

## PIONEER POWER SOLUTIONS, INC.

### Consolidated Statements of Operations

(In thousands, except per share data)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues	\$ 6,251	\$ 5,685	\$ 17,476	\$ 14,813
Cost of goods sold	5,390	4,972	15,629	13,445
Gross profit	861	713	1,847	1,368
Operating expenses				
Selling, general and administrative	2,305	1,231	6,636	3,738
Total operating expenses	2,305	1,231	6,636	3,738
Loss from operations	(1,444)	(518)	(4,789)	(2,370)
Interest income	(116)	(99)	(322)	(288)
Other (income) expense, net	(17)	13	112	(1,294)
Loss before taxes	(1,311)	(432)	(4,579)	(788)
Income tax expense (benefit)	-	2	7	(19)
Net loss	\$ (1,311)	\$ (434)	\$ (4,586)	\$ (769)
Loss per share:				
Basic	\$ (0.13)	\$ (0.05)	\$ (0.47)	\$ (0.09)
Diluted	\$ (0.13)	\$ (0.05)	\$ (0.47)	\$ (0.09)
Weighted average common shares outstanding:				
Basic	9,770	8,726	9,713	8,726
Diluted	9,770	8,726	9,713	8,726

# PIONEER POWER SOLUTIONS, INC.

## Consolidated Balance Sheets

(In thousands)

	September 30, 2022 (Unaudited)	December 31, 2021
<b>ASSETS</b>		
Current assets		
Cash	\$ 7,210	\$ 9,924
Restricted cash	-	1,775
Notes receivable and accrued interest	6,100	5,778
Accounts receivable, net	3,822	2,429
Inventories	8,479	4,160
Prepaid expenses and other current assets	840	1,069
Total current assets	26,451	25,135
Property and equipment, net	794	516
Right-of-use assets	2,116	2,237
Other assets	84	39
Total assets	\$ 29,445	\$ 27,927
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 5,678	\$ 4,159
Deferred revenue	6,621	2,423
Total current liabilities	12,299	6,582
Other long-term liabilities	1,304	1,793
Total liabilities	13,603	8,375
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 September 30, 2022 and December 31, 2021, respectively	10	10
Additional paid-in capital	32,716	31,840
Accumulated other comprehensive income	14	14
Accumulated deficit	(16,898)	(12,312)
Total stockholders' equity	15,842	19,552
Total liabilities and stockholders' equity	\$ 29,445	\$ 27,927

# PIONEER POWER SOLUTIONS, INC.

## Consolidated Statements of Cash Flows

(In thousands)

(Unaudited)

	Nine Months Ended	
	September 30,	
	2022	2021
<b>Operating activities</b>		
Net loss	\$ (4,586)	\$ (769)
Depreciation	113	110
Amortization of right-of-use finance leases	177	219
Amortization of imputed interest	(321)	(321)
Interest expense from PPP Loan	-	4
Gain on forgiveness of PPP Loan	-	(1,417)
Amortization of right-of-use operating leases	495	421
Change in receivable reserves	(140)	68
Proceeds from insurance receivable	-	95
Stock-based compensation	859	129
Changes in current operating assets and liabilities:		
Accounts receivable	(1,253)	(758)
Inventories	(4,319)	(1,097)
Prepaid expenses and other assets	167	247
Income taxes	24	401
Accounts payable and accrued liabilities	1,141	541
Deferred revenue	4,198	1,549
Principal repayments of operating leases	(491)	(413)
Net cash used in operating activities	(3,936)	(991)
<b>Investing activities</b>		
Additions to property and equipment	(391)	(156)
Net cash used in investing activities	(391)	(156)
<b>Financing activities</b>		
Net proceeds from the exercise of options for common stock	17	-
Dividend paid to shareholders	-	(1,047)
Principal repayments of financing leases	(179)	(226)
Net cash used in financing activities	(162)	(1,273)
Decrease in cash and restricted cash	(4,489)	(2,420)
Cash, and restricted cash, beginning of year	11,699	7,567
Cash, and restricted cash, end of period	\$ 7,210	\$ 5,147
<b>Non-cash investing and financing activities:</b>		
Acquisition of right-of-use assets and lease liabilities	551	1,418