PIONEER POWER SOLUTIONS, INC.

Consolidated Statements of Operations

(In thousands, except per share data)
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
Revenues	$ 6,888	$ 6,416	$ 21,998	$ 13,126
Cost of goods sold	6,248	4,894	19,896	10,428
Gross profit	640	1,522	2,102	2,698
Operating expenses				
Selling, general and administrative	1,976	1,980	6,878	6,168
Research and development	111	256	726	705
Total operating expenses	2,087	2,236	7,604	6,873
Operating loss from continuing operations	(1,447)	(714)	(5,502)	(4,175)
Interest income (expense), net	184	(24)	615	27
Other (expense) income, net	(438)	-	(118)	40
Loss before income taxes	(1,701)	(738)	(5,005)	(4,108)
Income tax expense	69	-	69	-
Net loss from continuing operations	(1,770)	(738)	(5,074)	(4,108)
(Loss) income from discontinued operations, net of income taxes	(580)	(383)	467	(331)
Net loss	$ (2,350)	$ (1,121)	$ (4,607)	$ (4,439)
Basic (loss) earnings per share:				
Loss from continuing operations	$ (0.16)	$ (0.07)	$ (0.46)	$ (0.39)
(Loss) earnings from discontinued operations	(0.05)	(0.03)	0.04	(0.03)
Basic loss per share	$ (0.21)	$ (0.10)	$ (0.42)	$ (0.42)
Diluted (loss) earnings per share:				
Loss from continuing operations	$ (0.16)	$ (0.07)	$ (0.46)	$ (0.39)
(Loss) earnings from discontinued operations	(0.05)	(0.03)	0.04	(0.03)
Diluted loss per share	$ (0.21)	$ (0.10)	$ (0.42)	$ (0.42)
Weighted average common shares outstanding:				
Basic	11,095,266	10,917,038	11,106,439	10,652,911
Diluted	11,095,266	10,917,038	11,186,975	10,652,911

PIONEER POWER SOLUTIONS, INC.

Consolidated Balance Sheets

(In thousands)
(Unaudited)

	September 30, 2025	December 31, 2024
ASSETS		
Current assets		
Cash	$ 17,336	$ 41,622
Accounts receivable, net of allowance for credit losses of $15 and $13 as of September 30, 2025, and December 31, 2024, respectively	4,606	7,826
Inventories	6,780	6,068
Prepaid expenses and other current assets	325	1,141
Total current assets	29,047	56,657
Property and equipment, net	5,663	6,503
Operating lease right-of-use assets	353	530
Financing lease right-of-use assets	377	221
Investments	821	2,000
Lease receivable and other assets	1,319	40
Total assets	$ 37,580	$ 65,951
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 4,384	$ 4,543
Current portion of operating lease liabilities	131	244
Current portion of financing lease liabilities	139	109
Deferred revenue	871	991
Consideration due to buyer	-	3,347
Income taxes payable	756	4,079
Dividend payable	-	16,665
Total current liabilities	6,281	29,978
Operating lease liabilities, non-current portion	233	301
Financing lease liabilities, non-current portion	249	121
Other long-term liabilities	118	122
Total liabilities	6,881	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; 11,095,266 and 11,120,266 shares issued and outstanding on September 30, 2025, and December 31, 2024, respectively	11	11
Additional paid-in capital	35,295	35,418
Accumulated deficit	(4,607)	-
Total stockholders' equity	30,699	35,429
Total liabilities and stockholders' equity	$ 37,580	$ 65,951

PIONEER POWER SOLUTIONS, INC.

Consolidated Statements of Cash Flows

(In thousands)
(Unaudited)

	For the Nine Months Ended September 30,	
	2025	**2024**
Operating activities		
Net loss	$ (4,607)	$ (4,439)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	753	471
Amortization of right-of-use financing leases	92	93
Amortization of right-of-use operating leases	177	551
Change in allowance for credit losses	112	(46)
Stock-based compensation	25	334
Loss attributable to equity method investee	198	-
Loss on disposal of property and equipment	183	-
Selling profit on sales-type lease	(749)	-
Gain on change in consideration due to buyer	(1,147)	-
Changes in current operating assets and liabilities:		
Accounts receivable, net	3,060	(966)
Inventories	(110)	(8,520)
Prepaid expenses and other assets	1,360	5,048
Accounts payable, accrued liabilities and other liabilities	(499)	(1,550)
Income taxes	(3,323)	(5)
Deferred revenue	(120)	5,477
Operating lease liabilities	(185)	(566)
Net cash used in operating activities	(4,780)	(4,118)
Investing activities		
Purchase of property and equipment	(1,532)	(1,277)
Payment of consideration payable	(2,200)	-
Dividend received from equity method investee	981	-
Net cash used in investing activities	(2,751)	(1,277)
Financing activities		
Net proceeds from issuance of common stock	-	4,986
Payment of cash dividend	(16,665)	-
Principal repayments of financing leases	(90)	(93)
Net cash (used in)/ provided by financing activities	(16,755)	4,893
Decrease in cash	(24,286)	(502)
Cash		
Cash, beginning of year	41,622	3,582
Cash, end of year	$ 17,336	$ 3,080
Supplemental cash flow information:		
Interest paid	$ 8	$ 26
Income taxes paid, net of refunds	3,924	-
Non-cash investing and financing activities:		
Surrender and retirement of common stock	148	224
Transfer from property and equipment to inventory	(602)	-
Sales-type lease origination	1,410	-
Derecognition of assets in exchange for net investment in sales-type lease	(661)	-
Property and equipment obtained in exchange for accounts payable and accrued liabilities	339	-
Finance lease ROU assets obtained in exchange for finance lease liabilities	248	-
Operating lease ROU assets obtained in exchange for operating lease liabilities	-	3,337

PIONEER POWER SOLUTIONS, INC.

Reconciliation of Non-GAAP Measures

(In thousands)
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
GAAP operating loss from continuing operations	$ (1,447)	$ (714)	$ (5,502)	$ (4,175)
Corporate overhead expenses	806	926	2,994	3,215
Research and development expenses	112	256	726	705
Depreciation and amortization expenses	263	190	845	486
Non-recurring professional fees	70	207	250	306
Non-GAAP operating (loss) income from continuing operations	$ (196)	$ 865	$ (687)	$ 537