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 June 30, 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	**20-0019425**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
321 South 1250 West, Suite 1	
Lindon, Utah	**84042**
(Address of principal executive offices)	(Zip Code)

(801) 796-5127
(Registrant's telephone number, including area code)

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

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 August 6, 2024, the registrant had 53,589,902 shares of common stock issued and46,825,381 shares of common stock outstanding, par value $0.001.

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Condensed Consolidated Balance Sheets

	As of	
	June 30, 2024	December 31, 2023
ASSETS	(Unaudited)	
CURRENT ASSETS		
Cash and cash equivalents	$ 8,920,732	$ 10,767,519
Short-term investments	3,633,333	2,799,539
Accounts receivable, net	14,158,647	14,013,740
Inventories, net (note 3)	16,059,628	14,059,656
Prepaid expenses and other current assets (note 4)	3,041,359	2,832,262
Total Current Assets	45,813,699	44,472,716
LONG-TERM ASSETS		
Net deferred tax asset	489,360	496,785
Long-term investments	5,888,449	6,425,582
Lease right-of-use asset (note 6)	406,852	432,907
Property and equipment, net	11,194,296	10,782,372
Intangible assets, net	1,025,345	1,104,102
Goodwill	2,579,381	2,579,381
Total Long-Term Assets	21,583,683	21,821,129
TOTAL ASSETS	$ 67,397,382	$ 66,293,845
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 1,645,228	$ 2,699,556
Accrued liabilities (note 5)	4,448,655	4,541,820
Current lease liability (note 6)	138,552	130,184
Income taxes payable	374,384	1,723,910
Total Current Liabilities	6,606,819	9,095,470
LONG-TERM LIABILITIES		
Net deferred income tax liability	50,705	52,621
Long-term lease liability (note 6)	276,186	307,528
TOTAL LIABILITIES	6,933,710	9,455,619
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: 53,589,902 issued and 47,212,748 outstanding at June 30, 2024, and 53,047,231 issued and 46,803,868 outstanding at December 31, 2023	53,592	53,048
Treasury stock, at cost	(9,514,893)	(9,324,272)
Additional paid-in capital	33,375,359	32,751,749
Accumulated other comprehensive loss	(3,149,889)	(2,844,702)
Retained earnings	39,699,503	36,202,403
TOTAL STOCKHOLDERS' EQUITY	60,463,672	56,838,226
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 67,397,382	$ 66,293,845

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 June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
		(See Note 1)		(See Note 1)
REVENUES (note 8)				
Sales of products, net	$ 13,725,996	$ 13,719,559	$ 26,417,800	$ 27,477,907
Sales of services, net	1,434,517	840,693	2,383,853	1,765,643
Total Revenues	15,160,513	14,560,252	28,801,653	29,243,550
COST OF SALES				
Cost of sales - products	6,441,389	6,386,849	12,536,394	12,491,024
Cost of sales - services	859,550	758,958	1,648,914	1,504,972
Total Cost of Sales	7,300,939	7,145,807	14,185,308	13,995,996
GROSS PROFIT	7,859,574	7,414,445	14,616,345	15,247,554
OPERATING EXPENSES				
General and administrative	4,817,648	3,857,580	9,372,976	7,967,609
Research and development	300,578	192,864	615,069	467,253
Depreciation and amortization	149,808	140,093	299,668	282,981
Total Operating Expenses	5,268,034	4,190,537	10,287,713	8,717,843
INCOME FROM OPERATIONS	2,591,540	3,223,908	4,328,632	6,529,711
OTHER INCOME (EXPENSE)				
Gain on sale of property and equipment	92,068	181,343	136,889	234,418
Other expense	3,047	(36,866)	(20,295)	(46,423)
Interest income	83,347	123,654	155,244	181,701
Interest expense	(2,657)	(854)	(5,602)	(1,787)
Total Other Income	175,805	267,277	266,236	367,909
INCOME BEFORE INCOME TAXES	2,767,345	3,491,185	4,594,868	6,897,620
INCOME TAX EXPENSE	(704,620)	(634,028)	(1,097,768)	(1,450,842)
NET INCOME	$ 2,062,725	$ 2,857,157	$ 3,497,100	$ 5,446,778
OTHER COMPREHENSIVE INCOME (LOSS)				
Foreign currency translation gain (loss)	$ (126,084)	$ 278,328	$ (370,885)	$ 272,804
Unrealized gains on investments	54,632	(30,416)	65,698	45,871
Total Other Comprehensive Income (Loss)	(71,452)	247,912	(305,187)	318,675
COMPREHENSIVE INCOME	$ 1,991,273	$ 3,105,069	$ 3,191,913	$ 5,765,453
BASIC EARNINGS PER SHARE	$ 0.04	$ 0.06	$ 0.07	$ 0.12
FULLY DILUTED EARNINGS PER SHARE	$ 0.04	$ 0.06	$ 0.07	$ 0.11
BASIC WEIGHTED AVG NUMBER OF SHARES OUTSTANDING	47,119,403	47,393,768	47,002,139	47,284,749
FULLY DILUTED WEIGHTED AVG NUMBER OF SHARES OUTSTANDING	49,123,026	49,473,080	49,005,378	49,349,488

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

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PROFIRE ENERGY, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Stockholders' Equity
(Unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Retained Earnings	Total Stockholders' Equity
	Shares	Amount					
Balance, December 31, 2023	**46,803,868**	**$ 53,048**	**$ 32,751,749**	**$ (2,844,702)**	**$ (9,324,272)**	**$ 36,202,403**	**$ 56,838,226**
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
Balance, March 31, 2024	**47,094,226**	**$ 53,340**	**$ 32,966,075**	**$ (3,078,437)**	**$ (9,324,272)**	**$ 37,636,778**	**$ 58,253,484**
Stock based compensation	—	—	375,062	—	—	—	375,062
Stock issued in exercise of stock options	57,982	58	45,223	—	—	—	45,281
Stock issued in settlement of RSUs	194,331	194	(194)	—	—	—	—
Tax withholdings paid related to stock based compensation	—	—	(10,807)	—	—	—	(10,807)
Treasury stock repurchased	(133,791)	—	—	—	(190,621)	—	(190,621)
Foreign currency translation	—	—	—	(126,084)	—	—	(126,084)
Unrealized gains on investments	—	—	—	54,632	—	—	54,632
Net income	—	—	—	—	—	2,062,725	2,062,725
Balance, June 30, 2024	**47,212,748**	**$ 53,592**	**$ 33,375,359**	**$ (3,149,889)**	**$ (9,514,893)**	**$ 39,699,503**	**$ 60,463,672**

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

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Retained Earnings	Total Stockholders' Equity
	Shares	Amount					
Balance, December 31, 2022	**47,105,771**	**$ 52,144**	**$ 31,737,843**	**$ (3,294,873)**	**$ (7,336,323)**	**$ 25,425,689**	**$ 46,584,480**
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
Balance, March 31, 2023	**47,351,887**	**$ 52,391**	**$ 32,096,662**	**$ (3,224,110)**	**$ (7,336,323)**	**$ 28,015,310**	**$ 49,603,930**
Stock based compensation	—	—	360,446	—	—	—	360,446
Stock issued in exercise of stock options	82,450	83	65,252	—	—	—	65,335
Stock issued in settlement of RSUs	187,296	188	(188)	—	—	—	—
Tax withholdings paid related to stock based compensation	—	—	(7,175)	—	—	—	(7,175)
Treasury stock repurchased	(47,073)	—	—	—	(57,958)	—	(57,958)
Foreign currency translation	—	—	—	278,328	—	—	278,328
Unrealized losses on investments	—	—	—	(30,416)	—	—	(30,416)
Net income	—	—	—	—	—	2,857,157	2,857,157
Balance, June 30, 2023	**47,574,560**	**$ 52,662**	**$ 32,514,997**	**$ (2,976,198)**	**$ (7,394,281)**	**$ 30,872,467**	**$ 53,069,647**

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

PROFIRE ENERGY, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows

(Unaudited)

	For the Six Months Ended June 30,	
	2024	2023
OPERATING ACTIVITIES		
Net income	$ 3,497,100	$ 5,446,778
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	539,091	547,996
Gain on sale of property and equipment	(136,889)	(234,418)
Bad debt expense	134,047	378,753
Stock awards issued for services	572,505	583,493
Changes in operating assets and liabilities:		
Accounts receivable	(70,936)	(3,034,236)
Income taxes receivable/payable	(1,344,767)	682,284
Inventories	(2,077,251)	(2,662,032)
Prepaid expenses and other current assets	(266,714)	(51,121)
Deferred tax asset/liability	7,158	205,571
Accounts payable and accrued liabilities	(1,069,176)	(80,409)
Net Cash Provided by (Used in) Operating Activities	(215,832)	1,782,659
INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	202,553	309,493
Purchase of investments	(230,362)	(405,578)
Purchase of property and equipment	(1,069,555)	(607,248)
Net Cash Used in Investing Activities	(1,097,364)	(703,333)
FINANCING ACTIVITIES		
Value of equity awards surrendered by employees for tax liability	(316,816)	(248,958)
Cash received in exercise of stock options	35,325	65,335
Purchase of treasury stock	(190,620)	(57,957)
Principal paid toward lease liability	(22,037)	(13,972)
Net Cash Used in Financing Activities	(494,148)	(255,552)
Effect of exchange rate changes on cash	(39,443)	37,740
NET CHANGE IN CASH	(1,846,787)	861,514
CASH AT BEGINNING OF PERIOD	10,767,519	7,384,578
CASH AT END OF PERIOD	$ 8,920,732	$ 8,246,092
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
CASH PAID FOR:		
Interest	$ 5,602	$ 1,787
Income taxes	$ 2,457,245	$ 576,750
NON-CASH FINANCING AND INVESTING ACTIVITIES		
Common stock issued in settlement of accrued bonuses	$ 324,415	$ 378,526
Common stock issued for stock options	$ 46,131	$ —

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

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 June 30, 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- and six-month periods ended June 30, 2024 and 2023 are not necessarily indicative of the operating results for the full years. Certain amounts in the accompanying June 30, 2023 condensed consolidated statement of income and comprehensive income (loss) and footnotes have been reclassified to conform to the June 30, 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.

NOTE 3 – INVENTORIES

Inventories consisted of the following at each balance sheet date:

	As of	
	June 30, 2024	December 31, 2023
Raw materials	$ 456,571	$ 338,539
Finished goods	16,050,517	14,171,616
Subtotal	16,507,088	14,510,155
Reserve for obsolescence	(447,460)	(450,499)
Total	$ 16,059,628	$ 14,059,656

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	
	June 30, 2024	December 31, 2023
Prepaid inventory	$ 2,433,206	$ 1,944,942
Accrued receivables	39,355	119,035
Prepaid insurance	155,386	351,273
Interest receivables	73,112	81,868
Other	340,300	335,144
Total	$ 3,041,359	$ 2,832,262

NOTE 5 – ACCRUED LIABILITIES

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

	As of	
	June 30, 2024	December 31, 2023
Employee-related payables	$ 1,881,365	$ 2,910,801
Deferred revenue	1,012,775	780,428
Inventory-related payables	1,153,397	400,701
Tax-related payables	90,956	119,188
Warranty liabilities	87,284	108,930
Other	222,878	221,772
Total	$ 4,448,655	$ 4,541,820

NOTE 6 – LEASES

	As of	
Components of lease right-of-use assets and liabilities	June 30, 2024	December 31, 2023
Financing lease right-of-use assets	$ 81,284	$ 106,402
Operating lease right-of-use assets	325,568	326,505
Total Lease right-of-use assets	$ 406,852	$ 432,907
Financing current lease liability	$ 40,045	$ 47,492
Operating current lease liability	98,507	82,692
Total Current lease liability	$ 138,552	$ 130,184
Financing long-term lease liability	$ 46,876	$ 63,393
Operating long-term lease liability	229,310	244,135
Total Long-term lease liability	$ 276,186	$ 307,528

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 was 4.50% through 2023 and is 7.5% in 2024, and the weighted average remaining lease term is 2.2 years.

The following table shows the components of financing lease cost:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
Financing Lease Cost	2024	2023	2024	2023
Amortization of right-of-use assets	$ 12,559	$ 7,240	$ 25,118	$ 14,478
Interest on lease liabilities	2,657	854	5,602	1,787
Total financing lease cost	$ 15,216	$ 8,094	$ 30,720	$ 16,265

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 operating leases was 4.5% through 2023 and is 7.5% in 2024, and the weighted average remaining lease term is 3.2 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- and six-months ended June 30, 2024 and June 30, 2023 was $38,423 and $18,352, respectively.

As of June 30, 2024, maturities of lease liabilities are as follows:

Years ending December 31,		Amount
2024	$	83,344
2025		152,678
2026		123,768
2027		91,097
2028		—
Thereafter		—
Total future minimum lease payments	$	450,887
Less: Amount representing interest		36,149
Present value of future payments	**$**	**414,738**
Current portion	$	138,552
Long-term portion	$	276,186

NOTE 7 – STOCKHOLDERS' EQUITY

As of June 30, 2024 and December 31, 2023, the Company held 6,377,154 and 6,243,363 shares of its common stock in treasury at a total cost of $9,514,893 and $9,324,272, respectively.

On May 22, 2024, 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 June 30, 2025. Purchases under the program will be made at the discretion of management pursuant to a Rule 10b5-1 plan. The size and timing of any purchases were and will be dependent on price, market and business conditions and other factors.

On May 9, 2023, the Company announced that 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 this program.

As of June 30, 2024, the Company had 889,722 restricted stock units ("RSUs"), 1,049,336 performance-based RSUs, and 126,000 stock options outstanding with $1,177,115 in remaining compensation expense to be recognized over the next 1.6 years. See further details below about certain subsets of these outstanding equity-based awards.

On June 12, 2024, pursuant to the annual renewal of director compensation, the Board approved a grant of 192,699 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 $264,000 to be recognized over the vesting period.

On April 9, 2024, the Compensation Committee of the Board (the "Compensation Committee") approved the 2024 Executive Incentive Plan (the "2024 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 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 Company's 2023 Equity Incentive Plan (the "2023 Plan"). In addition to the 2024 EIP, the Board also approved as a long-term incentive plan the grants of a restricted stock unit awards to Messrs. Oviatt, Tidball, and Fisher pursuant to the 2023 Plan (the "2024 LTIP").

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 to65% 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;

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 the Quarterly Report on Form 10-Q for the quarter ending March 31, 2024.

2023 RSUs

On June 29, 2023, pursuant to the annual renewal of director compensation, the Board approved a grant of195,966 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 approved the 2023 Executive Incentive Plan (the "2023 EIP") for Messrs. Oviatt, Tidball, and Fisher. 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 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 performance. Each of the revenue, EBITDA, and revenue diversification performance goals were weighted 30% while the safety and environment goal was 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 the50% 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

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 receiveone 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”).

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 June 30, 2024.

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 June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Electronics	$ 5,582,898	$ 5,530,863	$ 10,959,655	$ 11,616,476
Manufactured	3,244,792	3,272,774	6,270,972	6,397,599
Re-Sell	4,898,306	4,915,922	9,187,173	9,463,832
Service	1,434,517	840,693	2,383,853	1,765,643
Total Revenue	$ 15,160,513	$ 14,560,252	$ 28,801,653	$ 29,243,550

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 June 30,					
	2024			2023		
	Income (Numerator)	Weighted Average Shares (Denominator)	Per-Share Amount	Income (Numerator)	Weighted Average Shares (Denominator)	Per-Share Amount
Basic EPS						
Net income available to common stockholders	$ 2,062,725	47,119,403	$ 0.04	$ 2,857,157	47,393,768	$ 0.06
Effect of Dilutive Securities						
Stock options & RSUs	—	2,003,623		—	2,079,312	
Diluted EPS						
Net income available to common stockholders + assumed conversions	$ 2,062,725	49,123,026	$ 0.04	$ 2,857,157	49,473,080	$ 0.06

	For the Six Months Ended June 30,					
	2024			2023		
	Loss (Numerator)	Weighted Average Shares (Denominator)	Per-Share Amount	Loss (Numerator)	Weighted Average Shares (Denominator)	Per-Share Amount
Basic EPS						
Net income available to common stockholders	$ 3,497,100	47,002,139	$ 0.07	$ 5,446,778	47,284,749	$ 0.12
Effect of Dilutive Securities						
Stock options & RSUs	—	2,003,239		—	2,064,739	
Diluted EPS						
Net income available to common stockholders + assumed conversions	$ 3,497,100	49,005,378	$ 0.07	$ 5,446,778	49,349,488	$ 0.11

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 June 30,		For the Six Months Ended June 30,	
Revenues	2024	2023	2024	2023
Revenue from external customers				
Canada	$ 1,762,512	$ 2,050,148	$ 3,583,228	$ 4,186,352
United States	13,398,001	12,510,104	25,218,425	25,057,198
Inter-subsidiary revenue				
Canada	2,401,108	1,534,778	6,058,708	3,443,700
United States	1,757	1,557	3,672	3,270
Inter-subsidiary eliminations	-2,402,865	-1,536,335	(6,062,380)	(3,446,970)
Total Revenue	$ 15,160,513	$ 14,560,252	$ 28,801,653	$ 29,243,550

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
Income from Operations	2024	2023	2024	2023
Canada	$ 598,404	$ 582,066	$ 1,588,238	$ 1,298,832
United States	1,993,136	2,641,842	2,740,394	5,230,879
Total Income from Operations	2,591,540	3,223,908	4,328,632	6,529,711
Gain on sale of property and equipment	92,068	181,343	136,889	234,418
Other expense	3,047	(36,866)	(20,295)	(46,423)
Interest income	83,347	123,654	155,244	181,701
Interest expense	(2,657)	(854)	(5,602)	(1,787)
Income before income taxes	$ 2,767,345	$ 3,491,185	$ 4,594,868	$ 6,897,620

	As of	
Long-Lived Assets	June 30, 2024	December 31, 2023
Canada	$ 4,750,336	$ 5,024,824
United States	6,850,812	6,190,455
Total Consolidated	$ 11,601,148	$ 11,215,279

NOTE 11 – SUBSEQUENT EVENTS

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

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- and six-month periods ended June 30, 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				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Total Revenues	$ 15,160,513	$ 13,641,140	$ 14,495,724	$ 14,943,899	$ 14,558,922
Gross Profit Percentage	51.8 %	49.5 %	53.9 %	50.0 %	50.9 %
Operating Expenses	$ 5,268,034	$ 5,019,681	$ 5,026,596	$ 4,933,479	$ 4,190,535
Income from Operations	$ 2,591,540	$ 1,737,090	$ 2,780,784	$ 2,543,360	$ 3,223,910
Net Income	$ 2,062,725	$ 1,434,373	$ 3,290,546	$ 2,039,389	$ 2,857,158
Operating Cash Flow	$ 2,476,306	$ (2,692,138)	$ 4,395,818	$ 885,573	$ 1,260,879

Revenues for the quarter ended June 30, 2024 increased by 4% or $601,591 compared to the quarter ended June 30, 2023, due to increases in oil prices, which drives investment in equipment and technology by oil field operators. The second quarter of 2024 average oil price was $81.81 compared to $73.54 in the same period of last year. As indicated by these industry trends, overall customer demand for hydrocarbons increased during the quarter ended June 30, 2024 which caused an increase in revenue for Profire.

Revenues for the quarter ended June 30, 2024 increased by 11% or $1,519,373 compared to the quarter ended March 31, 2024, also due to the higher oil and natural gas prices in the second quarter of 2024.

Our gross profit margin for the second quarter of 2024 was up 0.9% from the same quarter of last year and up 2.3% from quarter ended March 31, 2024. The gross margin percentage was impacted by normal fluctuations in product, service and customer mix.

Operating expenses for the quarter ended June 30, 2024 increased $1,077,499 from the same quarter of last year, due to increases in headcount and cost inflation across the business. Operating expenses in the prior year quarter ended June 30, 2023 were also lower from receipt of the employee retention payroll tax credit, that became available to the Company through the CARES Act which reduced payroll tax expense in the quarter by $760,000. Operating expenses for the quarter ended June 30, 2024 increased $248,353 from the prior quarter ended March 31, 2024 primarily due to increases in headcount and labor related costs.

Due to the factors discussed above, we reported income from operations of $2,591,540 for the quarter ended June 30, 2024 compared to income from operations of $3,223,910 for the same quarter in 2023 and income from operations of $1,737,090 in the quarter ended March 31, 2024.

Due to the combination of factors discussed above relating to revenues, gross profit margin and operating expenses, we reported net income of $2,062,725 for the quarter ended June 30, 2024 compared to net income of $2,857,158 for the same quarter in 2023 and net income of $1,434,373 in the quarter ended March 31, 2024.

The Company generated operating cash of $2,476,306 during the quarter ended June 30, 2024 compared to operating cash flows of $1,260,879 during the same quarter of 2023 and use of operating cash of $2,692,138 in the quarter ended March 31, 2024. The fluctuations in operating cash flows are due primarily to the changes in net income and working capital balances.

Comparison of the six months ended June 30, 2024 and 2023

The table below presents certain financial data comparing the six months ended June 30, 2024 to the same period ended June 30, 2023:

	For the Six Months Ended June 30,			
	2024	2023	$ Change	% Change
Total Revenues	$ 28,801,653	$ 29,243,550	$ (441,897)	(1.5)%
Gross Profit Percentage	50.7 %	52.1 %		(1.4)%
Operating Expenses	$ 10,287,713	$ 8,717,843	$ 1,569,870	18.0 %
Income from Operations	$ 4,328,632	$ 6,529,711	$ (2,201,079)	(33.7)%
Net Income	$ 3,497,100	$ 5,446,778	$ (1,949,678)	(35.8)%
Operating Cash Flow	$ (215,832)	$ 1,782,659	$ (1,998,491)	112.1 %

Revenues during the six-month period ended June 30, 2024, decreased 1.5% compared to the same period of last year. The decrease in revenue was driven by decreases in the weekly average rig count for North America and decreases in natural gas prices. For the six months ended June 30, 2024, the weekly average rig count for North America was 763 compared to 896 in the same period of last year. Although rig counts and natural gas prices are lower than they were in the prior year period, they remain strong and have contributed to ongoing investments in new technology by E&P operators over the past year. Our gross profit percentage decreased by 1.4% during the six months ended June 30, 2024 compared to the same period in 2023, primarily due to changes in product mix and reduced fixed cost coverage from a slightly lower revenue base. Operating expenses increased 18.0% due to increases in headcount, general cost inflation in the current year, and the employee retention payroll tax credit in the prior year six-month period noted above. Due to the decrease in revenue and gross margin, which combined with the increase in operating expenses, we recognized net income of $3,497,100 for the six months ended June 30, 2024 compared to net income of $5,446,778 for the same period in 2023. The Company used operating cash flows of $215,832 during the six-month period ended June 30, 2024 compared to generating operating cash flows of $1,782,659 during the six-month period ended June 30, 2023 due to the changes in net income and working capital balances.

Liquidity and Capital Resources

Working capital at June 30, 2024 was $39,206,880 compared to $35,377,246 at December 31, 2023.

Our liquidity position is impacted by operating, investing and financing activities. During the six months ended June 30, 2024, we used $215,832 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 six months ended June 30, 2024, we used $1,097,364 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 six months ended June 30, 2024, we used $494,148 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 June 30, 2024, we held $18,442,514 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 June 30, 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 June 30, 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

There were no unregistered sales of securities during the quarter ended June 30, 2024. The table below sets forth additional information regarding our share repurchases during the three months ended June 30, 2024:

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid Per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans	(d) Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans
April	—	—	—	—
May	—	—	—	2,000,000
June	133,791	$ 1.42	133,791	$ 1,808,042
Total	133,791		133,791	

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 June 30, 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:

Exhibit 31.1*	Certification of Co-Principal Executive Officer Pursuant to Rule 13a-14(a) Ryan W. Oviatt
Exhibit 31.2*	Certification of Co-Principal Executive Officer Pursuant to Rule 13a-14(a) Cameron M. Tidball
Exhibit 31.3*	Certification of Principal Financial Officer Pursuant to Rule 13a-14(a)
Exhibit 32.1*	Certification of Principal Executive Officers pursuant to 18 U.S.C. Section 1350
Exhibit 32.2*	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.

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:	August 7, 2024	By:	/s/ Ryan W. Oviatt Ryan W. Oviatt Co-Chief Executive Officer and Chief Financial Officer
Date:	August 7, 2024	By:	/s/ Cameron M. Tidball Cameron M. Tidball Co-Chief Executive Officer

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:	August 7, 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:	August 7, 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:	August 7, 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 June 30, 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:	August 7, 2024	By:	/s/ Ryan W. Oviatt Ryan W. Oviatt Co-Chief Executive Officer and Co-President
Date:	August 7, 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 June 30, 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:	August 7, 2024	By:	/s/ Ryan W. Oviatt
			Ryan W. Oviatt
			Chief Financial Officer