## UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

#### FORM 8-K

## **CURRENT REPORT**

## Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 9, 2023

#### PROFIRE ENERGY, INC.

(Exact name of registrant as specified in its charter)

Nevada (State or other jurisdiction of incorporation) 001-36378 Commission File Number) 20-0019425 (IRS Employer Identification No.)

<u>321 South 1250 West, Suite 1, Lindon, Utah</u> (Address of principal executive offices)

<u>84042</u>

(Zip code)

<u>801\_796-5127</u>

(Registrant's telephone number, including area code)

<u>N/A</u>

## (Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

□ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company  $\Box$ 

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 revise financial standards provided pursuant to Section 13(a) of the Exchange Act.

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

| Title of each class       | Trading Symbol(s) | Name of each exchange on which registered |
|---------------------------|-------------------|---|
| Common, \$0.001 Par Value | PFIE              | NASDAQ                                    |

## Item 2.02 Results of Operations and Financial Condition

On August 9, 2023, Profire Energy, Inc. (the "Company") issued a press release reporting financial results for the three months ended June 30, 2023. A copy of the press release is attached to this Current Report as Exhibit 99.1 and is incorporated herein solely for the purposes of this Item 2.02 disclosure.

The information contained in Items 2.02 and 9.01 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any filing under the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended, except as otherwise expressly set forth by specific reference in such a filing.

| ltem 9.01.     | Financial Statements and Exhibits   |
|----------------|---|
| (d) Exhibits   |   |
| Exhibit Number | Description   |
| <u>99.1</u>    | Press Release Announcing Financial Results                                  |
| 104.0          | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

# SIGNATURE

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 hereunto duly authorized.

Date: May 9, 2023 PROFIRE ENERGY, INC. By: /s/ Ryan W. Oviatt

/s/ Ryan W. Oviatt Ryan W. Oviatt Co-Chief Executive Officer



## Profire Energy Reports Financial Results for Second Quarter 2023

Company Reports Best Six-Month Revenue and Net Income in Company History

**LINDON, Utah August 9, 2023** - Profire Energy, Inc. (NASDAQ: PFIE), a technology company (the "Company") that provides solutions which enhance the efficiency, safety, and reliability of industrial combustion appliances, today reported financial results for its second quarter ending June 30, 2023. A conference call will be held on Thursday, August 10, 2023, at 8:30 a.m. ET to discuss the results.

## Second Quarter Summary (comparisons to prior-year quarter)

- Revenue of \$14.4 million, a 50% increase
- Gross profit of \$7.4 million, a 68% increase
- Gross margin of 51.3%, a 560 basis point increase
- Net income of \$2.9 million, or \$0.06 per diluted share, versus \$284,829 and \$0.01
- Generated EBITDA of \$3.7 million, versus \$587,024
- Cash and investments of \$17.4 million with no debt
- Began repurchasing shares under the previously announced \$2 million share repurchase program.

"Our second quarter results reflect the sustained momentum across our business which contributed to a 50 percent increase in revenue over the prior vear and the highest quarterly net income and EBITDA in company history." said Rvan Oviatt, Co-Chief Executive Officer and CFO of Profire Energy. "The last 6-month and 12-month periods represent the best ever consecutive 6 and 12-month periods in company history. We are excited about the path we are on and our ability to continue to operate at these record setting levels. We are a much better and stronger company today than we were when we last achieved this level of quarterly revenues, profits and cashflows."

## Second Quarter 2023 Financial Results

Total revenues for the period equaled \$14.4 million, compared to \$14.6 million in the first quarter of 2023 and \$9.6 million in the prior-vear quarter. The sequential performance was basically flat and reflects the strength of our sales backlog and ongoing customer demand for our solutions while the year-over-year increase was primarily driven by ongoing customer demand and continued progress in our diversification efforts.

Gross profit was \$7.4 million, compared to \$7.8 million in the first quarter and \$4.4 million in the second quarter of 2022. Gross margin was 51.3% of revenues, compared to 53.8% of revenues in the prior quarter and 45.7% of revenues in the prior-vear quarter. The sequential decrease is related to product mix while the year-over-year increase reflects higher revenues due to pricing initiatives and greater fixed cost coverage.



Total operating expenses were \$4.2 million, compared to \$4.5 million in the first quarter of 2023 and \$4.3 million in the vear-ago quarter. The decrease is related to the non-recurring realization of an employee payroll tax credit, which more than offset higher employee-related expenses and cost inflation across the business.

Compared with the same quarter last year, operating expenses for G&A were flat, R&D decreased 29% and depreciation decreased by 12%.

Net income was \$2.9 million, or \$0.06 per diluted share, compared to net income of \$2.6 million or \$0.05 per diluted share in the first quarter of 2023 and \$284,829 or \$0.01 per diluted share in the same quarter last year.

"Our legacy business continues to perform well as E&P's resume maintenance activity that has been deferred over multiple years as well as new investments being made to increase automation and efficiency and lower emissions," stated Cameron Tidball, Co-CEO of Profire Energy. "We continue to gain traction across our diversification strategy, particularly within the renewable natural gas sector. During the quarter, we installed projects for food and beverage, industrials and landfill customers and continue to grow across the Critical Energy Infrastructure segment. Overall, we believe the business prospects for Profire remain strong over the near and intermediate term and look forward to delivering long-term value to our shareholders."

## **Conference Call**

Profire Energy Executives will host the call, followed by a question and answer period.

Date: Thursday, August 10, 2023 Time: 8:30 a.m. ET (6:30 a.m. MT) Toll-free dial-in number: 1-855-327-6837 International dial-in number: 1-631-891-4304

The conference call will be webcast live and available for replay via this link: https://viavid.webcasts.com/starthere.jsp? ei=1611675&tp\_key=85d887bad9 The webcast replay will be available for one year.

Please call the conference telephone number five minutes prior to the start time. An operator will register your name and organization. If you have any difficulty connecting to the conference call, please contact Todd Fugal at 1-801-796-5127.

A replay of the call will be available via the dial-in numbers below after 1:00 p.m. ET on the same day through August 24, 2023.

Toll-free replay number: 1-844-512-2921 International replay number: 1-412-317-6671 Replay Pin Number: 10021753

## About Profire Energy, Inc.

Profire Energy is 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. It 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 that we believe will be applicable as we expand our addressable market over time. Profire specializes in the engineering and design of burner and combustion management systems and solutions used on a variety of natural and forced draft applications. Its products and services are sold primarily throughout North America. It has an experienced team of sales and service professionals that are strategically positioned across the United States and Canada. Profire has offices in Lindon, Utah; Victoria, Texas; Homer, Pennsylvania; Greeley, Colorado; Millersburg, Ohio; and Acheson, Alberta, Canada. For additional information, visit www.profireenergy.com.

Cautionary Note Regarding Forward-Looking Statements. Statements made in this release that are not historical are forward-looking statements. This release contains forward-looking statements, including, but not limited to statements regarding the Company's expected growth, the Company's expected revenues from recent acauisitions, the Company's plans to make internal and external investments, and the availability of Company resources to make beneficial investments in 2023 and bevond. Forward-looking statements are not guarantees of future results or performance and involve risks, assumptions and uncertainties that could cause actual events or results to differ materially from the events or results described in, or anticipated by, the forward-looking statements. Factors that could materially affect such forward-looking statements include certain economic, business, public market and regulatory risks and factors identified in the company's periodic reports filed with the Securities and Exchange Commission. All forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All forward-looking statements are made only as of the date of this release and the Company assumes no obligation to update forward-looking statements to reflect subsequent events or circumstances, except as required by law. Readers should not place undue reliance on these forward-looking statements.

#### **Contact:**

#### **Profire Energy, Inc.**

Ryan Oviatt, Co-CEO & CFO (801) 796-5127

#### **Three Part Advisors**

Steven Hooser, Partner

John Beisler, Managing Director

214-872-2710

#### **About Non-GAAP Financial Measures**

To supplement our consolidated financial statements, which statements are prepared and presented in accordance with GAAP, we use the following non-GAAP financial measure of earnings before interest, taxes, depreciation and amortization ("EBITDA"). The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

We use this non-GAAP financial measure for financial and operational decision making and as a means to evaluate period-to-period comparisons. Our management believes that this non-GAAP financial measure provides meaningful supplemental information regarding our performance. We believe that

both management and investors benefit from referring to this non-GAAP financial measure in assessing our performance and when planning, forecasting, and analyzing future periods. We believe this non-GAAP financial measure is useful to investors both because it allows for greater transparency with respect to key metrics used by management in its financial and operational decision making. The Following is a tabular presentation of EBITDA, including a reconciliation to net income which the Company believes to be the most directly comparable US GAAP financial measure.

|  | 6/30/2023    |  |
|--|--------------|--|
| EBITDA Calculation:                    | 3 months     |  |
| NetIncome                              | \$ 2,857,157 |  |
| add back net income tax expense        | \$ 634,028   |  |
| add back net interest expense          | \$ (122,800) |  |
| add back depreciation and amortization | \$ 285,957   |  |
| EBITDA calculated                      | \$ 3,654,342 |  |
| EBITDA Margin Calculation:             |              |  |
| EBITDA                                 | \$ 3,654,342 |  |
| divided by total revenue               | \$14,443,577 |  |
| EBITDA Margin                          | 25.3%        |  |

#### Item 1 Financial Information

PROFIRE ENERGY, INC. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

| ASSITS Unational and cash equivalents (Unanified) (Una |  | As of                                 |                                       |
|--|--|---------------------------------------|---------------------------------------|
| CURENT ASSETS    \$ \$,84092    \$ 7,345.758      Short-term investments    1,896,397    1,154,214      Accounts receivable, net    13,967,743    10,886,145      Inventories, net (fole 3)    13,967,743    10,886,169    0,239,890      Prepaid expenses and other current assets (note 4)    2,399,676    2,214,650    2,239,626      LONG-TERM ASSETS    39,546,100    32,039,626    10,027,02    10,022,039,026      LONG-TERM ASSETS    15,043    120,239,820    10,027,02    10,023,037    5    33,929,556      LIABILITIES AND STOCKHOLDERS' EQUITY    CURRENT LIABILITIES    \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$   |  | June 30, 2023                         | December 31, 2022                     |
| Cah ad cah quivalents    \$ 8,246,002    \$ 7,384,578      Short-term investments    11,986,743    11,086,143      Investories, net (note 3)    2,399,676    2,314,659      Total Current Assets    39,546,100    32,203,266      CONG-TERM ASSETS    39,546,100    32,203,266      Cong-term investments    7,212,652    7,503,419      Financing lease rights-fore asset    116,627,702    10,423,946      Insight assets, net    10,627,702    10,423,946      Insight assets, net    2,579,381    2,259,261      Total Long-Term Assets    2,179,533    2,159,537      Total Long-Term Assets    2,179,533    2,159,536      CURRENT LIABILITIES    \$ 6,1,305,637    \$ 5,295,506      CURRENT LIABILITIES    \$ 2,10,546    \$ 2,295,506      Accruad liabilities (note 5)    \$ 2,255,206    3,573,994      Current liabilities (note 6)    \$ 2,259,261    3,573,994      Current liabilities (note 6)    \$ 2,255,206    3,573,994      Current liabilities (note 6)    \$ 2,255,206    3,573,994      Current liabilities (note 6)    \$ 2,255,  | ASSETS   | (Unaudited)                           |                                       |
| Short-term investments    1.896,597    1.154,284      Accounts revisible, net    13.016,192    10.239,960      Prepaid expenses and other current assets (note 4)    2.399,66    2.314,639      Total Current Assets    39.5546,100    32.035,626      LOng-term investments    7.212,652    7.503,419      Financing lease right-of-ase asset    10.627,702    10.423,946      Property and equipment, net    10.627,702    10.423,946      Italian Long-term investments    7.212,652    7.503,419      Total Long-term Assets    11.82,859    1.042,93      Consolvent    1.858,957    10.423,946      Total Long-Term Assets    2.179,9331    2.2579,381      Total Long-Term Assets    2.179,9537    2.1895,910      TOTAL ASSETS    \$ 61,305,637    \$ 5392,356      LABILITIES AND STOCKHOLDERS' EQUITY    \$ 2,120,546    \$ 2,925,506      CARCent Liabilities (note 5)    \$ 2,120,546    \$ 2,925,506      Accounts payable    \$ 2,120,546    \$ 2,925,506      Account stabilities (note 6)    \$ 67,427    20,1609      Total Current Liabilities (not  | CURRENT ASSETS   |                                       |                                       |
| Accounts receivable, ent    13,987,743    10,886,145      Internories, net (note 3)    13,016,192    10,203,906    2,314,639      Total Current assets    39,546,100    32,033,626    2,034,639      LOR-TERM ASSETS    7,212,652    7,503,419      Financing Lease right-of-suc asset    16,643    120,239      Popperty and equipment, net    10,627,702    10,423,964      Intangible asset, net    2,1759,331    2,579,381      Total Long-Term Assets    2,1759,337    2,183,910      Total Long-Term Assets    2,179,9337    2,183,910      TotAl ASSETS    \$ 61,056,87    \$ 33,929,105      LIABILITIES AND STOCKHOLDERS' EQUITY    \$ 61,056,87    \$ 33,929,515      CURRENT LIABILITIES    \$ 61,205,875    \$ 33,929,515      LABILITIES AND STOCKHOLDERS' EQUITY    \$ 2,120,466    \$ 2,955,506      Current liabilities (note 5)    \$ 1,342,638    3,573,934      Current liabilities (note 6)    \$ 2,120,466    \$ 2,955,506      Not deferred income tax liability (note 6)    \$ 2,120,468    \$ 2,955,506      Courent liabilitins (note 6)    \$ 2,120,468  | Cash and cash equivalents  | \$ 8,246,092                          | \$ 7,384,578                          |
| Inventives, net (note 3)    13,016,192    10,239,890      Prepaid expenses and other current assets (note 4)    2,399,676    2,314,639      INMEDIATION CONTRASTS    32,333,626    32,333,626      LONG-TERM ASSETS    10,6217,600    32,033,626      Deng-term investments    7,503,419    7,503,419      Financing lease right-of-use asset    10,627,700    10,623,560      Dong-term investments    1,56,943    12,023,946      Intangible assets, net    1,182,859    1,268,907      Goodwill    2,1759,537    2,189,910      TOTAL LASSETS    \$ 61,305,637    \$ 53,309,2536      LIABILITIES AND STOCKHOLDERS' EQUITY    \$ 61,305,637    \$ 53,309,2536      CURRENT LIABILITIES    \$ 2,120,546    \$ 2,925,506      Accounts payable    \$ 2,120,546    \$ 2,925,506      Corrent financing lease liability (note 6)    66,229    3,3,646      Income taxes payable    \$ 87,647    205,109      TOTAL Current financing lease liability (note 6)    92,451    67,883,15      INO-TERM LIABILITIES    \$ 87,647    205,106      Incolument Liabilitities <td>Short-term investments</td> <td>1,896,397</td> <td>1,154,284</td>  | Short-term investments   | 1,896,397                             | 1,154,284                             |
| Prepaid expenses and other current assets (note 4)    2.399,676    2.214,639      Total Current Assets    39,546,100    32,033,626      LONG-TERM ASSETS    7,212,652    7,503,419      Long-term investments    7,212,652    7,503,419      Property and equipment, net    10,627,702    10,422,964      Intangible assets, net    0,627,702    10,423,964      Goodwill    2,579,381    2,579,381      Total Long-Term Assets    21,759,557    21,895,910      Total Long-Term Assets    5,613,053,75    5,53,029,356      CURRENT LIABILITIES    5,613,053,75    5,53,029,356      CURRENT LIABILITIES    5,613,053,75    5,53,029,356      CURRENT LIABILITIES    5,613,053,75    5,53,029,356      CURRENT LIABILITIES    5,212,05,46    \$,295,506      Accreditabilitis (note 6)    6,62,29    5,3,646      Inoute taxe payable    6,62,29    5,3,646      Accreditabilitis (note 6)    9,2,511    67,883,15      INITIES    8,235,990    7,345,056      Total Current Liabilities    9,2,511    67,883,15  | Accounts receivable, net   | 13,987,743                            | 10,886,145                            |
| Total Current Assets    39,546,100    32,033,626      LONG-TERM ASSETS    7,212,652    7,503,419      Financing lease right-of-use asset    10,627,702    10,6423,964      Financing lease right-of-use asset    10,627,702    10,6423,964      Intangible assets, net    1,182,859    1,268,907      Goodwill    22,759,381    2,279,381    2,279,381      TOTAL ASSETS    \$ 61,305,637    \$ 5,3,929,556      LIABILITIES AND STOCKHOLDERS EQUITY    \$ 61,305,637    \$ 5,3,929,556      CURRENT LIABILITIES    \$ 64,305,637    \$ 5,3,929,556      Accounts payable    5 2,120,546    \$ 2,955,506      Current financing lease liability (note 6)    66,229    35,464      Total Long-term Liabilities    87,647    205,109      Total Current Liabilities    67,449,050    6,788,315      LONG-TERM LIABILITIES    \$ 87,647    205,109      TotAL LIABILITIES    \$ 82,55,900    7,345,056      LONG-TERM LIABILITIES    \$ 87,647    205,109      Total Current Liabilities    69,4429    488,858      LONG-TERM LIABILITIES   | Inventories, net (note 3)  | 13,016,192                            | 10,293,980                            |
| LONG-TERM ASSETS    7,212,652    7,503,419      Long-term investments    7,212,652    7,503,419      Property and equipment, net    10,627,702    10,423,964      Intangible asset, net    1,182,859    1,266,907      Goodwill    2,1759,331    2,579,381      Total Long-Term Assets    21,759,337    21,895,910      TOTAL ASSETS    \$ 6,1305,637    \$ 5,3292,536      LIABILITIES AND STOCKHOLDERS' EQUITY    \$ 2,120,546    \$ 2,955,506      CURRENT LIABILITIES    \$ 2,120,546    \$ 2,955,506      Accounts payable    \$ 2,120,546    \$ 2,955,506      Total Current Liabilities (note 5)    \$ 3,73,994    \$ 3,73,994      Current financing lease liability (note 6)    \$ 66,229    \$ 3,646      Income taxes payable    \$ 64,947,020    \$ 6,788,315      CONG-TERM LIABILITIES    \$ 7,449,050    \$ 6,788,315      CONG-TERM LIABILITIES    \$ 7,449,050    \$  | Prepaid expenses and other current assets (note 4)   | 2,399,676                             | 2,314,639                             |
| Long-term investments    7,212,652    7,503,419      Financing lease right-of-use asset    16,6943    100,239      Property and equipment, net    10,627,702    10,423,964      Intangible assets, net    1,183,859    1,268,907      Goodwill    2,579,381    2,579,381    2,579,381      Total Long-Term Assets    21,799,557    21,895,910    12,179,557    21,895,910      TOTAL ASSETS    \$ 61,305,637    \$ 5,3929,536    12,799,381    2,579,381      LABILITIES AND STOCKHOLDERS' EQUITY    \$ 61,305,637    \$ 5,3929,536    4,374,628    3,573,994      Current financing lease liability (note 6)    \$ 2,120,546    \$ 2,955,506    Accrued liabilities (note 5)    \$ 2,120,546    \$ 2,955,506      LONG-TERM LIABILITIES    \$ 8,5747    220,159    \$ 6,6229    3,646      Income taxe payable    \$ 8,7477    205,169    \$ 6,788,315    \$ 7,449,059    \$ 6,788,315      LONG-TERM LIABILITIES    \$ 7,449,059    \$ 6,788,315    \$ 7,449,059    \$ 7,883    \$ 7,449,059    \$ 7,883    \$ 7,345,056      STOCKHOLDERS' EQUITY (note 7)    \$ 2,662  | Total Current Assets   | 39,546,100                            | 32,033,626                            |
| Financing lease right-of-use asset    15,643    120,239      Property and equipment, net    10,627,702    10,423,964      Intangible assets, net    1,182,859    12,068,007      Goodwill    2,579,381    2,579,381    2,579,381    2,579,381    2,579,381    2,579,357    5 3,929,536      Total Long-Term Assets    21,759,537    \$ 53,929,536    \$ 51,929,537    \$ \$ 53,929,536      LIABILITIES    \$ \$ 0,130,5,637    \$ \$ 2,925,506    \$ \$ 2,255,306    \$ \$ 2,255,356      Accrued liabilities (note 5)    \$ \$ 2,120,546    \$ 2,295,506    \$ \$ 2,955,506      Accrued liabilities (note 5)    \$ \$ 2,120,546    \$ 2,295,506    \$ \$ 2,955,506      Income taxs payable    \$ \$ 2,120,546    \$ 2,295,506    \$ \$ 2,955,506      Income taxs payable    \$ \$ 2,120,546    \$ \$ 2,955,506    \$ \$ \$ 2,955,506      Income taxs payable    \$ \$ \$ 2,120,546    \$ \$ 2,955,506    \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$  | LONG-TERM ASSETS   |                                       |                                       |
| Property and equipment, net    10.627.02    10.423.964      Intagible assets, net    1,182,859    1,268,907      Goddwill    2,1759.537    21.895.910      Total Long-Term Assets    21,759.537    21.895.910      TOTAL ASSETS    \$ 61,305,637    \$ 53,929,236      LIABILITIES AND STOCKHOLDERS' EQUITY    \$ 61,305,637    \$ 2,205,566      Accounts payable    \$ 2,120,546    \$ 2,205,566      Accounts payable    \$ 2,120,546    \$ 2,205,566      Accounts payable    \$ 2,120,546    \$ 2,205,566      Accounts payable    \$ 2,205,566    \$ 2,205,169      Current funcing lease liability (note 6)    \$ 66,229    \$ 3,646      Income taxes payable    \$ 87,647    205,169      Total Current Liabilities    \$ 7,449,050    \$ 6,788,315      LONG-TERK LIABILITIES    \$ 92,511    \$ 67,883,155      Net deferred income tax liability (note 6)    \$ 92,511    \$ 67,883,155      TOTAL LABILITIES    \$ 92,511    \$ 67,883,155      STOCKHOLDERS' EQUITY (note 7)    \$ 7,345,056    \$ 7,345,056      Preferred stock: \$ 0,001 par value, 10,000,000 shares   | Long-term investments  | 7,212,652                             | 7,503,419                             |
| Intangible assets, net    1,182,859    1,268,907      Godwill    2,579,381    2,55,506    Accreditabilities (note 5)    5,3,929,536    Accreditabilities (note 5)    6,4,374,628    3,573,994    Current financing lease liability (note 6)    6,6,229    53,646    Income taxes payable    8,87,647    205,169    7,449,050    6,788,315    LONG-TERM LIABILITIES    8,235,990    7,345,056    STOCKHOLDERS' EQUITY (note 6)    69,4,429    488,858    Long-term financing lease liability (note 6)    69,4,429    488,858    Long-term financing lease liability (note 6)    52,662    52,144    52,662    52,144    TOTAL LIABILITIES    Stock KIOLDERS' EQUITY (note 7)    Stock x 10001 par value, 10,000,000 shares authorized: 52,659,763 issued and 47,574,560 outstanding at Ju   | Financing lease right-of-use asset   | 156,943                               | 120,239                               |
| Goodwill    2,579,381    2,579,381    2,579,381      Total Long-Term Assets    21,739,537    21,895,910      TOTAL ASSETS    \$ 61,305,637    \$ 53,929,536      LIABILITIES AND STOCKHOLDERS' EQUITY    CURRENT LIABILITIES    \$ 51,305,637    \$ 53,929,536      Accounts payable    \$ 2,120,546    \$ 2,2955,506    Accrued liabilities (note 5)    4,374,628    3,573,994      Current financing lease liability (note 6)    4,374,628    3,573,994    66,229    53,646      Income taxs payable    887,647    205,169    7,449,050    6,788,315      LONG-TERM LIABILITIES    7,449,050    6,788,315    6,788,315      LONG-TERM LIABILITIES    92,511    67,883      TOTAL LIABILITIES    82,35,990    7,345,056      STOCKHOLDERS' EQUITY (note 6)    92,511    67,883      TOTAL LIABILITIES    82,35,990    7,345,056      STOCKHOLDERS' EQUITY (note 7)    -    -      Preferred stock: 50,001 par value, 10,000,000 shares authorized: no share issued or outstanding at June 30, 2023, and 52,143,901    52,662    52,144      issued and 47,105,771 outstanding at December 31, 2022 <td>Property and equipment, net</td> <td>10,627,702</td> <td>10,423,964</td>   | Property and equipment, net  | 10,627,702                            | 10,423,964                            |
| Total Long-Term Assets    21,759,537    21,895,910      TOTAL ASSETS    \$ 61,305,637    \$ 53,929,536      LIABILITIES AND STOCKHOLDERS' EQUITY        CURRENT LIABILITIES    Accrued liabilities (note 5)    \$ 2,120,546    \$ 2,955,506      Accrued liabilities (note 5)    4,374,628    3,573,994      Current Liabilities    66,229    53,646      Income taxes payable    887,647    205,169      Total Current Liabilities    7,449,050    6,788,315      LONG-TERM LIABILITIES    92,511    67,8833      Net deferred income tax liability (note 6)    92,511    67,8833      TOTAL LIABILITIES    8,235,990    7,345,056      STOCKHOLDERS' EQUITY (note 7)      7,349,056      Preferred stock: 50,001 par value, 100,000,000 shares authorized: 52,659,763 issued or outstanding at June 30, 2023, and 52,143,901    52,662    52,144      Issued and 47,105,771 outstanding at December 31, 2022    52,662    52,144      Treasury stock, at cost    (7,344,213)    (7,345,259)    7,344,310    (7,345,231)      Additional paid-in capital    32,514,997    31,737,843<   | Intangible assets, net   | 1,182,859                             | 1,268,907                             |
| TOTAL ASSETS    \$ 61,305,637    \$ 53,929,536      LIABILITIES AND STOCKHOLDERS' EQUITY<br>CURRENT LIABILITIES    -    -    -      Accounts payable    \$ 2,120,546    \$ 2,955,506    -    -      Accounts payable    \$ 2,120,546    \$ 2,955,506    - </td <td>Goodwill</td> <td>2,579,381</td> <td>2,579,381</td>   | Goodwill   | 2,579,381                             | 2,579,381                             |
| LIABILITIES    S    2,120,546    \$    2,955,506      Accounts payable    \$    2,120,546    \$    2,955,506      Accounts payable    \$    2,120,546    \$    2,955,506      Accounts payable    \$    4,374,628    3,573,994      Current financing lease liability (note 6)    66,229    53,646      Income taxes payable    \$    7,449,050    6,788,315      Income taxe sayable    \$    7,449,050    6,788,315      LONG-TERM LIABILITIES    \$    94,429    488,858      Long-term financing lease liability (note 6)    \$    92,511    67,883      I TOTAL LIABILITIES    \$    82,235,990    7,345,056      STOCKHOLDERS' EQUITY (note 7)    \$    \$    \$      Preferred stock: \$0,001 par value, 100,000,000 shares authorized: 52,659,763 issued and 47,574,560 outstanding at June 30, 2023, and 52,143,901    \$    \$      Stock: \$0,001 par value, 100,000,000 shares authorized: 52,659,763 issued and 47,574,560 outstanding at June 30, 2023, and 52,143,901    \$    \$      Treasury stock, at cost    (7,394,281)    (7,336,323)    \$  | Total Long-Term Assets   | 21,759,537                            | 21,895,910                            |
| CURRENT LIABILITIES      Accounts payable    \$ 2,120,546    \$ 2,955,506      Accrued liabilities (note 5)    4,374,628    3,573,994      Current financing lease liability (note 6)    66,229    53,646      Income taxes payable    887,647    205,169      Total Current Liabilities    7,449,050    6,788,315      LONG-TERM LIABILITIES     887,647    205,169      Net deferred income tax liability    694,429    488,858    488,858      Long-term financing lease liability (note 6)    92,511    67,883      TOTAL LIABILITIES    82,25,990    7,345,056      STOCKHOLDERS' EQUITY (note 7)         Preferred stock: \$0.001 par value, 10,000,000 shares authorized: 52,659,763 issued and 47,574,560 outstanding at June 30, 2023, and 52,143,901    52,662    52,144      Treasury stock, at cost    (7,394,281)    (7,336,323)    32,514,997    31,737,843      Accumulated other comprehensive loss    (2,976,198)    (3,294,842)    (3,294,872)    (3,294,872)      Stationand advitional paid-in capital    32,514,997    31,737,843    32,514,997    31,737,843    32   | TOTAL ASSETS   | \$ 61,305,637                         | \$ 53,929,536                         |
| CURRENT LIABILITIES      Accounts payable    \$ 2,120,546    \$ 2,955,506      Accrued liabilities (note 5)    4,374,628    3,573,994      Current financing lease liability (note 6)    66,229    53,646      Income taxes payable    887,647    205,169      Total Current Liabilities    7,449,050    6,788,315      LONG-TERM LIABILITIES     887,647    205,169      Net deferred income tax liability    694,429    488,858    488,858      Long-term financing lease liability (note 6)    92,511    67,883      TOTAL LIABILITIES    82,25,990    7,345,056      STOCKHOLDERS' EQUITY (note 7)         Preferred stock: \$0.001 par value, 10,000,000 shares authorized: 52,659,763 issued and 47,574,560 outstanding at June 30, 2023, and 52,143,901    52,662    52,144      Treasury stock, at cost    (7,394,281)    (7,336,323)    32,514,997    31,737,843      Accumulated other comprehensive loss    (2,976,198)    (3,294,842)    (3,294,872)    (3,294,872)      Stationand advitional paid-in capital    32,514,997    31,737,843    32,514,997    31,737,843    32   | LIARII ITIES AND STOCKHOLDERS' FOUITY  |                                       |                                       |
| Accounts payable    \$ 2,120,546    \$ 2,955,506      Accrued liabilities (note 5)    4,374,628    3,573,994      Current financing lease liability (note 6)    66,229    53,646      Income taxes payable    887,647    205,169      Total Current Liabilities    7,449,050    6,788,315      LONG-TERM LIABILITIES     694,429    488,858      Long-term financing lease liability (note 6)    92,511    67,883      TOTAL LIABILITIES    82,255,990    7,345,056      STOCKHOLDERS' EQUITY (note 7)        Preferred stock: \$0.001 par value, 10,000,000 shares authorized: 52,659,763 issued and 47,574,560 outstanding at June 30, 2023, and 52,143,901    52,662    52,144      Treasury stock, at cost    (7,394,281)    (7,394,281)    (7,336,323)      Accumulated other comprehensive loss    (2,976,198)    (3,29,48,73)    30,872,467    25,425,689      TOTAL LINDIAL    StOCKHOLDERS' EQUITY    S3,690    7,345,056    S1,251,997    31,737,843      Retained earnings    (2,976,198)    (3,29,48,73)    (7,394,281)    (7,394,823)    (7,394,823)    (7,394,823)    S2,514,997   |  |                                       |                                       |
| Accrued labilities (note 5)  4,374,628  3,573,994    Current financing lease liability (note 6)  66,229  53,646    Income taxes payable  887,647  205,169    Total Current Liabilities  7,449,050  6,788,315    LONG-TERM LIABILITIES  694,429  488,858    Long-term financing lease liability (note 6)  92,511  67,883    TOTAL LIABILITIES  82,35,990  7,345,056    STOCKHOLDERS' EQUITY (note 7)  7  7    Preferred stock: \$0.001 par value, 100,000,000 shares authorized: 52,659,763 issued and 47,574,560 outstanding at June 30, 2023, and 52,143,901  52,662  52,144    Treasury stock, at cost  (7,394,281)  (7,336,323)  32,514,997  31,737,843    Accurund ted other comprehensive loss  (2,976,198)  31,294,873  30,872,467  25,425,689    TOTAL STOCKHOLDERS' EQUITY  53,069,647  46,584,480  46,584,480  46,584,480   |  | \$ 2 120 546                          | \$ 2,955,506                          |
| Current financing lease liability (note 6)    66,229    53,646      Income taxes payable    887,647    205,169      Total Current Liabilities    7,449,050    6,788,315      LONG-TERM LIABILITIES    694,429    488,858      Net deferred income tax liability (note 6)    92,511    67,883      TOTAL LIABILITIES    8,235,990    7,345,056      STOCKHOLDERS' EQUITY (note 7)    8,235,990    7,345,056      Preferred stock: \$0.001 par value, 100,000,000 shares authorized: no shares issued or outstanding at June 30, 2023, and 52,143,901    52,662    52,144      Treasury stock, at cost    (7,394,281)    (7,336,323)    52,662    52,144      Additional paid-in capital    32,514,997    31,737,843    Accumulated other comprehensive loss    (2,976,198)    (3,294,873)      Retained earnings    30,872,467    25,425,689    30,872,467    25,425,689      TOTAL STOCKHOLDERS' EQUITY    53,069,647    46,584,480.000    53,069,647    46,584,480.000  |  |                                       |                                       |
| Income taxes payable    887,647    205,169      Total Current Liabilities    7,449,050    6,788,315      LONG-TERM LIABILITIES    694,429    488,858      Net deferred income tax liability    694,429    488,858      Long-term financing lease liability (note 6)    92,511    67,883      TOTAL LIABILITIES    8,235,990    7,345,056      STOCKHOLDERS' EQUITY (note 7)    -    -      Preferred stock: \$0.001 par value, 10,000,000 shares authorized: no shares issued or outstanding at June 30, 2023, and 52,143,901    52,662    52,144      Treasury stock, at cost    (7,394,281)    (7,364,281)    (7,364,281)      Additional paid-in capital    32,514,997    31,737,843    32,514,997    31,737,843      Accumulated other comprehensive loss    (2,976,198)    (3,294,873)    30,872,467    25,425,689      TOTAL STOCKHOLDERS' EQUITY    53,069,647    46,584,480    46,584,480  |  |                                       |                                       |
| Total Current Liabilities7,449,0506,788,315LONG-TERM LIABILITIES694,429488,858Net deferred income tax liability694,429488,858Long-term financing lease liability (note 6)92,51167,883TOTAL LIABILITIES8,235,9907,345,056STOCKHOLDERS' EQUITY (note 7)Preferred stock: \$0.001 par value, 10,000,000 shares authorized: no shares issued or outstanding—Common stock: \$0.001 par value, 10,000,000 shares authorized: 52,659,763 issued and 47,574,560 outstanding at June 30, 2023, and 52,143,90152,662Stock, at cost(7,394,281)(7,336,323)Additional paid-in capital32,514,99731,737,843Accumulated other comprehensive loss(2,976,198)(3,294,873)Retained earnings30,872,46725,425,689TOTAL STOCKHOLDERS' EQUITY53,069,64746,584,480   |  | ,                                     |                                       |
| LONG-TERM LIABILITIESNet deferred income tax liability694,429488,858Long-term financing lease liability (note 6)92,51167,883TOTAL LIABILITIES8,235,9907,345,056STOCKHOLDERS' EQUITY (note 7)Preferred stock: \$0.001 par value, 100,000,000 shares authorized: no shares issued or outstanding——Common stock: \$0.001 par value, 100,000,000 shares authorized: 52,659,763 issued and 47,574,560 outstanding at June 30, 2023, and 52,143,90152,66252,144Treasury stock, at cost(7,394,281)(7,336,323)32,514,99731,737,843Accumulated other comprehensive loss(2,976,198)(3,294,873)30,872,46725,425,689TOTAL STOCKHOLDERS' EQUITY53,069,64746,584,480   |  |                                       |                                       |
| Net deferred income tax liability    694,429    488,858      Long-term financing lease liability (note 6)    92,511    67,883      TOTAL LIABILITIES    8,235,990    7,345,056      STOCKHOLDERS' EQUITY (note 7)    -    -      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: 52,659,763 issued and 47,574,560 outstanding at June 30, 2023, and 52,143,901    52,662    52,144      Treasury stock, at cost    (7,394,281)    (7,336,323)    4dditional paid-in capital    32,514,997    31,737,843      Accumulated other comprehensive loss    (2,976,198)    (3,294,873)    30,872,467    25,425,689      TOTAL STOCKHOLDERS' EQUITY    53,069,647    46,584,480    46,584,480   |  | 7,119,050                             | 0,700,515                             |
| Long-term financing lease liability (note 6)    92,511    67,883      TOTAL LIABILITIES    8,235,990    7,345,056      STOCKHOLDERS' EQUITY (note 7)        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: 52,659,763 issued and 47,574,560 outstanding at June 30, 2023, and 52,143,901    52,662    52,144      Treasury stock, at cost    (7,394,281)    (7,336,323)    Additional paid-in capital    32,514,997    31,737,843    Accumulated other comprehensive loss    (2,976,198)    (3,294,873)    30,872,467    25,425,689    TOTAL STOCKHOLDERS' EQUITY    53,069,647    46,584,480  |  | 694 429                               | 488 858                               |
| TOTAL LIABILITIES    8,235,990    7,345,056      STOCKHOLDERS' EQUITY (note 7)   | •  | · · · · · · · · · · · · · · · · · · · |                                       |
| STOCKHOLDERS' EQUITY (note 7)    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: 52,659,763 issued and 47,574,560 outstanding at June 30, 2023, and 52,143,901  52,662  52,144    Treasury stock, at cost  (7,394,281)  (7,336,323)    Additional paid-in capital  32,514,997  31,737,843    Accumulated other comprehensive loss  (2,976,198)  (3,294,873)    Retained earnings  30,872,467  25,425,689    TOTAL STOCKHOLDERS' EQUITY  53,069,647  46,584,480   |  |                                       |                                       |
| 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: 52,659,763 issued and 47,574,560 outstanding at June 30, 2023, and 52,143,901  52,662  52,144    Treasury stock, at cost  (7,394,281)  (7,336,323)    Additional paid-in capital  32,514,997  31,737,843    Accumulated other comprehensive loss  (2,976,198)  (3,294,873)    Retained earnings   |  |                                       |                                       |
| Common stock: \$0.001 par value, 100,000,000 shares authorized: 52,659,763 issued and 47,574,560 outstanding at June 30, 2023, and 52,143,901    52,662    52,144      Treasury stock, at cost    (7,394,281)    (7,336,323)    Additional paid-in capital    32,514,997    31,737,843    Accumulated other comprehensive loss    (2,976,198)    (3,294,873)    Retained earnings    30,872,467    25,425,689      TOTAL STOCKHOLDERS' EQUITY    53,069,647    46,584,480  | STOCKHOLDERS' EQUITY (note 7)  |                                       |                                       |
| issued and 47,105,771 outstanding at December 31, 2022    52,662    52,144      Treasury stock, at cost    (7,394,281)    (7,336,323)      Additional paid-in capital    32,514,997    31,737,843      Accumulated other comprehensive loss    (2,976,198)    (3,294,873)      Retained earnings    30,872,467    25,425,689      TOTAL STOCKHOLDERS' EQUITY    53,069,647    46,584,480   | Preferred stock: \$0.001 par value, 10,000,000 shares authorized: no shares issued or outstanding  | _                                     | _                                     |
| Additional paid-in capital    32,514,997    31,737,843      Accumulated other comprehensive loss    (2,976,198)    (3,294,873)      Retained earnings    30,872,467    25,425,689      TOTAL STOCKHOLDERS' EQUITY    53,069,647    46,584,480  | Common stock: \$0.001 par value, 100,000,000 shares authorized: 52,659,763 issued and 47,574,560 outstanding at June 30, 2023, and 52,143,901 issued and 47,105,771 outstanding at December 31, 2022 | 52,662                                | 52,144                                |
| Additional paid-in capital    32,514,997    31,737,843      Accumulated other comprehensive loss    (2,976,198)    (3,294,873)      Retained earnings    30,872,467    25,425,689      TOTAL STOCKHOLDERS' EQUITY    53,069,647    46,584,480  | Treasury stock, at cost  | · · · · · · · · · · · · · · · · · · · | · · · · · · · · · · · · · · · · · · · |
| Accumulated other comprehensive loss    (2,976,198)    (3,294,873)      Retained earnings    30,872,467    25,425,689      TOTAL STOCKHOLDERS' EQUITY    53,069,647    46,584,480  |  |                                       |                                       |
| Retained earnings    30,872,467    25,425,689      TOTAL STOCKHOLDERS' EQUITY    53,069,647    46,584,480  |  | (2,976,198)                           | (3,294,873)                           |
| TOTAL STOCKHOLDERS' EQUITY 53,069,647 46,584,480   |  | () )                                  |                                       |
|  |  |                                       |                                       |
|  | TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY   | \$ 61,305,637                         | \$ 53,929,536                         |

These financial statements should be read in conjunction with the Form 10-Q and accompanying footnotes.

#### PROFIRE ENERGY, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Income and Comprehensive Income (Loss)

(Unaudited)

|  | (Unaudited)<br>For the Three Months Ended June 30, |              | For the Six Months Ended June 30, |                        |
|--|--|--------------|-----------------------------------|------------------------|
| —  | 2023   | 2022         | 2023                              | 2022<br>(See Note 1)   |
|  | (See Note 1)                                       | (See Note 1) |                                   |                        |
| REVENUES (note 8)  |  |              |                                   |                        |
| Sales of products, net   | \$ 13,602,884                                      | \$ 8,860,682 | \$ 27,231,396                     | \$ 17,739,105          |
| Sales of services, net   | 840,693  | 772,465      | 1,765,643                         | 1,397,182              |
| Total Revenues   | 14,443,577   | 9,633,147    | 28,997,039                        | 19,136,287             |
| COST OF SALES  |  |              |                                   |                        |
| Cost of sales - product  | 6,270,174  | 4,530,065    | 12,244,513                        | 8,912,764              |
| Cost of sales - services   | 758,958  | 699,937      | 1,504,972                         | 1,263,674              |
| Total Cost of Sales  | 7,029,132  | 5,230,002    | 13,749,485                        | 10,176,438             |
| GROSS PROFIT   | 7,414,445  | 4,403,145    | 15,247,554                        | 8,959,849              |
| OPERATING EXPENSES   |  |              |                                   |                        |
| General and administrative   | 3,792,127  | 3,786,561    | 7,840,093                         | 7,178,938              |
| Research and development   | 258,317  | 362,197      | 594,769                           | 670,512                |
| Depreciation and amortization  | 140,093  | 159,580      | 282,981                           | 326,597                |
| Total Operating Expenses   | 4,190,537  | 4,308,338    | 8,717,843                         | 8,176,047              |
| INCOME FROM OPERATIONS   | 3,223,908  | 94,807       | 6,529,711                         | 783,802                |
| OTHER INCOME (EXPENSE)   |  |              |                                   |                        |
| Gain on sale of assets   | 181,343  | 214,841      | 234,418                           | 310,683                |
| Other expense  | (36,866)   | (337)        | (46,423)                          | (18,420)               |
| Interest income  | 123,654  | 20,307       | 181,701                           | 41,852                 |
| Interest expense   | (854)  | (17,612)     | (1,787)                           | (18,308)               |
| Total Other Income   | 267,277  | 217,199      | 367,909                           | 315,807                |
| INCOME BEFORE INCOME TAXES   | 3,491,185  | 312,006      | 6,897,620                         | 1,099,609              |
| INCOME TAX EXPENSE   | (634,028)  | (27,177)     | (1,450,842)                       | (187,619)              |
| NET INCOME   | \$ 2,857,157                                       | \$ 284,829   | \$ 5,446,778                      | \$ 911,990             |
| OTHER COMPREHENSIVE INCOME (LOSS)  |  |              |                                   |                        |
| Foreign currency translation gain (loss)   | \$ 278,328   | \$ (290,291) | \$ 272,804                        | \$ (131,933)           |
| Unrealized gains (losses) on investments   | (30,416)   | (134,662)    | \$ 272,804<br>45,871              | (421,788)              |
| Total Other Comprehensive Income (Loss)  | 247,912  | (424,953)    | 318,675                           | (421,788)<br>(553,721) |
|  | 2,,.12   | (121,000)    | 510,075                           | (000,121)              |
| COMPREHENSIVE INCOME   | \$ 3,105,069                                       | \$ (140,124) | \$ 5,765,453                      | \$ 358,269             |
| BASIC EARNINGS PER SHARE   | \$ 0.06  | \$ 0.01      | \$ 0.12                           | \$ 0.02                |
| FULLY DILUTED EARNINGS PER SHARE   | \$ 0.06  | \$ 0.01      | \$ 0.12                           | \$ 0.02                |
|  |  |              |                                   |                        |
| BASIC WEIGHTED AVG NUMBER OF SHARES OUTSTANDING<br>FULLY DILUTED WEIGHTED AVG NUMBER OF SHARES | 47,393,768   | 47,092,275   | 47,284,749                        | 47,285,782             |
| OUTSTANDING  | 49,473,080   | 48,699,208   | 49,349,488                        | 48,865,186             |

These financial statements should be read in conjunction with the Form 10-Q and accompanying footnotes.

#### PROFIRE ENERGY, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows (Unaudited)

| (Unaudited)  | Even de C'Mande Evel      | 1.1         |
|--|---------------------------|-------------|
| —  | For the Six Months Ende   | 2022        |
| OPERATING ACTIVITIES   |                           |             |
| Net income   | \$ 5,446,778              | \$ 911,99   |
| Adjustments to reconcile net income to net cash provided by operating activities:            |                           |             |
| Depreciation and amortization expense  | 547,996                   | 558,832     |
| Gain on sale of property and equipment   | (234,418)                 | (310,683    |
| Bad debt expense   | 378,753                   | 28,47       |
| Stock awards issued for services   | 583,493                   | 412,89      |
| Changes in operating assets and liabilities:   |                           |             |
| Accounts receivable  | (3,034,236)               | (877,417    |
| Income taxes receivable/payable  | 682,284                   | 534,45      |
| Inventories  | (2,662,032)               | (2,097,471  |
| Prepaid expenses and other current assets  | (51,121)                  | (140,352    |
| Deferred tax asset/liability   | 205,571                   | (408        |
| Accounts payable and accrued liabilities   | (80,409)                  | 1,601,37    |
| Net Cash Provided by Operating Activities  | 1,782,659                 | 621,69      |
| INVESTING ACTIVITIES   |                           |             |
| Proceeds from sale of property and equipment   | 309,493                   | 412,339     |
| Purchase of investments  | (405,578)                 | (231,032    |
| Purchase of property and equipment   | (607,248)                 | (223,215    |
| Net Cash Used in Investing Activities  | (703,333)                 | (41,908     |
| FINANCING ACTIVITIES   |                           |             |
| Value of equity awards surrendered by employees for tax liability                            | (248,958)                 | (93,527     |
| Cash received in exercise of stock options   | 65,335                    | 25,10       |
| Purchase of treasury stock   | (57,957)                  | (1,228,731  |
| Principal paid towards lease liability   | (13,972)                  | (19,787     |
| Net Cash Used in Financing Activities  | (255,552)                 | (1,316,939  |
| Effect of exchange rate changes on cash  | 37,740                    | (32,286     |
| NET CHANGE IN CASH   | 861,514                   | (769,443    |
| CASH AT BEGINNING OF PERIOD  | 7,384,578                 | 8,188,27    |
| CASH AT END OF PERIOD  | \$ 8,246,092              | \$ 7,418,82 |
| SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION  |                           |             |
| CASH PAID FOR:   |                           |             |
| Interest   | \$ 1,787                  | \$ 1,25     |
| Income taxes   | \$ 576,750                | \$ 21,00    |
| NON-CASH FINANCING AND INVESTING ACTIVITIES  |                           |             |
| Common stock issued in settlement of accrued bonuses   |                           |             |
| These financial statements should be read in conjunction with the Form 10-K and accompanying |                           |             |
| footnotes  | \$ 378,526                | \$ 212,78   |
| These financial statements should be read in conjunction with the Form 10-Q an               | d accompanying foots stor |             |
| These financial statements should be read in conjunction with the Form 10-Q and              | a accompanying jootnotes  |             |