable, was unaware of any material, non-public information and which contract, instruction or plan (i) meets all requirements of the affirmative defense provided by Rule 10b5-1, (ii) was pre-cleared in advance pursuant to this Policy and (iii) has not been amended or modified in any respect after such initial pre-clearance without such amendment or modification being pre-cleared in advance pursuant to this Policy.

Exceptions to the black-out period policy may be approved only by the Company's Chief Financial Officer or, in the case of exceptions for directors, the Board of Directors.

From time to time, the Company, through the Board of Directors, the Company's disclosure committee, if any, or the Chief Financial Officer, may recommend that officers, directors, employees or others suspend trading in the Company's securities because of developments that have not yet been disclosed to the public. Subject to the exceptions noted above, all those affected should not trade in the Company's securities while the suspension is in effect, and should not disclose to others that the Company has suspended trading.

#### Additional Prohibited Transactions

The Company has determined that there is a heightened legal risk and/or the appearance of improper or inappropriate conduct if the persons subject to this Policy Statement engage in certain types of transactions. Therefore, officers, directors and employees shall comply with the following policies with respect to certain transactions in the Company securities:

1. Trading in Company Securities on a Short-Term Basis. Any Company stock purchased in the open market should be held for a minimum of six months and ideally longer. (Note that the SEC's short-swing profit rule already prevents directors and executive officers from selling any Company stock within six months of a purchase. We are simply expanding this rule as a strong suggestion to all other employees.)
2. Short Sales; Purchases on Margin. Employees should not "sell short" SUNE stock (a "short sale" is a sale of shares that the Seller does not own but expects to purchase in the future at a lower price). Also, because of the risks inherent in owning shares in a company where trading restrictions exist, employees should not "margin" SUNE stock, whether for the purchase of SUNE stock or any other securities.
3. Buying or Selling Puts or Calls on SUNE Common Stock. Employees should not buy or sell either put or call options on SUNE stock.
4. Hedging Transactions. Certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts, allow an officer, director or employee to lock in much of the value of his or her stock holdings, often in exchange for all or part of the potential for upside appreciation in the stock. These transactions allow the officer, director or employee to continue to own the covered securities, but without the full risks and rewards of ownership. When that occurs, the officer, director or employee may no longer have the same objectives as the Company's other stockholders. Therefore, such transactions involving the Company's equity securities are prohibited by this Policy Statement.
5. Pledging the Company's Securities to Secure Loans. Pledging the Company's securities as collateral to secure loans is also prohibited.

#### Post-Termination Transactions

The obligations described in this Policy Statement to not trade on material, non-public information and to not disclose such information to any other person continue to apply to transactions in Company securities even after you have terminated employment. If you are in possession of material nonpublic information when your employment terminates, you may not trade in Company securities or disclose such information to any other person until that information has become public or is no longer material.

#### Certification

Company personnel may periodically be required to certify their understanding of and intent to comply with this Policy Statement.

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### Company Assistance

Any person who has any general questions about this Policy Statement or questions about specific transactions should contact the Chief Financial Officer. Remember, however, the ultimate responsibility for adhering to the Policy Statement and avoiding improper transactions rests with you. In this regard, it is imperative that you use your best judgment.

Adopted March 6, 2003; amended July 28, 2004, February 13, 2017 and May 15, 2025

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**DIRECTOR AND EXECUTIVE OFFICER ADDENDUM**

to

**Policy Statement**

on

**Confidential Information and Securities Trading  
by SUNation Energy, Inc. Personnel**

**INTRODUCTION**

In addition to being subject to the provisions of the attached "Policy Statement on Confidential Information and Securities Trading by SUNation Energy, Inc. Personnel," each director and each executive officer (defined below) of SUNation Energy, Inc. ("SUNE" or the "Company") is subject to Section 16 of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the "Exchange Act"). Also, Section 13 of the Exchange Act applies to any director or executive officer who owns more than 5% of the outstanding stock of SUNE. Given the greater scrutiny of directors and executive officers under federal securities laws, as well as the specific provisions of Sections 16 and 13 of the Exchange Act, the Company has adopted certain additional policies with respect to transactions in SUNE stock by directors and executive officers (who are sometimes referred to hereafter individually as an "insider" and collectively as "insiders"). For the purposes of this Addendum to the Company's Policy Statement, the "Compliance Officer" will be the Company's Chief Financial Officer, subject to the Company's designating another or additional Compliance Officer from time to time.

**SECTION 16 LIABILITY AND REPORTING**

**Liability.** Section 16 applies to directors, as well as to officers and key employees designated by the Company (each an "executive officer"), as well as to holders of more than 10% of the Company's issued and outstanding stock. In general, Section 16(b) provides that any profit realized on a purchase and a sale, or a sale and a purchase, of Company stock by a director or an executive officer within a six-month period is recoverable by the Company. For this purpose, it does not matter whether the purchase or the sale occurs first. It is not necessary for the same number of shares to be involved in each of the matched transactions. Losses cannot be offset against gains. Transactions are paired so as to match the lowest purchase price and the highest sale price within a six-month period, resulting in the maximum amount of profit. Good faith on the part of the insider is no defense. If the Company itself does not press a claim, a claim for recovery of the profit may be asserted by any shareholder for the benefit of the Company.

There are many types of transactions which constitute a "purchase" or a "sale" for Section 16 purposes in addition to normal open market transactions. The receipt of an option, warrant or other right to acquire common stock (a "derivative security") is generally a purchase. Many unusual corporate reorganizations may be "purchases" or "sales." "Beneficial" ownership for Section 16 purposes may include indirect ownership, for example, through trusts or estates. In some circumstances, stock held by close relatives of a person may be considered to be owned beneficially by such person, and a purchase (or sale) by one individual may be matched with a sale (or purchase) by his close relative to produce a recoverable profit. The provisions also apply to stock registered in a street name.

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**Reports.** As part of the profit recapture provisions of Section 16(b), Section 16(a) requires reporting beneficial ownership. *All changes in an insider's beneficial ownership of Company stock is reportable*, not only transactions which are purchases or sales. Reports may be due even though the reported change in beneficial ownership is not a transaction of a type which can be matched for Section 16(b) purposes.

While the Company will assist each insider to fulfill these responsibilities, each insider is responsible to file his or her own individual report on Form 4 with the SEC if there is a change in his or her beneficial ownership of SUNE securities as a result of:

- § Any purchases and sales, with very limited exceptions.
- § Grants, awards and other acquisitions from the issuer. This will include stock option grants, restricted stock grants and acquisitions of stock under non-tax qualified deferred compensation plans.
- § Dispositions to the issuer. This category will include shares delivered to the issuer to pay an option exercise price or tax withholding amounts, and sales of shares to the company.

**The Form 4 is due and must be received by the SEC within two business days of the date of the transaction.** The deadline is calculated by counting as "day one" the business day immediately following the transaction date (that is the trade date, not the settlement date). Thus, a Form 4 for a transaction on Monday is due Wednesday. All Section 16 reports must be filed electronically and posted on the SEC and the issuer's website. The Company encourages insiders to make these filings electronically as soon as possible for greater transparency and to avoid untimely filings.

Two additional types of transactions are reported on Form 4, but the two business day deadline is calculated differently because the insider does not have discretion over the date of execution of the transaction. The first exception relates to transactions pursuant to a Rule 10b5-1 Plan that allows the insider to purchase or sell shares based upon a pre-determined formula or criteria that does not permit the insider to exercise control over the date of the transaction. In this case, the Form 4 is due two days following the "deemed" execution date of the transaction, which is either (1) the date on which the insider is notified by the executing broker that the transaction has been executed or (2) if the broker does not notify the insider of the transaction within three days of the actual execution date, then the deemed execution date will be the third business day following the actual execution date. Thus, the Form 4 would be due in each case no later than five business days after the actual execution date.

The second narrow exception is for "Discretionary Transactions" or transactions made under benefit plans where the timing of the transaction is determined by the plan trustee or administrator. In this case, the transaction information must be received by the insider within three business days and the transaction must be reported on a Form 4 within two business days thereafter.

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Additionally, a Form 5 must be filed each year (within 45 days after the end of the company's fiscal year) by officers, directors and 10% owners to report any exempt transactions and to report failures to file previously due reports. Very few transactions are properly reportable on a Form 5; most transactions must be reported on a Form 4. Gifts, inheritances and very small acquisitions are the most commonly reported Form 5 transactions. A primary purpose of Form 5 is to promote compliance with Section 16 by requiring insiders to report any required Forms 4 which had not been filed during the year.

Approximately two months after the end of the fiscal year officers and directors will be required to provide their companies with a written representation regarding their compliance with the requirements of Section 16 (i.e., there are no unreported transactions). Section 16 reports must be filed electronically and posted on the SEC's and the issuer's website. The Company encourages insiders to make these filings electronically as soon as possible for greater transparency and to avoid untimely filings, and Company representatives are available to assist officers and directors to fulfill their electronic filing obligations by means of a power of attorney as discussed below.

Power of Attorney. It should be noted that even if an individual is unable to personally sign a Form 4 or 5 (e.g., if you are out of town), the SEC permits the form to be signed by another without a prior or simultaneous filing of a power of attorney as long as a power is sent "as soon as practicable" thereafter. The SEC will not excuse a late filing simply because the individual is unavailable. We have designed a standing power of attorney giving an officer of the Company the authority to sign Forms 4 and 5 on your behalf in order to facilitate timely filings in your absence.

Short Sales. In addition to the foregoing, Section 16(c) prohibits the Company's directors, officers and more-than-10% shareholders from making "short sales" of any equity security of the Company. A "short sale" is a sale of securities which the seller does not own at the time or, if owned, securities that will not be delivered for a period longer than 20 days after the sale.

#### **DIRECTOR AND OFFICER CASHLESS EXERCISES**

The Company will not arrange with brokers to administer cashless exercises on behalf of directors and executive officers of the Company. Directors and executive officers of the Company may use the cashless exercise feature of their equity awards only if (i) the director or officer retains a broker independently of the Company, (ii) the Company's involvement is limited to confirming that it will deliver the stock promptly upon payment of the exercise price and (iii) the director or officer uses a "T+3" cashless exercise arrangement, in which the Company agrees to deliver stock against the payment of the purchase price on the same day the sale of the stock underlying the equity award settles. Under a T+3 cashless exercise, a broker, the issuer, and the issuer's transfer agent work together to make all transactions settle simultaneously. This approach is to avoid any inference that the Company has "extended credit" in the form of a personal loan to the director or executive officer. Questions about cashless exercises should be directed to the Chief Financial Officer.

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## RULE 10b5-1 PLANS

Notwithstanding the limitations set forth in this Policy Statement, directors and executive officers may effect transactions in Company stock pursuant to a plan that complies with the requirements set forth in Rule 10b5-1 adopted under the Exchange Act (a "Trading Plan"), if the Trading Plan has been submitted to and approved by the Company's Compliance Officer.

### 1. Overview

Rule 10b5-1 will protect directors, officers and employees from insider trading liability under Rule 10b5-1 for transactions under a previously established contract, plan or instruction to trade in the Company's stock entered into in good faith and in accordance with the terms of Rule 10b5-1 and all applicable state laws and will be exempt from the trading restrictions set forth in this Policy Statement. The initiation of, and any modification to, any Trading Plan will be deemed to be a transaction in the Company's securities, and such initiation or modification is subject to all limitations and prohibitions relating to transactions in the Company's securities. Each such Trading Plan, and any modification thereof, must be submitted to and pre-approved by the Company's Chief Financial Officer, or such other person as the Board of Directors may designate from time to time (the "Authorizing Officer"), who may impose such conditions on the implementation and operation of the Trading Plan as the Authorizing Officer deems necessary or advisable. However, compliance of the Trading Plan to the terms of Rule 10b5-1 and the execution of transactions pursuant to the Trading Plan are the sole responsibility of the person initiating the Trading Plan, not the Company or the Authorizing Officer.

Rule 10b5-1 presents an opportunity for insiders to establish arrangements to sell (or purchase) Company stock without the restrictions of trading windows and black-out periods, even when there is undisclosed material information. A Trading Plan may also help reduce negative publicity that may result when key executives sell the Company's stock. Rule 10b5-1 only provides an "affirmative defense" in the event there is an insider trading lawsuit. It does not prevent someone from bringing a lawsuit.

A director, officer or employee may enter into a Trading Plan only when he or she is not in possession of material, non-public information, and only during a trading window period outside of the trading black-out period.

The Company reserves the right from time to time to suspend, discontinue or otherwise prohibit any transaction in the Company's securities, even pursuant to a previously approved Trading Plan, if the Authorizing Officer or the Board of Directors, in its discretion, determines that such suspension, discontinuation or other prohibition is in the best interests of the Company. Any Trading Plan submitted for approval hereunder should explicitly acknowledge the Company's right to prohibit transactions in the Company's securities. Failure to discontinue purchases and sales as directed shall constitute a violation of the terms of this Section and result in a loss of the exemption set forth herein.

Officers, directors and employees may adopt Trading Plans with brokers that outline a pre-set plan for trading of the Company's stock, including the exercise of options. Trades pursuant to a Trading Plan generally may occur at any time. However, the Company requires a cooling-off period of 30 days between the establishment of a Trading Plan and commencement of any transactions under such plan. An individual may adopt more than one Trading Plan. Please review the following description of how a Trading Plan works.

Pursuant to Rule 10b5-1, an individual's purchase or sale of securities will not be "on the basis of" material, non-public information if:

- First, before becoming aware of the information, the individual enters into a binding contract to purchase or sell the securities, provides instructions to another person to sell the securities or adopts a written plan for trading the securities (i.e., the Trading Plan).
- Second, the Trading Plan must either:
  - specify the amount of securities to be purchased or sold, the price at which the securities are to be purchased or sold and the date on which the securities are to be purchased or sold;
  - include a written formula or computer program for determining the amount, price and date of the transactions; or
  - prohibit the individual from exercising any subsequent influence over the purchase or sale of the Company's stock under the Trading Plan in question.
- Third, the purchase or sale must occur pursuant to the Trading Plan and the individual must not enter into a corresponding hedging transaction or alter or deviate from the Trading Plan.

### 2. Revocation of and Amendments to Trading Plans

Revocation of Trading Plans should occur only in unusual circumstances. Effectiveness of any revocation or amendment of a Trading Plan will be subject to the prior review and approval of the Authorizing Officer. Once a Trading Plan has been revoked, the participant should wait at least 30 days before trading outside of a Trading Plan and 180 days before establishing a new Trading Plan. You should note that revocation of a Trading Plan can result in the loss of an affirmative defense for past or future transactions under a Trading Plan. You should consult with your own legal counsel before deciding to revoke a Trading Plan. In any event, you should not assume that compliance with the 180-day bar will protect you from possible adverse legal consequences of a Trading Plan revocation.

A person acting in good faith may amend a prior Trading Plan so long as such amendments are made outside of a quarterly trading black-out period and at a time when the Trading Plan participant does not possess material, non-public information. Plan amendments must not take effect for at least 30 days after the plan amendments are made.

Under certain circumstances, a Trading Plan *must* be revoked. This may include circumstances such as the announcement of a merger or the occurrence of an event that would cause the transaction either to violate the law or to have an adverse effect on the Company. The Authorizing Officer or administrator of the Company's stock plans is authorized to notify the broker in such circumstances, thereby insulating the insider in the event of revocation.

### 3. Discretionary Plans

Although non-discretionary Trading Plans are preferred, discretionary Trading Plans, where the discretion or control over trading is transferred to a broker, are permitted if pre-approved by the Authorizing Officer.

The Authorizing Officer must pre-approve any Trading Plan, arrangement or trading instructions, etc., involving potential sales or purchases of the Company's stock or option exercises, including but not limited to, blind trusts, discretionary accounts with banks or brokers, or limit orders. The actual transactions effected pursuant to a pre-approved Trading Plan will not be subject to further pre-clearance for transactions in the Company's stock once the Trading Plan or other arrangement has been pre-approved.

### 4. Reporting (if Required)

If required, an SEC Form 144 will be filled out and filed by the individual/brokerage firm in accordance with the existing rules regarding Form 144 filings. A footnote at the bottom of the Form 144 should indicate that the trades "are in accordance with a Trading Plan that complies with Rule 10b5-1 and expires \_\_\_\_\_."

### 5. Options

Exercises of options for cash may be executed at any time. "Cashless exercise" option exercises are subject to trading windows. However, the Company will permit same day sales under Trading Plans. If a broker is required to execute a cashless exercise in accordance with a Trading Plan, then the Company must have exercise forms attached to the Trading Plan that are signed, undated and with the number of shares to be exercised left blank. Once a broker determines that the time is right to exercise the option and dispose of the shares in accordance with the Trading Plan, the broker will notify the Company in writing and the administrator of the Company's stock plans will fill in the number of shares and the date of exercise on the previously signed exercise form. The insider should not be involved with this part of the exercise.

### 6. Trades Outside of a Trading Plan

During an open trading window, trades differing from Trading Plan instructions that are already in place are allowed as long as the Trading Plan continues to be followed.

### 7. Public Announcements

The Company may make a public announcement that Trading Plans are being implemented in accordance with Rule 10b5-1. It will consider in each case whether a public announcement of a particular Trading Plan should be made. It may also make public announcements or respond to inquiries from the media as transactions are made under a Trading Plan.

### 8. Prohibited Transactions

The transactions prohibited under this Policy Statement, including among others short sales and hedging transactions, may not be carried out through a Trading Plan or other arrangement or trading instruction involving potential sales or purchases of the Company's securities.

### 9. Limitation on Liability

None of the Company, the Authorizing Officer or the Company's other employees will have any liability for any delay in reviewing, or refusal of, a Trading Plan submitted pursuant to this Section. Notwithstanding any review of a Trading Plan pursuant to this Section, none of the Company, the Authorizing Officer or the Company's other employees assumes any liability for the legality or consequences relating to such Trading Plan to the person adopting such Trading Plan.

## RULE 144

Rule 144 provides a safe harbor exemption to the registration requirements of the Securities Act of 1933, as amended, for certain resales of "restricted securities" and "control securities." "Restricted securities" are securities acquired from an issuer, or an affiliate of an issuer, in a transaction or chain of transactions not involving a public offering. "Control securities" are *any* securities owned by directors, executive officers or other "affiliates" of the issuer, including stock purchased in the open market and stock received upon exercise of stock options. Sales of Company securities by affiliates (generally, directors, officers and 10% stockholders of the Company) must comply with the requirements of Rule 144, which are summarized below:

· **Current Public Information.** The Company must have filed all SEC-required reports during the last 12 months.

· **Volume Limitations.** Total sales of Company common stock by a covered individual for any three-month period may not exceed the *greater* of: (i) 1% of the total number of outstanding shares of Company common stock, as reflected in the most recent report or statement published by the Company, or (ii) the average weekly reported volume of such shares traded during the four calendar weeks preceding the filing of the requisite Form 144.

· **Method of Sale.** The shares must be sold either in a “broker’s transaction” or in a transaction directly with a “market maker.” A “broker’s transaction” is one in which the broker does no more than execute the sale order and receive the usual and customary commission. Neither the broker nor the selling person can solicit or arrange for the sale order. In addition, the selling person or Board member must not pay any fee or commission other than to the broker. A “market maker” includes a specialist permitted to act as a dealer, a dealer acting in the position of a block positioner, and a dealer who holds himself out as being willing to buy and sell Company common stock for his own account on a regular and continuous basis.

· **Notice of Proposed Sale.** A notice of the sale (a Form 144) must be filed with the SEC at the time of the sale. Brokers generally have internal procedures for executing sales under Rule 144 and will assist you in completing the Form 144 and in complying with the other requirements of Rule 144.

If you are subject to Rule 144, you must instruct your broker who handles trades in Company securities to follow the brokerage firm’s Rule 144 compliance procedures in connection with all trades.

#### COMPANY ASSISTANCE

Any person who has a question about this memorandum or its application to any proposed transaction may obtain additional guidance from the Compliance Officer.

#### POWER OF ATTORNEY

In order to enable the Company to prepare and file the Forms 4 on a timely basis, it is imperative that you provide a signed power of attorney that is prepared by or acceptable to the Compliance Officer.

#### SECTION 13

Directors and officers of the Company who are all greater-than-5% beneficial owners of the Company’s stock are required to file initial reports under Section 13 of the Exchange Act on a Schedule 13D or Schedule 13G. Amendments to Schedule 13D are required if any material changes in beneficial ownership occur. Moreover, an amendment to each Schedule 13G is due on February 14 of each year if there has been a change in information during the year that has not already been reported. No filing is required where a change in the percentage of shares owned by a reporting person is caused solely by a change in the number of outstanding shares.

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**ANNUAL CERTIFICATION**

Directors and executive officers may be required, on an annual basis, to certify compliance with the attached Policy Statement on Confidential Information and Securities Trading by SUNE Personnel and with the additional provisions of this Director and Executive Officer Addendum.

**DO NOT FORGET: ALL TRANSACTIONS IN SUNATION ENERGY, INC.  
STOCK BY DIRECTORS AND EXECUTIVE OFFICERS MUST BE PRE-CLEARED  
BY CONTACTING THE COMPLIANCE OFFICER OF THE COMPANY**

Adopted March 6, 2003; Amended July 28, 2004, February 13, 2017 and May 15, 2025.

**RE:** Certification of the Company's Policy Statement on Confidential Information and Securities Trading by SUNation Energy, Inc. Directors and Executive Officers

Dear SUNation Energy, Inc. Directors and Executive Officers:

Enclosed is a copy of the Company's Policy Statement dated May 2025, covering confidential information and securities trading by SUNE personnel. As you will see from the Policy Statement, the consequences of an insider trading violation can be devastating to both the individual involved and SUNE.

Please take a few minutes right now to read the enclosed Policy Statement and Directors and Executive Officers Addendum then sign and return the attached copy of this letter to me.

Sincerely,

**CERTIFICATION**

The undersigned hereby certifies that he/she has read and understands, and agrees to comply with, the Company's Policy Statement on Confidential Information and Securities Trading By SUNation Energy, Inc. Directors and Executive Officers Addendum thereto, a copy of each of which was distributed with this letter.

Date:

Signature

Name (please print)

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**RE:** Certification of the Company's Policy Statement on Confidential Information and Securities Trading by SUNation Energy, Inc. Personnel

Dear SUNation Energy, Inc. Personnel:

Enclosed is a copy of the Company's Policy Statement dated May 2025, covering confidential information and securities trading by SUNE personnel. As you will see from the Policy Statement, the consequences of an insider trading violation can be devastating to both the individual involved and SUNE.

Please take a few minutes right now to read the enclosed Policy Statement and then sign and return the attached copy of this letter to me.

Sincerely,

**CERTIFICATION**

The undersigned hereby certifies that he/she has read and understands, and agrees to comply with, the Company's Policy Statement on Confidential Information and Securities Trading By SUNation Energy, Inc. Personnel, a copy of which was distributed with this letter.

Date:

Signature

Name (please print)

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CERTIFICATION

I, Scott Maskin certify that:

1. I have reviewed this quarterly report on Form 10-Q of SUNation Energy, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2026

/s/ Scott Maskin  
Scott Maskin  
Chief Executive Officer

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CERTIFICATION

I, Kristin A. Hlavka, certify that:

1. I have reviewed this quarterly report on Form 10-Q of SUNation Energy, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2026

/s/ Kristin A. Hlavka  
Kristin A. Hlavka  
Chief Accounting Officer

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CERTIFICATION

The undersigned certify pursuant to 18 U.S.C. § 1350, that:

- (1) The accompanying Quarterly Report on Form 10-Q of SUNation Energy, Inc. (the “Company”) for the period ended March 31, 2026 (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the accompanying Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 15, 2026

/s/ Scott Maskin  
Scott Maskin  
Chief Executive Officer

Date: May 15, 2026

/s/ Kristin A. Hlavka  
Kristin A. Hlavka  
Chief Accounting Officer

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