Form **8937**
(December 2017)
Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

▶ **See separate instructions.**

OMB No. 1545-0123

Part I Reporting Issuer

1 Issuer's name	2 Issuer's employer identification number (EIN)
Pioneer Power Solutions, Inc. & Subs	27-1347616

3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact
Walter Michalec	212-867-0700	walter@pioneerpowersolutions.com

6 Number and street (or P.O. box if mail is not delivered to street address) of contact	7 City, town, or post office, state, and ZIP code of contact
400 Kelby Street, 12th Floor	Fort Lee, NJ 07024

8 Date of action	9 Classification and description
September 30, 2026	Common

10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
723836300		PPSI	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ See attachment 1

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ See attachment 1

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ See attachment 1

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See attachment 1

18 Can any resulting loss be recognized? ▶ See attachment 1

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attachment 1

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ _____ Date ▶ 09.30.2026

Print your name ▶ WALTER MICHALEC Title ▶ CFO

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
ANNE BENVENUTO		9.30.2026		P01325036

Firm's name ▶ BDO USA — Firm's EIN ▶ 13-5381590

Firm's address ▶ 200 PARK AVENUE 38TH FLOOR, NEW YORK, NEW YORK 10166 — Phone no. 212-885-8000

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

Pioneer Power Solutions, Inc.

FEIN: 27-1347616

Attachment for Form 8937

Part II

Line 14

On November 14, 2024, Pioneer Power Solutions, Inc. ("PPSI") declared a one-time special cash distribution of $1.50 per share of PPSI common stock, payable to shareholders of record as of December 17, 2024. PPSI paid the distribution on January 7, 2025.

Following the close of PPSI's taxable year and completion of an analysis of its current and accumulated earnings and profits ("E&P"), PPSI determined that its E&P was insufficient to cause the entire distribution to constitute a dividend for U.S. federal income tax purposes. As a result, the percentage of the distribution made on January 7, 2025, has been re-characterized from a dividend to a non-dividend return of capital. Of the $1.50 per-share distribution, approximately 67.4778%, or $1.01217 per share, constitutes a dividend under sections 301(c)(1) and 316. The remaining approximately 32.5222%, or $0.48783 per share, constitutes a nondividend distribution under section 301(c)(2).

Line 15

A U.S. taxpayer that received the distribution generally must reduce the adjusted tax basis of each share of PPSI common stock with respect to which the distribution was received by $0.48783 per share, but not below zero.

To the extent the nondividend distribution with respect to a share exceeds the shareholder's adjusted tax basis in that share, the excess is treated as gain from the sale or exchange of property under section 301(c)(3). The character of that gain depends on the shareholder's particular circumstances.

Line 16

PPSI determined the dividend and nondividend portions of the distribution by comparing the distribution with PPSI's current and accumulated E&P determined for U.S. federal income tax purposes. The portion of the distribution not treated as a dividend under sections 301(c)(1) and 316 constitutes a nondividend distribution under section 301(c)(2).

The basis reduction for each shareholder is calculated by multiplying $0.48783, the nondividend distribution per share, by the number of shares of PPSI common stock with respect to which the shareholder received the January 7, 2025, distribution. The basis of an individual share may not be reduced below zero.

Line 17

The U.S. federal income tax treatment of the distribution is determined under sections 301(c)(1), 301(c)(2), 301(c)(3), and 316 of the Internal Revenue Code.

Line 18

No. The distribution does not cause a shareholder to recognize a loss.

Line 19

The distribution and related basis adjustment are reportable in the taxable year that includes January 7, 2025, the date on which the distribution was paid. Accordingly, for a calendar-year shareholder, the reportable tax year is 2025.

PPSI intends to report the dividend and nondividend portions of the distribution on Forms 1099-DIV furnished to shareholders, as applicable. This statement is provided pursuant to section 6045B and the regulations thereunder. The information contained herein does not constitute tax advice and does not take into account any shareholder's particular circumstances. Shareholders should consult their own tax advisors regarding the U.S. federal, state, local, and non-U.S. tax consequences of the distribution.