

June 30, 2014



Profire Energy Reports Record Results for Fiscal Year 2014: Exceeds Revenue Guidance and Meets Net Income Guidance

Fiscal 2014 Revenues Up 110% to Record \$35.4 Million, Driving Record Net Income of \$0.12 per Share - a 300% Annual Increase in Per-Share Earnings

LINDON, Utah, June 30, 2014 (GLOBE NEWSWIRE) -- Profire Energy, Inc. (Nasdaq:PFIE), a technology company which manufactures, installs and services burner management systems and other combustion technologies for the oil and gas industry, today reported financial results for its fiscal year ended March 31, 2014.

Fiscal Year Highlights

- Increased revenues 110% to record \$35.4 million
- Increased earnings-per-share to record \$0.12 (after-tax)
- Opened additional offices throughout U.S., expanded sales and service teams
- Extended brand with launch of first proprietary valve product
- Partnered with Prior Industries Australia PTY LTD, raising number of company's international distributors to three
- Recognized as #311 fastest-growing company in North America by Deloitte

Fiscal Year Financial Results

Total revenues in the fiscal 2014 increased 110% to a record \$35.4 million from \$16.9 million in fiscal 2013. The increase in revenues was primarily due to expanded US operations, including the increased hiring of sales and service personnel, an expanded product line, and continued technology- and production-expansion in the energy industry.

Gross profit increased to \$20.0 million or 56.6% of total revenues in fiscal 2014, compared to \$8.8 million or 52.2% of total revenues in fiscal 2013.

Total operating expenses increased to \$11.4 million from \$6.6 million in 2013. As a percentage of total revenues, operating expenses were 32% compared to 39% in 2013. Though lower as a percentage of revenue, operating expenses increased, primarily due to a marked increase in non-cash stock option expense, expansion and opening of offices throughout the U.S., hiring of additional personnel, and increased research and development expense to support the introduction of the company's next generation of

burner management systems and other products.

After-tax net income was a record \$5.6 million or \$0.12 per share, compared to net income of \$1.4 million or \$0.03 per share in the previous year, an increase of 300% in per-share earnings.

Management Commentary

"Our record growth for the year was primarily driven by further expansion of our sales and service teams in the U.S., and bolstered by the strong growth in the oil and gas industry in North America," said Brenton Hatch, Chief Executive Officer of Profire. "As we grow our presence in the U.S., we anticipate the industry's familiarity with the concept of burner management technology to grow with it. Our recently opened sales office in Pennsylvania and service center in Texas will play a significant role in educating those regions about the role and benefits of enhanced burner management."

"The market continues to demonstrate that there is continued and significant need for enhanced burner management," Hatch continued. "And we look forward to another year of significant growth, expansion, and value-creation for our stakeholders."

About Profire Energy, Inc.

Profire Energy assists energy production companies in the safe and efficient production and transportation of oil and natural gas. As energy companies seek greater safety for their employees, compliance with more stringent regulatory standards, and enhanced margins with their energy production processes, Profire Energy's burner management systems are increasingly becoming part of their solution. Profire Energy has offices in Lindon, Utah; Houston, Texas; Victoria, Texas; Oklahoma City, Oklahoma; Tioga, Pennsylvania; and Edmonton, Alberta, Canada. To learn more about Profire Energy, please 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 expansion plans or their suitability to accommodate its expanding sales and service teams; the efficacy of the Company's distribution channels in distributing products domestically or internationally; the role the Company's offices may play in educating the industry; the increase in technology-use or overall production in the industry; the growth of the industry's familiarity with the concept of burner management, including as it relates to the Company's efforts; the market's need or demand for burner management products, and the Company's assessment of the same; and the realization of growth, expansion, and value creation for the Company's stakeholders. All such forward-looking statements are subject to uncertainty and changes in circumstances. 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 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.

PROFIRE ENERGY, INC. AND SUBSIDIARY

Consolidated Balance Sheets

ASSETS

	March 31, 2014	March 31, 2013
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,456,674	\$ 808,772
Accounts receivable, net	8,873,471	5,879,165
Inventories	6,579,858	3,463,614
Deferred tax asset	420,978	--
Prepaid expenses	<u>32,263</u>	<u>1,967</u>
Total Current Assets	<u>20,363,244</u>	<u>10,153,518</u>
PROPERTY AND EQUIPMENT, net	<u>4,385,881</u>	<u>2,232,355</u>
TOTAL ASSETS	<u>\$ 24,749,125</u>	<u>\$ 12,385,873</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 1,461,138	\$ 1,499,330
Accrued liabilities	193,727	189,489
Deferred income tax liability	107,857	72,857
Income taxes payable	<u>1,605,133</u>	<u>161,550</u>
Total Current Liabilities	<u>3,367,855</u>	<u>1,923,226</u>
TOTAL LIABILITIES	<u>3,367,855</u>	<u>1,923,226</u>

STOCKHOLDERS' EQUITY

Preferred shares: \$0.001 par value, 10,000,000 shares authorized: no shares issued and outstanding	--	--
Common shares: \$0.001 par value, 100,000,000 shares authorized: 47,836,543 and 45,250,000 shares issued and outstanding, respectively	47,836	45,250
Additional paid-in capital	6,496,980	585,735
Accumulated other comprehensive income	(231,051)	371,466
Retained earnings	<u>15,067,505</u>	<u>9,460,196</u>
Total Stockholders' Equity	<u>21,381,270</u>	<u>10,462,647</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 24,749,125</u>	<u>\$ 12,385,873</u>

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

PROFIRE ENERGY, INC. AND SUBSIDIARY

Consolidated Statements of Operations and Other Comprehensive Income

	For the Years Ended	
	March 31,	
	2014	2013
REVENUES		
Sales of goods, net	\$ 33,646,158	\$ 15,740,546
Sales of services, net	<u>1,745,950</u>	<u>1,146,721</u>
Total Revenues	<u>35,392,108</u>	<u>16,887,267</u>
COST OF SALES		
Cost of goods sold	14,131,527	7,034,703
Cost of goods sold-services	<u>1,221,410</u>	<u>1,043,294</u>
Total Cost of Goods Sold	<u>15,352,937</u>	<u>8,077,997</u>
GROSS PROFIT	<u>20,039,171</u>	<u>8,809,270</u>
OPERATING EXPENSES		
General and administrative expenses	6,466,177	3,483,030
Payroll expenses	3,921,174	2,656,762
Research and development	703,266	315,045
Depreciation expense	<u>276,661</u>	<u>195,070</u>
Total Operating Expenses	<u>11,367,278</u>	<u>6,649,907</u>
INCOME FROM OPERATIONS	<u>8,671,893</u>	<u>2,159,363</u>
OTHER INCOME (EXPENSE)		
Interest expense	(2,692)	--

Permanent impairment of available for sale securities	--	(8,438)
Gain (loss) on sale of fixed assets	2,867	(13,936)
Rental income	3,990	629
Interest income	<u>5,863</u>	<u>25,942</u>
Total Other Income (Expense)	<u>10,028</u>	<u>4,197</u>
NET INCOME BEFORE INCOME TAXES	8,681,921	2,163,560
INCOME TAX EXPENSE	<u>3,074,612</u>	<u>730,905</u>
NET INCOME	<u>\$ 5,607,309</u>	<u>\$ 1,432,655</u>
OTHER COMPREHENSIVE INCOME		
FOREIGN CURRENCY TRANSLATION ADJUSTMENT	<u>\$ (602,517)</u>	<u>\$ (121,664)</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 5,004,792</u>	<u>\$ 1,319,429</u>
BASIC EARNINGS PER SHARE	<u>\$ 0.12</u>	<u>\$ 0.03</u>
FULLY DILUTED EARNINGS PER SHARE	<u>\$ 0.12</u>	<u>\$ 0.03</u>
BASIC WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	<u>46,230,669</u>	<u>45,109,767</u>
FULLY DILUTED WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	<u>46,822,984</u>	<u>45,371,956</u>

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

PROFIRE ENERGY, INC. AND SUBSIDIARY
Consolidated Statements of Stockholders' Equity

	<u>Common Stock</u>		<u>Additional</u>	<u>Other</u>	<u>Retained</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Paid-In</u>	<u>Comprehensive</u>	<u>Earnings</u>	<u>Stockholders'</u>
			<u>Capital</u>	<u>Income</u>		<u>Equity</u>
Balance, March 31, 2012	45,000,000	\$ 45,000	\$ 74,343	\$ 484,692	\$ 8,027,541	\$ 8,631,576
Fair value of options vested	--	--	166,187	--	--	166,187
Stock issued for services	250,000	250	345,205	--	--	345,455
Reclassification for net loss included in net income	--	--	--	8,438	--	8,438

Foreign currency translation adjustment	--	--	--	(121,664)	--	(121,664)
Net Income for the year ended March 31, 2013	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,432,655</u>	<u>1,432,655</u>
Balance, March 31, 2013	45,250,000	45,250	585,735	371,466	9,460,196	10,462,647
Fair value of options vested	--	--	1,433,984	--	--	1,433,984
Stock issued for services	20,000	20	28,340	--	--	28,360
Exercised options	307,150	307	118,205	--	--	118,512
Stock issuance	2,259,393	2,259	4,330,716	--	--	4,332,975
Foreign currency translation adjustment	--	--	--	(602,517)	--	(602,517)
Net Income for the year ended March 31, 2014	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>5,607,309</u>	<u>5,607,309</u>
Balance, March 31, 2014	<u>47,836,543</u>	<u>\$ 47,836</u>	<u>\$ 6,496,980</u>	<u>\$ (231,051)</u>	<u>\$ 15,067,505</u>	<u>\$ 21,381,270</u>

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

PROFIRE ENERGY, INC. AND SUBSIDIARY

Consolidated Statements of Cash Flows

	For the Years Ended	
	March 31,	
	<u>2014</u>	<u>2013</u>
OPERATING ACTIVITIES		
Net Income	\$ 5,607,309	\$ 1,432,655
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation expense	359,305	243,838
Loss on sale of equipment	(2,867)	13,936
Bad debt expense	(605)	69,975
Stock issued for services	28,360	345,455
Stock options issued for services	1,433,984	166,187
Changes in operating assets and liabilities:		
Changes in accounts receivable	(3,264,108)	(1,494,660)

Changes in deferred tax asset	(420,978)	12,569
Changes in inventories	(3,249,235)	(1,528,107)
Changes in prepaid expenses	(30,296)	8,218
Changes in accounts payable and accrued liabilities	77,785	736,341
Changes in income taxes payable	<u>1,488,619</u>	<u>(376,999)</u>
Net Cash Provided by (Used in) Operating Activities	<u>2,027,273</u>	<u>(370,592)</u>
INVESTING ACTIVITIES		
Proceeds from sale of equipment	33,910	13,770
Purchase of fixed assets	<u>(2,659,295)</u>	<u>(550,622)</u>
Net Cash Used in Investing Activities	<u>(2,625,385)</u>	<u>(536,852)</u>
FINANCING ACTIVITIES		
Stock issued	118,512	--
Stock issued in exercise of stock options	<u>4,332,975</u>	<u>--</u>
Net Cash Provided by Financing Activities	<u>4,451,487</u>	<u>--</u>
Effect of exchange rate changes on cash	(205,473)	(198,661)
NET INCREASE (DECREASE) IN CASH	3,647,902	(1,106,105)
CASH AT BEGINNING OF YEAR	<u>808,772</u>	<u>1,914,877</u>
CASH AT END OF YEAR	<u><u>\$ 4,456,674</u></u>	<u><u>\$ 808,772</u></u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

CASH PAID FOR:

Interest	\$ 2,692	\$ --
Income taxes	\$ 1,585,993	\$ 294,625

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

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Source: Profire Energy