

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

| | For the Three Months Ended March 31, | |
|--|---|-------------|
| | 2025 | 2024 |
| Revenues | \$ 6,740 | \$ 3,315 |
| Cost of goods sold | 6,592 | 2,780 |
| Gross profit | 148 | 535 |
| Operating expenses | | |
| Selling, general and administrative | 2,414 | 2,050 |
| Research and development | 80 | 211 |
| Total operating expenses | 2,494 | 2,261 |
| Operating loss from continuing operations | (2,346) | (1,726) |
| Interest income, net | 247 | 31 |
| Other income, net | 23 | 40 |
| Loss before income taxes | (2,076) | (1,655) |
| Income tax benefit | - | - |
| Net loss from continuing operations | (2,076) | (1,655) |
| Income from discontinued operations, net of income taxes | 1,147 | 620 |
| Net loss | \$ (929) | \$ (1,035) |
| Basic (loss) earnings per share: | | |
| Loss from continuing operations | \$ (0.19) | \$ (0.16) |
| Earnings from discontinued operations | 0.10 | 0.06 |
| Basic loss per share | \$ (0.09) | \$ (0.10) |
| Diluted (loss) earnings per share: | | |
| Loss from continuing operations | \$ (0.19) | \$ (0.16) |
| Earnings from discontinued operations | 0.10 | 0.06 |
| Diluted loss per share | \$ (0.09) | \$ (0.10) |
| Weighted average common shares outstanding: | | |
| Basic | 11,120,266 | 10,112,310 |
| Diluted | 11,187,484 | 10,343,236 |

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

| | March 31, 2025 | December 31, 2024 |
|--|---------------------------|------------------------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 25,840 | \$ 41,622 |
| Accounts receivable, net of allowance for credit losses of \$14 and \$13 as of March 31, 2025 and December 31, 2024, respectively | 5,345 | 7,826 |
| Inventories | 6,456 | 6,068 |
| Prepaid expenses and other current assets | 985 | 1,141 |
| Total current assets | 38,626 | 56,657 |
| Property and equipment, net | 6,193 | 6,503 |
| Operating lease right-of-use assets | 472 | 530 |
| Financing lease right-of-use assets | 198 | 221 |
| Investments | 1,943 | 2,000 |
| Other assets | 44 | 40 |
| Total assets | <u>\$ 47,476</u> | <u>\$ 65,951</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | \$ 4,720 | \$ 4,543 |
| Current portion of operating lease liabilities | 223 | 244 |
| Current portion of financing lease liabilities | 107 | 109 |
| Deferred revenue | 1,146 | 991 |
| Consideration due to buyer | 2,200 | 3,347 |
| Income taxes payable | 4,079 | 4,079 |
| Dividend payable | - | 16,665 |
| Total current liabilities | 12,475 | 29,978 |
| Operating lease liabilities, non-current portion | 262 | 301 |
| Financing lease liabilities, non-current portion | 99 | 121 |
| Other long-term liabilities | 127 | 122 |
| Total liabilities | 12,963 | 30,522 |
| 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 shares issued and outstanding on March 31, 2025, and December 31, 2024 | 11 | 11 |
| Additional paid-in capital | 35,431 | 35,418 |
| Accumulated deficit | (929) | - |
| Total stockholders' equity | 34,513 | 35,429 |
| Total liabilities and stockholders' equity | <u>\$ 47,476</u> | <u>\$ 65,951</u> |

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

| | For the Three Months Ended March 31, | |
|--|---|-----------------|
| | 2025 | 2024 |
| Operating activities | | |
| Net loss | \$ (929) | \$ (1,035) |
| Adjustments to reconcile net loss to net cash provided by/ (used in) operating activities: | | |
| Depreciation | 258 | 122 |
| Amortization of right-of-use financing leases | 23 | 32 |
| Amortization of right-of-use operating leases | 58 | 179 |
| Change in allowance for credit losses | 2 | 49 |
| Stock-based compensation | 13 | 225 |
| Loss attributable to equity method investee | 57 | - |
| Loss on disposal of property and equipment | 29 | - |
| Gain on change in consideration due to buyer | (1,147) | - |
| Changes in current operating assets and liabilities: | | |
| Accounts receivable | 2,479 | (2,235) |
| Inventories | 32 | (2,011) |
| Prepaid expenses and other assets | 424 | 217 |
| Accounts payable, accrued liabilities and other liabilities | 103 | (296) |
| Deferred revenue | 155 | 2,989 |
| Operating lease liabilities | (55) | (186) |
| Net cash provided by/ (used in) operating activities | <u>1,502</u> | <u>(1,950)</u> |
| Investing activities | | |
| Purchase of property and equipment | (595) | (213) |
| Net cash used in investing activities | <u>(595)</u> | <u>(213)</u> |
| Financing activities | | |
| Net proceeds from issuance of common stock | - | 4,841 |
| Payment of cash dividend | (16,665) | - |
| Principal repayments of financing leases | (24) | (33) |
| Net cash (used in)/ provided by financing activities | <u>(16,689)</u> | <u>4,808</u> |
| (Decrease) increase in cash | (15,782) | 2,645 |
| Cash | | |
| Cash, beginning of year | 41,622 | 3,582 |
| Cash, end of year | <u>\$ 25,840</u> | <u>\$ 6,227</u> |
| Supplemental cash flow information: | | |
| Interest paid | \$ - | \$ 9 |
| Non-cash investing and financing activities: | | |
| Transfer from property and equipment to inventory | (420) | - |
| Property and equipment obtained in exchange for accounts payable | 74 | - |

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

| | For the Three Months Ended | |
|---|-----------------------------------|-----------------|
| | March 31, | |
| | 2025 | 2024 |
| GAAP operating loss from continuing operations | \$ (2,346) | \$ (1,725) |
| Corporate overhead expenses | 1,184 | 1,165 |
| Research and development expenses | 80 | 211 |
| Non-recurring professional fees | 93 | 30 |
| Non-GAAP operating loss from continuing operations | \$ (989) | \$ (319) |