

PIONEER POWER SOLUTIONS, INC.

Consolidated Statements of Operations

(In thousands, except per share data)

(Unaudited)

	Three Months Ended	
	March 31,	
	2023	2022 (Revised)
Revenues	\$ 8,507	\$ 6,362
Cost of goods sold	6,294	5,439
Gross profit	2,213	923
Operating expenses		
Selling, general and administrative	2,158	1,746
Total operating expenses	2,158	1,746
Income (loss) from operations	55	(823)
Interest income	(54)	(101)
Other (income) expense, net	(13)	11
Income (loss) before taxes	122	(733)
Income tax expense	-	7
Net income (loss)	\$ 122	\$ (740)
Income (loss) per share:		
Basic	\$ 0.01	\$ (0.08)
Diluted	\$ 0.01	\$ (0.08)
Weighted average common shares outstanding:		
Basic	9,769,545	9,640,545
Diluted	9,769,565	9,640,545

PIONEER POWER SOLUTIONS, INC.

Consolidated Balance Sheets

(In thousands, except per share amounts)

	March 31, 2023 (Unaudited)	December 31, 2022
ASSETS		
Current assets		
Cash	\$ 11,556	\$ 10,296
Accounts receivable, net	7,863	11,139
Inventories	9,589	8,748
Prepaid expenses and other current assets	2,900	2,853
Total current assets	31,908	33,036
Property and equipment, net	1,863	1,800
Operating lease right-of-use assets	1,281	1,450
Financing lease right-of-use assets	655	727
Other assets	150	162
Total assets	\$ 35,857	\$ 37,175
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 6,485	\$ 7,239
Current portion of operating lease liabilities	718	703
Current portion of financing lease liabilities	316	355
Deferred revenue	10,095	10,665
Total current liabilities	17,614	18,962
Operating lease liabilities, non-current portion	612	797
Financing lease liabilities, non-current portion	386	418
Other long-term liabilities	61	65
Total liabilities	18,673	20,242
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; 9,769,545 and 9,644,545 shares issued and outstanding on March 31, 2023 and December 31, 2022, respectively	10	10
Additional paid-in capital	33,002	32,859
Accumulated other comprehensive income	-	14
Accumulated deficit	(15,828)	(15,950)
Total stockholders' equity	17,184	16,933
Total liabilities and stockholders' equity	\$ 35,857	\$ 37,175

PIONEER POWER SOLUTIONS, INC.

Consolidated Statements of Cash Flows

(In thousands)

(Unaudited)

	Three Months Ended	
	March 31,	
	2023	2022 (Revised)
Operating activities		
Net income (loss)	\$ 122	\$ (740)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	130	36
Amortization of right-of-use financing leases	73	51
Amortization of imputed interest	-	(107)
Amortization of right-of-use operating leases	169	163
Change in receivable reserves	13	28
Stock-based compensation	143	57
Other	(14)	-
Changes in current operating assets and liabilities:		
Accounts receivable	3,275	(1,743)
Inventories	(841)	(2,527)
Prepaid expenses and other assets	(57)	(478)
Income taxes	2	19
Accounts payable and accrued liabilities	(750)	2,920
Deferred revenue	(570)	4,569
Operating lease liabilities	(170)	(161)
Net cash provided by operating activities	1,525	2,087
Investing activities		
Purchases of property and equipment	(194)	(112)
Net cash used in investing activities	(194)	(112)
Financing activities		
Net proceeds from the exercise of options for common stock	-	17
Principal repayments of financing leases	(71)	(48)
Net cash used in financing activities	(71)	(31)
Increase in cash	1,260	1,944
Cash, beginning of period	10,296	11,699
Cash, end of period	\$ 11,556	\$ 13,643
Non-cash investing and financing activities:		
Acquisition of right-of-use assets and lease liabilities	-	156