

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended **March 31, 2024**

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the Transition Period From \_\_\_\_\_ to \_\_\_\_\_

Commission File Number **001-36378**

**PROFIRE ENERGY, INC.**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction of incorporation or organization)

**20-0019425**

**321 South 1250 West , Suite 1**

(I.R.S. Employer Identification No.)

**Lindon , Utah**

(Address of principal executive offices)

**84042**

(Zip Code)

**(801) 796-5127**

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
Common, \$0.001 Par Value	PFIE	NASDAQ

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated Filer

Non-accelerated filer  Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) Yes  No

As of May 7, 2024, the registrant had 53,344,595 shares of common stock issued and 47,101,232 shares of common stock outstanding, par value \$0.001.

**PROFIRE ENERGY, INC.**  
**FORM 10-Q**  
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**PART I. FINANCIAL INFORMATION**

**Item 1 Financial Information**

**PROFIRE ENERGY, INC. AND SUBSIDIARIES**

Condensed Consolidated Balance Sheets

	As of	
	March 31, 2024	December 31, 2023
<b>ASSETS</b>		(Unaudited)
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 7,196,424	\$ 10,767,519
Short-term investments	2,750,324	2,799,539
Accounts receivable, net	14,226,321	14,013,740
Inventories, net (note 3)	15,747,817	14,059,656
Prepaid expenses and other current assets (note 4)	3,357,009	2,832,262
<b>Total Current Assets</b>	<b>43,277,895</b>	<b>44,472,716</b>
<b>LONG-TERM ASSETS</b>		
Net deferred tax asset	497,263	496,785
Long-term investments	6,286,599	6,425,582
Lease right-of-use asset (note 6)	395,267	432,907
Property and equipment, net	11,233,795	10,782,372
Intangible assets, net	1,064,724	1,104,102
Goodwill	2,579,381	2,579,381
<b>Total Long-Term Assets</b>	<b>22,057,029</b>	<b>21,821,129</b>
<b>TOTAL ASSETS</b>	<b>\$ 65,334,924</b>	<b>\$ 66,293,845</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 2,985,177	\$ 2,699,556
Accrued liabilities (note 5)	2,733,161	4,541,820
Current lease liability (note 6)	121,386	130,184
Income taxes payable	916,469	1,723,910
<b>Total Current Liabilities</b>	<b>6,756,193</b>	<b>9,095,470</b>
<b>LONG-TERM LIABILITIES</b>		
Net deferred income tax liability	44,876	52,621
Long-term lease liability (note 6)	280,371	307,528
<b>TOTAL LIABILITIES</b>	<b>7,081,440</b>	<b>9,455,619</b>
<b>STOCKHOLDERS' EQUITY (note 7)</b>		
Preferred stock: \$ 0.001 par value, 10,000,000 shares authorized: no shares issued or outstanding	—	—
Common stock: \$ 0.001 par value, 100,000,000 shares authorized: 53,337,589 issued and 47,094,226 outstanding at March 31, 2024, and 53,047,231 issued and 46,803,868 outstanding at December 31, 2023	53,340	53,048
Treasury stock, at cost	( 9,324,272 )	( 9,324,272 )
Additional paid-in capital	32,966,075	32,751,749
Accumulated other comprehensive loss	( 3,078,437 )	( 2,844,702 )
Retained earnings	37,636,778	36,202,403
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>58,253,484</b>	<b>56,838,226</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 65,334,924</b>	<b>\$ 66,293,845</b>

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**PROFIRE ENERGY, INC. AND SUBSIDIARIES**  
 Condensed Consolidated Statements of Income and Comprehensive Income  
 (Unaudited)

	For the Three Months Ended March 31,	
	2024	2023
<b>REVENUES (note 8)</b>		(See Note 1)
Sales of products, net	\$ 12,691,804	\$ 13,759,679
Sales of services, net	949,336	924,949
<b>Total Revenues</b>	<b>13,641,140</b>	<b>14,684,628</b>
<b>COST OF SALES</b>		
Cost of sales - products	6,095,004	6,105,506
Cost of sales - services	789,364	746,014
<b>Total Cost of Sales</b>	<b>6,884,368</b>	<b>6,851,520</b>
<b>GROSS PROFIT</b>	<b>6,756,772</b>	<b>7,833,108</b>
<b>OPERATING EXPENSES</b>		
General and administrative	4,604,766	4,110,032
Research and development	265,058	274,389
Depreciation and amortization	149,859	142,887
<b>Total Operating Expenses</b>	<b>5,019,683</b>	<b>4,527,308</b>
<b>INCOME FROM OPERATIONS</b>	<b>1,737,089</b>	<b>3,305,800</b>
<b>OTHER INCOME (EXPENSE)</b>		
Gain on sale of assets	44,821	53,075
Other expense	( 23,339 )	( 9,553 )
Interest income	71,897	58,047
Interest expense	( 2,945 )	( 933 )
<b>Total Other Income</b>	<b>90,434</b>	<b>100,636</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>1,827,523</b>	<b>3,406,436</b>
<b>INCOME TAX EXPENSE</b>	<b>( 393,148 )</b>	<b>( 816,815 )</b>
<b>NET INCOME</b>	<b>\$ 1,434,375</b>	<b>\$ 2,589,621</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		
Foreign currency translation loss	\$ ( 244,801 )	\$ ( 5,524 )
Unrealized gains on investments	11,066	76,287
<b>Total Other Comprehensive Income (Loss)</b>	<b>( 233,735 )</b>	<b>70,763</b>
<b>COMPREHENSIVE INCOME</b>	<b>\$ 1,200,640</b>	<b>\$ 2,660,384</b>
<b>BASIC EARNINGS PER SHARE</b>	<b>\$ 0.03</b>	<b>\$ 0.05</b>
<b>FULLY DILUTED EARNINGS PER SHARE</b>	<b>\$ 0.03</b>	<b>\$ 0.05</b>
<b>BASIC WEIGHTED AVG NUMBER OF SHARES OUTSTANDING</b>	<b>46,884,875</b>	<b>47,174,518</b>
<b>FULLY DILUTED WEIGHTED AVG NUMBER OF SHARES OUTSTANDING</b>	<b>48,482,704</b>	<b>48,612,833</b>

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**PROFIRE ENERGY, INC. AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Stockholders' Equity**

(Unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income		Treasury Stock	Retained Earnings	Total Stockholders' Equity
	Shares	Amount		(Loss)				
<b>Balance, December 31, 2023</b>	<b>46,803,868</b>	<b>\$ 53,048</b>	<b>\$ 32,751,749</b>	<b>\$ (2,844,702)</b>		<b>\$ (9,324,272)</b>	<b>\$ 36,202,403</b>	<b>\$ 56,838,226</b>
Stock based compensation	—	—	197,443	—	—	—	—	197,443
Stock issued in exercise of stock options	3,869	4	846	—	—	—	—	850
Stock issued in settlement of RSUs and accrued bonuses	286,489	288	324,127	—	—	—	—	324,415
Tax withholdings paid related to stock based compensation	—	—	(308,090)	—	—	—	—	(308,090)
Foreign currency translation	—	—	—	(244,801)	—	—	—	(244,801)
Unrealized gains on investments	—	—	—	11,066	—	—	—	11,066
Net income	—	—	—	—	—	—	1,434,375	1,434,375
<b>Balance, March 31, 2024</b>	<b>47,094,226</b>	<b>\$ 53,340</b>	<b>\$ 32,966,075</b>	<b>\$ (3,078,437)</b>		<b>\$ (9,324,272)</b>	<b>\$ 37,636,778</b>	<b>\$ 58,253,484</b>

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income		Treasury Stock	Retained Earnings	Total Stockholders' Equity
	Shares	Amount		(Loss)				
<b>Balance, December 31, 2022</b>	<b>47,105,771</b>	<b>\$ 52,144</b>	<b>\$ 31,737,843</b>	<b>\$ (3,294,873)</b>		<b>\$ (7,336,323)</b>	<b>\$ 25,425,689</b>	<b>\$ 46,584,480</b>
Stock based compensation	—	—	223,047	—	—	—	—	223,047
Stock issued in settlement of RSUs and accrued bonuses	246,116	247	378,279	—	—	—	—	378,526
Tax withholdings paid related to stock based compensation	—	—	(242,506)	—	—	—	—	(242,506)
Foreign currency translation	—	—	—	(5,524)	—	—	—	(5,524)
Unrealized gains on investments	—	—	—	76,287	—	—	—	76,287
Net income	—	—	—	—	—	—	2,589,621	2,589,621
<b>Balance, March 31, 2023</b>	<b>47,351,887</b>	<b>\$ 52,391</b>	<b>\$ 32,096,662</b>	<b>\$ (3,224,110)</b>		<b>\$ (7,336,323)</b>	<b>\$ 28,015,310</b>	<b>\$ 49,603,930</b>

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**PROFIRE ENERGY, INC. AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Cash Flows**  
(Uaudited)

	For the Three Months Ended March 31,	
	2024	2023
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 1,434,375	\$ 2,589,621
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	267,654	262,039
Gain on sale of property and equipment	( 44,821 )	( 53,075 )
Bad debt expense	61,684	41,792
Stock awards issued for services	197,443	223,047
Changes in operating assets and liabilities:		
Accounts receivable	( 23,969 )	( 1,108,889 )
Income taxes receivable/payable	( 804,057 )	629,371
Inventories	( 1,741,768 )	( 292,119 )
Prepaid expenses and other current assets	( 564,253 )	( 335,832 )
Deferred tax asset/liability	( 7,112 )	212,548
Accounts payable and accrued liabilities	( 1,467,314 )	( 1,646,723 )
Net Cash Provided by (Used in) Operating Activities	( 2,692,138 )	521,780
<b>INVESTING ACTIVITIES</b>		
Proceeds from sale of property and equipment	46,097	97,886
Sale (purchase) of investments	199,357	( 390,548 )
Purchase of property and equipment	( 776,721 )	( 153,755 )
Net Cash Used in Investing Activities	( 531,267 )	( 446,417 )
<b>FINANCING ACTIVITIES</b>		
Value of equity awards surrendered by employees for tax liability	( 307,933 )	( 242,506 )
Principal paid toward lease liability	( 10,875 )	( 6,947 )
Net Cash Used in Financing Activities	( 318,808 )	( 249,453 )
Effect of exchange rate changes on cash	( 28,882 )	8,868
<b>NET DECREASE IN CASH</b>	<b>( 3,571,095 )</b>	<b>( 165,222 )</b>
<b>CASH AT BEGINNING OF PERIOD</b>	<b>10,767,519</b>	<b>7,384,578</b>
<b>CASH AT END OF PERIOD</b>	<b>\$ 7,196,424</b>	<b>\$ 7,219,356</b>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
<b>CASH PAID FOR:</b>		
Interest	\$ 2,945	\$ 933
Income taxes	\$ 1,056,844	\$ —
<b>NON-CASH FINANCING AND INVESTING ACTIVITIES</b>		
Common stock issued in settlement of accrued bonuses	\$ 324,415	\$ 378,526
Common stock issued for stock options	\$ 850	\$ —

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**PROFIRE ENERGY, INC. AND SUBSIDIARIES**  
**Notes to the Condensed Consolidated Financial Statements (Unaudited)**  
**For the Three Months Ended March 31, 2024 and 2023**

**NOTE 1 - CONDENSED FINANCIAL STATEMENTS**

Except where the context otherwise requires, all references herein to the "Company," "Profire," "we," "us," "our," or similar words and phrases are to Profire Energy, Inc. and its wholly owned subsidiaries, taken together.

The accompanying condensed consolidated financial statements have been prepared by the Company without audit. In the opinion of management, all adjustments have been made (which include only normal recurring adjustments) which are necessary to present fairly the financial position, results of operations, stockholders' equity, and cash flows at March 31, 2024 and for all periods presented herein.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the Company's audited financial statements contained in its annual report on Form 10-K for the year ended December 31, 2023 ("Form 10-K"). The results of operations for the three-month periods ended March 31, 2024 and 2023 are not necessarily indicative of the operating results for the full years. Certain amounts in the accompanying March 31, 2023 condensed consolidated statement of income and comprehensive income (loss) and footnotes have been reclassified to conform to the March 31, 2024 presentation.

**NOTE 2 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Organization and Line of Business*

This Organization and Summary of Significant Accounting Policies of the Company is presented to assist in understanding the Company's condensed consolidated financial statements. The Company's accounting policies conform to "US GAAP."

The Company provides burner-management products, solutions and services primarily for the oil and gas industry within the US and Canadian markets. The Company has made progress in expansion efforts outside of these markets into other industries with combustion and burner management requirements as well as into other international locations.

*Significant Accounting Policies*

There have been no changes to the significant accounting policies of the Company from the information provided in Note 1 of the notes to the consolidated financial statements in the Company's most recent Form 10-K.

*Recent Accounting Pronouncements*

**Accounting Standards Update No. 2023-07 —Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures** The update is intended to improve reportable segment disclosure requirements through enhanced disclosures about significant segment expenses. The amendments require disclosure of significant segment expenses regularly provided to the chief operating decision maker (CODM) as well as other segment items, extend certain annual disclosures to interim periods, clarify the applicability to single reportable segment entities, permit more than one measure of profit or loss to be reported under certain conditions, and require disclosure of the title and position of the CODM. The new disclosures have been adopted in this report. See NOTE 10 – SEGMENT INFORMATION.

**Accounting Standards Update No. 2023-09 —Income Taxes (Topic 740): Improvements to Income Tax Disclosures** The update requires the annual financial statements to include consistent categories and greater disaggregation of information in the rate reconciliation, and income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for the Company's annual reporting periods beginning after December 15, 2024, with early adoption permitted, and should be applied on a prospective basis, with a retrospective option. We are currently evaluating the effect that adoption of ASU 2023-09 will have on our disclosures.

The Company has evaluated all other recent accounting pronouncements and determined that the adoption of other pronouncements applicable to the Company has not had, nor is expected to have, a material impact on the Company's financial position, results of operations, or cash flows.

**PROFIRE ENERGY, INC. AND SUBSIDIARIES**  
**Notes to the Condensed Consolidated Financial Statements**  
**For the Three Months Ended March 31, 2024 and 2023**

**NOTE 3 – INVENTORIES**

Inventories consisted of the following at each balance sheet date:

	As of	
	March 31, 2024	December 31, 2023
Raw materials	\$ 398,568	\$ 338,539
Finished goods	15,802,905	14,171,616
Subtotal	16,201,473	14,510,155
Reserve for obsolescence	( 453,656 )	( 450,499 )
<b>Total</b>	<b>\$ 15,747,817</b>	<b>\$ 14,059,656</b>

**NOTE 4 – PREPAID EXPENSES AND OTHER CURRENT ASSETS**

Prepaid expenses and other current assets consisted of the following at each balance sheet date:

	As of	
	March 31, 2024	December 31, 2023
Prepaid inventory	\$ 2,558,024	\$ 1,944,942
Accrued receivables	149,924	119,035
Prepaid insurance	237,970	351,273
Interest receivables	71,200	81,868
Other	339,891	335,144
<b>Total</b>	<b>\$ 3,357,009</b>	<b>\$ 2,832,262</b>

**NOTE 5 – ACCRUED LIABILITIES**

Accrued liabilities consisted of the following at each balance sheet date:

	As of	
	March 31, 2024	December 31, 2023
Employee-related payables	\$ 1,397,167	\$ 2,910,801
Deferred revenue	756,049	780,428
Inventory-related payables	215,696	400,701
Tax-related payables	75,420	119,188
Warranty liabilities	86,260	108,930
Other	202,569	221,772
<b>Total</b>	<b>\$ 2,733,161</b>	<b>\$ 4,541,820</b>

**PROFIRE ENERGY, INC. AND SUBSIDIARIES**  
**Notes to the Condensed Consolidated Financial Statements**  
**For the Three Months Ended March 31, 2024 and 2023**

**NOTE 6 – LEASES**

	As of	
	March 31, 2024	December 31, 2023
Components of lease right-of-use assets and liabilities		
Financing lease right-of-use assets	\$ 93,843	\$ 106,402
Operating lease right-of-use assets	301,424	326,505
Total Lease right-of-use assets	<u><u>\$ 395,267</u></u>	<u><u>\$ 432,907</u></u>
Financing current lease liability	\$ 43,775	\$ 47,492
Operating current lease liability	77,611	82,692
Total Current lease liability	<u><u>\$ 121,386</u></u>	<u><u>\$ 130,184</u></u>
Financing long-term lease liability	\$ 55,273	\$ 63,393
Operating long-term lease liability	225,098	244,135
Total Long-term lease liability	<u><u>\$ 280,371</u></u>	<u><u>\$ 307,528</u></u>

We have leases for office equipment and office space. The leases for office equipment are classified as financing leases, and the typical term is between 36 and 60 months. We have the option to extend most office equipment leases, but we do not intend to do so. Accordingly, no extensions have been recognized in the right-of-use asset or lease liability. The office equipment lease payments are not variable, and the lease agreements do not include any non-lease components, residual value guarantees, or restrictions. There are no interest rates implicit in the office equipment lease agreements, so we have used our incremental borrowing rate to determine the discount rate to be applied to our financing leases for the purpose of determining our lease liabilities. The weighted average discount rate applied to our financing leases is 4.50 % and the weighted average remaining lease term is 2.4 years.

The following table shows the components of financing lease cost:

	For the Three Months Ended March 31,	
	2024	2023
Financing Lease Cost		
Amortization of right-of-use assets	\$ 12,559	\$ 7,240
Interest on lease liabilities	2,945	933
Total financing lease cost	<u><u>\$ 15,504</u></u>	<u><u>\$ 8,173</u></u>

We lease two warehouse spaces, one with a two-year lease, and another with a four-year lease, both of which are recorded as operating leases. The weighted average discount rate applied to our financing leases is 4.5 % and the weighted average remaining lease term is 3.7 years. The remainder of our office space leases are considered to be short-term, and we have elected not to recognize those on our balance sheet under the short-term recognition exemption. Operating lease expense recognized during the three-months ended March 31, 2024 and March 31, 2023 was \$ 38,665 and \$ 18,852 , respectively.

**PROFIRE ENERGY, INC. AND SUBSIDIARIES**  
**Notes to the Condensed Consolidated Financial Statements**  
**For the Three Months Ended March 31, 2024 and 2023**

As of March 31, 2024, maturities of lease liabilities are as follows:

Years ending December 31,	Amount
2024	\$ 110,327
2025	126,278
2026	112,768
2027	91,097
2028	—
Thereafter	—
Total future minimum lease payments	\$ 440,470
Less: Amount representing interest	38,713
Present value of future payments	<b>\$ 401,757</b>
Current portion	\$ 121,386
Long-term portion	\$ 280,371

**NOTE 7 – STOCKHOLDERS' EQUITY**

As of both March 31, 2024 and December 31, 2023, the Company held 6,243,363 shares of its common stock in treasury at a total cost of \$ 9,324,272 .

On May 9, 2023, the Company announced that its Board of Directors (the "Board") had authorized a share repurchase program allowing the Company to repurchase up to \$ 2,000,000 worth of the Company's common stock from time to time through April 30, 2024. Purchases under the program were made at the discretion of management pursuant to a Rule 10b5-1 plan. The size and timing of any purchases were dependent on price, market and business conditions and other factors. As of December 2023, the Company had spent the full allotment under the program.

As of March 31, 2024, the Company had 742,855 restricted stock units ("RSUs"), 752,338 performance-based RSUs, and 204,000 stock options outstanding with \$ 1,289,440 in remaining compensation expense to be recognized over the next 1.9 years. See further details below about certain subsets of these outstanding equity-based awards.

On June 29, 2023, pursuant to the annual renewal of director compensation, the Board approved a grant of 195,966 RSUs to the Company's independent directors. Half of the RSUs vested immediately on the date of grant and the remaining 50 % of the RSUs will vest on the first anniversary of the grant date or at the Company's next annual meeting of stockholders, whichever is earlier. The awards will result in total compensation expense of approximately \$ 243,000 to be recognized over the vesting period.

2023 EIP and LTIP

On April 25, 2023, the Compensation Committee of the Board (the "Compensation Committee") approved the 2023 Executive Incentive Plan (the "2023 EIP") for Ryan W. Oviatt, the Company's Co-CEO, Co-President, and CFO, Cameron M. Tidball, the Company's Co-CEO and Co-President, and Patrick D. Fisher, the Company's Vice President of Product Development. The 2023 EIP provided for the potential award of incentive compensation to the participants based on the Company's financial performance in fiscal 2023. The incentive compensation was payable in cash and stock, and the stock portion of the incentive compensation constituted an award under the Company's 2023 Equity Incentive Plan (the "2023 Plan").

Participants were eligible to receive incentive compensation based upon reaching or exceeding performance goals established by the Compensation Committee for fiscal 2023. The performance goals in the 2023 EIP were based on the Company's total revenue, EBITDA, and two non-financial factors including revenue source diversification and safety and environmental

**PROFIRE ENERGY, INC. AND SUBSIDIARIES**  
**Notes to the Condensed Consolidated Financial Statements**  
**For the Three Months Ended March 31, 2024 and 2023**

performance. Each of the revenue, EBITDA, and revenue diversification performance goals will be weighted 30 % while the safety and environment goal will be weighted 10 % in calculating incentive compensation amounts.

On March 6, 2024, the Compensation Committee approved the incentive compensation amounts based on achieving certain targets pursuant to the 2023 EIP. The incentive compensation amounts earned under the 2023 EIP were paid 50 % in cash and 50 % in shares of restricted stock under the 2023 Plan. In satisfaction of the 50 % of the 2023 EIP plan that was payable in stock, the Compensation Committee approved a one-time bonus for Company executives that was settled by issuing a total of 225,698 shares of common stock, or 121,624 shares net of tax withholding. These shares were fully vested as of March 6, 2024.

In addition to the 2023 EIP, the Board also approved as a long-term incentive plan the grants of RSU awards to Messrs. Oviatt, Tidball, and Fisher pursuant to the 2023 Plan (the "2023 LTIP"). The 2023 LTIP consists of total awards of up to 287,076 RSUs ("Units") to Mr. Oviatt, up to 287,076 Units to Mr. Tidball, and up to 50,868 Units to Mr. Fisher, pursuant to two separate restricted stock unit award agreements (collectively, the "2023 LTIP Restricted Stock Unit Award Agreements") to be entered between the Company and each participant. One such agreement covers 33 % of each award recipient's Units that are subject to time-based vesting, and the other such agreement covers the remaining 67 % of such award recipient's Units that may vest based on performance metrics. Upon vesting, the award agreements entitle the award recipients to receive one share of the Company's common stock for each vested Unit. The vesting period of the 2023 LTIP began on January 1, 2023 and terminates on December 31, 2025 (the "2023 LTIP Performance Vesting Date").

The Units subject to time-based vesting, including 95,692 Units to Mr. Oviatt, 95,692 Units for Mr. Tidball, and 16,956 Units to Mr. Fisher, will vest in three equal and annual installments beginning December 31, 2023 and ending on December 31, 2025 if the award recipients' employment continues with the Company through such dates.

The performance-vesting Units, including up to 191,384 Units for Mr. Oviatt, 191,384 Units for Mr. Tidball, and 33,912 Units to Mr. Fisher, may vest over a three-year performance period beginning January 1, 2023 (the "2023 LTIP Performance Period") based upon the following Company performance metrics:

Performance Metrics	Weight	Target	Above Target	Outstanding
Total Shareholder Return (based on the Company's closing price of its common stock at the end of the 2023 LTIP Performance Period relative to its closing price as of the last trading day in 2022)	1/3	94.2 %	142.7 %	191.3 %
Relative Total Shareholder Return (based on the Company's ranked performance in closing stock price growth relative to a peer group of companies during the 2023 LTIP Performance Period)	1/3	Third Quartile	Second Quartile	First Quartile
EBITDA as a Percentage of Total Revenue	1/3	15 %	17.5 %	20 %

One-third of such performance-vesting Units, consisting of 63,794 Units for Mr. Oviatt, 63,794 Units for Mr. Tidball, and 11,304 Units for Mr. Fisher, may vest for each of the three performance metrics identified in the table above. The number of Units that will vest for each performance metric on the 2023 LTIP Performance Vesting Date shall be determined as follows:

- a. if the "Target" level for such performance metric is not achieved, none of the Units relating to such performance metric will vest;
- b. if the "Target" level (but no higher level) for such performance metric is achieved, 50 % of the Units relating to such performance metric will vest;
- c. if the "Above Target" level (but no higher level) for such performance metric is achieved, 75 % of the Units relating to such performance metric will vest; and
- d. if the "Outstanding" level for such performance metric is achieved, 100 % of the Units relating to such performance metric will vest.

The foregoing summary of the 2023 EIP and the 2023 LTIP Restricted Stock Unit Award Agreements relating to the 2023 LTIP is qualified in its entirety by the text of the 2023 EIP and each of the 2023 LTIP Restricted Stock Unit Award Agreements, which were filed as exhibits to the Quarterly Report on Form 10-Q for the quarter ending March 31, 2023.

2022 LTIP

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On April 6, 2022, the Compensation Committee approved as a long-term incentive plan the grants of restricted stock unit awards to Messrs. Oviatt, Tidball, and Fisher (the "2022 LTIP") pursuant to the Company's 2014 Equity Incentive Plan, as amended (the "2014 Plan"). The 2022 LTIP consists of total awards of up to 230,232 RSUs to Mr. Oviatt, up to 230,232 RSUs to Mr. Tidball, and up to 43,023 RSUs to Mr. Fisher, pursuant to two separate restricted stock unit award agreements (collectively, the "2022 LTIP Restricted Stock Unit Award Agreements") entered into between the Company and each participant. One such agreement covers the 33 % of each award recipient's RSUs that are subject to time-based vesting, and the other such agreement covers the remaining 67 % of such award recipient's RSUs that may vest based on performance metrics. Upon vesting, the award agreements entitle the award recipients to receive one share of the Company's common stock for each vested unit. The vesting period of the 2022 LTIP began on January 1, 2022 and terminates on December 31, 2024 (the "2022 LTIP Performance Vesting Date").

The RSUs subject to time-based vesting, including 76,744 RSUs to Mr. Oviatt, 76,744 RSUs for Mr. Tidball, and 14,341 RSUs to Mr. Fisher, will vest in three equal and annual installments beginning December 31, 2022 and ending on December 31, 2024 if the award recipients' employment continues with the Company through such dates.

The performance-vesting RSUs, including up to 153,488 RSUs for Mr. Oviatt, 153,488 RSUs for Mr. Tidball, and 28,682 RSUs to Mr. Fisher, may vest at the end of the three-year performance period beginning January 1, 2022 (the "2022 LTIP Performance Period") based upon the following Company performance metrics:

Performance Metric	Weight	Target	Above Target	Outstanding
Total Shareholder Return (based on the Company's closing price of its common stock at the end of the 2022 LTIP Performance Period relative to its closing price as of the last trading day in 2021)	1/3	89 %	136 %	183 %
Relative Total Shareholder Return (based on the Company's ranked performance in closing stock price growth relative to a peer group of companies during the 2022 LTIP Performance Period)	1/3	Third Quartile	Second Quartile	First Quartile
EBITDA as a Percentage of Total Revenue	1/3	10 %	15 %	20 %

One-third of such performance-vesting RSUs, consisting of 51,163 RSUs for Mr. Oviatt, 51,163 RSUs for Mr. Tidball, and 9,561 RSUs for Mr. Fisher, may vest for each of the three performance metrics identified in the table above. The number of RSUs that will vest for each performance metric on the 2022 LTIP Performance Vesting Date shall be determined as follows:

- a. if the "Target" level for such performance metric is not achieved, none of the RSUs relating to such performance metric will vest;
- b. if the "Target" level (but no higher level) for such performance metric is achieved, 50 % of the RSUs relating to such performance metric will vest;
- c. if the "Above Target" level (but no higher level) for such performance metric is achieved, 75 % of the RSUs relating to such performance metric will vest; and
- d. if the "Outstanding" level for such performance metric is achieved, 100 % of the RSUs relating to such performance metric will vest.

The foregoing summary of the 2022 LTIP Restricted Stock Unit Award Agreements is qualified in its entirety by the text of each of the 2022 LTIP Restricted Stock Unit Award Agreements, which were filed as exhibits to the Company's Form 10-Q for the quarter ending March 31, 2022.

2021 LTIP

On May 28, 2021, the Board approved as a long-term incentive plan, the grants of restricted stock unit awards to Messrs. Oviatt, Tidball, Fugal, and Fisher pursuant to the 2014 Plan (the "2021 LTIP"). The 2021 LTIP consists of total awards of up to 204,543 RSUs to Mr. Oviatt, up to 204,543 RSUs to Mr. Tidball, up to 85,908 RSUs to Mr. Fugal, and up to 47,973 RSUs to Mr. Fisher, pursuant to two separate restricted stock unit award agreements (collectively, the "2021 LTIP Restricted Stock Unit Award Agreements") between the Company and each participant. One agreement covers the 33 % of each award recipient's RSUs that are subject to time-based vesting, and the other agreement covers the remaining 67 % of such award recipient's RSUs that may vest based on performance metrics. Upon vesting, the award agreements entitle the award recipients to receive one share of the Company's common stock for each vested RSU. The vesting period of the 2021 LTIP began on January 1, 2021 and terminated on December 31, 2023 (the "2021 LTIP Performance Vesting Date").

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The RSUs subject to time-based vesting, including 68,181 RSUs to Mr. Oviatt, 68,181 RSUs for Mr. Tidball, 28,636 RSUs to Mr. Fugal, and 15,991 RSUs to Mr. Fisher, vested in three equal annual installments that began on December 31, 2021 and ended on December 31, 2023.

The performance-vesting RSUs, including up to 136,362 RSUs for Mr. Oviatt, 136,362 RSUs for Mr. Tidball, 57,272 RSUs for Mr. Fugal, and 31,982 RSUs to Mr. Fisher, were eligible to vest over a three-year performance period beginning January 1, 2021 based upon the following Company performance metrics:

Performance Metric	Weight	Target	Above Target	Outstanding
Total Shareholder Return	1/3	135 %	194 %	253 %
Relative Total Shareholder Return	1/3	Third Quartile	Second Quartile	First Quartile
EBITDA as a Percentage of Total Revenue	1/3	10 %	15 %	20 %

One-third of such performance-vesting RSUs, consisting of 45,454 RSUs for Mr. Oviatt, 45,454 RSUs for Mr. Tidball, 19,091 RSUs for Mr. Jay Fugal, the Company's former Vice President of Operations, and 10,661 RSUs for Mr. Fisher, were eligible to vest for each of the three performance metrics identified in the table above. The number of RSUs that vested for each performance metric on the 2021 LTIP Performance Vesting Date was determined as follows:

- if the "Target" level for such performance metric is not achieved, none of the RSUs relating to such performance metric will vest;
- if the "Target" level (but no higher level) for such performance metric is achieved, 50 % of the RSUs relating to such performance metric will vest;
- if the "Above Target" level (but no higher level) for such performance metric is achieved, 75 % of the RSUs relating to such performance metric will vest; and
- if the "Outstanding" level for such performance metric is achieved, 100 % of the RSUs relating to such performance metric will vest.

Mr. Fugal resigned effective October 31, 2021 from his position as Vice President of Operations to pursue an opportunity as CEO of another company. Accordingly, Mr. Fugal did not receive incentive compensation under the 2021 LTIP, and his unvested RSUs have been forfeited.

On March 6, 2024, the Compensation Committee approved the incentive compensation amounts based on achieving certain targets pursuant to the 2021 LTIP. The performance vesting RSUs were settled by issuing a total of 152,354 shares of common stock, or 80,059 shares net of tax withholding.

The foregoing summary of the 2021 LTIP is qualified in its entirety by the text of each of the 2021 LTIP Restricted Stock Unit Award Agreements, which the Company filed as exhibits to its quarterly report on Form 10-Q for the quarter ended June 30, 2021.

**NOTE 8 – REVENUE**

*Performance Obligations*

Our performance obligations include providing product and servicing our product as well as other combustion related equipment. We recognize product revenue performance obligations in most cases when the product is delivered to the customer. Occasionally, if we are shipping the product on a customer's account, we recognize revenue when the product has been shipped. At that point in time, the control of the product is transferred to the customer. When we perform service work, we apply the practical expedient that allows us to recognize service revenue when we have the right to invoice the customer for the work completed. We do not engage in transactions acting as an agent. The time needed to complete our performance obligations varies based on the size of the project; however, we typically satisfy our performance obligations within a few months of entering into the applicable sales contract or service contract.

Our customers have the right to return certain unused and unopened products within 90 days for a restocking fee. We provide a warranty on some of our products ranging from 90 days to 2 years, depending on the product. See [Note 5](#) for the amount accrued for expected returns and warranty claims as of March 31, 2024.

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**Contract Balances**

We have elected to use the practical expedient in ASC 340-40-25-4 (regarding recognition of the incremental costs of obtaining a contract) for costs related to contracts that are estimated to be completed within one year. All of our current sales contracts and service contracts are expected to be completed within one year, and as a result, we have not recognized a contract asset account. If we had chosen not to use this practical expedient, we would not expect a material difference in the contract balances. Occasionally, we collect milestone payments up front from customers on larger jobs. These payments are classified as deferred revenue until the deliverables have been met and revenue can be properly recognized in our financial statements. Each of the contracts related to these milestone payments is short-term in nature and we expect to recognize associated revenues within one year. As a result, we consider it appropriate to record deferred revenue for these transactions and do not have any other contract liability balances.

**Disaggregation of Revenue**

We consider all revenue recognized in the income statement to be revenue from contracts with customers. The table below shows revenue by category:

	For the Three Months Ended March 31,	
	2024	2023
Electronics	\$ 5,334,008	\$ 6,085,613
Manufactured	3,002,119	3,345,486
Re-Sell	4,355,677	4,328,580
Service	949,336	924,949
<b>Total Revenue</b>	<b>\$ 13,641,140</b>	<b>\$ 14,684,628</b>

**NOTE 9 – BASIC AND DILUTED EARNINGS PER SHARE**

The following table is a reconciliation of the numerator and denominators used in the earnings per share calculation:

	For the Three Months Ended March 31,					
	2024			2023		
	Income (Numerator)	Weighted Average Shares (Denominator)	Per-Share Amount	Income (Numerator)	Weighted Average Shares (Denominator)	Per-Share Amount
<b>Basic EPS</b>						
Net income available to common stockholders	\$ 1,434,375	46,884,875	\$ 0.03	\$ 2,589,621	47,174,518	\$ 0.05
<b>Effect of Dilutive Securities</b>						
Stock options & RSUs	—	1,597,829	—	—	1,438,315	—
<b>Diluted EPS</b>						
Net income available to common stockholders + assumed conversions	<u>\$ 1,434,375</u>	<u>48,482,704</u>	<u>\$ 0.03</u>	<u>\$ 2,589,621</u>	<u>48,612,833</u>	<u>\$ 0.05</u>

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**NOTE 10 – SEGMENT INFORMATION**

We are required to report segment information in the same way that we internally organize our business for assessing performance and making decisions regarding allocation of resources. Our product and services lines are similar in their production processes, customers, and economic characteristics; and we do not manage the business or allocate costs based on individual product or service lines. Revenues are regularly reviewed on a disaggregated basis between our US and Canada subsidiaries; however, individual subsidiary operating performance is not reviewed regularly. Each subsidiary has a different purpose within the consolidated organization as a whole and they are not comparable to one another. As a result, we have concluded that we only have one operating segment, which is the consolidated company as a whole. We record inter-subsidiary revenues and costs for transfer pricing purposes related to income tax planning.

Segment information for these geographic areas is as follows:

	For the Three Months Ended March 31,	
	2024	2023
<b>Revenues</b>		
Revenue from external customers		
Canada	\$ 1,820,716	\$ 2,136,204
United States	11,820,424	12,548,424
Inter-subsidiary revenue		
Canada	3,657,599	1,908,921
United States	1,916	1,713
Inter-subsidiary eliminations	( 3,659,515 )	( 1,910,634 )
Total Revenue	<u><u>\$ 13,641,140</u></u>	<u><u>\$ 14,684,628</u></u>
For the Three Months Ended March 31,		
<b>Income from Operations</b>	2024	2023
Canada	\$ 989,831	\$ 716,764
United States	747,258	2,589,036
Total Income from Operations	1,737,089	3,305,800
Gain on sale of fixed assets	44,821	53,075
Other expense	( 23,339 )	( 9,553 )
Interest income	71,897	58,047
Interest expense	( 2,945 )	( 933 )
Income before income taxes	<u><u>\$ 1,827,523</u></u>	<u><u>\$ 3,406,436</u></u>
As of		
<b>Long-Lived Assets</b>	March 31, 2024	December 31, 2023
Canada	\$ 4,858,130	\$ 5,024,824
United States	6,770,932	6,190,455
Total Consolidated	<u><u>\$ 11,629,062</u></u>	<u><u>\$ 11,215,279</u></u>

**NOTE 11 – SUBSEQUENT EVENTS**

In accordance with ASC 855 "Subsequent Events," Company management reviewed all material events through the date this report was issued.

On April 9, 2024, the Compensation Committee approved the 2024 Executive Incentive Plan (the "2024 EIP") for Messrs. Oviatt, Tidball, and Fisher. The 2024 EIP provides for the potential award of incentive compensation to the participants based on the Company's financial performance in fiscal 2024. If earned, the incentive compensation will be payable in cash and stock, and the stock portion of the incentive compensation is intended to constitute an award under the 2023 Plan. In addition to the 2024 EIP, the Board also approved as a long-term incentive plan the grants of restricted stock unit awards to Messrs. Oviatt, Tidball, and Fisher pursuant to the 2023 Plan (the "2024 LTIP").

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2024 EIP

Under the terms of the 2024 EIP, each participating executive officer has been assigned a target incentive compensation amount for fiscal 2024. The target incentive compensation amount for Mr. Oviatt is equal to 65 % of his base salary as of December 31, 2024, the target incentive compensation amount for Mr. Tidball is equal to 65 % of his base salary as of December 31, 2024, and the target incentive compensation for Mr. Fisher is equal to 40 % of his base salary as of December 31, 2024. Under no circumstance can the participants receive more than two times the assigned target incentive compensation.

Participants will be eligible to receive incentive compensation based upon reaching or exceeding performance goals established by the Compensation Committee for fiscal 2024. The performance goals in the 2024 EIP are based on the Company's total revenue, EBITDA, and two non-financial factors including strategic growth initiatives and safety and other. Each of the revenue, EBITDA, and strategic growth initiatives performance goals will be weighted 30 % while the safety and other goal will be weighted 10 % in calculating incentive compensation amounts.

The incentive compensation amounts earned under the 2024 EIP, if any, will be paid 50 % in cash and 50 % in shares of restricted stock under the 2023 Plan. In no event shall the total award exceed 200 % of the target incentive compensation amount for each participant, or exceed any limitations otherwise set forth in the 2023 Plan. The actual incentive compensation amounts, if any, will be determined by the Compensation Committee upon the completion of fiscal 2024 reporting period and paid by March 15, 2025, subject to all applicable tax withholding.

2024 LTIP

The 2024 LTIP consists of total awards of up to 204,651 restricted stock units ("Units") to Mr. Oviatt, up to 204,651 Units to Mr. Tidball, and up to 36,195 Units to Mr. Fisher, pursuant to two separate restricted stock unit award agreements (collectively, the "2024 LTIP Restricted Stock Unit Award Agreements") entered between the Company and each participant. One such agreement covers 33 % of each award recipient's Units that are subject to time-based vesting, and the other such agreement covers the remaining 67 % of such award recipient's Units that may vest based on performance metrics. Upon vesting, the award agreements entitle the award recipients to receive one share of the Company's common stock for each vested Unit. The vesting period of the 2024 LTIP began on January 1, 2024 and terminates on December 31, 2026 (the "2024 LTIP Performance Vesting Date").

The Units subject to time-based vesting, including 68,217 Units to Mr. Oviatt, 68,217 Units for Mr. Tidball, and 12,065 Units to Mr. Fisher, will vest in three equal and annual installments beginning January 1, 2024 and ending on December 31, 2026 if the award recipients' employment continues with the Company through such dates.

The performance-vesting Units, including up to 136,434 Units for Mr. Oviatt, 136,434 Units for Mr. Tidball, and 24,130 Units to Mr. Fisher, may vest over a three-year performance period beginning January 1, 2024 (the "2024 LTIP Performance Period") based upon the following Company performance metrics:

Performance Metrics	Weight	Target	Above Target	Outstanding
Total Shareholder Return (based on the Company's closing price of its common stock at the end of the 2024 LTIP Performance Period relative to its closing price as of the last trading day in 2023)	1/3	26.0 %	47.9 %	77.5 %
Relative Total Shareholder Return (based on the Company's ranked performance in closing stock price growth relative to a peer group of companies during the 2024 LTIP Performance Period)	1/3	Third Quartile	Second Quartile	First Quartile
EBITDA as a Percentage of Total Revenue	1/3	17.5 %	20.0 %	22.5 %

One-third of such performance-vesting Units, consisting of 45,477 Units for Mr. Oviatt, 45,477 Units for Mr. Tidball, and 8,043 Units for Mr. Fisher, may vest for each of the three performance metrics identified in the table above. The number of Units that will vest for each performance metric on the 2024 LTIP Performance Vesting Date shall be determined as follows:

- a. if the "Target" level for such performance metric is not achieved, none of the Units relating to such performance metric will vest;

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- b. if the "Target" level (but no higher level) for such performance metric is achieved, 50 % of the Units relating to such performance metric will vest;
- c. if the "Above Target" level (but no higher level) for such performance metric is achieved, 75 % of the Units relating to such performance metric will vest; and
- d. if the "Outstanding" level for such performance metric is achieved, 100 % of the Units relating to such performance metric will vest.

The foregoing summary of the 2024 EIP and the 2024 LTIP Restricted Stock Unit Award Agreements relating to the 2024 LTIP is qualified in its entirety by the text of the 2024 EIP and each of the 2024 LTIP Restricted Stock Unit Award Agreements, which were filed as exhibits to this Quarterly Report on Form 10-Q for the quarter ending March 31, 2024.

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

This discussion summarizes the significant factors affecting our consolidated operating results, financial condition, liquidity, and capital resources during the three-month periods ended March 31, 2024 and 2023. This Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the financial statements and notes to the financial statements contained in this quarterly report on Form 10-Q and our annual report on Form 10-K for the year ended December 31, 2023.

### **Forward-Looking Statements**

This quarterly report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are based on management's beliefs and assumptions and on information currently available to management. For this purpose, any statement contained in this report that is not a statement of historical fact may be deemed to be forward-looking, including, but not limited to, statements relating to our future actions, intentions, plans, strategies, objectives, results of operations, cash flows and the adequacy of or need to seek additional capital resources and liquidity. Words such as "may," "should," "expect," "project," "plan," "anticipate," "believe," "estimate," "intend," "budget," "forecast," "predict," "potential," "continue," "should," "could," "will," or comparable terminology or the negative of such terms are intended to identify forward-looking statements; however, the absence of these words does not necessarily mean that a statement is not forward-looking. Forward-looking statements by their nature involve known and unknown risks and uncertainties and other factors that may cause actual results and outcomes to differ materially depending on a variety of factors, many of which are not within our control. Such factors include, but are not limited to, economic conditions generally and in the oil and gas industry in which we and our customers participate; competition within our industry; legislative requirements or changes which could render our products or services less competitive or obsolete; our failure to successfully develop new products and/or services or to anticipate current or prospective customers' needs; price increases; limits to employee capabilities; delays, reductions, or cancellations of contracts we have previously entered into; sufficiency of working capital, capital resources and liquidity and other factors detailed herein and in our other filings with the United States Securities and Exchange Commission (the "SEC" or "Commission"). Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated. The foregoing factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this report. For a more detailed discussion of the principal factors that could cause actual results to be materially different, you should read our risk factors in [Item 1A. Risk Factors](#), included elsewhere in this report.

Forward-looking statements are based on current industry, financial, and economic information which we have assessed but which by its nature is dynamic and subject to rapid and possibly abrupt changes. Due to risks and uncertainties associated with our business, our actual results could differ materially from those stated or implied by such forward-looking statements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements and we hereby qualify all of our forward-looking statements by these cautionary statements.

Forward-looking statements in this report are based only on information currently available to us and speak only as of the date on which they are made. We undertake no obligation to amend this report or revise publicly these forward-looking statements (other than as required by law) to reflect subsequent events or circumstances, whether as the result of new information, future events or otherwise.

The following discussion should be read in conjunction with our financial statements and the related notes contained elsewhere in this report and in our other filings with the Commission.

### **Overview**

We are a technology company providing solutions that enhance the efficiency, safety, and reliability of industrial combustion appliances while mitigating potential environmental impacts related to the operation of these devices. Our legacy business is primarily focused in the upstream, midstream, and downstream transmission segments of the oil and gas industry. However, in recent years, we have completed many installations of our burner-management solutions in other industries for which we believe our solutions will be applicable as we expand our addressable market over time. We specialize in the engineering and design of burner and combustion management systems and solutions used on a variety of natural and forced draft applications. We sell our products and services primarily throughout North America. Our experienced team of sales and service professionals are strategically positioned across the United States and Canada providing support and service for our products.

#### Principal Products and Services

Across the energy industry, there are numerous demands for heat generation and control. Applications such as combustors, enclosed flares, gas production units, treaters, glycol and amine reboilers, indirect line-heaters, heated tanks, and process heaters require heat to support the production and or processing function. This heat is generated through the process of combustion, which must be controlled, managed, and supervised. Combustion and the resulting generation of heat are integral to the process of separating, treating, storing, incinerating, and transporting oil and gas. Factors such as specific gravity, the presence of hydrates, temperature and hydrogen sulfide content contribute to the need for heat generation in oil and gas production and processing applications. Our burner-management systems ignite, monitor, and manage pilot and burner systems that are utilized in this process. Our technology affords remote operation, reducing the need for employee interaction with the appliance's burner for purposes such as re-ignition or temperature monitoring. In addition, our burner-management systems can help reduce emissions by safely reigniting a failed flame, thereby improving efficiencies and up-time. Our extensive service and combustion experience provides customers with solutions that are consistent with industry trends and regulatory requirements to mitigate environmental impacts and reduce emissions through optimized burner operation.

Oil and gas companies, including upstream, midstream, downstream, pipeline, and gathering operators, utilize burner-management systems to achieve increased safety, greater operational efficiencies, and improved compliance with industry regulations. Without a burner-management system, a field employee must discover and reignite an extinguished burner flame, then restart the application manually. Without a proper burner-management system, all application monitoring must be accomplished in-person, directly on-site. This requirement for on-site monitoring, in an operational environment with limited field personnel, can result in the potential interruption of production for long periods of time and increased risks associated with reigniting a flame, which can lead to site hazards, including explosions and the possibility of venting gas into the atmosphere. In addition, without a burner-management system, burners often operate for longer durations, frequently with lower efficiency, resulting in increased equipment fatigue and greater expense related to fuel consumption.

We continue to assess regulatory requirements applicable to our customers. We believe our burner-management systems and services offer solutions for customers to meet compliance standards where applicable. In addition to product sales, we dispatch specialized service technicians to provide maintenance and installation support throughout the United States and Canada.

We initially developed our first burner-management controller in 2005. Since that time, our systems have become widely adopted throughout the United States and Western Canada. Profire burner-management systems have been designed to comply with widely accepted safety and industrial codes and standards in North America, including those prescribed and certified by the Canadian Standards Association (CSA), Underwriters Laboratories (UL), and Safety Integrity Level (SIL) standards.

Our systems and solutions have been widely adopted by exploration and production companies (E&P), midstream operators, pipeline operators, as well as downstream transmission and utility providers. Our customers include Antero, ATCO, Chesapeake, Chevron, CNRL, ConocoPhillips, Devon Energy, Dominion Energy, EQT, Kinder Morgan, National Grid, Ovintiv, Oxy, Range Resources, Williams, XTO, and others. Our systems have also been sold and installed in other parts of the world including many countries in South America, Europe, Africa, the Middle East, and Asia. Though firmly established and primarily focused on North American oil and gas markets, we continue to invest in expansion efforts in developing sales in diversified industries where we can utilize our combustion technology.

#### Environmental, Social and Governance Focus

As guiding principles and core to our strategy, our products and solutions are developed with a focus on safety, environmental impacts, reliability, and efficiency. Protecting human life, protecting the environment, and protecting our customers' investments are essential to our business objectives. Our products play a crucial role in supporting our customers' existing and future initiatives regarding improving workplace safety and environmental impacts.

Our burner-management technology is designed to monitor, operate, and manage a wide array of complex industrial heat applications. Providing our customers with safety-approved and certified technology, purposefully designed and built to meet regulatory requirements and process needs, is a critical component of our customers' safety protocols and initiatives.

Proper burner and combustion management control, coupled with peripheral solutions, increase site and location safety while reducing emissions. Profire's technology and solutions are integrated into a variety of applications to significantly reduce the release of methane and volatile organic compounds into the environment.

Profire burner-management controls and complementary solutions provide users with the ability to monitor field equipment remotely. This reduces truck rolls and the need for field personnel to travel to and manually inspect burner malfunctions in remote sites and locations. By dramatically reducing the number and frequency of physical trips to site, our automated solutions help our customers improve safety, reduce emissions, and decrease operating costs.

Operator safety is at the heart of our burner-management solution technology. Integration of our solutions and products helps our customers increase the likelihood that their employees return home safe each day. Adding greater physical distance between humans and the combustion process, as well as ensuring gas supplies are properly shut off when no flame is present, are two of the critical elements of how our burner-management solutions help protect human life.

## Results of Operations

### Comparison quarter over quarter

The table below presents certain financial data comparing the most recent quarter to prior quarters:

	For the three months ended				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Total Revenues	\$ 13,641,140	\$ 14,495,724	\$ 14,943,899	\$ 14,558,922	\$ 14,684,628
Gross Profit Percentage	49.5 %	53.9 %	50.0 %	50.9 %	53.3 %
Operating Expenses	\$ 5,019,683	\$ 5,026,596	\$ 4,933,479	\$ 4,190,535	\$ 4,527,308
Income from Operations	\$ 1,737,089	\$ 2,780,784	\$ 2,543,605	\$ 3,223,665	\$ 3,305,801
Net Income	\$ 1,434,375	\$ 3,290,545	\$ 2,039,389	\$ 2,857,158	\$ 2,589,621
Operating Cash Flow	\$ (2,692,138)	\$ 4,395,818	\$ 885,573	\$ 1,260,879	\$ 521,780

Revenues for the quarter ended March 31, 2024 decreased by 7% or \$1,043,488 compared to the quarter ended March 31, 2023, due to decreases in North America rig count and lower natural gas prices. The first quarter of 2024 weekly average rig count for North America was 810 compared to 977 in the same period of last year. Average natural gas prices have decreased 19% in the first quarter of 2024 compared to the same period in the prior year. As indicated by these industry trends, overall customer demand for hydrocarbons decreased during the quarter ended March 31, 2024 which caused a decrease in revenue for Profire.

Revenues for the quarter ended March 31, 2024 decreased by 6% or \$854,584 compared to the quarter ended December 31, 2023, also due to the lower natural gas prices in the first quarter of 2024.

Our gross profit margin for the first quarter of 2024 was down 3.8% from the same quarter of last year and down 4.4% from quarter ended December 31, 2023. The gross margin percentage was impacted by normal fluctuations in product, service and customer mix.

Operating expenses for the quarter ended March 31, 2024 increased \$492,375 from the same quarter of last year, due primarily to increases in headcount and cost inflation across the business. Operating expenses for the quarter ended March 31, 2024 were roughly flat with the prior quarter ended December 31, 2023.

Due to the factors discussed above, we reported income from operations of \$1,737,089 for the quarter ended March 31, 2024 compared to income from operations of \$3,305,801 for the same quarter in 2023 and income from operations of \$2,780,784 in the quarter ended December 31, 2023.

Due to the combination of factors discussed above relating to revenues, gross profit margin and operating expenses, we reported net income of \$1,434,375 for the quarter ended March 31, 2024 compared to net income of \$2,589,621 for the same quarter in 2023 and net income of \$3,290,545 in the quarter ended December 31, 2023.

The Company used operating cash of \$2,692,138 during the quarter ended March 31, 2024 compared to operating cash flows of \$521,780 during the same quarter of 2023 and operating cash flows of \$4,395,818 in the quarter ended December 31, 2023. The fluctuations in operating cash flows are due primarily to the changes in net income and working capital balances.

#### **Liquidity and Capital Resources**

Working capital at March 31, 2024 was \$36,521,702 compared to \$35,377,246 at December 31, 2023.

Our liquidity position is impacted by operating, investing and financing activities. During the three months ended March 31, 2024, we used \$2,692,138 of cash from operating activities, primarily due to a decrease in net income, purchases of inventory and payment of income taxes and other liabilities. Operating activity trends consist of cash inflows and outflows related to changes in operating assets and liabilities. During the three months ended March 31, 2024, we used \$531,267 of cash from investing activities to purchase property and equipment. Investing activity trends consist of changes in the mix of our investment portfolio and purchases or sales of fixed assets. During the three months ended March 31, 2024, we used \$318,808 of cash in financing activities, primarily related to taxes paid on employee stock award settlements during the quarter. Financing activity trends consist of transactions related to equity awards. The extent to which our liquidity position will be impacted in the future depends on industry trends and developments, which are highly uncertain and cannot be predicted with confidence. As of March 31, 2024, we held \$16,233,347 of cash and investments that form our core excess liquidity which could be utilized, if required, due to the issues described above.

#### **Off-Balance Sheet Arrangements**

We have not engaged in any off-balance sheet arrangements, nor do we plan to engage in any in the foreseeable future.

#### **Item 3. Quantitative and Qualitative Disclosure about Market Risk**

This section is not required.

#### **Item 4. Controls and Procedures**

##### *Evaluation of Disclosure Controls and Procedures*

Our management, with the participation of the Principal Executive Officers and Principal Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(b) under the Exchange Act, as of the end of the period covered by this quarterly report on Form 10-Q. Our disclosure controls and procedures are designed to ensure that the information required to be disclosed by us in reports that we file under the Exchange Act is accumulated and communicated to our management, including our Principal Executive Officers and Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Based on the evaluation performed, our management, including the Principal Executive Officers and Principal Financial Officer, concluded that the disclosure controls and procedures were effective as of March 31, 2024.

##### *Changes in Internal Control over Financial Reporting*

Our management, with the participation of our Principal Executive Officers and Principal Financial Officer, evaluated the changes in our internal control over financial reporting that occurred during the quarterly period covered by this quarterly report on Form 10-Q. Based on that evaluation, management concluded that no change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the quarter ended March 31, 2024, that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**PART II - OTHER INFORMATION**

**Item 1. Legal Proceedings**

To the best of our knowledge, there are no legal proceedings pending or threatened against us that may have a material impact on us, and there are no actions pending or threatened against any of our directors or officers that are adverse to us.

**Item 1A. Risk Factors**

In addition to the other information set forth in this quarterly report on Form 10-Q, you should carefully consider the risks discussed in our annual report on Form 10-K for the year ended December 31, 2023, which risks could materially affect our business, financial condition, or future results. These risks are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also have a material, adverse effect on our business, financial condition or future results.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

This item is not applicable.

**Item 3. Defaults Upon Senior Securities**

This item is not applicable.

**Item 4. Mine Safety Disclosures**

This item is not applicable.

**Item 5. Other Information**

During the quarterly period ended March 31, 2024, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K under the Securities Act).

## Item 6. Exhibits

The following exhibits are included as part of this report:

<a href="#">Exhibit 10.1*</a>	Restricted Stock Unit Award Agreement (Performance Vesting) between Profire Energy and Ryan Oviatt dated April 9, 2024
<a href="#">Exhibit 10.2*</a>	Restricted Stock Unit Award Agreement (Time Vesting) between Profire Energy and Ryan Oviatt dated April 9, 2024
<a href="#">Exhibit 10.3*</a>	Restricted Stock Unit Award Agreement (Performance Vesting) between Profire Energy and Cameron Tidball dated April 9, 2024
<a href="#">Exhibit 10.4*</a>	Restricted Stock Unit Award Agreement (Time Vesting) between Profire Energy and Cameron Tidball dated April 9, 2024
<a href="#">Exhibit 10.5*</a>	Restricted Stock Unit Award Agreement (Performance Vesting) between Profire Energy and Patrick Fisher dated April 9, 2024
<a href="#">Exhibit 10.6*</a>	Restricted Stock Unit Award Agreement (Time Vesting) between Profire Energy and Patrick Fisher dated April 9, 2024
<a href="#">Exhibit 10.7*</a>	Profire Energy, Inc. 2024 Executive Incentive Plan
<a href="#">Exhibit 31.1*</a>	Certification of Co-Principal Executive Officer Pursuant to Rule 13a-14(a) Ryan W. Oviatt
<a href="#">Exhibit 31.2*</a>	Certification of Co-Principal Executive Officer Pursuant to Rule 13a-14(a) Cameron M. Tidball
<a href="#">Exhibit 31.3*</a>	Certification of Principal Financial Officer Pursuant to Rule 13a-14(a)
<a href="#">Exhibit 32.1*</a>	Certification of Principal Executive Officers pursuant to 18 U.S.C. Section 1350
<a href="#">Exhibit 32.2*</a>	Certification of Ryan W. Oviatt, Principal Financial Officer pursuant to 18 U.S.C. Section 1350
Exhibit 101.INS*	XBRL Instance Document
Exhibit 101.SCH*	XBRL Taxonomy Extension Schema Document
Exhibit 101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
Exhibit 101.DEF*	XBRL Taxonomy Definition Linkbase Document
Exhibit 101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
Exhibit 101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
Exhibit 104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

\* Filed herewith.

+ Indicates Management contract, compensatory plan, or arrangement with the Company.

#### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

#### PROFIRE ENERGY, INC.

Date:	May 8, 2024	By:	<u>/s/ Ryan W. Oviatt</u> Ryan W. Oviatt Co-Chief Executive Officer and Chief Financial Officer
Date:	May 8, 2024	By:	<u>/s/ Cameron M. Tidball</u> Cameron M. Tidball Co-Chief Executive Officer

**PROFIRE ENERGY, INC.**  
**2023 EQUITY INCENTIVE PLAN**  
**RESTRICTED STOCK UNIT AWARD AGREEMENT**

This **RESTRICTED STOCK UNIT AWARD AGREEMENT** (this “*Agreement*”) is made this 11 day of April, 2024 (the “*Effective Date*”), by and between **Profire Energy, Inc.**, a Nevada corporation (the “*Company*”), and Ryan Oviatt (“*Participant*”). All capitalized terms used herein but not defined herein shall have the meanings given to them in the Profire Energy, Inc. 2023 Equity Incentive Plan, (the “*Plan*”).

1. Award. The Company hereby grants to Participant a restricted stock unit award (the “*Award*”) covering up to 136,434 shares (the “*Shares*”) of Common Stock, par value \$0.001 per share, of the Company according to the terms and conditions set forth herein and in the Plan. Each restricted stock unit (a “*Unit*”) represents the right to receive one Share, subject to the vesting requirements of this Agreement and the terms of the Plan. The Units are granted under Section 6(c) of the Plan. A copy of the Plan will be furnished upon request of Participant.

2. Performance Metrics and Vesting.

(a) Except as otherwise provided in this Agreement, the number of Units granted under this Award that actually vest will be vested on the date (the “*Vesting Date*”) that the Committee certifies that the Company has achieved the following performance metrics (each a “*Performance Metric*”):

Performance Metric	Weight	Target	Above Target	Outstanding
Total Shareholder Return	1/3	26%	47.9%	77.5%
Relative Total Shareholder Return	1/3	Third Quartile	Second Quartile	First Quartile
EBITDA Percentage	1/3	17.5%	20%	22.5%

(i) “*Total Shareholder Return*” means, for the three fiscal years comprising the Performance Period (as defined below), the quotient of (x) the difference between the Company’s closing stock price as of the last trading day in 2023 (the “*Beginning Price*”) and the Company’s closing stock price as of the last trading day in 2026 (the “*Ending Price*”) plus any dividends paid by the Company during the Performance Period, divided by (y) the Beginning Price.

(ii) “*Relative Total Shareholder Return*” means, for the three years comprising the Performance Period, the Company’s ranked performance against an established group of 14 peer companies (each a “*Peer Company*” and collectively, the “*Peer Group*”) based on Total Shareholder Return as applied to each Peer Company in the Peer Group. In determining the Company’s rank against the Peer Group, the top performing Peer Company and the lowest performing Peer Company will be disregarded. The Committee

will then determine whether the Company's performance is within the first, second, third or fourth quartile of the remaining 12 companies in the Peer Group. The companies comprising the Peer Group, as established by the Committee, are listed on Exhibit A attached hereto. If any Peer Company ceases to exist as a public company, or otherwise fails to meet the criteria of a Peer Company as determined by the Committee, then that Peer Company will be excluded from the Peer Group. In such case, to maintain the size of the Peer Group at 14 companies, the Committee shall endeavor in good faith to find a similarly situated company to replace the excluded Peer Company.

(iii) "EBITDA Percentage" means the simple average of the Company's EBITDA divided by the Company's Total Revenue for the three fiscal years comprising the Performance Period. For the purposes of this definition, "EBITDA" shall mean annual net income as adjusted by adding thereto, to the extent deducted in calculating net income for the year, net interest expense, taxes, depreciation and amortization.

(b) The performance period (the "Performance Period") shall commence on January 1, 2024 and terminate on December 31, 2026. The Committee shall certify whether the Company has achieved the Performance Metrics as soon as administratively feasible following the end of the Performance Period, but in no event later than 90 days following the end of the Performance Period. The Committee, in its sole discretion, shall have the right to determine whether the Performance Metrics have been achieved.

(c) The vesting of the Award will be weighted one-third (1/3) for each of the three Performance Metrics. Separately from the other Performance Metrics, each Performance Metric will determine the vesting for 136,434 Units subject to this Award. The number of Units that will vest for each Performance Metric on the Vesting Date shall be determined as follows: (i) if the "Target" level for such Performance Metric is not achieved, none of the Units relating to such Performance Metric will vest; (ii) if the "Target" level for such Performance Metric is achieved, 50% of the Units relating to such Performance Metric will vest; (iii) if the "Above Target" level for such Performance Metric is achieved, 75% of the Units relating to such Performance Metric will vest; and (iv) if the "Outstanding" level for such Performance Metric is achieved, 100% of the Units relating to such Performance Metric will vest.

3. Restrictions on Transfer. Until the Units vest pursuant to Section 2 hereof or unless the Committee determines otherwise, none of the Units may be transferred other than by will or by the laws of descent and distribution and no Units may be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance thereof shall be void and unenforceable against the Company or any Affiliate. The Committee may establish procedures as it deems appropriate for Participant to designate a person or persons, as beneficiary or beneficiaries, to exercise the rights of Participant and receive any property distributable with respect to the Units in the event of Participant's death.

4. Forfeiture Except as otherwise determined by the Committee, upon Participant's termination of providing service as an Eligible Person for the Company or any Affiliate ("Service") (in either case, as determined under criteria established by the Committee) prior to vesting of the Units pursuant to Section 2 hereof, all unvested Units held by such Participant at such time shall be forfeited and reacquired by the Company; *provided, however,* that the Committee may waive

in whole or in part any or all remaining restrictions with respect to the unvested Units. Upon forfeiture, Participant will no longer have any rights relating to the unvested Units.

## 5. Miscellaneous

(a) Issuance of Shares. As soon as administratively practicable following the Vesting Date, and Participant's satisfaction of any required tax withholding obligations (but in no event later than 60 days following the Vesting Date), the Company shall cause to be issued and delivered to Participant a certificate or certificates evidencing Shares registered in the name of Participant (or in the name of Participant's legal representatives, beneficiaries or heirs, as the case may be) or to instruct the Company's transfer agent to electronically deliver such Shares to Participant (or applicable representative, beneficiary or heir). The number of Shares issued shall equal the number of Units vested, reduced as necessary to cover applicable withholding obligations in accordance with Section 5(c) hereof. If it is administratively impracticable to issue Shares within the time frame described above because issuances of Shares are prohibited or restricted pursuant to the policies of the Company that are reasonably designed to ensure compliance with applicable securities laws or stock exchange rules, then such issuance shall be delayed until such prohibitions or restrictions lapse.

(b) No Rights as Shareholder. Units are not actual Shares, but rather, represent a right to receive Shares according to the terms and conditions set forth herein and the terms of the Plan. Accordingly, the issuance of a Unit shall not entitle Participant to any of the rights or benefits generally accorded to shareholders unless and until a Share is actually issued under Section 5(a) hereof.

(c) Taxes. Participant hereby agrees to make adequate provision for any sums required to satisfy the applicable federal, state, local or foreign employment, social insurance, payroll, income or other tax withholding obligations (the "*Withholding Obligations*") that arise in connection with this Agreement. The Company may establish procedures to ensure satisfaction of all applicable Withholding Obligations arising in connection with this Agreement, including any means permitted in Section 8 of the Plan. Participant hereby authorizes the Company, at its sole discretion and subject to any limitations under applicable law, to satisfy any such Tax Obligations by (1) withholding a portion of the Shares otherwise to be issued in payment of the Units having a value equal to the amount of Withholding Obligations in accordance with such rules as the Company may from time to time establish; *provided, however,* that the amount of the Shares so withheld shall not exceed the amount necessary to satisfy the required Withholding Obligations using applicable minimum statutory withholding rates; (2) withholding from the wages and other cash compensation payable to Participant or by causing Participant to tender a cash payment or other Shares to the Company; or (3) selling on Participant's behalf (using any brokerage firm determined acceptable to the Company for such purpose) a portion of the Shares issued in payment of the Units as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the Withholding Obligations; *provided, however,* that if Participant is a Section 16 officer of the Company under the Exchange Act, then the Committee shall establish the method of withholding from the above alternatives and, if the Committee does not exercise its discretion prior to the withholding event, then Participant shall be entitled to elect the method of withholding from the alternatives above. Participant shall be responsible for all brokerage fees and other costs of sale, and Participant further agrees to indemnify and hold the Company harmless from any losses,

costs, damages or expenses relating to any such sale. The Company may refuse to deliver Shares if Participant fails to comply with Participant's obligations in connection with the Withholding Obligations described in this paragraph.

(d) Plan Provisions Control. This Award is subject to the terms and conditions of the Plan, but the terms of the Plan shall not be considered an enlargement of any benefits under this Agreement. In addition, this Award is subject to the rules and regulations promulgated pursuant to the Plan, now or hereafter in effect. A copy of the Plan will be furnished upon request of Participant. In the event that any provision of this Agreement conflicts with or is inconsistent in any respect with the terms of the Plan, the terms of the Plan shall control. This Agreement (and any addendum hereto) and the Plan together constitute the entire agreement between the parties hereto with regard to the subject matter hereof.

(e) No Right to Employment. The issuance of the Award shall not be construed as giving Participant the right to be retained in the employ, or as giving a director of the Company or an Affiliate the right to continue as a director of the Company or an Affiliate, nor will it affect in any way the right of the Company or an Affiliate to terminate such employment or position at any time, with or without cause. In addition, the Company or an Affiliate may at any time dismiss Participant from employment, or terminate the term of a director of the Company or an Affiliate, free from any liability or any claim under the Plan or this Agreement. Nothing in this Agreement shall confer on any person any legal or equitable right against the Company or any Affiliate, directly or indirectly, or give rise to any cause of action at law or in equity against the Company or an Affiliate. The Award granted hereunder shall not form any part of the wages or salary of Participant for purposes of severance pay or termination indemnities, irrespective of the reason for termination of employment. Under no circumstances shall any person ceasing to be an employee of the Company or any Affiliate be entitled to any compensation for any loss of any right or benefit under this Agreement or the Plan which such employee might otherwise have enjoyed but for termination of employment, whether such compensation is claimed by way of damages for wrongful or unfair dismissal, breach of contract or otherwise. By participating in the Plan, Participant shall be deemed to have accepted all the conditions of the Plan and this Agreement and the terms and conditions of any rules and regulations adopted by the Committee (as defined in the Plan) and shall be fully bound thereby.

(f) Governing Law. The validity, construction and effect of the Plan and this Agreement, and any rules and regulations relating to the Plan and this Agreement, shall be determined in accordance with the internal laws, and not the law of conflicts, of the State of Nevada.

(g) Severability. If any provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify this Agreement under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan or this Agreement, such provision shall be stricken as to such jurisdiction or this Agreement, and the remainder of this Agreement shall remain in full force and effect.

(h) No Trust or Fund Created. Neither the Plan nor this Agreement shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and Participant or any other person.

(i) Section 409A Provisions. The payment of Shares under this Agreement is intended to be exempt from the application of Section 409A of the Internal Revenue Code, as amended (“*Section 409A*”) by reason of the short-term deferral exemption set forth in Treasury Regulation §1.409A-1(b)(4). Notwithstanding anything in the Plan or this Agreement to the contrary, to the extent that any amount or benefit hereunder that constitutes “deferred compensation” to Participant under Section 409A and applicable guidance thereunder is otherwise payable or distributable to Participant under the Plan or this Agreement solely due to Participant’s disability or “separation from service” (as such term is defined under Section 409A), such amount or benefit will not be payable or distributable to Participant by reason of such circumstance unless the Committee determines in good faith that (i) the circumstances giving rise to such disability or separation from service meet the definition of disability, or separation from service, as the case may be, in Section 409A(a)(2)(A) of the Code and applicable final regulations, or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A by reason of the short-term deferral exemption or otherwise (including, but not limited to, a payment made pursuant to an involuntary separation arrangement that is exempt from Section 409A under the “short-term deferral” exception). Any payment or distribution that otherwise would be made to a Participant who is a specified employee (as determined by the Committee in good faith) on account of separation from service may not be made before the date which is six months after the date of the specified employee’s separation from service (or if earlier, upon the specified employee’s death) unless the payment or distribution is exempt from the application of Section 409A by reason of the short term deferral exemption or otherwise.

(j) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision thereof.

(k) Securities Matters. The Company shall not be required, and shall not have any liability for failure, to deliver Shares until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

(l) Consultation with Professional Tax and Investment Advisors. Participant acknowledges that the grant, exercise, vesting or any payment with respect to this Award, and the sale or other taxable disposition of the Shares acquired pursuant to the exercise thereof, may have tax consequences pursuant to the Internal Revenue Code of 1986, as amended, or under local, state or international tax laws. Participant further acknowledges that Participant is relying solely and exclusively on Participant’s own professional tax and investment advisors with respect to any and all such matters (and is not relying, in any manner, on the Company or any of its employees or representatives). Finally, Participant understands and agrees that any and all tax consequences resulting from the Award and its grant, exercise, vesting or any payment with respect thereto, and the sale or other taxable disposition of the Shares acquired pursuant to the Plan, is solely and exclusively the responsibility of Participant without any expectation or understanding that the Company or any of its employees or representatives will pay or reimburse Participant for such

taxes or other items.

*[Signature page follows]*

**IN WITNESS WHEREOF**, the Company and Participant have executed this Agreement as of the Effective Date.

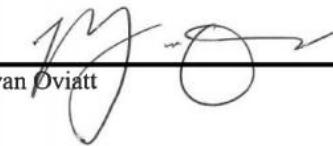
**PROFIRE ENERGY, INC.**

By: 

Name: Cameron Tidball

Title: CO-CEO, CO-PRESIDENT

**PARTICIPANT:**

  
Ryan Oviatt

*[Signature Page to Restricted Stock Unit Award Agreement]*

## **Exhibit A**

### Peer Group

1. TOMI environmental Solutions, Inc. (TOMZ)
2. MIND Technology, Inc. (MIND)
3. ENGlobal Corporation (ENG)
4. Fuel Tech, Inc. (FTEK)
5. Questar Technology, Inc. (QST)
6. Advanced Emissions Solutions, Inc. (ADES)
7. Geospace Technologies Corporation (GEOS)
8. Enservco Corp (ENSV)
9. Dawson Geophysical Company (DWSN)
10. Natural Gas Services Group, Inc. (NGS)
11. Northern Technologies International Corp. (NTIC)
12. Taylor Devices, Inc. (TAYD)
13. Superior Drilling Products, Inc. (SDPI)
14. Air Industries Group (AIRI).



**PROFIRE ENERGY, INC.**  
**2023 EQUITY INCENTIVE PLAN**  
**RESTRICTED STOCK UNIT AWARD AGREEMENT**

This **RESTRICTED STOCK UNIT AWARD AGREEMENT** (this “*Agreement*”) is entered into as of this 11 day of April, 2024 (the “*Effective Date*”), by and between **Profire Energy, Inc.**, a Nevada corporation (the “*Company*”), and Ryan Oviatt (“*Participant*”). All capitalized terms used herein but not defined herein shall have the meanings given to them in the Profire Energy, Inc. 2023 Equity Incentive Plan (the “*Plan*”).

1. **Award.** The Company hereby grants to Participant a restricted stock unit award (the “*Award*”) covering 68,217 shares (the “*Shares*”) of Common Stock, par value \$0.001 per share, of the Company according to the terms and conditions set forth herein and in the Plan. Each restricted stock unit (a “*Unit*”) represents the right to receive one Share, subject to the vesting requirements of this Agreement and the terms of the Plan. The Units are granted under Section 6(c) of the Plan. A copy of the Plan will be furnished upon request of Participant.

2. **Vesting.** Except as otherwise provided in this Agreement, so long as Participant is providing service as an Eligible Person for the Company or any Affiliate (“*Service*”), the Units shall vest in accordance with the following schedule:

On each of the following dates	Number of Units Vested
December 31, 2024	22,739
December 31, 2025	22,739
December 31, 2026	22,739

3. **Restrictions on Transfer.** Until the Units vest pursuant to Section 2 hereof or unless the Committee determines otherwise, none of the Units may be transferred other than by will or by the laws of descent and distribution and no Units may be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance thereof shall be void and unenforceable against the Company or any Affiliate. The Committee may establish procedures as it deems appropriate for Participant to designate a person or persons, as beneficiary or beneficiaries, to exercise the rights of the Participant and receive any property distributable with respect to the Units in the event of the Participant’s death.

4. **Forfeiture.** Except as otherwise determined by the Committee, upon Participant’s termination of Service (in either case, as determined under criteria established by the Committee) prior to vesting of the Units pursuant to Section 2 hereof, all unvested Units held by such Participant at such time shall be forfeited and reacquired by the Company; *provided, however,* that the Committee may waive in whole or in part any or all remaining restrictions with respect to the unvested Units. Upon forfeiture, Participant will no longer have any rights relating to the unvested Units.

5. Miscellaneous

(a) Issuance of Shares. As soon as administratively practicable following the Participant's vesting date under Section 2 hereof, as applicable, and the Participant's satisfaction of any required tax withholding obligations (but in no event later than 60 days following the applicable vesting date), the Company shall cause to be issued and delivered to the Participant a certificate or certificates evidencing Shares registered in the name of the Participant (or in the name of the Participant's legal representatives, beneficiaries or heirs, as the case may be) or to instruct the Company's transfer agent to electronically deliver such shares to the respective Participant. The number of Shares issued shall equal the number of Units vested, reduced as necessary to cover applicable withholding obligations in accordance with Section 5(c) hereof. If it is administratively impracticable to issue Shares within the time frame described above because issuances of Shares are prohibited or restricted pursuant to the policies of the Company that are reasonably designed to ensure compliance with applicable securities laws or stock exchange rules, then such issuance shall be delayed until such prohibitions or restrictions lapse.

(b) No Rights as Shareholder. Units are not actual Shares, but rather, represent a right to receive Shares according to the terms and conditions set forth herein and the terms of the Plan. Accordingly, the issuance of a Unit shall not entitle the Participant to any of the rights or benefits generally accorded to shareholders unless and until a Share is actually issued under Section 5(a) hereof.

(c) Taxes. The Participant hereby agrees to make adequate provision for any sums required to satisfy the applicable federal, state, local or foreign employment, social insurance, payroll, income or other tax withholding obligations (the "*Withholding Obligations*") that arise in connection with this Agreement. The Company may establish procedures to ensure satisfaction of all applicable Withholding Obligations arising in connection with this Agreement, including any means permitted in Section 8 of the Plan. The Participant hereby authorizes the Company, at its sole discretion and subject to any limitations under applicable law, to satisfy any such Tax Obligations by (1) withholding a portion of the Shares otherwise to be issued in payment of the Units having a value equal to the amount of Withholding Obligations in accordance with such rules as the Company may from time to time establish; *provided, however,* that the amount of the Shares so withheld shall not exceed the amount necessary to satisfy the required Withholding Obligations using applicable minimum statutory withholding rates; (2) withholding from the wages and other cash compensation payable to the Participant or by causing the Participant to tender a cash payment or other Shares to the Company; or (3) selling on the Participant's behalf (using any brokerage firm determined acceptable to the Company for such purpose) a portion of the Shares issued in payment of the Units as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the Withholding Obligations; *provided, however,* that if Participant is a Section 16 officer of the Company under the Exchange Act, then the Committee shall establish the method of withholding from the above alternatives and, if the Committee does not exercise its discretion prior to the withholding event, then Participant shall be entitled to elect the method of withholding from the alternatives above. The Participant shall be responsible for all brokerage fees and other costs of sale, and the Participant further agrees to indemnify and hold the Company harmless from any losses, costs, damages or expenses relating to any such sale. The Company may refuse to deliver Shares if the Participant

fails to comply with the Participant's obligations in connection with the Withholding Obligations described in this paragraph.

(d) Plan Provisions Control. This Award is subject to the terms and conditions of the Plan, but the terms of the Plan shall not be considered an enlargement of any benefits under this Agreement. In addition, this Award is subject to the rules and regulations promulgated pursuant to the Plan, now or hereafter in effect. A copy of the Plan will be furnished upon request of the Participant. In the event that any provision of this Agreement conflicts with or is inconsistent in any respect with the terms of the Plan, the terms of the Plan shall control. This Agreement (and any addendum hereto) and the Plan together constitute the entire agreement between the parties hereto with regard to the subject matter hereof.

(e) No Right to Employment. The issuance of the Award shall not be construed as giving Participant the right to be retained in the employ, or as giving a director of the Company or an Affiliate the right to continue as a director of the Company or an Affiliate, nor will it affect in any way the right of the Company or an Affiliate to terminate such employment or position at any time, with or without cause. In addition, the Company or an Affiliate may at any time dismiss Participant from employment, or terminate the term of a director of the Company or an Affiliate, free from any liability or any claim under the Plan or this Agreement. Nothing in this Agreement shall confer on any person any legal or equitable right against the Company or any Affiliate, directly or indirectly, or give rise to any cause of action at law or in equity against the Company or an Affiliate. The Award granted hereunder shall not form any part of the wages or salary of Participant for purposes of severance pay or termination indemnities, irrespective of the reason for termination of employment. Under no circumstances shall any person ceasing to be an employee of the Company or any Affiliate be entitled to any compensation for any loss of any right or benefit under this Agreement or the Plan which such employee might otherwise have enjoyed but for termination of employment, whether such compensation is claimed by way of damages for wrongful or unfair dismissal, breach of contract or otherwise. By participating in the Plan, Participant shall be deemed to have accepted all the conditions of the Plan and this Agreement and the terms and conditions of any rules and regulations adopted by the Committee (as defined in the Plan) and shall be fully bound thereby.

(f) Governing Law. The validity, construction and effect of the Plan and this Agreement, and any rules and regulations relating to the Plan and this Agreement, shall be determined in accordance with the internal laws, and not the law of conflicts, of the State of Nevada.

(g) Severability. If any provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify this Agreement under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan or this Agreement, such provision shall be stricken as to such jurisdiction or this Agreement, and the remainder of this Agreement shall remain in full force and effect.

(h) No Trust or Fund Created. Neither the Plan nor this Agreement shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and Participant or any other person.

(i) Section 409A Provisions. The payment of Shares under this Agreement is intended to be exempt from the application of Section 409A of the Internal Revenue Code, as amended (“*Section 409A*”) by reason of the short-term deferral exemption set forth in Treasury Regulation §1.409A-1(b)(4). Notwithstanding anything in the Plan or this Agreement to the contrary, to the extent that any amount or benefit hereunder that constitutes “deferred compensation” to the Participant under Section 409A and applicable guidance thereunder is otherwise payable or distributable to the Participant under the Plan or this Agreement solely due to the Participant’s disability or “separation from service” (as such term is defined under Section 409A), such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless the Committee determines in good faith that (i) the circumstances giving rise to such disability or separation from service meet the definition of disability, or separation from service, as the case may be, in Section 409A(a)(2)(A) of the Code and applicable final regulations, or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A by reason of the short-term deferral exemption or otherwise (including, but not limited to, a payment made pursuant to an involuntary separation arrangement that is exempt from Section 409A under the “short-term deferral” exception). Any payment or distribution that otherwise would be made to a Participant who is a specified employee (as determined by the Committee in good faith) on account of separation from service may not be made before the date which is six months after the date of the specified employee’s separation from service (or if earlier, upon the specified employee’s death) unless the payment or distribution is exempt from the application of Section 409A by reason of the short term deferral exemption or otherwise.

(j) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision thereof.

(k) Securities Matters. The Company shall not be required, and shall not have any liability for failure, to deliver Shares until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

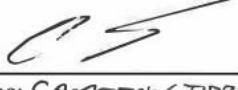
(l) Consultation with Professional Tax and Investment Advisors. The Participant acknowledges that the grant, exercise, vesting or any payment with respect to this Award, and the sale or other taxable disposition of the Shares acquired pursuant to the exercise thereof, may have tax consequences pursuant to the Internal Revenue Code of 1986, as amended, or under local, state or international tax laws. The Participant further acknowledges that the Participant is relying solely and exclusively on the Participant’s own professional tax and investment advisors with respect to any and all such matters (and is not relying, in any manner, on the Company or any of its employees or representatives). Finally, the Participant understands and agrees that any and all tax consequences resulting from the Award and its grant, exercise, vesting or any payment with respect thereto, and the sale or other taxable disposition of the Shares acquired

pursuant to the Plan, is solely and exclusively the responsibility of the Participant without any expectation or understanding that the Company or any of its employees or representatives will pay or reimburse the Participant for such taxes or other items.

*[Signature page follows]*

**IN WITNESS WHEREOF**, the Company and Participant have executed this Agreement as of the Effective Date.

**PROFIRE ENERGY, INC.**

By: 

Name: CAMERON TIDBALL

Title: CO-CEO, CO-PRESIDENT

**PARTICIPANT:**

  
Ryan Oviatt

[Signature page to Restricted Stock Unit Award Agreement]



**PROFIRE ENERGY, INC.  
2023 EQUITY INCENTIVE PLAN  
RESTRICTED STOCK UNIT AWARD AGREEMENT**

This **RESTRICTED STOCK UNIT AWARD AGREEMENT** (this “*Agreement*”) is made this 11 day of April, 2024 (the “*Effective Date*”), by and between **Profire Energy, Inc.**, a Nevada corporation (the “*Company*”), and Cameron Tidball (“*Participant*”). All capitalized terms used herein but not defined herein shall have the meanings given to them in the Profire Energy, Inc. 2023 Equity Incentive Plan, (the “*Plan*”).

1. Award. The Company hereby grants to Participant a restricted stock unit award (the “*Award*”) covering up to 136,434 shares (the “*Shares*”) of Common Stock, par value \$0.001 per share, of the Company according to the terms and conditions set forth herein and in the Plan. Each restricted stock unit (a “*Unit*”) represents the right to receive one Share, subject to the vesting requirements of this Agreement and the terms of the Plan. The Units are granted under Section 6(c) of the Plan. A copy of the Plan will be furnished upon request of Participant.

2. Performance Metrics and Vesting.

(a) Except as otherwise provided in this Agreement, the number of Units granted under this Award that actually vest will be vested on the date (the “*Vesting Date*”) that the Committee certifies that the Company has achieved the following performance metrics (each a “*Performance Metric*”):

Performance Metric	Weight	Target	Above Target	Outstanding
Total Shareholder Return	1/3	26%	47.9%	77.5%
Relative Total Shareholder Return	1/3	Third Quartile	Second Quartile	First Quartile
EBITDA Percentage	1/3	17.5%	20%	22.5%

(i) “*Total Shareholder Return*” means, for the three fiscal years comprising the Performance Period (as defined below), the quotient of (x) the difference between the Company’s closing stock price as of the last trading day in 2023 (the “*Beginning Price*”) and the Company’s closing stock price as of the last trading day in 2026 (the “*Ending Price*”) plus any dividends paid by the Company during the Performance Period, divided by (y) the Beginning Price.

(ii) “*Relative Total Shareholder Return*” means, for the three years comprising the Performance Period, the Company’s ranked performance against an established group of 14 peer companies (each a “*Peer Company*” and collectively, the “*Peer Group*”) based on Total Shareholder Return as applied to each Peer Company in the Peer Group. In determining the Company’s rank against the Peer Group, the top performing Peer Company and the lowest performing Peer Company will be disregarded. The Committee

will then determine whether the Company's performance is within the first, second, third or fourth quartile of the remaining 12 companies in the Peer Group. The companies comprising the Peer Group, as established by the Committee, are listed on Exhibit A attached hereto. If any Peer Company ceases to exist as a public company, or otherwise fails to meet the criteria of a Peer Company as determined by the Committee, then that Peer Company will be excluded from the Peer Group. In such case, to maintain the size of the Peer Group at 14 companies, the Committee shall endeavor in good faith to find a similarly situated company to replace the excluded Peer Company.

(iii) "EBITDA Percentage" means the simple average of the Company's EBITDA divided by the Company's Total Revenue for the three fiscal years comprising the Performance Period. For the purposes of this definition, "EBITDA" shall mean annual net income as adjusted by adding thereto, to the extent deducted in calculating net income for the year, net interest expense, taxes, depreciation and amortization.

(b) The performance period (the "Performance Period") shall commence on January 1, 2024 and terminate on December 31, 2026. The Committee shall certify whether the Company has achieved the Performance Metrics as soon as administratively feasible following the end of the Performance Period, but in no event later than 90 days following the end of the Performance Period. The Committee, in its sole discretion, shall have the right to determine whether the Performance Metrics have been achieved.

(c) The vesting of the Award will be weighted one-third (1/3) for each of the three Performance Metrics. Separately from the other Performance Metrics, each Performance Metric will determine the vesting for 136,434 Units subject to this Award. The number of Units that will vest for each Performance Metric on the Vesting Date shall be determined as follows: (i) if the "Target" level for such Performance Metric is not achieved, none of the Units relating to such Performance Metric will vest; (ii) if the "Target" level for such Performance Metric is achieved, 50% of the Units relating to such Performance Metric will vest; (iii) if the "Above Target" level for such Performance Metric is achieved, 75% of the Units relating to such Performance Metric will vest; and (iv) if the "Outstanding" level for such Performance Metric is achieved, 100% of the Units relating to such Performance Metric will vest.

3. Restrictions on Transfer. Until the Units vest pursuant to Section 2 hereof or unless the Committee determines otherwise, none of the Units may be transferred other than by will or by the laws of descent and distribution and no Units may be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance thereof shall be void and unenforceable against the Company or any Affiliate. The Committee may establish procedures as it deems appropriate for Participant to designate a person or persons, as beneficiary or beneficiaries, to exercise the rights of Participant and receive any property distributable with respect to the Units in the event of Participant's death.

4. Forfeiture Except as otherwise determined by the Committee, upon Participant's termination of providing service as an Eligible Person for the Company or any Affiliate ("Service") (in either case, as determined under criteria established by the Committee) prior to vesting of the Units pursuant to Section 2 hereof, all unvested Units held by such Participant at such time shall be forfeited and reacquired by the Company; *provided, however,* that the Committee may waive

in whole or in part any or all remaining restrictions with respect to the unvested Units. Upon forfeiture, Participant will no longer have any rights relating to the unvested Units.

## 5. Miscellaneous

(a) Issuance of Shares. As soon as administratively practicable following the Vesting Date, and Participant's satisfaction of any required tax withholding obligations (but in no event later than 60 days following the Vesting Date), the Company shall cause to be issued and delivered to Participant a certificate or certificates evidencing Shares registered in the name of Participant (or in the name of Participant's legal representatives, beneficiaries or heirs, as the case may be) or to instruct the Company's transfer agent to electronically deliver such Shares to Participant (or applicable representative, beneficiary or heir). The number of Shares issued shall equal the number of Units vested, reduced as necessary to cover applicable withholding obligations in accordance with Section 5(c) hereof. If it is administratively impracticable to issue Shares within the time frame described above because issuances of Shares are prohibited or restricted pursuant to the policies of the Company that are reasonably designed to ensure compliance with applicable securities laws or stock exchange rules, then such issuance shall be delayed until such prohibitions or restrictions lapse.

(b) No Rights as Shareholder. Units are not actual Shares, but rather, represent a right to receive Shares according to the terms and conditions set forth herein and the terms of the Plan. Accordingly, the issuance of a Unit shall not entitle Participant to any of the rights or benefits generally accorded to shareholders unless and until a Share is actually issued under Section 5(a) hereof.

(c) Taxes. Participant hereby agrees to make adequate provision for any sums required to satisfy the applicable federal, state, local or foreign employment, social insurance, payroll, income or other tax withholding obligations (the "*Withholding Obligations*") that arise in connection with this Agreement. The Company may establish procedures to ensure satisfaction of all applicable Withholding Obligations arising in connection with this Agreement, including any means permitted in Section 8 of the Plan. Participant hereby authorizes the Company, at its sole discretion and subject to any limitations under applicable law, to satisfy any such Tax Obligations by (1) withholding a portion of the Shares otherwise to be issued in payment of the Units having a value equal to the amount of Withholding Obligations in accordance with such rules as the Company may from time to time establish; *provided, however,* that the amount of the Shares so withheld shall not exceed the amount necessary to satisfy the required Withholding Obligations using applicable minimum statutory withholding rates; (2) withholding from the wages and other cash compensation payable to Participant or by causing Participant to tender a cash payment or other Shares to the Company; or (3) selling on Participant's behalf (using any brokerage firm determined acceptable to the Company for such purpose) a portion of the Shares issued in payment of the Units as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the Withholding Obligations; *provided, however,* that if Participant is a Section 16 officer of the Company under the Exchange Act, then the Committee shall establish the method of withholding from the above alternatives and, if the Committee does not exercise its discretion prior to the withholding event, then Participant shall be entitled to elect the method of withholding from the alternatives above. Participant shall be responsible for all brokerage fees and other costs of sale, and Participant further agrees to indemnify and hold the Company harmless from any losses,

costs, damages or expenses relating to any such sale. The Company may refuse to deliver Shares if Participant fails to comply with Participant's obligations in connection with the Withholding Obligations described in this paragraph.

(d) Plan Provisions Control. This Award is subject to the terms and conditions of the Plan, but the terms of the Plan shall not be considered an enlargement of any benefits under this Agreement. In addition, this Award is subject to the rules and regulations promulgated pursuant to the Plan, now or hereafter in effect. A copy of the Plan will be furnished upon request of Participant. In the event that any provision of this Agreement conflicts with or is inconsistent in any respect with the terms of the Plan, the terms of the Plan shall control. This Agreement (and any addendum hereto) and the Plan together constitute the entire agreement between the parties hereto with regard to the subject matter hereof.

(e) No Right to Employment. The issuance of the Award shall not be construed as giving Participant the right to be retained in the employ, or as giving a director of the Company or an Affiliate the right to continue as a director of the Company or an Affiliate, nor will it affect in any way the right of the Company or an Affiliate to terminate such employment or position at any time, with or without cause. In addition, the Company or an Affiliate may at any time dismiss Participant from employment, or terminate the term of a director of the Company or an Affiliate, free from any liability or any claim under the Plan or this Agreement. Nothing in this Agreement shall confer on any person any legal or equitable right against the Company or any Affiliate, directly or indirectly, or give rise to any cause of action at law or in equity against the Company or an Affiliate. The Award granted hereunder shall not form any part of the wages or salary of Participant for purposes of severance pay or termination indemnities, irrespective of the reason for termination of employment. Under no circumstances shall any person ceasing to be an employee of the Company or any Affiliate be entitled to any compensation for any loss of any right or benefit under this Agreement or the Plan which such employee might otherwise have enjoyed but for termination of employment, whether such compensation is claimed by way of damages for wrongful or unfair dismissal, breach of contract or otherwise. By participating in the Plan, Participant shall be deemed to have accepted all the conditions of the Plan and this Agreement and the terms and conditions of any rules and regulations adopted by the Committee (as defined in the Plan) and shall be fully bound thereby.

(f) Governing Law. The validity, construction and effect of the Plan and this Agreement, and any rules and regulations relating to the Plan and this Agreement, shall be determined in accordance with the internal laws, and not the law of conflicts, of the State of Nevada.

(g) Severability. If any provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify this Agreement under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan or this Agreement, such provision shall be stricken as to such jurisdiction or this Agreement, and the remainder of this Agreement shall remain in full force and effect.

(h) No Trust or Fund Created. Neither the Plan nor this Agreement shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and Participant or any other person.

(i) Section 409A Provisions. The payment of Shares under this Agreement is intended to be exempt from the application of Section 409A of the Internal Revenue Code, as amended (“*Section 409A*”) by reason of the short-term deferral exemption set forth in Treasury Regulation §1.409A-1(b)(4). Notwithstanding anything in the Plan or this Agreement to the contrary, to the extent that any amount or benefit hereunder that constitutes “deferred compensation” to Participant under Section 409A and applicable guidance thereunder is otherwise payable or distributable to Participant under the Plan or this Agreement solely due to Participant’s disability or “separation from service” (as such term is defined under Section 409A), such amount or benefit will not be payable or distributable to Participant by reason of such circumstance unless the Committee determines in good faith that (i) the circumstances giving rise to such disability or separation from service meet the definition of disability, or separation from service, as the case may be, in Section 409A(a)(2)(A) of the Code and applicable final regulations, or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A by reason of the short-term deferral exemption or otherwise (including, but not limited to, a payment made pursuant to an involuntary separation arrangement that is exempt from Section 409A under the “short-term deferral” exception). Any payment or distribution that otherwise would be made to a Participant who is a specified employee (as determined by the Committee in good faith) on account of separation from service may not be made before the date which is six months after the date of the specified employee’s separation from service (or if earlier, upon the specified employee’s death) unless the payment or distribution is exempt from the application of Section 409A by reason of the short term deferral exemption or otherwise.

(j) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision thereof.

(k) Securities Matters. The Company shall not be required, and shall not have any liability for failure, to deliver Shares until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

(l) Consultation with Professional Tax and Investment Advisors. Participant acknowledges that the grant, exercise, vesting or any payment with respect to this Award, and the sale or other taxable disposition of the Shares acquired pursuant to the exercise thereof, may have tax consequences pursuant to the Internal Revenue Code of 1986, as amended, or under local, state or international tax laws. Participant further acknowledges that Participant is relying solely and exclusively on Participant’s own professional tax and investment advisors with respect to any and all such matters (and is not relying, in any manner, on the Company or any of its employees or representatives). Finally, Participant understands and agrees that any and all tax consequences resulting from the Award and its grant, exercise, vesting or any payment with respect thereto, and the sale or other taxable disposition of the Shares acquired pursuant to the Plan, is solely and exclusively the responsibility of Participant without any expectation or understanding that the Company or any of its employees or representatives will pay or reimburse Participant for such

taxes or other items.

[Signature page follows]

**IN WITNESS WHEREOF**, the Company and Participant have executed this Agreement as of the Effective Date.

**PROFIRE ENERGY, INC.**

By:   
Name: Ryan W. Oviatt  
Title: CO-CEO & CFO

**PARTICIPANT:**

  
Cameron Tidball

*[Signature Page to Restricted Stock Unit Award Agreement]*

## **Exhibit A**

### **Peer Group**

1. TOMI environmental Solutions, Inc. (TOMZ)
2. MIND Technology, Inc. (MIND)
3. ENGlobal Corporation (ENG)
4. Fuel Tech, Inc. (FTEK)
5. Questar Technology, Inc. (QST)
6. Advanced Emissions Solutions, Inc. (ADES)
7. Geospace Technologies Corporation (GEOS)
8. Enservco Corp (ENSV)
9. Dawson Geophysical Company (DWSN)
10. Natural Gas Services Group, Inc. (NGS)
11. Northern Technologies International Corp. (NTIC)
12. Taylor Devices, Inc. (TAYD)
13. Superior Drilling Products, Inc. (SDPI)
14. Air Industries Group (AIRI).



**PROFIRE ENERGY, INC.**  
**2023 EQUITY INCENTIVE PLAN**  
**RESTRICTED STOCK UNIT AWARD AGREEMENT**

This **RESTRICTED STOCK UNIT AWARD AGREEMENT** (this “*Agreement*”) is entered into as of this 11 day of April, 2024 (the “*Effective Date*”), by and between **Profire Energy, Inc.**, a Nevada corporation (the “*Company*”), and Cameron Tidball (“*Participant*”). All capitalized terms used herein but not defined herein shall have the meanings given to them in the Profire Energy, Inc. 2023 Equity Incentive Plan (the “*Plan*”).

1. Award. The Company hereby grants to Participant a restricted stock unit award (the “*Award*”) covering 68,217 shares (the “*Shares*”) of Common Stock, par value \$0.001 per share, of the Company according to the terms and conditions set forth herein and in the Plan. Each restricted stock unit (a “*Unit*”) represents the right to receive one Share, subject to the vesting requirements of this Agreement and the terms of the Plan. The Units are granted under Section 6(c) of the Plan. A copy of the Plan will be furnished upon request of Participant.

2. Vesting. Except as otherwise provided in this Agreement, so long as Participant is providing service as an Eligible Person for the Company or any Affiliate (“*Service*”), the Units shall vest in accordance with the following schedule:

<u>On each of the following dates</u>	<u>Number of Units Vested</u>
December 31, 2024	22,739
December 31, 2025	22,739
December 31, 2026	22,739

3. Restrictions on Transfer. Until the Units vest pursuant to Section 2 hereof or unless the Committee determines otherwise, none of the Units may be transferred other than by will or by the laws of descent and distribution and no Units may be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance thereof shall be void and unenforceable against the Company or any Affiliate. The Committee may establish procedures as it deems appropriate for Participant to designate a person or persons, as beneficiary or beneficiaries, to exercise the rights of the Participant and receive any property distributable with respect to the Units in the event of the Participant’s death.

4. Forfeiture. Except as otherwise determined by the Committee, upon Participant’s termination of Service (in either case, as determined under criteria established by the Committee) prior to vesting of the Units pursuant to Section 2 hereof, all unvested Units held by such Participant at such time shall be forfeited and reacquired by the Company; *provided, however*, that the Committee may waive in whole or in part any or all remaining restrictions with respect to the unvested Units. Upon forfeiture, Participant will no longer have any rights relating to the unvested Units.

## 5. Miscellaneous

(a) Issuance of Shares. As soon as administratively practicable following the Participant's vesting date under Section 2 hereof, as applicable, and the Participant's satisfaction of any required tax withholding obligations (but in no event later than 60 days following the applicable vesting date), the Company shall cause to be issued and delivered to the Participant a certificate or certificates evidencing Shares registered in the name of the Participant (or in the name of the Participant's legal representatives, beneficiaries or heirs, as the case may be) or to instruct the Company's transfer agent to electronically deliver such shares to the respective Participant. The number of Shares issued shall equal the number of Units vested, reduced as necessary to cover applicable withholding obligations in accordance with Section 5(c) hereof. If it is administratively impracticable to issue Shares within the time frame described above because issuances of Shares are prohibited or restricted pursuant to the policies of the Company that are reasonably designed to ensure compliance with applicable securities laws or stock exchange rules, then such issuance shall be delayed until such prohibitions or restrictions lapse.

(b) No Rights as Shareholder. Units are not actual Shares, but rather, represent a right to receive Shares according to the terms and conditions set forth herein and the terms of the Plan. Accordingly, the issuance of a Unit shall not entitle the Participant to any of the rights or benefits generally accorded to shareholders unless and until a Share is actually issued under Section 5(a) hereof.

(c) Taxes. The Participant hereby agrees to make adequate provision for any sums required to satisfy the applicable federal, state, local or foreign employment, social insurance, payroll, income or other tax withholding obligations (the "*Withholding Obligations*") that arise in connection with this Agreement. The Company may establish procedures to ensure satisfaction of all applicable Withholding Obligations arising in connection with this Agreement, including any means permitted in Section 8 of the Plan. The Participant hereby authorizes the Company, at its sole discretion and subject to any limitations under applicable law, to satisfy any such Tax Obligations by (1) withholding a portion of the Shares otherwise to be issued in payment of the Units having a value equal to the amount of Withholding Obligations in accordance with such rules as the Company may from time to time establish; *provided, however,* that the amount of the Shares so withheld shall not exceed the amount necessary to satisfy the required Withholding Obligations using applicable minimum statutory withholding rates; (2) withholding from the wages and other cash compensation payable to the Participant or by causing the Participant to tender a cash payment or other Shares to the Company; or (3) selling on the Participant's behalf (using any brokerage firm determined acceptable to the Company for such purpose) a portion of the Shares issued in payment of the Units as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the Withholding Obligations; *provided, however,* that if Participant is a Section 16 officer of the Company under the Exchange Act, then the Committee shall establish the method of withholding from the above alternatives and, if the Committee does not exercise its discretion prior to the withholding event, then Participant shall be entitled to elect the method of withholding from the alternatives above. The Participant shall be responsible for all brokerage fees and other costs of sale, and the Participant further agrees to indemnify and hold the Company harmless from any losses, costs, damages or expenses relating to any such sale. The Company may refuse to deliver Shares if the Participant

fails to comply with the Participant's obligations in connection with the Withholding Obligations described in this paragraph.

(d) Plan Provisions Control. This Award is subject to the terms and conditions of the Plan, but the terms of the Plan shall not be considered an enlargement of any benefits under this Agreement. In addition, this Award is subject to the rules and regulations promulgated pursuant to the Plan, now or hereafter in effect. A copy of the Plan will be furnished upon request of the Participant. In the event that any provision of this Agreement conflicts with or is inconsistent in any respect with the terms of the Plan, the terms of the Plan shall control. This Agreement (and any addendum hereto) and the Plan together constitute the entire agreement between the parties hereto with regard to the subject matter hereof.

(e) No Right to Employment. The issuance of the Award shall not be construed as giving Participant the right to be retained in the employ, or as giving a director of the Company or an Affiliate the right to continue as a director of the Company or an Affiliate, nor will it affect in any way the right of the Company or an Affiliate to terminate such employment or position at any time, with or without cause. In addition, the Company or an Affiliate may at any time dismiss Participant from employment, or terminate the term of a director of the Company or an Affiliate, free from any liability or any claim under the Plan or this Agreement. Nothing in this Agreement shall confer on any person any legal or equitable right against the Company or any Affiliate, directly or indirectly, or give rise to any cause of action at law or in equity against the Company or an Affiliate. The Award granted hereunder shall not form any part of the wages or salary of Participant for purposes of severance pay or termination indemnities, irrespective of the reason for termination of employment. Under no circumstances shall any person ceasing to be an employee of the Company or any Affiliate be entitled to any compensation for any loss of any right or benefit under this Agreement or the Plan which such employee might otherwise have enjoyed but for termination of employment, whether such compensation is claimed by way of damages for wrongful or unfair dismissal, breach of contract or otherwise. By participating in the Plan, Participant shall be deemed to have accepted all the conditions of the Plan and this Agreement and the terms and conditions of any rules and regulations adopted by the Committee (as defined in the Plan) and shall be fully bound thereby.

(f) Governing Law. The validity, construction and effect of the Plan and this Agreement, and any rules and regulations relating to the Plan and this Agreement, shall be determined in accordance with the internal laws, and not the law of conflicts, of the State of Nevada.

(g) Severability. If any provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify this Agreement under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan or this Agreement, such provision shall be stricken as to such jurisdiction or this Agreement, and the remainder of this Agreement shall remain in full force and effect.

(h) No Trust or Fund Created. Neither the Plan nor this Agreement shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and Participant or any other person.

(i) Section 409A Provisions. The payment of Shares under this Agreement is intended to be exempt from the application of Section 409A of the Internal Revenue Code, as amended (“*Section 409A*”) by reason of the short-term deferral exemption set forth in Treasury Regulation §1.409A-1(b)(4). Notwithstanding anything in the Plan or this Agreement to the contrary, to the extent that any amount or benefit hereunder that constitutes “deferred compensation” to the Participant under Section 409A and applicable guidance thereunder is otherwise payable or distributable to the Participant under the Plan or this Agreement solely due to the Participant’s disability or “separation from service” (as such term is defined under Section 409A), such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless the Committee determines in good faith that (i) the circumstances giving rise to such disability or separation from service meet the definition of disability, or separation from service, as the case may be, in Section 409A(a)(2)(A) of the Code and applicable final regulations, or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A by reason of the short-term deferral exemption or otherwise (including, but not limited to, a payment made pursuant to an involuntary separation arrangement that is exempt from Section 409A under the “short-term deferral” exception). Any payment or distribution that otherwise would be made to a Participant who is a specified employee (as determined by the Committee in good faith) on account of separation from service may not be made before the date which is six months after the date of the specified employee’s separation from service (or if earlier, upon the specified employee’s death) unless the payment or distribution is exempt from the application of Section 409A by reason of the short term deferral exemption or otherwise.

(j) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision thereof.

(k) Securities Matters. The Company shall not be required, and shall not have any liability for failure, to deliver Shares until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

(l) Consultation with Professional Tax and Investment Advisors. The Participant acknowledges that the grant, exercise, vesting or any payment with respect to this Award, and the sale or other taxable disposition of the Shares acquired pursuant to the exercise thereof, may have tax consequences pursuant to the Internal Revenue Code of 1986, as amended, or under local, state or international tax laws. The Participant further acknowledges that the Participant is relying solely and exclusively on the Participant’s own professional tax and investment advisors with respect to any and all such matters (and is not relying, in any manner, on the Company or any of its employees or representatives). Finally, the Participant understands and agrees that any and all tax consequences resulting from the Award and its grant, exercise, vesting or any payment with respect thereto, and the sale or other taxable disposition of the Shares acquired

pursuant to the Plan, is solely and exclusively the responsibility of the Participant without any expectation or understanding that the Company or any of its employees or representatives will pay or reimburse the Participant for such taxes or other items.

*[Signature page follows]*

**IN WITNESS WHEREOF**, the Company and Participant have executed this Agreement as of the Effective Date.

**PROFIRE ENERGY, INC.**

By:   
Name: Ryan W. Oviatt  
Title: Co-CEO & CFO

**PARTICIPANT:**

  
Cameron Tidball

*[Signature page to Restricted Stock Unit Award Agreement]*



**PROFIRE ENERGY, INC.**  
**2023 EQUITY INCENTIVE PLAN**  
**RESTRICTED STOCK UNIT AWARD AGREEMENT**

This **RESTRICTED STOCK UNIT AWARD AGREEMENT** (this “*Agreement*”) is made this 11 day of April, 2024 (the “*Effective Date*”), by and between **Profire Energy, Inc.**, a Nevada corporation (the “*Company*”), and Patrick Fisher (“*Participant*”). All capitalized terms used herein but not defined herein shall have the meanings given to them in the Profire Energy, Inc. 2023 Equity Incentive Plan, (the “*Plan*”).

1. Award. The Company hereby grants to Participant a restricted stock unit award (the “*Award*”) covering up to 24,130 shares (the “*Shares*”) of Common Stock, par value \$0.001 per share, of the Company according to the terms and conditions set forth herein and in the Plan. Each restricted stock unit (a “*Unit*”) represents the right to receive one Share, subject to the vesting requirements of this Agreement and the terms of the Plan. The Units are granted under Section 6(c) of the Plan. A copy of the Plan will be furnished upon request of Participant.

2. Performance Metrics and Vesting.

(a) Except as otherwise provided in this Agreement, the number of Units granted under this Award that actually vest will be vested on the date (the “*Vesting Date*”) that the Committee certifies that the Company has achieved the following performance metrics (each a “*Performance Metric*”):

Performance Metric	Weight	Target	Above Target	Outstanding
Total Shareholder Return	1/3	26%	47.9%	77.5%
Relative Total Shareholder Return	1/3	Third Quartile	Second Quartile	First Quartile
EBITDA Percentage	1/3	17.5%	20%	22.5%

(i) “*Total Shareholder Return*” means, for the three fiscal years comprising the Performance Period (as defined below), the quotient of (x) the difference between the Company’s closing stock price as of the last trading day in 2023 (the “*Beginning Price*”) and the Company’s closing stock price as of the last trading day in 2026 (the “*Ending Price*”) plus any dividends paid by the Company during the Performance Period, divided by (y) the Beginning Price.

(ii) “*Relative Total Shareholder Return*” means, for the three years comprising the Performance Period, the Company’s ranked performance against an established group of 14 peer companies (each a “*Peer Company*” and collectively, the “*Peer Group*”) based on Total Shareholder Return as applied to each Peer Company in the Peer Group. In determining the Company’s rank against the Peer Group, the top performing Peer Company and the lowest performing Peer Company will be disregarded. The Committee

will then determine whether the Company's performance is within the first, second, third or fourth quartile of the remaining 12 companies in the Peer Group. The companies comprising the Peer Group, as established by the Committee, are listed on Exhibit A attached hereto. If any Peer Company ceases to exist as a public company, or otherwise fails to meet the criteria of a Peer Company as determined by the Committee, then that Peer Company will be excluded from the Peer Group. In such case, to maintain the size of the Peer Group at 14 companies, the Committee shall endeavor in good faith to find a similarly situated company to replace the excluded Peer Company.

(iii) "EBITDA Percentage" means the simple average of the Company's EBITDA divided by the Company's Total Revenue for the three fiscal years comprising the Performance Period. For the purposes of this definition, "EBITDA" shall mean annual net income as adjusted by adding thereto, to the extent deducted in calculating net income for the year, net interest expense, taxes, depreciation and amortization.

(b) The performance period (the "*Performance Period*") shall commence on January 1, 2024 and terminate on December 31, 2026. The Committee shall certify whether the Company has achieved the Performance Metrics as soon as administratively feasible following the end of the Performance Period, but in no event later than 90 days following the end of the Performance Period. The Committee, in its sole discretion, shall have the right to determine whether the Performance Metrics have been achieved.

(c) The vesting of the Award will be weighted one-third (1/3) for each of the three Performance Metrics. Separately from the other Performance Metrics, each Performance Metric will determine the vesting for 24,130 Units subject to this Award. The number of Units that will vest for each Performance Metric on the Vesting Date shall be determined as follows: (i) if the "Target" level for such Performance Metric is not achieved, none of the Units relating to such Performance Metric will vest; (ii) if the "Target" level for such Performance Metric is achieved, 50% of the Units relating to such Performance Metric will vest; (iii) if the "Above Target" level for such Performance Metric is achieved, 75% of the Units relating to such Performance Metric will vest; and (iv) if the "Outstanding" level for such Performance Metric is achieved, 100% of the Units relating to such Performance Metric will vest.

3. Restrictions on Transfer. Until the Units vest pursuant to Section 2 hereof or unless the Committee determines otherwise, none of the Units may be transferred other than by will or by the laws of descent and distribution and no Units may be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance thereof shall be void and unenforceable against the Company or any Affiliate. The Committee may establish procedures as it deems appropriate for Participant to designate a person or persons, as beneficiary or beneficiaries, to exercise the rights of Participant and receive any property distributable with respect to the Units in the event of Participant's death.

4. Forfeiture Except as otherwise determined by the Committee, upon Participant's termination of providing service as an Eligible Person for the Company or any Affiliate ("*Service*") (in either case, as determined under criteria established by the Committee) prior to vesting of the Units pursuant to Section 2 hereof, all unvested Units held by such Participant at such time shall be forfeited and reacquired by the Company; *provided, however,* that the Committee may waive

in whole or in part any or all remaining restrictions with respect to the unvested Units. Upon forfeiture, Participant will no longer have any rights relating to the unvested Units.

## 5. Miscellaneous

(a) Issuance of Shares. As soon as administratively practicable following the Vesting Date, and Participant's satisfaction of any required tax withholding obligations (but in no event later than 60 days following the Vesting Date), the Company shall cause to be issued and delivered to Participant a certificate or certificates evidencing Shares registered in the name of Participant (or in the name of Participant's legal representatives, beneficiaries or heirs, as the case may be) or to instruct the Company's transfer agent to electronically deliver such Shares to Participant (or applicable representative, beneficiary or heir). The number of Shares issued shall equal the number of Units vested, reduced as necessary to cover applicable withholding obligations in accordance with Section 5(c) hereof. If it is administratively impracticable to issue Shares within the time frame described above because issuances of Shares are prohibited or restricted pursuant to the policies of the Company that are reasonably designed to ensure compliance with applicable securities laws or stock exchange rules, then such issuance shall be delayed until such prohibitions or restrictions lapse.

(b) No Rights as Shareholder. Units are not actual Shares, but rather, represent a right to receive Shares according to the terms and conditions set forth herein and the terms of the Plan. Accordingly, the issuance of a Unit shall not entitle Participant to any of the rights or benefits generally accorded to shareholders unless and until a Share is actually issued under Section 5(a) hereof.

(c) Taxes. Participant hereby agrees to make adequate provision for any sums required to satisfy the applicable federal, state, local or foreign employment, social insurance, payroll, income or other tax withholding obligations (the "*Withholding Obligations*") that arise in connection with this Agreement. The Company may establish procedures to ensure satisfaction of all applicable Withholding Obligations arising in connection with this Agreement, including any means permitted in Section 8 of the Plan. Participant hereby authorizes the Company, at its sole discretion and subject to any limitations under applicable law, to satisfy any such Tax Obligations by (1) withholding a portion of the Shares otherwise to be issued in payment of the Units having a value equal to the amount of Withholding Obligations in accordance with such rules as the Company may from time to time establish; *provided, however,* that the amount of the Shares so withheld shall not exceed the amount necessary to satisfy the required Withholding Obligations using applicable minimum statutory withholding rates; (2) withholding from the wages and other cash compensation payable to Participant or by causing Participant to tender a cash payment or other Shares to the Company; or (3) selling on Participant's behalf (using any brokerage firm determined acceptable to the Company for such purpose) a portion of the Shares issued in payment of the Units as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the Withholding Obligations; *provided, however,* that if Participant is a Section 16 officer of the Company under the Exchange Act, then the Committee shall establish the method of withholding from the above alternatives and, if the Committee does not exercise its discretion prior to the withholding event, then Participant shall be entitled to elect the method of withholding from the alternatives above. Participant shall be responsible for all brokerage fees and other costs of sale, and Participant further agrees to indemnify and hold the Company harmless from any losses,

costs, damages or expenses relating to any such sale. The Company may refuse to deliver Shares if Participant fails to comply with Participant's obligations in connection with the Withholding Obligations described in this paragraph.

(d) Plan Provisions Control. This Award is subject to the terms and conditions of the Plan, but the terms of the Plan shall not be considered an enlargement of any benefits under this Agreement. In addition, this Award is subject to the rules and regulations promulgated pursuant to the Plan, now or hereafter in effect. A copy of the Plan will be furnished upon request of Participant. In the event that any provision of this Agreement conflicts with or is inconsistent in any respect with the terms of the Plan, the terms of the Plan shall control. This Agreement (and any addendum hereto) and the Plan together constitute the entire agreement between the parties hereto with regard to the subject matter hereof.

(e) No Right to Employment. The issuance of the Award shall not be construed as giving Participant the right to be retained in the employ, or as giving a director of the Company or an Affiliate the right to continue as a director of the Company or an Affiliate, nor will it affect in any way the right of the Company or an Affiliate to terminate such employment or position at any time, with or without cause. In addition, the Company or an Affiliate may at any time dismiss Participant from employment, or terminate the term of a director of the Company or an Affiliate, free from any liability or any claim under the Plan or this Agreement. Nothing in this Agreement shall confer on any person any legal or equitable right against the Company or any Affiliate, directly or indirectly, or give rise to any cause of action at law or in equity against the Company or an Affiliate. The Award granted hereunder shall not form any part of the wages or salary of Participant for purposes of severance pay or termination indemnities, irrespective of the reason for termination of employment. Under no circumstances shall any person ceasing to be an employee of the Company or any Affiliate be entitled to any compensation for any loss of any right or benefit under this Agreement or the Plan which such employee might otherwise have enjoyed but for termination of employment, whether such compensation is claimed by way of damages for wrongful or unfair dismissal, breach of contract or otherwise. By participating in the Plan, Participant shall be deemed to have accepted all the conditions of the Plan and this Agreement and the terms and conditions of any rules and regulations adopted by the Committee (as defined in the Plan) and shall be fully bound thereby.

(f) Governing Law. The validity, construction and effect of the Plan and this Agreement, and any rules and regulations relating to the Plan and this Agreement, shall be determined in accordance with the internal laws, and not the law of conflicts, of the State of Nevada.

(g) Severability. If any provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify this Agreement under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan or this Agreement, such provision shall be stricken as to such jurisdiction or this Agreement, and the remainder of this Agreement shall remain in full force and effect.

(h) No Trust or Fund Created. Neither the Plan nor this Agreement shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and Participant or any other person.

(i) Section 409A Provisions. The payment of Shares under this Agreement is intended to be exempt from the application of Section 409A of the Internal Revenue Code, as amended (“Section 409A”) by reason of the short-term deferral exemption set forth in Treasury Regulation §1.409A-1(b)(4). Notwithstanding anything in the Plan or this Agreement to the contrary, to the extent that any amount or benefit hereunder that constitutes “deferred compensation” to Participant under Section 409A and applicable guidance thereunder is otherwise payable or distributable to Participant under the Plan or this Agreement solely due to Participant’s disability or “separation from service” (as such term is defined under Section 409A), such amount or benefit will not be payable or distributable to Participant by reason of such circumstance unless the Committee determines in good faith that (i) the circumstances giving rise to such disability or separation from service meet the definition of disability, or separation from service, as the case may be, in Section 409A(a)(2)(A) of the Code and applicable final regulations, or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A by reason of the short-term deferral exemption or otherwise (including, but not limited to, a payment made pursuant to an involuntary separation arrangement that is exempt from Section 409A under the “short-term deferral” exception). Any payment or distribution that otherwise would be made to a Participant who is a specified employee (as determined by the Committee in good faith) on account of separation from service may not be made before the date which is six months after the date of the specified employee’s separation from service (or if earlier, upon the specified employee’s death) unless the payment or distribution is exempt from the application of Section 409A by reason of the short term deferral exemption or otherwise.

(j) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision thereof.

(k) Securities Matters. The Company shall not be required, and shall not have any liability for failure, to deliver Shares until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

(l) Consultation with Professional Tax and Investment Advisors. Participant acknowledges that the grant, exercise, vesting or any payment with respect to this Award, and the sale or other taxable disposition of the Shares acquired pursuant to the exercise thereof, may have tax consequences pursuant to the Internal Revenue Code of 1986, as amended, or under local, state or international tax laws. Participant further acknowledges that Participant is relying solely and exclusively on Participant’s own professional tax and investment advisors with respect to any and all such matters (and is not relying, in any manner, on the Company or any of its employees or representatives). Finally, Participant understands and agrees that any and all tax consequences resulting from the Award and its grant, exercise, vesting or any payment with respect thereto, and the sale or other taxable disposition of the Shares acquired pursuant to the Plan, is solely and exclusively the responsibility of Participant without any expectation or understanding that the Company or any of its employees or representatives will pay or reimburse Participant for such

taxes or other items.

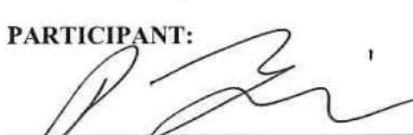
*[Signature page follows]*

**IN WITNESS WHEREOF**, the Company and Participant have executed this Agreement as of the Effective Date.

**PROFIRE ENERGY, INC.**

By: CT  
Name: Cameron Tidball  
Title: CO-CEO, CO-PRESIDENT

**PARTICIPANT:**

  
Patrick Fisher

*[Signature Page to Restricted Stock Unit Award Agreement]*

## **Exhibit A**

### **Peer Group**

1. TOMI environmental Solutions, Inc. (TOMZ)
2. MIND Technology, Inc. (MIND)
3. ENGlocal Corporation (ENG)
4. Fuel Tech, Inc. (FTEK)
5. Questar Technology, Inc. (QST)
6. Advanced Emissions Solutions, Inc. (ADES)
7. Geospace Technologies Corporation (GEOS)
8. Enservco Corp (ENSV)
9. Dawson Geophysical Company (DWSN)
10. Natural Gas Services Group, Inc. (NGS)
11. Northern Technologies International Corp. (NTIC)
12. Taylor Devices, Inc. (TAYD)
13. Superior Drilling Products, Inc. (SDPI)
14. Air Industries Group (AIRI).



**PROFIRE ENERGY, INC.**  
**2023 EQUITY INCENTIVE PLAN**  
**RESTRICTED STOCK UNIT AWARD AGREEMENT**

This **RESTRICTED STOCK UNIT AWARD AGREEMENT** (this “*Agreement*”) is entered into as of this 11 day of April, 2024 (the “*Effective Date*”), by and between **Profire Energy, Inc.**, a Nevada corporation (the “*Company*”), and Patrick Fisher (“*Participant*”). All capitalized terms used herein but not defined herein shall have the meanings given to them in the Profire Energy, Inc. 2023 Equity Incentive Plan (the “*Plan*”).

1. **Award.** The Company hereby grants to Participant a restricted stock unit award (the “*Award*”) covering 12,065 shares (the “*Shares*”) of Common Stock, par value \$0.001 per share, of the Company according to the terms and conditions set forth herein and in the Plan. Each restricted stock unit (a “*Unit*”) represents the right to receive one Share, subject to the vesting requirements of this Agreement and the terms of the Plan. The Units are granted under Section 6(c) of the Plan. A copy of the Plan will be furnished upon request of Participant.

2. **Vesting.** Except as otherwise provided in this Agreement, so long as Participant is providing service as an Eligible Person for the Company or any Affiliate (“*Service*”), the Units shall vest in accordance with the following schedule:

On each of the following dates	Number of Units Vested
December 31, 2024	4,021
December 31, 2025	4,022
December 31, 2026	4,022

3. **Restrictions on Transfer.** Until the Units vest pursuant to Section 2 hereof or unless the Committee determines otherwise, none of the Units may be transferred other than by will or by the laws of descent and distribution and no Units may be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance thereof shall be void and unenforceable against the Company or any Affiliate. The Committee may establish procedures as it deems appropriate for Participant to designate a person or persons, as beneficiary or beneficiaries, to exercise the rights of the Participant and receive any property distributable with respect to the Units in the event of the Participant’s death.

4. **Forfeiture.** Except as otherwise determined by the Committee, upon Participant’s termination of Service (in either case, as determined under criteria established by the Committee) prior to vesting of the Units pursuant to Section 2 hereof, all unvested Units held by such Participant at such time shall be forfeited and reacquired by the Company; *provided, however,* that the Committee may waive in whole or in part any or all remaining restrictions with respect to the unvested Units. Upon forfeiture, Participant will no longer have any rights relating to the unvested Units.

## 5. Miscellaneous

(a) Issuance of Shares. As soon as administratively practicable following the Participant's vesting date under Section 2 hereof, as applicable, and the Participant's satisfaction of any required tax withholding obligations (but in no event later than 60 days following the applicable vesting date), the Company shall cause to be issued and delivered to the Participant a certificate or certificates evidencing Shares registered in the name of the Participant (or in the name of the Participant's legal representatives, beneficiaries or heirs, as the case may be) or to instruct the Company's transfer agent to electronically deliver such shares to the respective Participant. The number of Shares issued shall equal the number of Units vested, reduced as necessary to cover applicable withholding obligations in accordance with Section 5(c) hereof. If it is administratively impracticable to issue Shares within the time frame described above because issuances of Shares are prohibited or restricted pursuant to the policies of the Company that are reasonably designed to ensure compliance with applicable securities laws or stock exchange rules, then such issuance shall be delayed until such prohibitions or restrictions lapse.

(b) No Rights as Shareholder. Units are not actual Shares, but rather, represent a right to receive Shares according to the terms and conditions set forth herein and the terms of the Plan. Accordingly, the issuance of a Unit shall not entitle the Participant to any of the rights or benefits generally accorded to shareholders unless and until a Share is actually issued under Section 5(a) hereof.

(c) Taxes. The Participant hereby agrees to make adequate provision for any sums required to satisfy the applicable federal, state, local or foreign employment, social insurance, payroll, income or other tax withholding obligations (the "*Withholding Obligations*") that arise in connection with this Agreement. The Company may establish procedures to ensure satisfaction of all applicable Withholding Obligations arising in connection with this Agreement, including any means permitted in Section 8 of the Plan. The Participant hereby authorizes the Company, at its sole discretion and subject to any limitations under applicable law, to satisfy any such Tax Obligations by (1) withholding a portion of the Shares otherwise to be issued in payment of the Units having a value equal to the amount of Withholding Obligations in accordance with such rules as the Company may from time to time establish; *provided, however,* that the amount of the Shares so withheld shall not exceed the amount necessary to satisfy the required Withholding Obligations using applicable minimum statutory withholding rates; (2) withholding from the wages and other cash compensation payable to the Participant or by causing the Participant to tender a cash payment or other Shares to the Company; or (3) selling on the Participant's behalf (using any brokerage firm determined acceptable to the Company for such purpose) a portion of the Shares issued in payment of the Units as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the Withholding Obligations; *provided, however,* that if Participant is a Section 16 officer of the Company under the Exchange Act, then the Committee shall establish the method of withholding from the above alternatives and, if the Committee does not exercise its discretion prior to the withholding event, then Participant shall be entitled to elect the method of withholding from the alternatives above. The Participant shall be responsible for all brokerage fees and other costs of sale, and the Participant further agrees to indemnify and hold the Company harmless from any losses, costs, damages or expenses relating to any such sale. The Company may refuse to deliver Shares if the Participant

fails to comply with the Participant's obligations in connection with the Withholding Obligations described in this paragraph.

(d) Plan Provisions Control. This Award is subject to the terms and conditions of the Plan, but the terms of the Plan shall not be considered an enlargement of any benefits under this Agreement. In addition, this Award is subject to the rules and regulations promulgated pursuant to the Plan, now or hereafter in effect. A copy of the Plan will be furnished upon request of the Participant. In the event that any provision of this Agreement conflicts with or is inconsistent in any respect with the terms of the Plan, the terms of the Plan shall control. This Agreement (and any addendum hereto) and the Plan together constitute the entire agreement between the parties hereto with regard to the subject matter hereof.

(e) No Right to Employment. The issuance of the Award shall not be construed as giving Participant the right to be retained in the employ, or as giving a director of the Company or an Affiliate the right to continue as a director of the Company or an Affiliate, nor will it affect in any way the right of the Company or an Affiliate to terminate such employment or position at any time, with or without cause. In addition, the Company or an Affiliate may at any time dismiss Participant from employment, or terminate the term of a director of the Company or an Affiliate, free from any liability or any claim under the Plan or this Agreement. Nothing in this Agreement shall confer on any person any legal or equitable right against the Company or any Affiliate, directly or indirectly, or give rise to any cause of action at law or in equity against the Company or an Affiliate. The Award granted hereunder shall not form any part of the wages or salary of Participant for purposes of severance pay or termination indemnities, irrespective of the reason for termination of employment. Under no circumstances shall any person ceasing to be an employee of the Company or any Affiliate be entitled to any compensation for any loss of any right or benefit under this Agreement or the Plan which such employee might otherwise have enjoyed but for termination of employment, whether such compensation is claimed by way of damages for wrongful or unfair dismissal, breach of contract or otherwise. By participating in the Plan, Participant shall be deemed to have accepted all the conditions of the Plan and this Agreement and the terms and conditions of any rules and regulations adopted by the Committee (as defined in the Plan) and shall be fully bound thereby.

(f) Governing Law. The validity, construction and effect of the Plan and this Agreement, and any rules and regulations relating to the Plan and this Agreement, shall be determined in accordance with the internal laws, and not the law of conflicts, of the State of Nevada.

(g) Severability. If any provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify this Agreement under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan or this Agreement, such provision shall be stricken as to such jurisdiction or this Agreement, and the remainder of this Agreement shall remain in full force and effect.

(h) No Trust or Fund Created. Neither the Plan nor this Agreement shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and Participant or any other person.

(i) Section 409A Provisions. The payment of Shares under this Agreement is intended to be exempt from the application of Section 409A of the Internal Revenue Code, as amended (“*Section 409A*”) by reason of the short-term deferral exemption set forth in Treasury Regulation §1.409A-1(b)(4). Notwithstanding anything in the Plan or this Agreement to the contrary, to the extent that any amount or benefit hereunder that constitutes “deferred compensation” to the Participant under Section 409A and applicable guidance thereunder is otherwise payable or distributable to the Participant under the Plan or this Agreement solely due to the Participant’s disability or “separation from service” (as such term is defined under Section 409A), such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless the Committee determines in good faith that (i) the circumstances giving rise to such disability or separation from service meet the definition of disability, or separation from service, as the case may be, in Section 409A(a)(2)(A) of the Code and applicable final regulations, or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A by reason of the short-term deferral exemption or otherwise (including, but not limited to, a payment made pursuant to an involuntary separation arrangement that is exempt from Section 409A under the “short-term deferral” exception). Any payment or distribution that otherwise would be made to a Participant who is a specified employee (as determined by the Committee in good faith) on account of separation from service may not be made before the date which is six months after the date of the specified employee’s separation from service (or if earlier, upon the specified employee’s death) unless the payment or distribution is exempt from the application of Section 409A by reason of the short term deferral exemption or otherwise.

(j) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision thereof.

(k) Securities Matters. The Company shall not be required, and shall not have any liability for failure, to deliver Shares until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

(l) Consultation with Professional Tax and Investment Advisors. The Participant acknowledges that the grant, exercise, vesting or any payment with respect to this Award, and the sale or other taxable disposition of the Shares acquired pursuant to the exercise thereof, may have tax consequences pursuant to the Internal Revenue Code of 1986, as amended, or under local, state or international tax laws. The Participant further acknowledges that the Participant is relying solely and exclusively on the Participant’s own professional tax and investment advisors with respect to any and all such matters (and is not relying, in any manner, on the Company or any of its employees or representatives). Finally, the Participant understands and agrees that any and all tax consequences resulting from the Award and its grant, exercise, vesting or any payment with respect thereto, and the sale or other taxable disposition of the Shares acquired

pursuant to the Plan, is solely and exclusively the responsibility of the Participant without any expectation or understanding that the Company or any of its employees or representatives will pay or reimburse the Participant for such taxes or other items.

*[Signature page follows]*

**IN WITNESS WHEREOF**, the Company and Participant have executed this Agreement as of the Effective Date.

**PROFIRE ENERGY, INC.**

By:   
Name: Cameron Tidball  
Title: CO-CEO, CO-PRESIDENT

**PARTICIPANT:**

  
Patrick Fisher

*[Signature page to Restricted Stock Unit Award Agreement]*



**Profire Energy, Inc.  
2024 Executive Incentive Plan**

**1. Purpose.** The purpose of this 2024 Executive Incentive Plan (the “*Plan*”) is to enable Profire Energy, Inc., a Nevada corporation (the “*Company*”), to attract, retain, motivate and reward management employees by providing them with the opportunity to earn annual incentive bonuses linked to Company performance.

**2. Effective Date and Performance Period.** The effective date of the Plan is January 1, 2024. The performance period under the Plan will commence on January 1, 2024 and terminate on December 31, 2024.

**3. Administration.** The Plan is being entered into pursuant to the Company’s 2023 Equity Incentive Plan (the “*2023 Equity Plan*”) as a Performance Award. Under the 2023 Plan, the Compensation Committee (the “*Committee*”) of the Board of Directors of the Company (the “*Board*”) may make incentive grants subject to certain additional terms and conditions (consistent with the 2023 Equity Plan). The Committee, acting under the authority of the Board, shall administer and interpret the Plan. The Plan shall conform in all respects to the terms of the 2023 Equity Plan and the Committee’s interpretations and determinations under the Plan shall be final and conclusive.

**4. Participation.** The Committee has determined the management employees eligible to participate in the Plan (the “*Participants*”) and the target bonus amounts determined as a percentage of the Participant’s base salary (the “*Target Bonus Amount*”) of each Participant as set forth in Exhibit A.

**5. Bonus Calculation.** The Committee shall determine bonuses to Participants under the Plan as follows:

(a) **Performance Objectives.** The distribution of bonuses shall be determined based on the achievement of the following three target performance objectives (the “*Performance Objectives*”):

<b>Performance Objectives for fiscal year 2024</b>	<b>Weight</b>	<b>Target Level</b>
1. Revenue	30%	\$58,274,112
2. EBITDA	30%	\$9,316,934
3. Non-Financial: Strategic Growth Initiatives	30%	Determined by the Committee
4. Safety and Other	10%	Determined by the Committee

(i) “*Revenue*” means total revenues as presented on the Company’s Statement of Operations and Other Comprehensive Income (Loss) in accordance with U.S. generally accepted accounting principles (GAAP) and filed with the U.S. Securities and Exchange Commission (“*SEC*”).

(ii) “**EBITDA**” means net income for that year as adjusted by adding thereto, to the extent deducted in calculating net income for the year, net interest expense, taxes, depreciation and amortization. Calculation of all components of EBITDA shall be in accordance with GAAP and based on the consolidated financial statements of the Company for fiscal 2024 or otherwise determined from the Company’s accounting records on a consistent basis.

(iii) “**Non-Financial: Strategic Growth Initiatives**” means growth diversification of the Company’s revenue sources, expansion of strategic partnerships and geographic regions and possible merger and acquisition activities as determined by the Committee.

(iv) “**Safety and Other**” means the Company’s efforts to promote safety, maintain a secure cybersecurity environment, protect the environment, and to promote diversity and inclusion across the organization as determined by the Committee.

Adjustments to the definitions of “Net Income”, “EBITDA” and “Strategic Growth Initiatives” may be made by the Committee in the event of the occurrence of extraordinary, unusual or non-recurring circumstances and for non-cash items that, in the judgment of the Committee, would cause such definition to fail to fairly reflect the performance of the Company. These circumstances may include acquisitions, divestitures, joint ventures, regulatory developments, tax law changes, accounting changes, restructuring or other special charges, other occurrences and non-cash items. The Committee shall make the final determination as to the calculations of “Revenue”, “EBITDA”, “Strategic Growth Initiatives”, and the amounts up to the Maximum Payout Amount (as defined below) to be paid to Participants.

(b) Performance Ratio. The “**Performance Ratio**” for any Performance Objective shall be the ratio expressed as a percentage resulting from dividing (x) the actual amount achieved for such Performance Objective in fiscal 2024 by (y) the Target Level specified in Section 5(a) for such Performance Objective for fiscal 2024. However, for the Non-Financial: Revenue Diversification Progress objective, the Committee will determine the Performance Ratio following a qualitative and quantitative review of the year’s results.

(c) Calculation. Subject to any limitations set forth in Section 6 relating to the 2023 Equity Plan and the Maximum Payout Amount (as defined in Section 6), a Participant’s bonus under the Plan shall be calculated as the sum of the following for each Performance Objective (for each, the “**Performance Objective Payout Amount**”):

- (i) if the Performance Ratio for such Performance Objective is less than 85%, then the Performance Objective Payout Amount is zero (\$0);
- (ii) if the Performance Ratio for such Performance Objective is at least 85% but not greater than 115%, then the Performance Objective Payout Amount is the amount which is (A) the Performance Ratio times (B) the applicable Performance Objective Weight (as stated in Section 5(a)) times (C) the Target Bonus Amount for such Participant; and

(iii) if the Performance Ratio for such Performance Objective is greater than 115%, then the Performance Objective Payout Amount is the sum of (A) (w) 115% times (x) the applicable Performance Objective Weight times (y) the Target Bonus Amount for such Participant, plus (B) (w) the Performance Ratio minus 115%, times (x) two-and-a-half (2.5) times (y) the applicable Performance Objective Weight times (z) the Target Bonus Amount for such Participant.

(d) **Payout Split.** Bonus amounts earned under the Plan shall be paid out 50% in cash (the “**Cash Portion**”) and 50% in shares of the Company’s common stock under the 2023 Equity Plan (the “**Stock Portion**”). In determining the number of shares of common stock to be issued to the Participant for the Stock Portion, the Company shall divide (x) 50% of such Participant’s aggregate bonus amount by (y) the volume weighted average price per share of the Company’s common stock over the five trading days prior to the date of the Committee’s final determination of the bonus amount (the “**Bonus Determination Date**”).

## **6. Compliance with 2023 Equity Plan and Bonus Amount Limitations.**

(a) **Compliance with 2023 Equity Plan.** In no event shall bonuses paid out under the Plan exceed the limitations set forth in the 2023 Equity Plan. In the event this Plan conflicts with the terms of the 2023 Equity Plan, this Plan shall be modified to the extent necessary to comply with the terms of the 2023 Equity Plan.

(b) **Additional Limitations.** In addition to the limitations set forth in Section 6(a) above, in no event shall a Participant receive a bonus under the Plan that is in excess of 200% of such Participant’s Target Bonus Amount (the “**Maximum Payout Amount**”).

**7. Payment of Bonuses.** The payment of the Cash Portion and the Stock Portion of the bonus amount shall be made to Participants as soon as practicable following the Bonus Determination Date and in any event by the 15th day of the third month following the end of the fiscal year 2024 (the “**Bonus Delivery Date**”), subject to a Participant’s satisfaction of all required tax withholding obligations as set forth in the Plan. Provided a Participant has satisfied all required tax withholding obligations in respect of the Stock Portion of the bonus amount, the Company shall cause to be issued and delivered to the Participant by the Bonus Delivery Date a certificate or certificates evidencing the applicable number of shares of the Company’s common stock registered in the name of the Participant (or in the name of the Participant’s legal representatives, beneficiaries or heirs, as the case may be) or to instruct the Company’s transfer agent to electronically deliver such Shares to Participant (or applicable representative, beneficiary or heir). If it is administratively impracticable to issue such shares within the time frame described above because issuances of shares are prohibited or restricted pursuant to the policies of the Company that are reasonably designed to ensure compliance with applicable securities laws or stock exchange rules, then such issuance shall be delayed until such prohibitions or restrictions lapse.

**8. Termination of Employment.** If a Participant’s employment with the Company is terminated by the Company with Cause or by the Participant without Good Reason (both as defined in the Participant’s employment agreement), the Participant (a) shall not be entitled to

receive any bonus payment for the fiscal year during which the termination of employment occurred and (b) shall be entitled to receive the bonus payment for any prior fiscal year for which the bonus payment has not been paid, with such amount payable at the same time the applicable bonus payments are made to the other Participants. If a Participant's employment with the Company is terminated by the Company without Cause or by the Participant with Good Reason, the Participant (or the Participant's beneficiary) shall be entitled to receive (a) a pro rata bonus payment for the fiscal year during which the termination of employment occurred equal to the amount the Participant would have received if employed for the entire fiscal year multiplied by a fraction, the numerator of which is the number of days in the fiscal year the Participant was employed and the denominator of which is 365, which amount shall be payable at the same time the applicable bonus payments are made to the other Participants and (b) the bonus payment for any prior fiscal year for which the bonus payment has not been paid, with such amount payable at the same time the applicable bonus payments are made to the other Participants.

## **9. General Provisions.**

(a) Termination; Amendment. Subject to the terms of the 2023 Equity Plan, the Board or the Committee may at any time amend the Plan, except that any amendment applicable to the Plan made after the Board or Committee has determined the Participants and the Target Bonus Amounts shall apply only to Participants who have agreed in writing to the amendment.

(b) No Employment Rights. Nothing in this Plan confers upon any Participant any right to continue in the employment of the Company or any of its subsidiaries or to be selected as a Participant in any subsequent year.

(c) Nonalienation of Benefits. Except as expressly provided herein or otherwise required by applicable law, no Participant or beneficiary may alienate, transfer, anticipate, sell, assign, pledge, attach, or otherwise encumber the Participant's interest under the Plan.

(d) Withholding. The Cash Portion of any bonus payable to a Participant or a beneficiary under the Plan will be subject to any applicable federal, state and local income and employment taxes and any other amounts that the Company or a subsidiary is required at law to deduct and withhold from such Cash Portion of the bonus. Regarding the Stock Portion of any bonus payable to a Participant or a beneficiary under the Plan, such Participant acknowledges that, not later than the Bonus Delivery Date, the value of the delivered shares of common stock will be treated as ordinary compensation income for federal and state income and FICA tax purposes, and that the Company will be required to withhold taxes on this income amount. The Company will notify the Participant of the required withholding amount at least ten days prior to the Bonus Delivery Date. Concurrently with or prior to the delivery of the shares of common stock as set forth in Section 7, the Participant, at his or her election (which election must be made on or before the Bonus Delivery Date), shall (x) pay to the Company the required withholding amount for the Stock Portion in cash or (y) notify the Company that the Participant requests the Company to reduce the number of shares otherwise deliverable for the Stock Portion by a sufficient number to cover the applicable withholding obligations for the Stock Portion. If a Participant elects to pay the withholding for the Stock Portion by a reduction in shares received, the Company shall pay to the Participant in cash the amount of any resulting over payment ascribed to such shares retained to cover withholding obligations.

(e) Plan Unfunded. The entire cost of the Plan shall be paid from the general assets of the Company. The rights of any Participant or beneficiary to receive an award under the Plan shall be only those of a general unsecured creditor, and neither the Company nor the Board shall be responsible for the adequacy of the general assets of the Company to meet and discharge Plan liabilities.

(f) Severability. If any provision of the Plan is held unenforceable, the remainder of the Plan will continue in full force and effect without regard to such unenforceable provision and will be applied as though the unenforceable provision were not contained in the Plan.

(g) Governing Law. The Plan will be construed in accordance with and governed by the laws of the State of Utah, without reference to the principles of conflict of laws.

(h) Headings. Headings are inserted in the Plan for convenience of reference only and are to be ignored in any construction of the provisions of the Plan.

(i) Section 409A. This Plan and the payments contemplated herein are intended to be exempt from or in compliance with Section 409A and shall be interpreted and administered consistent with such intent.

### **Exhibit A**

<b>Participant</b>	<b>Target Bonus</b>
Ryan Oviatt	\$ 233,108 USD
Cameron Tidball	\$ 233,108 USD
Patrick Fisher	\$ 80,420 CAD



**EXHIBIT 31.1**

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER**  
**Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934**

I, Ryan W. Oviatt, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Profire Energy, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2024

By: /s/ Ryan W. Oviatt  
Ryan W. Oviatt  
Co-Chief Executive Officer and Co-  
President

**EXHIBIT 31.2**

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER**  
**Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934**

I, Cameron M. Tidball, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Profire Energy, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2024

By: /s/ Cameron M. Tidball  
Cameron M. Tidball  
Co-Chief Executive Officer and Co-  
President

**EXHIBIT 31.3**

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER**  
**Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934**

I, Ryan W. Oviatt, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Profire Energy, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2024

By: /s/ Ryan W. Oviatt  
Ryan W. Oviatt  
Chief Financial Officer

## EXHIBIT 32.1

**CERTIFICATION OF PRINCIPAL  
EXECUTIVE OFFICER PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this quarterly report on Form 10-Q of Profire Energy, Inc. (the "Company") for the period ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ryan W. Oviatt and I, Cameron M. Tidball, Co-Chief Executive Officers of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2024 By: /s/ Ryan W. Oviatt  
Ryan W. Oviatt  
Co-Chief Executive Officer and Co-President

Date: May 8, 2024 By: /s/ Cameron M. Tidball  
Cameron M. Tidball  
Co-Chief Executive Officer and Co-President

**EXHIBIT 32.2**

**CERTIFICATION OF PRINCIPAL  
FINANCIAL OFFICER PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this quarterly report on Form 10-Q of Profire Energy, Inc. (the "Company") for the period ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ryan W. Oviatt, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2024

By: /s/ Ryan W. Oviatt

Ryan W. Oviatt  
Chief Financial Officer