



***PIONEER***  
***POWER SOLUTIONS***

PIONEER POWER SOLUTIONS, INC.

NASDAQ: PPSI

Investor Presentation

# 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.

## E-Bloc



## e-Boost



## Business Overview

### Pioneer Power Solutions:

- Trusted leader in advanced power solutions
- Serving data centers, water utilities, EV charging infrastructure, electrical utilities, commercial retailers, municipalities

### Product Lineup:

- Innovative "E-Bloc" and "e-Boost" systems
- Designed and manufactured in Los Angeles, California (E-Bloc) and Minneapolis, Minnesota (e-Boost) by our teams

### E-Bloc System:

- Power delivery/protection solution in a physically compact, customizable outdoor package
- Integrates and controls one or more distributed energy resources
- Forms an islanded microgrid at the user's option

### e-Boost System:

- Suite of smart, off-grid, mobile EV charging solutions
- Meets growing demand for flexible and temporary EV charging
- Used at electric truck/bus depots, terminals, shipping, fleet management offerings, etc.

### Pioneer Power Solutions' Success:

- Strong presence in major retailers, hospitals, and other sectors
- Commitment to innovation, quality, and customer satisfaction
- Economic impact enables businesses to optimize operations and enhance efficiency

# Building Success: Our Strategic Advantages

- >45% YoY revenue growth achieved from 2022-2023
- Clean cap structure
- 2023 revenue expected to grow 50%, \$42M - \$45M vs. 2022, \$27M
- Profitable, \$0.10 EPS in Q4'22, \$0.01 EPS in Q1'23 and ~\$0.05 in Q2'23 (excluding stock-based compensation expense)
- Expect a full year of profit in 2023
- Zero debt
- \$14M+ in NOLs
- \$9.6M in cash
- Diversified, blue chip customer base
- Diversified revenue streams de-risk the overall investment

**Financial information as of 6/30/23**



# Pioneer Power: Diversified Revenue

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

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

### Focused on distributed generation and fixed EV charging

- New, E-Bloc offering; \$12M order from major mass retailer
- Revenue growing at 100% across all the verticals

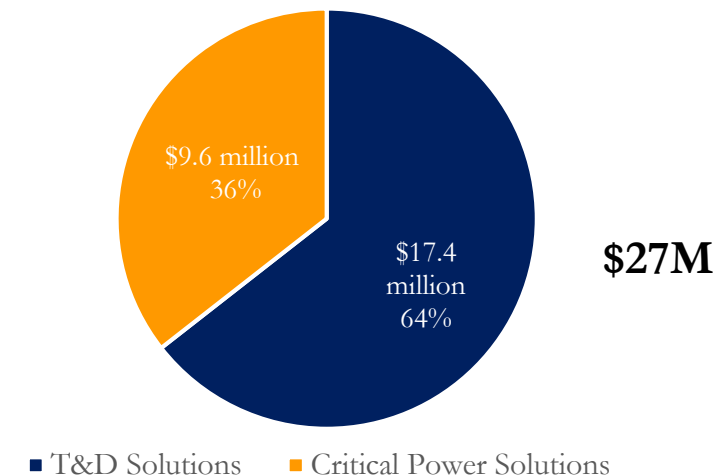
(Water Utilities, Data Centers, EV Charging)

## Critical Power Solutions (Pioneer Power Mobility)

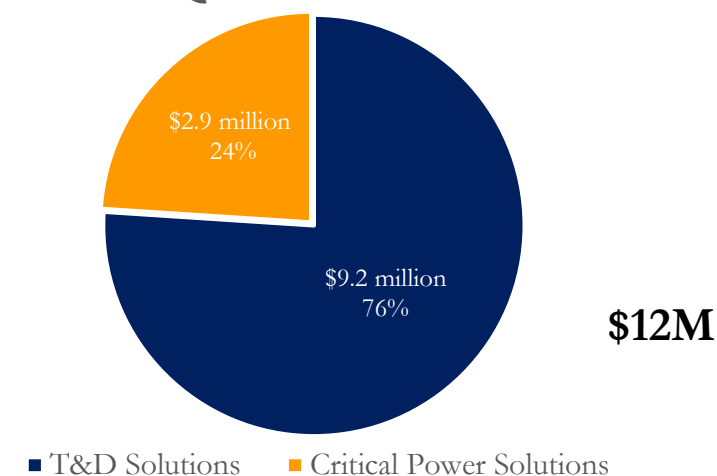
### "e-Boost" - Focused on mobile EV charging opportunities

- Introduced in November of 2021
- New suite of e-Boost solutions enables mobile EV charging anywhere, on or off grid
- 10+ units delivered to date
- Providing 24/7 service to >900 customers operating >3,000 generators

2022 Sales



Q2 2023 Sales





# E-Bloc



## On-Board & Remote Connectivity



On-Skid Energy Storage & EV Charging



# Energy Sustainability No Longer Optional

*Grid independence is key to business resiliency*

- Modifications to existing electrical systems and infrastructure are expensive and often difficult.
- The additional EV load is significant, causing higher utility bills and possibly increased peak demand charges.
- Utility power is becoming increasingly unreliable especially during major climatic events. Long duration outages can be very costly and result in higher insurance premiums.
- Companies are looking towards more “Green” alternative solutions (Net Zero).

**Pioneer has developed a quick, affordable solution:**

## **E-Bloc**

- E-Bloc facilitates the transfer, protection, and control of energy within the microgrid, ensuring efficient and reliable power distribution.
- Behind the meter – compact, outdoor, and customizable solution.



# E-Bloc Milestones



Pioneer Power Announces \$12 Million Order from One of the World's Largest Mass Merchandisers with 63 stores. Order delivered between (6/22 - 3/23)



Pioneer provides E-Bloc for southern California Gas company's H2 Hydrogen home project (10/4/21)



Pioneer wins \$5-Million-plus E-Bloc order from a California based U.S. Water Utility. Planned delivery between (4/23 - 10/23)



One of the world's largest automakers awards \$8-Million contract to Pioneer Power for E-Bloc solution for their new EV battery campus (Scheduled delivery Q3 2023)



Large initial order for the repowering of a 20+ year old global cloud internet data center



Pioneer Power to Provide E-Bloc Solution to Support Rove Full-Service EV Charging Centers in California (8/7/23)



# e-Boost

## e-Boost Mini



- Skid mounted
- 30 KW – 100 KW
- DCFC or Level 2

## e-Boost G.O.A.T.



- Complete mobility
- Truck mounted
- 50 KW – 180 KW
- DCFC or Level 2

## e-Boost Mobile



- Necessary mobility
- Trailer mounted
- 50 KW – 180 KW
- DCFC or Level 2

## e-Boost Pod



- As-required mobility
- Pod-enclosed EV charging
- 90 KW – 600 KW
- DCFC or Level 2



THE FUTURE  
OF  
CHARGING

# e-Boost Milestones



Serving the casino industry: Pioneer Power Receives \$788,000 Order for e-Boost Mobile EV Charging Solution (1/28/22)



Pioneer Power Sells Mobile EV Charging Solution e-Boost to truck and bus EV offerings (3/28/22)



Pioneer Power's e-Boost Mobile Solution Selected by Major Automaker to Support Multi-City Autonomous Electric Vehicle Rollout. Planned delivery (9/23 - 12/23)



Pioneer Power selected by global giant Heliox Energy to provide two 400-kilowatt, propane-powered mobile charging e-Boost systems for electric vehicles (VinFast).



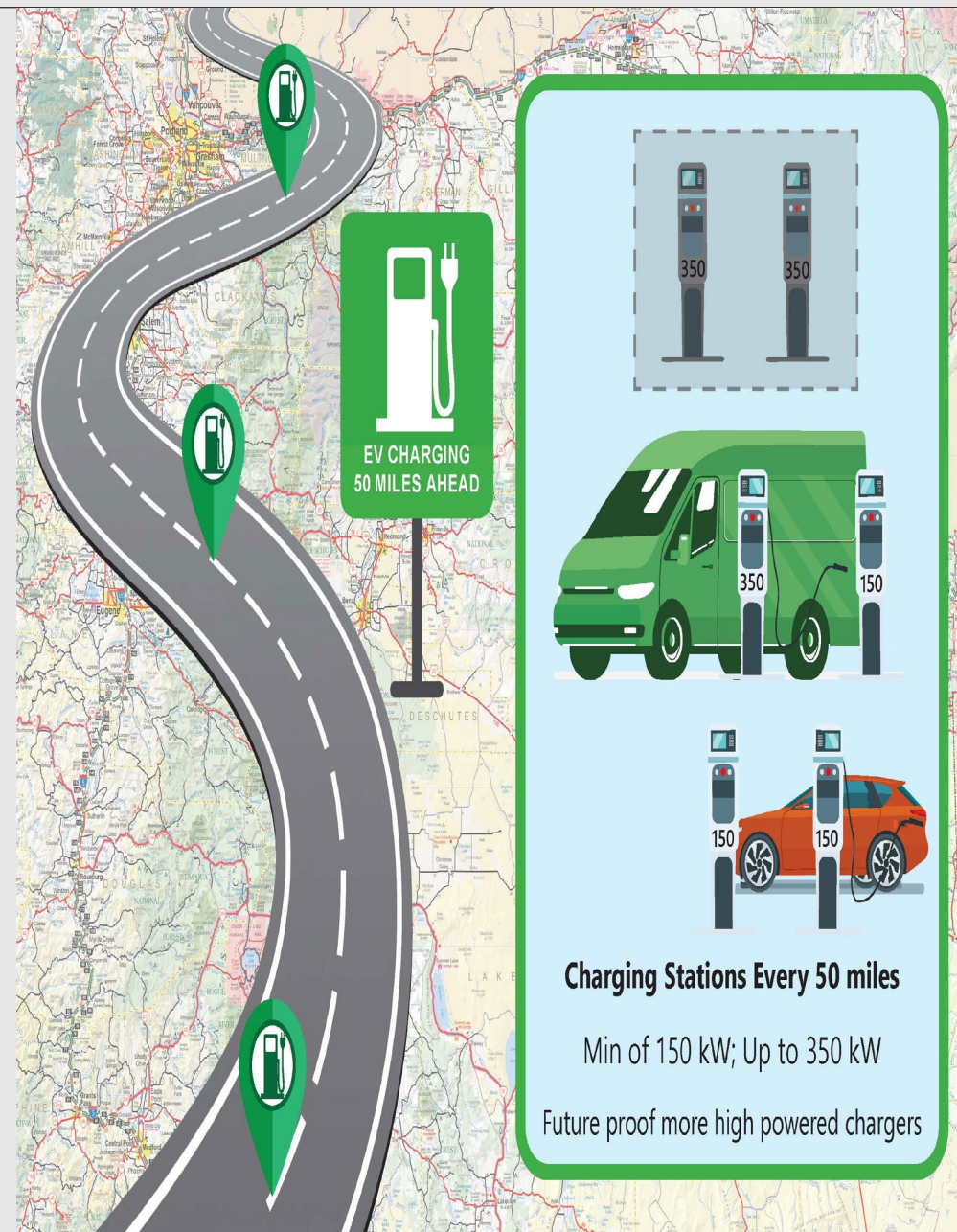
Pioneer Power to Provide e-Boost Mobile Solution to Major Transportation Agency. Delivered May 2023



Pioneer Power's e-Boost to Support Fairfield, California's Municipal Electric Bus Fleet (8/9/23)

# The NEVI Project

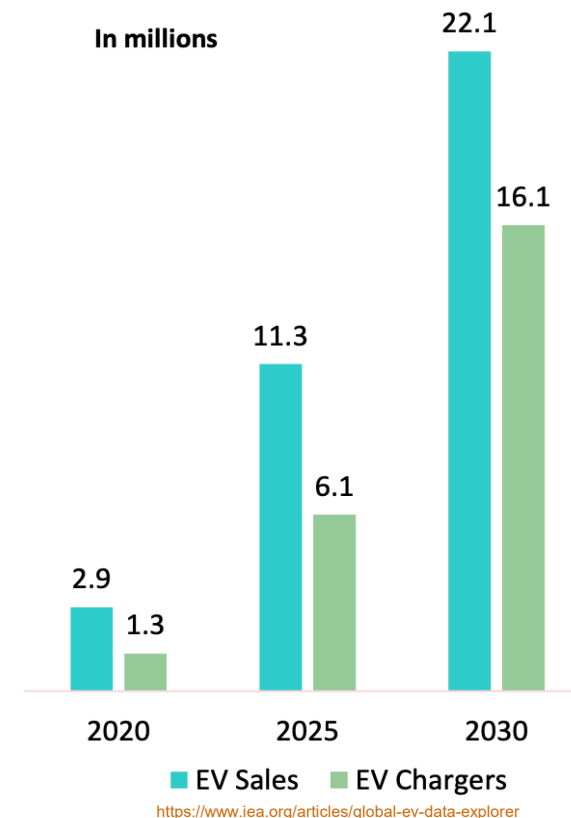
- National Electric Vehicle Infrastructure (NEVI) program: Provides incentives and federal grant funding for U.S. companies manufacturing EV-charging stations domestically.
- Goal: Establish a national charging network along interstate highways.
- NEVI program as a catalyst: Expected to have a significant positive impact to revenue and profitability in 2024 and 2025.
- e-Boost solution: Particularly appealing in rural and underserved areas of the nation's highways where permanent infrastructure solutions are impractical.
- Gap between EV sales and charging infrastructure: EV trucks, buses, and cars sales have outpaced the availability of charging stations.
- Industrial and commercial sectors: Companies with fleets of EVs, trucks, buses, and warehouse equipment require additional charging infrastructure.
- Pioneer Power's solutions: Address the growing demand for augmenting charging infrastructure in the industrial and commercial sectors.



# Global Clean Technology and EV market on the rise

- Global Clean Technology market size estimated to reach \$423.7 billion by 2026.<sup>1</sup>
- International Energy Agency investment on track to reach \$1.7 trillion in 2023.<sup>2</sup>
- U.S. Inflation Reduction Act (2022) dedicates \$370 billion to clean energy transition and renewable energy initiatives.<sup>3</sup>
- Global investment in the EV charging industry projected to exceed \$1 trillion by 2040.<sup>4</sup>
- Global EV sales growing at 24% CAGR<sub>1</sub>
- EV infrastructure growing at 32% CAGR<sub>2</sub>
- 100,000 EV chargers in the US; 120 Million will be needed globally by 2030<sub>3</sub>
- Tailwinds coming from IRA and IIJA provide favorable economics
- EV charging and distributed generation target markets are growing naturally and rapidly

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



1 IEA (2021), Global EV Outlook 2021 Stated Policies Scenario, IEA, Paris <https://www.iea.org/reports/global-ev-outlook>

2 Guidehouse Insights, EVSE Market Data for 3Q 2021

3 <https://www.governing.com/next/100-000-stations-needed-by-2030-for-ev-recharging-network>;

<https://www.precedenceresearch.com/electric-vehicle-charging-infrastructure-market>

1. <https://www.fnfresearch.com/news/global-clean-energy-technologies-market>

1. <https://www.globenewswire.com/news-release/2021/08/10/2277874/0/en/Global-Clean-Energy-Technologies-Market-Size-Expected-to-Grow-to-USD-423-7-Billion-by-2026-Facts-Factors.html>

2. <https://www.iea.org/news/clean-energy-investment-is-extending-its-lead-over-fossil-fuels-boosted-by-energy-security-strengthening>

3. <https://www.iea.org/policies/16156-inflation-reduction-act-of-2022>

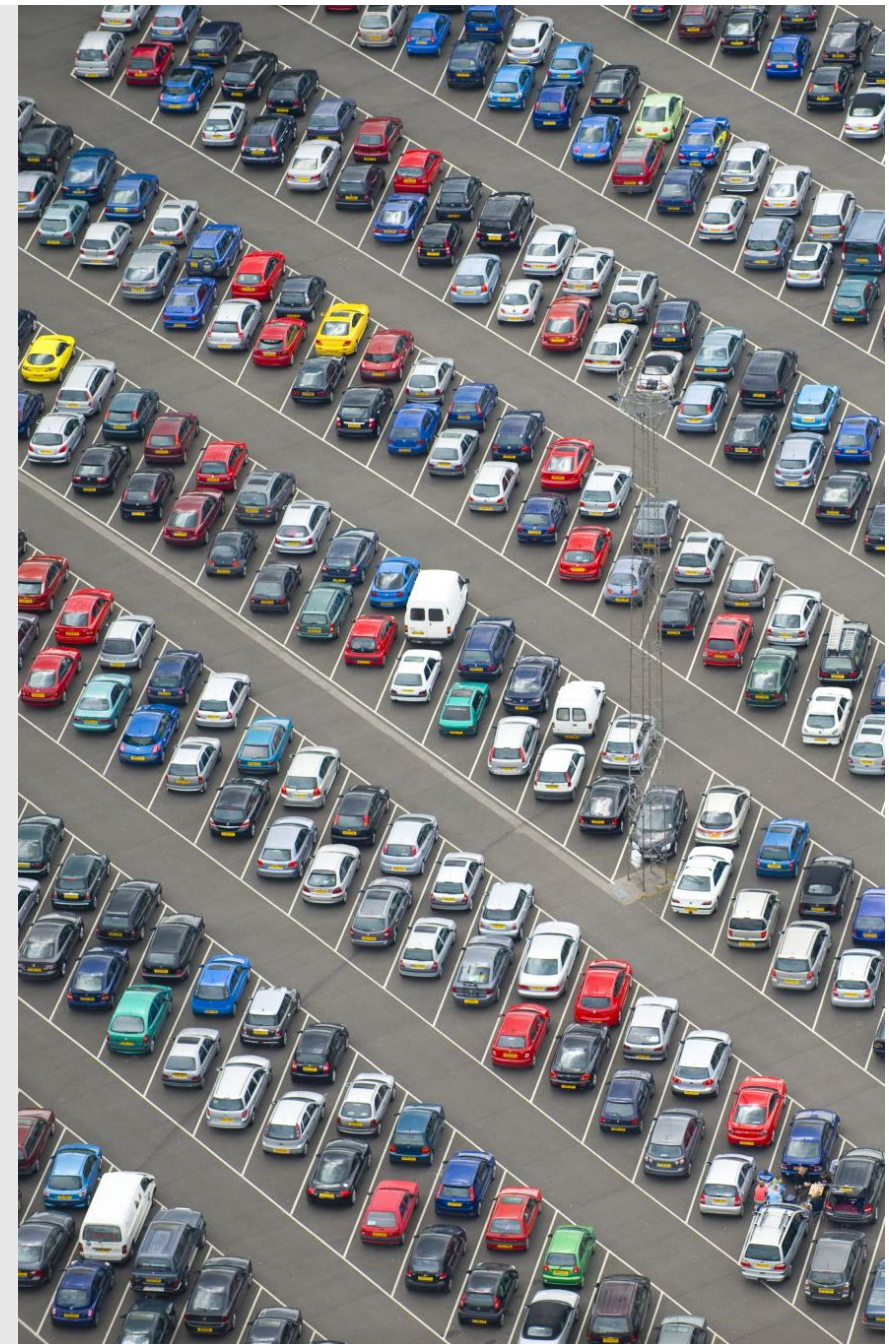
4. <https://www.bloomberg.com/news/articles/2022-08-16/car-charging-investment-soars-driven-by-ev-growth-and-government-funds#xj4y7vzkg>



# Gas and Diesel are on the way out!

## Gas and Diesel are being OUTLAWED in many states

- Seven states now plan to ban sales of gas-powered cars after 2035
- Under a growing multi-state pact, only zero-emission vehicles — including [electric vehicles](#) and some plug-in hybrids — can be sold following the 2035 model year.
- [The Advanced Clean Cars II rule](#) requires zero-emission vehicles to represent 35% of new cars and light trucks in lots by 2026, and then 68% by 2030, before reaching 100% in 2035.
- General Motors expects to have completed a full transition to electric vehicle sales by 2035. Some smaller automakers have announced even more ambitious timeframes.
- European Union lawmakers have approved a full ban on gas-powered cars beginning in 2035
- Advanced Clean Cars II calls for new medium- and heavy-duty vehicles to be 100% zero-emission by 2045 "where feasible."
- California regulators voted to ban the sale of new diesel big rigs by 2036 and require all trucks to be zero-emissions by 2042
- President Joe Biden has set a goal of having half of all new vehicle sales in the US be electric by 2030. To achieve that, he earmarked \$5 billion to create [a nationwide infrastructure of charging stations](#) and revised the EV tax credit to spur domestic production
- Other carmakers vowing to go all-electric include [Jaguar](#) (2025), [Volvo](#) (2030), [Rolls-Royce](#) (2030) and [Honda](#) (2040).
- Stellantis -- parent company of Chrysler, Dodge, Fiat and Jeep -- [has said](#) 100% of its sales in Europe and 50% of sales in the US will be battery electric vehicles by the end of the decade

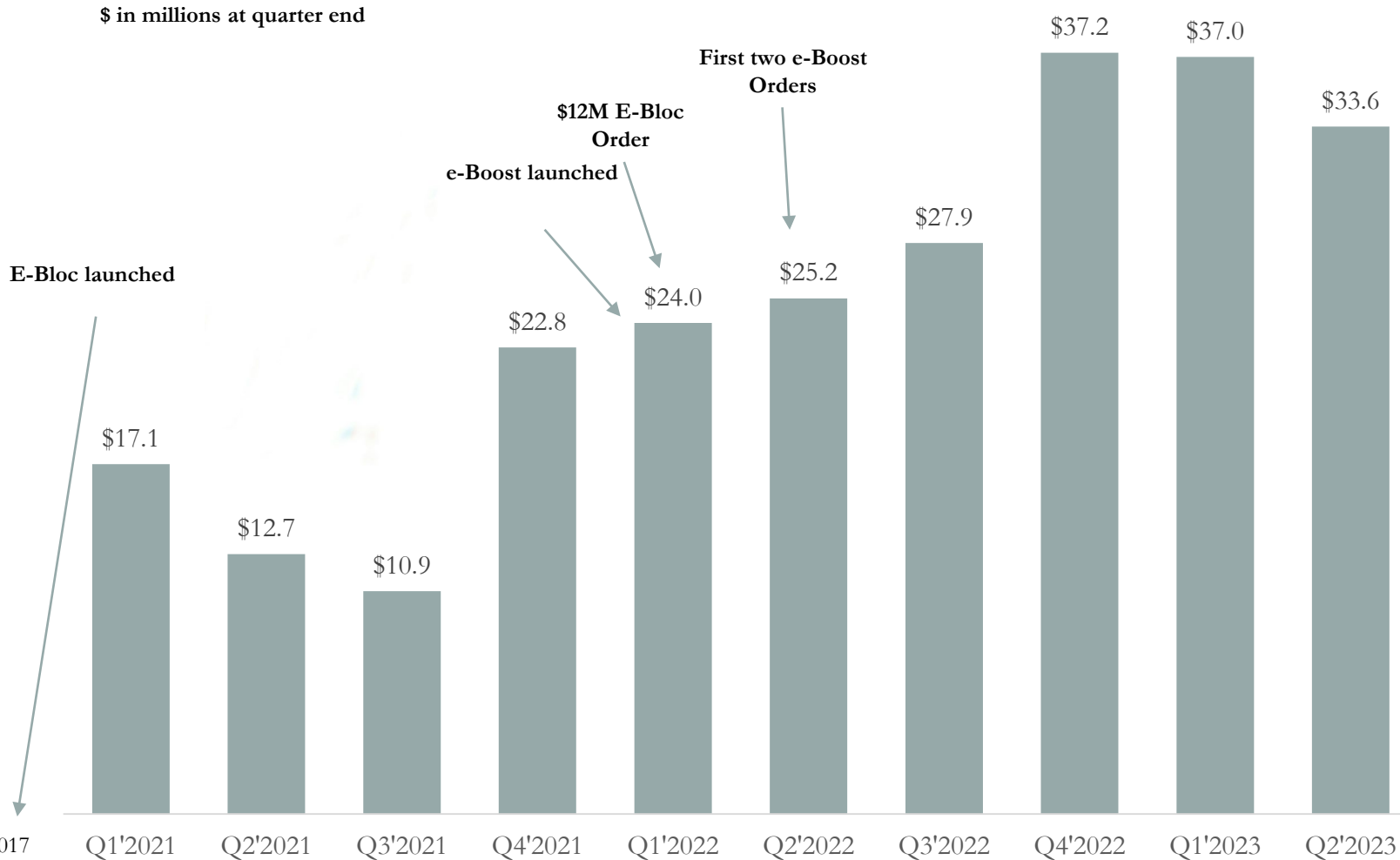


# SALES BACKLOG OF \$33.6M AT JUNE 30, 2023

Non-cancelable purchase  
orders expected to be shipped  
within 12 months

## Backlog

\$ in millions at quarter end



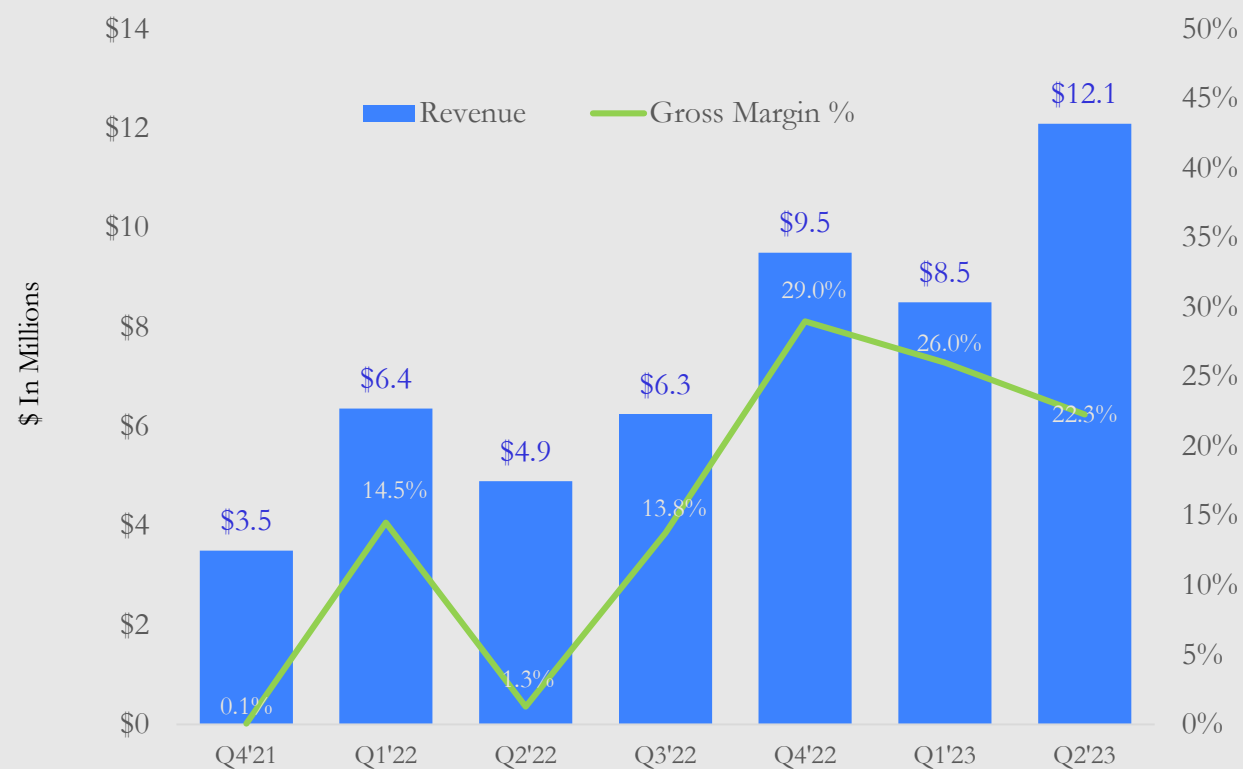


# Execution Challenges

- Reconfiguring our L.A. facility to expand production and meet robust demand
- E-Bloc exhibits seamless supply chain operations
- Pioneer efficiently manages the procurement of engines for e-Boost through proactive decision-making and advanced purchasing strategies, thereby ensuring a smooth supply chain flow without encountering any operational challenges.
- Enough cash on hand to execute our plan for 2023, will reassess for 2024 later in the year
- E-Bloc Competitors: Large integrated electrical equipment manufacturers
- e-Boost Competitors: Fuel cells, Battery based charging systems



# Revenue Growth and Margin Expansion



	Q2'23	Q2'22
Revenue	\$12.1	\$4.9
Gross Profit	\$2.7	\$0.6
Gross Margin	22.3%	1.3%
Total Operating Expenses	\$3.1	\$2.6
Stock-Comp Expense	\$0.8	\$0.7
Loss from Operations	\$(0.4)	\$(2.5)
Net Loss	\$(0.3)	\$(2.5)
Adjusted Net Income/Loss*	\$0.5	\$(1.7)
EPS	\$(0.03)	\$(0.26)
Adjusted EPS*	\$0.05	\$(0.20)

\* Excluding non-cash stock-based compensation

# Strong Cash Position

Sufficient cash and no debt

<i><b>\$ in millions</b></i>	<b>6/30/2023</b>
Cash	\$9.6
Working Capital	\$14.1
Total Debt	\$0.0

- Solid cash position
  - No debt
- Sufficiently capitalized
  - Can execute growth initiatives without additional financing
- \$14M in NOLs
  - Shelter future profits

# The Team

## Nathan J. Mazurek, Chairman & CEO

- Over 30 years of experience in the electrical equipment and components industry
- 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

## James Johnson, General Manager, E-Bloc and Power Systems

- Over 15 years of energy and technology industry experience
- Sales Manager at Technibus, managed all accounts in existing Bus Duct products in the Western U.S. and Mexico for existing and new business
- From 2016 through 2021 Mr. Johnson was the Executive Vice President of Sales and Marketing at AMR PEMCO

# Key Takeaways

- ❖ Clean cap table
- ❖ 2023 revenue expected to grow 50%, \$42M - \$45M vs. 2022, \$27M
- ❖ Profitable, \$0.10 EPS in Q4'22, \$0.01 EPS in Q1'23 and ~\$0.05 in Q2'23 (excluding stock-based compensation expense)
- ❖ Expect a full year of net income and generate FCF in 2023
- ❖ Zero debt
- ❖ \$14M+ in NOLs
- ❖ \$9.6M in cash
- ❖ Ever-expanding use cases and strong end-market growth drivers
- ❖ Currently booking backlog for continued growth in 2024
- ❖ Diversified, blue chip customer base
- ❖ Powerful Macro drivers for the next 5 to 10 years

**Financial information as of 6/30/23**

