

**PIONEER POWER SOLUTIONS, INC.**  
**Consolidated Statements of Operations**  
**(Unaudited)**  
**(In thousands, except for share and per share amounts)**

	For the Years Ended	
	December 31,	
	2024	2023
Revenues	\$ 22,879	\$ 11,116
Cost of goods sold	17,365	8,891
Gross profit	5,514	2,225
Operating expenses		
Selling, general and administrative	9,712	8,375
Research and development	1,050	885
Total operating expenses	10,762	9,260
Operating loss from continuing operations	(5,248)	(7,035)
Interest income, net	431	232
Other income, net	50	524
Loss before income taxes	(4,767)	(6,279)
Income tax benefit	(1,418)	-
Net loss from continuing operations	(3,349)	(6,279)
Income from discontinued operations, net of income taxes	35,204	4,381
Net income (loss)	\$ 31,855	\$ (1,898)
Basic (loss) earnings per share:		
Loss from continuing operations	\$ (0.31)	\$ (0.63)
Earnings from discontinued operations	3.28	0.44
Basic earnings (loss) per share	\$ 2.97	\$ (0.19)
Diluted (loss) earnings per share:		
Loss from continuing operations	\$ (0.31)	\$ (0.63)
Earnings from discontinued operations	3.21	0.43
Diluted earnings (loss) per share	\$ 2.90	\$ (0.20)
Weighted average common shares outstanding:		
Basic	10,745,217	9,905,234
Diluted	10,953,861	10,127,188

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

	December 31,	
	2024	2023
<b>ASSETS</b>		
Current assets		
Cash	\$ 41,622	\$ 3,582
Accounts receivable, net of allowance for credit losses of \$13 and \$0 as of December 31, 2024 and 2023, respectively	7,826	1,219
Inventories	6,068	3,078
Prepaid expenses and other current assets	1,141	6,159
Current assets held for sale	-	13,645
Total current assets	56,657	27,683
Property and equipment, net	6,503	3,601
Operating lease right-of-use assets	530	425
Financing lease right-of-use assets	221	403
Deferred financing costs	-	195
Investments	2,000	-
Other assets	40	40
Noncurrent assets held for sale	-	675
Total assets	\$ 65,951	\$ 33,022
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 4,543	\$ 8,111
Current portion of operating lease liabilities	244	237
Current portion of financing lease liabilities	109	139
Deferred revenue	991	307
Consideration due to buyer	3,347	-
Income taxes payable	4,079	-
Dividend payable	16,665	-
Current liabilities held for sale	-	9,468
Total current liabilities	29,978	18,262
Operating lease liabilities, non-current portion	301	215
Financing lease liabilities, non-current portion	121	278
Other long-term liabilities	122	49
Total liabilities	30,522	18,804
Commitments and contingencies (Note 7)		
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; 11,120,266 and 9,930,022 shares issued and outstanding on December 31, 2024 and 2023, respectively	11	10
Additional paid-in capital	35,418	33,837
Accumulated deficit	-	(19,629)
Total stockholders' equity	35,429	14,218
Total liabilities and stockholders' equity	\$ 65,951	\$ 33,022

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

	For the Years Ended	
	December 31,	
	2024	2023
<b>Operating activities</b>		
Net income (loss)	\$ 31,855	\$ (1,898)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation	716	397
Amortization of right-of-use financing leases	129	324
Amortization of right-of-use operating leases	224	690
Change in allowance for credit losses	35	97
Stock-based compensation	1,055	1,471
Gain on sale of PCEP business	(35,044)	-
Loss on disposal of fixed assets	177	-
Other	-	(14)
Changes in current operating assets and liabilities:		
Accounts receivable	(10,360)	585
Inventories	(14,536)	511
Prepaid expenses and other assets	4,558	(4,982)
Assets held for sale	14,320	-
Liabilities held for sale	(9,468)	-
Accounts payable, accrued liabilities and other liabilities	11,609	5,361
Income taxes	(1,418)	(7)
Deferred revenue	684	(5,727)
Operating lease liabilities	(748)	(703)
Net cash used in operating activities	(6,212)	(3,895)
<b>Investing activities</b>		
Purchase of property and equipment	(3,759)	(2,496)
Proceeds from sale of PCEP business, net of transaction costs	42,635	-
Net cash provided by/(used in) investing activities	38,876	(2,496)
<b>Financing activities</b>		
Net proceeds from the exercise of options for common stock	519	50
Net proceeds from issuance of common stock	4,986	177
Payment of deferred financing costs	-	(195)
Principal repayments of financing leases	(129)	(355)
Net cash provided by/ (used in) financing activities	5,376	(323)
Increase (decrease) in cash	38,040	(6,714)
<b>Cash</b>		
Cash, beginning of year	3,582	10,296
Cash, end of year	\$ 41,622	\$ 3,582
<b>Supplemental cash flow information:</b>		
Interest paid	\$ 35	\$ 7
Income taxes paid, net of refunds	7	2
<b>Non-cash investing and financing activities:</b>		
Surrender and retirement of common stock	344	720
Acquisition of right-of-use assets and lease liabilities	330	-
Property and equipment obtained in exchange for accounts payable	272	-
Cash dividend declared	16,665	-

**PIONEER POWER SOLUTIONS, INC.**  
**Reconciliation of Non-GAAP Measures**  
**(Unaudited)**  
**(In thousands)**

	For the Three Months Ended		For the Year Ended	
	December 31,		December 31,	
	2024	2023	2024	2023
<b>GAAP operating loss from continuing operations</b>	\$ (1,073)	\$ (1,937)	\$ (5,248)	\$ (7,035)
Corporate overhead expenses	2,109	986	5,324	4,519
Research and development expenses	345	885	1,050	885
Non-recurring professional fees	239	171	546	347
<b>Non-GAAP operating income (loss) from continuing operations</b>	<u>\$ 1,620</u>	<u>\$ 105</u>	<u>\$ 1,672</u>	<u>\$ (1,284)</u>