



# Pioneer Power Solutions, Inc.

## Nasdaq: PPSI

Investor Presentation

May 2022



# Forward-Looking Statements



This presentation may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Such statements may be preceded by the words “intends,” “may,” “will,” “plans,” “expects,” “anticipates,” “projects,” “predicts,” “estimates,” “aims,” “believes,” “hopes,” “potential” or similar words. Forward-looking statements are based on the beliefs of management as well as certain assumptions made by and information currently available to management, are not guarantees of future performance and are subject to various known and unknown risks and uncertainties, many of which are beyond the Company’s control, and cannot be predicted or quantified and consequently, actual results may differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, without limitation, risks and uncertainties associated with (i) the Company’s ability to successfully increase its revenue and profit in the future, (ii) general economic conditions and their effect on demand for electrical equipment, (iii) the effects of fluctuations in the Company’s operating results, (iv) the fact that many of the Company’s competitors are better established and have significantly greater resources than the Company, (v) the Company’s dependence on two customers for a large portion of its business, (vi) the potential loss or departure of key personnel, (vii) unanticipated increases in raw material prices or disruptions in supply, (viii) the Company’s ability to realize revenue reported in the Company’s backlog, (ix) future labor disputes, (x) changes in government regulations, (xi) the fact that the Company’s chairman may develop interests that diverge from yours, (xii) the liquidity and trading volume of the Company’s common stock and (xiii) an outbreak of disease, epidemic or pandemic, such as the global coronavirus pandemic, or fear of such an event. Given these risks, uncertainties and factors, you are cautioned not to place undue reliance on such forward-looking statements, which are qualified in their entirety by this cautionary statement. More detailed information about the Company and the risk factors that may affect the realization of forward-looking statements is set forth in the Company’s filings with the Securities and Exchange Commission, including the Company’s Annual and Quarterly Reports on Form 10-K and Form 10-Q. Investors and security holders are urged to read these documents free of charge on the SEC’s web site at [www.sec.gov](http://www.sec.gov). The Company assumes no obligation to publicly update or revise its forward-looking statements as a result of new information, future events or otherwise.

**Pioneer Power is a leader in the design, manufacture, service and integration of electrical power systems, distributed energy resources, and mobile EV charging solutions**



## **New solutions targeting the EV market and need for energy resilience**

- E-BOOST: Mobile, self-contained EV charging
- E-Bloc: “Grid on a Skid”, making distributed energy a reality



## **Diversified, blue-chip customer base**

- Longstanding relationships with EPCs and utilities.
- New solutions targeting entirely new customer base



## **Large, nascent, and rapidly growing markets**

- Global EV sales growing at 24% CAGR<sup>1</sup>
- EV infrastructure growing at 32% CAGR<sup>2</sup>
- 100,000 EV chargers in the US; 120 Million will be needed globally by 2030



## **Decades of industry experience**

70-year old company



## **Strong Balance Sheet**

- \$11.7M of cash and restricted cash at 12/31/2021
- \$18.6M of working capital at 12/31/2021
- \$6.2M<sup>3</sup> of notes due to Pioneer by 12/31/2022
- No debt



## **Focused on GROWTH**

Divested most non-core, non-EV assets to focus on secular growth opportunities (EV and distributed generation)

# Pioneer Power: At-a-Glance

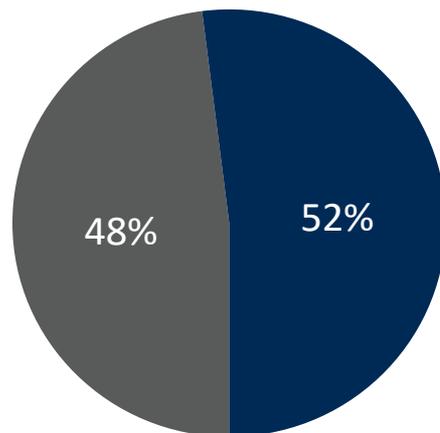
*A diversified manufacturer of highly customized electrical equipment focused on the EV charging market*



**Decades of experience and a stable platform from which to build and grow**

## 2021 Revenue

\$18.3 Million



■ Critical Power ■ T&D Solutions

***Sales backlog of \$22.8 million  
at December 31, 2021***

### Critical Power Solutions (Pioneer Power Mobility)

**Focused on mobile EV charging opportunities**

- New suite of E-BOOST solutions enables mobile EV charging anywhere, on or off grid
- Providing 24/7 service to >900 customers operating >3,000 generators

### Transmission & Distribution (T&D) (Power Systems)

**Focused on distributed generation and fixed EV charging**

- New, E-Bloc offering; \$12M order from major mass retailer
- Custom engineered, manufactured-to-order solutions

### *Both Serving the Same End-Users*

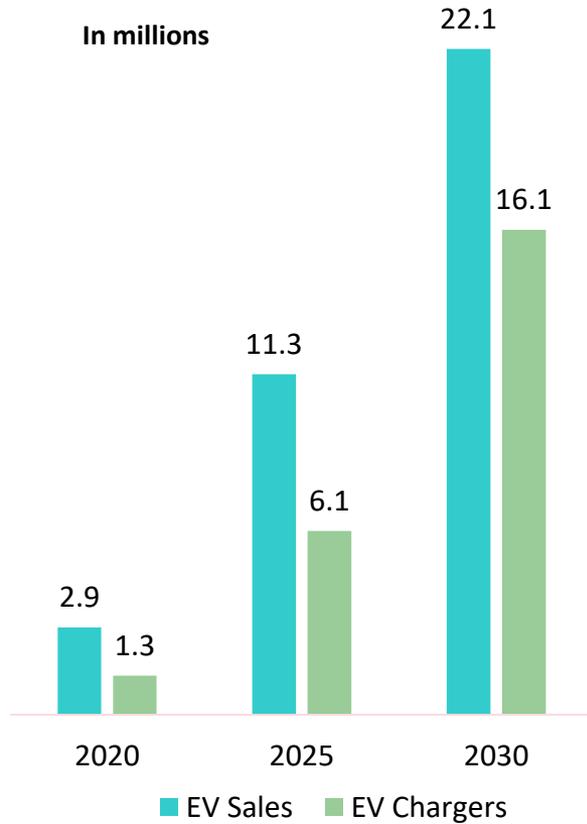
- Retail, hospitals, data centers, communications facilities, manufacturing, military, corporations, concert halls, stadiums, industrials, OEMs, contractors and renewable energy producers

# EV Sales Outpacing Charging Infrastructure

Large and growing opportunity



## EV charging infrastructure not keeping up with EV unit sales



<https://www.iea.org/articles/global-ev-data-explorer>



# EV Market Demand

*Tailwinds intensifying demand for alternative charging solutions*



## Governmental funding for EV

Across the globe, governments spent US\$14B on direct purchase incentives and tax deductions for electric cars in 2020, a 25% increase y/y and more programs are being proposed.

## Increasing interest in ESG

Global interest in decarbonization continues to increase and these non-financial factors are becoming more relevant as an indicator of a company's performance and ethical standing.

## Robust consumer demand

2020 was a record year for EV sales (up 43%), despite economic impact of pandemic and overall decline in new car registrations (down 16%).

## Employee demand

EV charging at office parks is no longer a “perk” but an important requirement for climate-conscious employees.



## THE OPPORTUNITY

- Building EV charging facilities is inefficient
- Must be able to gain scale quickly
- Strong need for modular, standardized and efficient charging solutions

# E-BOOST: Anytime, Anywhere Charging

*EV charging at the edge*



**Devised, developed, and introduced in 2H 2021;  
First two orders in Q1 2022**



- MOBILITY: EV Charging, Wherever & Whenever
- POWER UP: Always available Back-up Power or On-Demand production
- GRID RESILIENCE: on or off grid
- SUSTAINABILITY: Green Fuel Today – Propane, Greener Tomorrow – rLPG
- CONNECTIVITY: Fast, Secure, Frictionless, WiFi connection while charging or On-Demand

# E-BOOST Use Cases

## Sporting Events



## Trade shows



## Emergency



## Concerts



## Grid-locked areas



## Military



## E-BOOST G.O.A.T.



- Complete mobility
- Truck mounted EV charging
- 50 KW – 90 KW DCFC



## E-BOOST Mobile



- Necessary mobility
- Trailer mounted EV charging
- 90 KW – 180 KW



## E-BOOST POD



- As-required mobility
- Pod-enclosed EV charging
- 90 KW – 350 KW



# Rapid Evolution

*Dreamed, defined, developed, and deployed in ~nine months*



First Order  
January 2022



Launched  
November 2021



First Prototype:  
November 2021

- Significant demand
  - Pipeline grew rapidly
  - Ramping quickly to meet demand
  - Early-mover advantage
- 2022 is a year of investment
  - Sales
  - Marketing
  - Leveraging existing manufacturing capacity
- Contribution margin improving throughout year



Concept:  
June 2021

# Energy Sustainability No Longer Optional

*Grid independence is key to business resiliency*



- Grid interruptions represent significant business risks
  - California intermittent brown-outs
  - Prolonged Texas cold-weather grid failure
- Businesses need to control their energy
  - Access
  - Price
  - Source
  - Carbon footprint
- Business seek to integrate various energy sources
  - Grid
  - Solar
  - Wind
  - Battery storage
  - Other (diesel, propane, LNG, propane, wave)
- Microgrids enable business continuity and provide financial benefits
  - Cost-shaving
  - Existing microgrid solutions costly and slow to deploy
- Pioneer has developed a quick, affordable solution:  
**E-Bloc**

## California warned to brace for another summer of energy blackouts

"Guarded optimism is a reasonable way to state it," said the president and CEO of the state's power grid operator.



WINTER STORM 2021

## How Texas' power grid failed in 2021 – and who's responsible for preventing a repeat

In the state's power grid, electricity and natural gas are co-dependent. Here's how the winter storm last year broke the system.

BY MANDI CAI, ERIN DOUGLAS AND MITCHELL FERMAN FEB. 15, 2022 5 AM CENTRAL



# E-Bloc: Our “Grid-on-a-Skid”

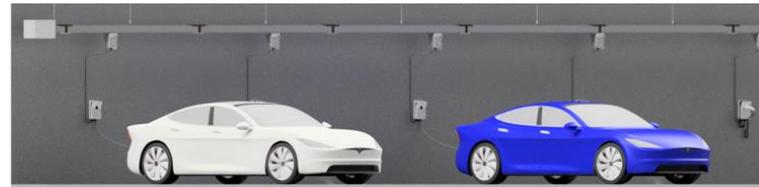
*Leveraging expertise to enable distributed generation and energy resilience*



**Introduced E-Bloc in 2021 to address distributed generation opportunities and rapidly growing demand for EV infrastructure**



- Rapid installation and deployment
  - Minimal construction required
  - Minimal permitting needed
  - Possibly no need to wait for interconnect approval
- Convenient
  - Little disruption to current operations
- Scalable and movable
- Easy to add EV charging options
- Initially focused on commercial applications where scale and ease of installation are at a premium



**Initial \$12 Million Order from Major Retailer**

# Historical Customers

Diversified customer base with strong retention rates

## Utilities



## Industrial



**AIRBUS**

## Commercial & OEM



*Walgreens*

## EPC and Distributors

**Jacobs**

Challenging today.  
Reinventing tomorrow.



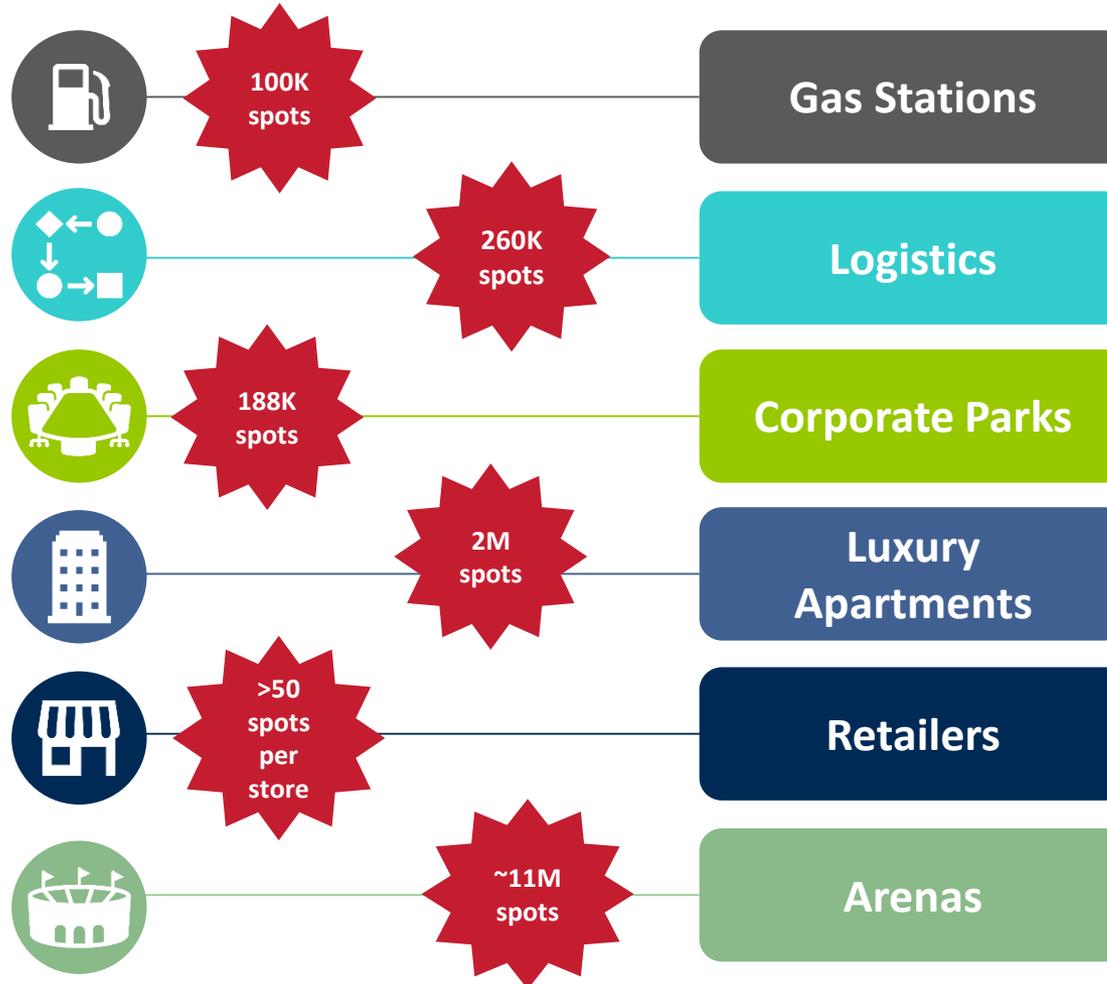
**BLACK & VEATCH**



# New, Future Customers

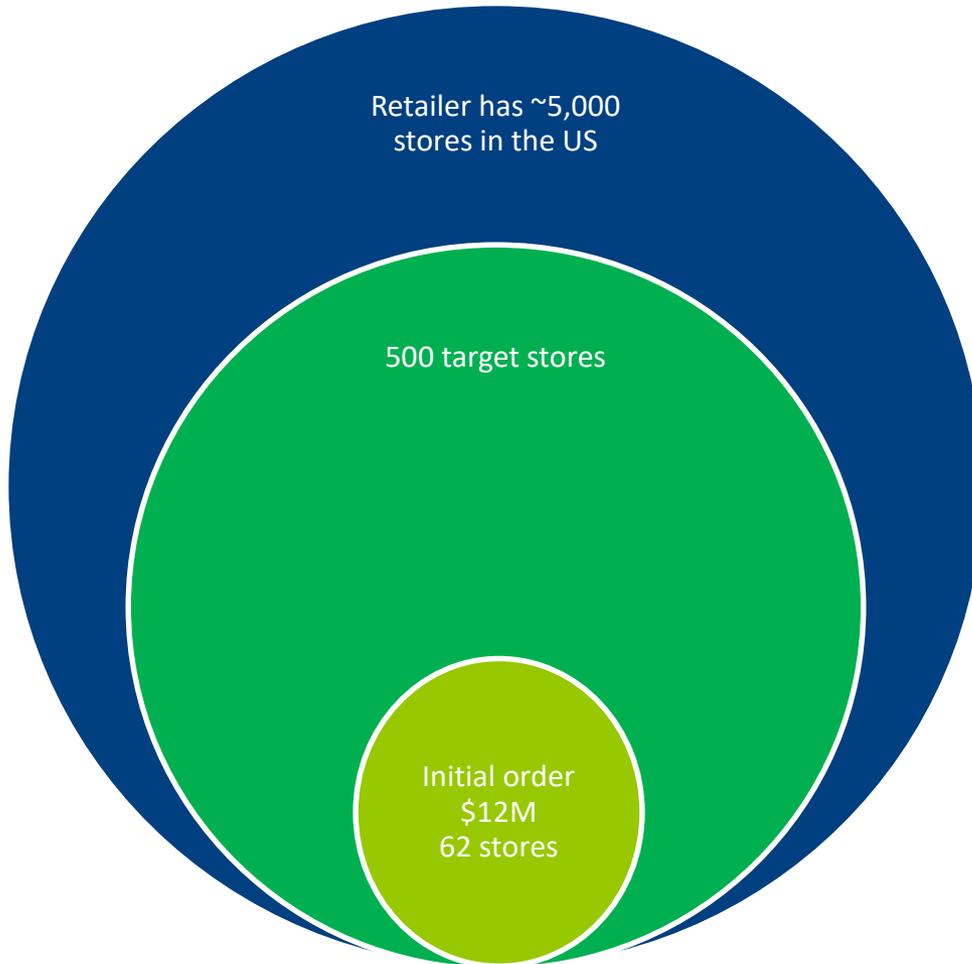
Numerous applications for EV charging exist TODAY

The opportunity is massive with a Total Addressable Market into the BILLIONS \$\$



# \$12M Order

*Significant opportunity with just one retailer*



- One of the world's largest mass merchandisers to fully equip 62 stores with E-Bloc
- Customer ultimately expects to equip approximately 500 of its stores with E-Bloc
- Provides flexibility to combine a wide variety of distributed energy resources in a compact, integrated package
- Full connectivity to install EV charging and power sources while speeding up installation and minimizing disruption to operations



# E-Bloc Benefits

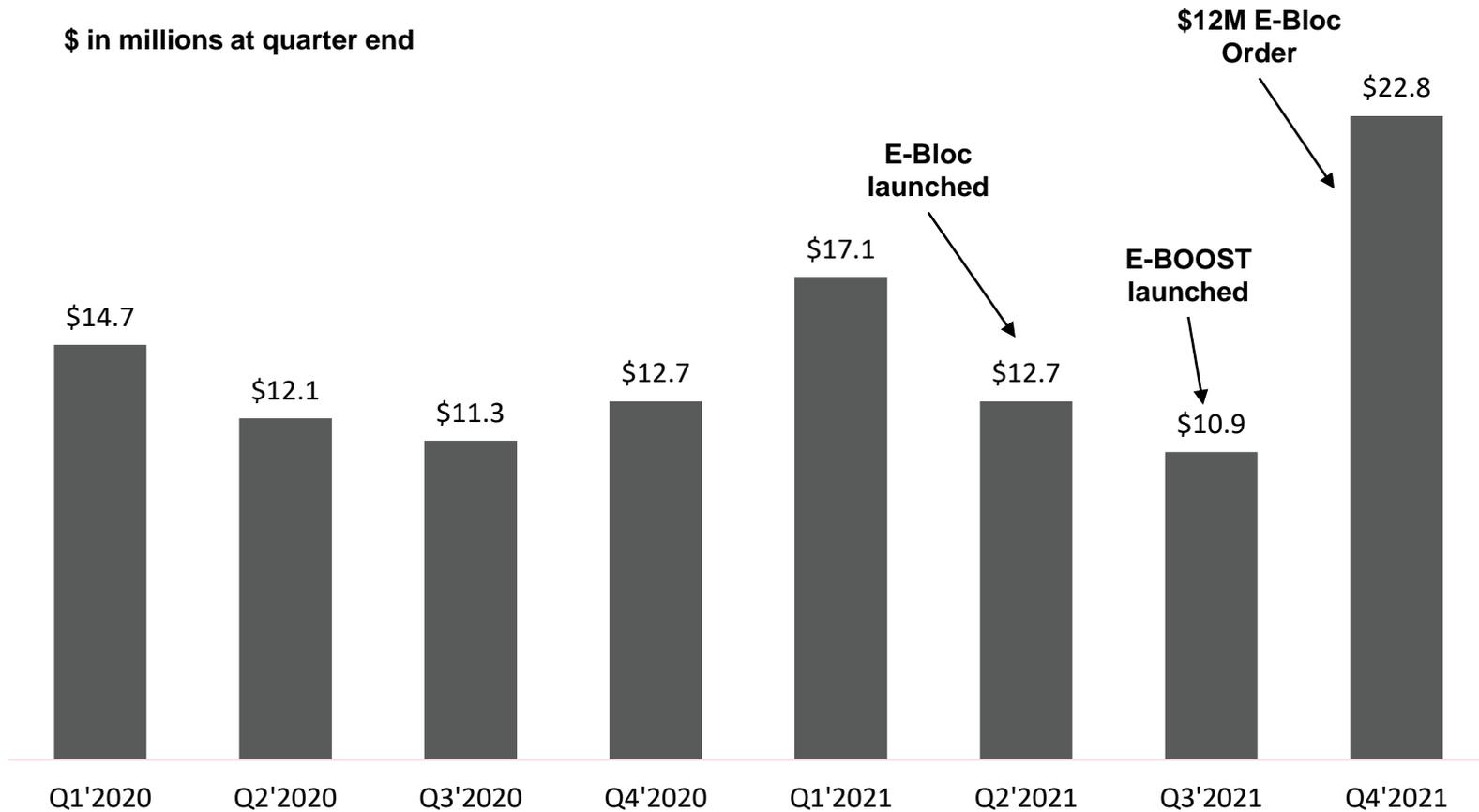


- Adds high-powered EV chargers to a facility without changing the existing electrical system
- Renewable energy (solar & energy storage)
  - Lowers utility bills
  - Utility peak shaving
  - Reduces engine-generator emissions and maintenance
  - Helps businesses become carbon-neutral (net zero)
- Engine-generator(s) provide complete facility back-up power upon loss of utility
- System is customizable for any type of application (including medium voltage)

# Newly Launched Solutions are Adding to Backlog



\$ in millions at quarter end



## Sufficient cash and zero debt

<i>\$ in millions</i>	<b>12/31/2021</b>
Cash & restricted cash	\$11.7
Notes receivable <sup>1</sup>	\$5.8
Total debt	\$0.0

<sup>1</sup> Related to the sale of Pioneer's transformer business units in August, 2019. As part of this transaction, Pioneer received two subordinated promissory notes. The notes accrue interest at a rate of 4.0% per annum, with a final payment of all unpaid principal and interest becoming fully due and payable at December 31, 2022.

<sup>2</sup> Includes unaccrued interest at 12/31/2021

- Solid cash position
  - \$11.7M of cash and restricted cash (approx. \$1.21/share)
  - No debt
- \$6.2M<sup>2</sup> in incremental cash due to Pioneer by year-end
  - Promissory notes tied to sale of the transformer business units in 2019
  - Due 12/31/2022
- Sufficiently capitalized
  - Can execute growth initiatives without additional financing

## Nathan J. Mazurek, Chairman & CEO

- Over 25 years of experience in the electrical equipment and components industry
- Running Pioneer and Pioneer transformer since 1995
- From 1999 through 2017, Mr. Mazurek served as director of Empire Resources, Inc., a distributor of semi-finished aluminum and steel products
- From 2002 through 2007, Mr. Mazurek served as president of Aerovox, Inc., a manufacturer of AC film capacitors

## Walter Michalec, CFO

- Over 10 years of experience in accounting and corporate finance
- Advanced through the Company, adding increased responsibility
- Promoted to CFO in 2020
- Also served as a corporate controller

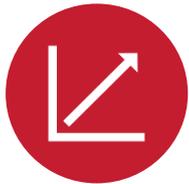
## Geo Murickan, President, Pioneer Power Mobility – E-BOOST

- Over 20 years of energy and technology industry experience
- Veteran leader of PPSI, in acquisitions, assimilation and leading & scaling of several divisions
- Experienced with scaling technology startups in IOT and Machine Learning
- 12 years in ascending leadership roles at GE (NYSE), including Smart Grid

## Vince Visconti, General Manager, E-Bloc and Power Systems

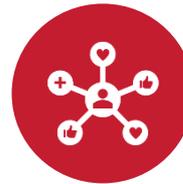
- Over 40 years of electrical and power industry experience
- 8 years of distributed generation and microgrid experience
- 16 years in senior management working for Pioneer
- Other key management roles include Westinghouse, Eaton, ITT and Fuji Electric

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## Corporate Headquarters:

Pioneer Power Solutions, Inc.  
400 Kelby Street, 12<sup>th</sup> Floor  
Fort Lee, NJ 07024  
212.867.0700  
[www.pioneerpowersolutions.com](http://www.pioneerpowersolutions.com)

## Investor Relations:

Brett Maas, Managing Partner  
Hayden IR, LLC  
646.536.7331  
[brett@haydenir.com](mailto:brett@haydenir.com)  
[www.haydenir.com](http://www.haydenir.com)