

# PIONEER POWER SOLUTIONS, INC.

## Consolidated Statements of Operations

(In thousands, except per share data)

(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2023	2022 (Revised)	2023	2022 (Revised)
Revenues	\$ 12,130	\$ 4,863	\$ 20,638	\$ 11,225
Cost of goods sold	9,419	4,800	15,714	10,239
Gross profit	2,711	63	4,924	986
Operating expenses				
Selling, general and administrative	3,089	2,585	5,246	4,331
Total operating expenses	3,089	2,585	5,246	4,331
Loss from operations	(378)	(2,522)	(322)	(3,345)
Interest income	(79)	(104)	(132)	(206)
Other expense, net	20	117	7	129
Loss before income taxes	(319)	(2,535)	(197)	(3,268)
Income tax expense	-	-	-	7
Net loss	\$ (319)	\$ (2,535)	\$ (197)	\$ (3,275)
Loss per share:				
Basic	\$ (0.03)	\$ (0.26)	\$ (0.02)	\$ (0.34)
Diluted	\$ (0.03)	\$ (0.26)	\$ (0.02)	\$ (0.34)
Weighted average common shares outstanding:				
Basic	9,908,434	9,727,878	9,838,989	9,684,610
Diluted	9,908,434	9,727,878	9,838,989	9,684,610

# PIONEER POWER SOLUTIONS, INC.

## Consolidated Balance Sheets

(In thousands)

	June 30, 2023 (Unaudited)	December 31, 2022
<b>ASSETS</b>		
Current assets		
Cash	\$ 9,624	\$ 10,296
Accounts receivable, net	5,835	11,139
Inventories	8,457	8,748
Prepaid expenses and other current assets	2,625	2,853
Total current assets	26,541	33,036
Property and equipment, net	2,383	1,800
Operating lease right-of-use assets	1,110	1,450
Financing lease right-of-use assets	523	727
Other assets	138	162
Total assets	\$ 30,695	\$ 37,175
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 6,791	\$ 7,239
Current portion of operating lease liabilities	733	703
Current portion of financing lease liabilities	192	355
Deferred revenue	4,462	10,665
Total current liabilities	12,178	18,962
Operating lease liabilities, non-current portion	423	797
Financing lease liabilities, non-current portion	353	418
Other long-term liabilities	57	65
Total liabilities	13,011	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; 9,994,545 and 9,644,545 shares issued and outstanding on June 30, 2023 and December 31, 2022, respectively	10	10
Additional paid-in capital	33,821	32,859
Accumulated other comprehensive income	-	14
Accumulated deficit	(16,147)	(15,950)
Total stockholders' equity	17,684	16,933
Total liabilities and stockholders' equity	\$ 30,695	\$ 37,175

# PIONEER POWER SOLUTIONS, INC.

## Consolidated Statements of Cash Flows

(In thousands)

(Unaudited)

	Six Months Ended	
	June 30,	
	2023	2022 (Revised)
<b>Operating activities</b>		
Net loss	\$ (197)	\$ (3,275)
Adjustments to reconcile net loss to net cash provided by/ (used in) operating activities:		
Depreciation	227	73
Amortization of right-of-use financing leases	205	124
Amortization of imputed interest	-	(214)
Amortization of right-of-use operating leases	340	328
Change in receivable reserves	44	(141)
Stock-based compensation	962	716
Other	(13)	-
Changes in current operating assets and liabilities:		
Accounts receivable	5,283	(2,642)
Inventories	291	(3,987)
Prepaid expenses and other assets	224	(67)
Income taxes	(4)	27
Accounts payable and accrued liabilities	(449)	1,796
Deferred revenue	(6,204)	5,966
Operating lease liabilities	(343)	(325)
Net cash provided by/ (used in) operating activities	<u>366</u>	<u>(1,621)</u>
<b>Investing activities</b>		
Purchases of property and equipment	(810)	(174)
Net cash used in investing activities	<u>(810)</u>	<u>(174)</u>
<b>Financing activities</b>		
Net proceeds from the exercise of options for common stock	-	17
Principal repayments of financing leases	(228)	(136)
Net cash used in financing activities	<u>(228)</u>	<u>(119)</u>
Decrease in cash	(672)	(1,914)
Cash, beginning of period	10,296	11,699
Cash, end of period	<u>\$ 9,624</u>	<u>\$ 9,785</u>
<b>Non-cash investing and financing activities:</b>		
Acquisition of right-of-use assets and lease liabilities	\$ -	\$ 551