

PIONEER POWER SOLUTIONS, INC.
Consolidated Balance Sheets
(In thousands, except share amounts)

	<u>March 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
	(Unaudited)	
ASSETS		
Current assets		
Cash	\$ 13,138	\$ 9,924
Restricted cash	505	1,775
Notes receivable and accrued interest	5,886	5,778
Accounts receivable, net	4,145	2,429
Inventories	6,965	4,160
Prepaid expenses and other current assets	1,523	1,069
Total current assets	<u>32,162</u>	<u>25,135</u>
Property and equipment, net	592	516
Right-of-use assets	2,180	2,237
Other assets	49	39
Total assets	<u>\$ 34,983</u>	<u>\$ 27,927</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 7,401	\$ 4,159
Deferred revenue	7,318	2,423
Total current liabilities	<u>14,719</u>	<u>6,582</u>
Other long-term liabilities	1,426	1,793
Total liabilities	<u>16,145</u>	<u>8,375</u>
Commitments		
Stockholders' equity		
Preferred stock, \$0.001 par value, 5,000,000 shares authorized; none issued	-	-
Common stock, \$0.001 par value, 30,000,000 shares authorized; 9,644,545 and 9,640,545 shares issued and outstanding on March 31, 2022 and December 31, 2021, respectively	10	10
Additional paid-in capital	31,914	31,840
Accumulated other comprehensive income	14	14
Accumulated deficit	(13,100)	(12,312)
Total stockholders' equity	<u>18,838</u>	<u>19,552</u>
Total liabilities and stockholders' equity	<u>\$ 34,983</u>	<u>\$ 27,927</u>

PIONEER POWER SOLUTIONS, INC.
Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Three Months Ended	
	March 31,	
	2022	2021
Revenues	\$ 6,036	\$ 3,502
Cost of goods sold	5,161	3,343
Gross profit	875	159
Operating expenses		
Selling, general and administrative	1,746	1,265
Total operating expenses	1,746	1,265
Loss from continuing operations	(871)	(1,106)
Interest income	(101)	(93)
Other expense (income)	11	(1,343)
(Loss) income before taxes	(781)	330
Income tax expense (benefit)	7	(21)
Net (loss) income	<u>\$ (788)</u>	<u>\$ 351</u>
(Loss) income per share:		
Basic	\$ (0.08)	\$ 0.04
Diluted	\$ (0.08)	\$ 0.04
Weighted average common shares outstanding:		
Basic	9,641	8,726
Diluted	9,641	8,789

PIONEER POWER SOLUTIONS, INC.
Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Three Months Ended	
	March 31,	
	2022	2021
Operating activities		
Net (loss) income	\$ (788)	\$ 351
Depreciation	36	37
Amortization of right-of-use finance leases	51	107
Amortization of imputed interest	(107)	(107)
Interest expense from PPP Loan	-	4
Gain on forgiveness of PPP Loan	-	(1,417)
Amortization of right-of-use operating leases	163	130
Change in receivable reserves	28	34
Proceeds from insurance receivable	-	95
Stock-based compensation	57	33
Changes in current operating assets and liabilities:		
Accounts receivable	(1,743)	(1,480)
Inventories	(2,805)	(780)
Prepaid expenses and other assets	(478)	(94)
Income taxes	19	(10)
Accounts payable and accrued liabilities	2,920	421
Deferred revenue	4,895	1,849
Principal repayments of operating leases	(161)	(114)
Net cash provided by / (used in) operating activities	<u>2,087</u>	<u>(941)</u>
Investing activities		
Additions to property and equipment	(112)	-
Net cash used in investing activities	<u>(112)</u>	<u>-</u>
Financing activities		
Net proceeds from the exercise of options for common stock	17	-
Principal repayments of financing leases	(48)	(118)
Net cash used in financing activities	<u>(31)</u>	<u>(118)</u>
Increase / (decrease) in cash and restricted cash	1,944	(1,059)
Cash, and restricted cash, beginning of year	11,699	7,567
Cash, and restricted cash, end of period	<u>\$ 13,643</u>	<u>\$ 6,508</u>
Non-cash investing and financing activities:		
Acquisition of right-of-use assets and lease liabilities	156	-