

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,	
	2026	2025
Revenues	\$ 4,266	\$ 6,740
Cost of goods sold	3,684	6,592
Gross profit	582	148
Operating expenses		
Selling, general and administrative	2,446	2,414
Research and development	156	80
Total operating expenses	2,602	2,494
Operating loss from continuing operations	(2,020)	(2,346)
Interest income, net	156	247
Other (expense) income, net	(644)	23
Loss before income taxes	(2,508)	(2,076)
Income tax expense (benefit)	-	-
Net loss from continuing operations	(2,508)	(2,076)
Income from discontinued operations, net of income taxes	-	1,147
Net loss	\$ (2,508)	\$ (929)
Basic (loss) earnings per share:		
Loss from continuing operations	\$ (0.23)	\$ (0.19)
Earnings from discontinued operations	-	0.10
Basic loss per share	\$ (0.23)	\$ (0.09)
Diluted (loss) earnings per share:		
Loss from continuing operations	\$ (0.23)	\$ (0.19)
Earnings from discontinued operations	-	0.10
Diluted loss per share	\$ (0.23)	\$ (0.09)
Weighted average common shares outstanding:		
Basic	11,095,588	11,120,266
Diluted	11,095,588	11,187,484

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

	March 31, 2026	December 31, 2025
ASSETS		
Current assets		
Cash	\$ 13,583	\$ 14,959
Accounts receivable, net of allowance for credit losses of \$68 and \$23 as of March 31, 2026, and December 31, 2025, respectively	3,362	3,133
Inventories	5,834	6,315
Prepaid expenses and other current assets	954	1,134
Total current assets	23,733	25,541
Property and equipment, net	5,087	5,400
Operating lease right-of-use assets, net	1,084	1,144
Financing lease right-of-use assets, net	299	332
Investments	-	418
Lease receivable	2,514	2,576
Other assets	304	44
Total assets	\$ 33,021	\$ 35,455
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 3,670	\$ 3,745
Current portion of operating lease liabilities, net	243	223
Current portion of financing lease liabilities, net	122	123
Deferred revenue	1,041	791
Total current liabilities	5,076	4,882
Operating lease liabilities, non-current portion, net	874	936
Financing lease liabilities, non-current portion, net	188	219
Other long-term liabilities	62	101
Total liabilities	6,200	6,138
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; 11,096,266 and 11,095,266 shares issued and outstanding on March 31, 2026, and December 31, 2025, respectively	11	11
Additional paid-in capital	35,317	35,305
Accumulated deficit	(8,507)	(5,999)
Total stockholders' equity	26,821	29,317
Total liabilities and stockholders' equity	\$ 33,021	\$ 35,455

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

	For the Three Months Ended	
	March 31,	
	2026	2025
Operating activities		
Net loss	\$ (2,508)	\$ (929)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	265	258
Amortization of financing lease right-of-use assets	33	23
Non cash lease expense	60	58
Provision for credit losses	55	2
Stock-based compensation	10	13
Loss attributable to equity method investee	644	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, net	(284)	2,479
Inventories	481	32
Prepaid expenses and other assets	236	424
Accounts payable, accrued liabilities and other liabilities	(110)	103
Deferred revenue	250	155
Lease receivables	62	-
Operating lease liabilities	(81)	(55)
Net cash (used in) provided by operating activities	(887)	1,502
Investing activities		
Purchase of property and equipment	(233)	(595)
Investment in equity method investee	(226)	-
Net cash used in investing activities	(459)	(595)
Financing activities		
Net proceeds from the exercise of options for common stock	2	-
Payment of cash dividend	-	(16,665)
Principal repayments of financing leases	(32)	(24)
Net cash used in financing activities	(30)	(16,689)
Decrease in cash	(1,376)	(15,782)
Cash		
Cash, beginning of period	14,959	41,622
Cash, end of period	\$ 13,583	\$ 25,840
Non-cash investing and financing activities:		
Transfer from property and equipment to inventory	\$ -	\$ (420)
Property and equipment obtained in exchange for accounts payable and accrued liabilities	35	74

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

	For the Three Months Ended	
	March 31,	
	2026	2025
GAAP operating loss from continuing operations	\$ (2,020)	\$ (2,346)
Corporate overhead expenses	1,045	1,184
Research and development expenses	155	80
Depreciation and amortization expenses	298	281
Non-recurring professional fees	141	93
Non-GAAP operating loss from continuing operations	\$ (380)	\$ (708)