# CECO Environmental Announces Commencement of the Tender Offer for All Outstanding Shares of Profire Energy

December 3, 2024

ADDISON, Texas, Dec. 03, 2024 (GLOBE NEWSWIRE) -- CECO Environmental Corp. (Nasdaq: CECO) (together with its consolidated subsidiaries and affiliates, "CECO"), a leading environmentally focused, diversified industrial company whose solutions protect people, the environment and industrial equipment, announced today that its affiliate, Combustion Merger Sub, Inc. ("Purchaser"), commenced the previously announced cash tender offer for all of the issued and outstanding shares of common stock of Profire Energy, Inc. (Nasdaq: PFIE) ("PFIE" or the "Company") at a price of $2.55 per share, net to the seller, in cash, without interest and less applicable withholding taxes. The tender offer is being made pursuant to the merger agreement (the "Merger Agreement") executed on October 28, 2024 and announced by CECO and PFIE on October 29, 2024, under which Purchaser agreed to acquire PFIE in a transaction valued at approximately $125 million. Purchaser is a wholly owned subsidiary of CECO.

The $2.55 per share all-cash tender offer represents a premium of approximately 60.3% to the 30-day volume-weighted average price, as well as a premium of approximately 46.5% over PFIE's closing share price on October 25, 2024, the last trading day prior to the date CECO and PFIE entered into the Merger Agreement.

A tender offer statement on Schedule TO that includes the Offer to Purchase and related Letter of Transmittal setting forth the terms and conditions of the tender offer has been filed today with the U.S. Securities and Exchange Commission (the "SEC") by Purchaser. Additionally, PFIE will file a solicitation/recommendation statement on Schedule 14D-9 that includes the recommendation of PFIE's board of directors that PFIE's stockholders tender their shares in the tender offer.

The tender offer will expire one minute after 11:59 P.M., New York City time on December 31, 2024, unless the tender offer is extended in accordance with the terms of the Merger Agreement and the applicable rules and regulations of the SEC. The completion of the tender offer is conditioned upon, among other things, PFIE's stockholders tendering at least a majority of PFIE's then outstanding shares of common stock and other customary closing conditions.

If, as a result of the tender offer, Purchaser holds shares that represent at least a majority of all the issued and outstanding shares of PFIE's common stock, and subject to the satisfaction or waiver of the remaining conditions set forth in the Merger Agreement, Purchaser will, as soon as practicable, merge with and into PFIE, with PFIE continuing as the surviving corporation and as a wholly owned subsidiary of CECO, under Section 92A.133 of the Nevada Revised Statutes, without prior notice to, or any action by, any other stockholder of PFIE. Upon completion of the transaction, PFIE will cease to be a publicly traded company.

D.F. King & Co., Inc. is acting as information agent for Purchaser in the tender offer. Colonial Stock Transfer, Inc. is acting as depositary and paying agent in the tender offer. Requests for documents and questions regarding the tender offer may be directed to D.F. King & Co., Inc. by telephone at (866) 342-4881.

**ABOUT CECO ENVIRONMENTAL**

CECO Environmental is a leading environmentally focused, diversified industrial company, serving a broad landscape of industrial air, industrial water, and energy transition markets across the globe through its key business segments: Engineered Systems and Industrial Process Solutions. Providing innovative technology and application expertise, CECO helps companies grow their business with safe, clean, and more efficient solutions that help protect people, the environment and industrial equipment. In regions around the world, CECO works to improve air quality, optimize the energy value chain, and provide custom solutions for applications including power generation, petrochemical processing, general industrial, refining, midstream oil and gas, electric vehicle production, polysilicon fabrication, battery recycling, beverage can, and water/wastewater treatment along with a wide range of other applications. CECO is listed on Nasdaq under the ticker symbol "CECO." Incorporated in 1966, CECO's global headquarters is in Addison, Texas. For more information, please visit www.cecoenviro.com.

**SAFE HARBOR STATEMENT**

*Certain statements in this communication are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, both as amended, which are intended to be covered by the safe harbor for "forward-looking statements" provided by the Private Securities Litigation Reform Act of 1995. Any statements contained in this communication, other than statements of historical fact, including statements about management's beliefs and expectations, are forward-looking statements and should be evaluated as such. These statements are made on the basis of management's views and assumptions regarding future events and business performance. We use words such as "believe," "expect," "anticipate," "intends," "estimate," "forecast," "project," "will," "plan," "should" and similar expressions to identify forward-looking statements. Forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from any future results, performance or achievements expressed or implied by such statements. Potential risks and uncertainties, among others, that could cause actual results to differ materially are discussed under "Item 1A. Risk Factors" of CECO's Quarterly Reports on Form 10-Q and in CECO's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, and include, but are not limited to:*

- *the parties' ability to complete the proposed transactions contemplated by the Merger Agreement in the anticipated timeframe or at all;*
- *the effect of the announcement or pendency of the proposed transaction on business relationships, operating results, and business generally;*
- *risks that the proposed transactions disrupt current plans and operations and potential difficulties in employee retention as a result of the proposed transactions;*
- *risks related to diverting management's attention from ongoing business operations;*
- *the outcome of any legal proceedings that may be instituted related to the proposed*

*transactions;*

- *the amount of the costs, fees, expenses and other charges related to the proposed transactions;*
- *the risk that competing offers or acquisition proposals will be made;*
- *the sensitivity of CECO's business to economic and financial market conditions generally and economic conditions in CECO's service areas;*
- *dependence on fixed price contracts and the risks associated therewith, including actual costs exceeding estimates and method of accounting for revenue;*
- *the effect of growth on CECO's infrastructure, resources and existing sales;*
- *the ability to expand operations in both new and existing markets;*
- *the potential for contract delay or cancellation as a result of on-going or worsening supply chain challenges;*
- *liabilities arising from faulty services or products that could result in significant professional or product liability, warranty or other claims;*
- *changes in or developments with respect to any litigation or investigation;*
- *failure to meet timely completion or performance standards that could result in higher cost and reduced profits or, in some cases, losses on projects;*
- *the potential for fluctuations in prices for manufactured components and raw materials, including as a result of tariffs and surcharges, and rising energy costs;*
- *inflationary pressures relating to rising raw material costs and the cost of labor;*
- *the substantial amount of debt incurred in connection with CECO's strategic transactions and its ability to repay or refinance it or incur additional debt in the future;*
- *the impact of federal, state or local government regulations;*
- *CECO's ability to repurchase shares of its common stock and the amounts and timing of repurchases;*
- *CECO's ability to successfully realize the expected benefits of its restructuring program;*
- *economic and political conditions generally;*
- *CECO's ability to optimize its business portfolio by identifying acquisition targets, executing upon any strategic acquisitions or divestitures, integrating acquired businesses and realizing the synergies from strategic transactions; and*
- *unpredictability and severity of catastrophic events, including cybersecurity threats, acts of terrorism or outbreak of war or hostilities or public health crises, as well as management's response to any of the aforementioned factors.*

*Many of these risks are beyond management's ability to control or predict. Should one or more of these risks or uncertainties materialize, or should any related assumptions prove incorrect, actual results may vary in material aspects from those currently anticipated. Investors are cautioned not to place undue reliance on such forward-looking statements as they speak only to CECO's views as of the date the statement is made. Furthermore, the forward-looking statements speak only as of the date they are made. Except as required under the federal securities laws or the rules and regulations of the Securities and Exchange Commission (the "SEC"), CECO undertakes no obligation to update or review any forward-looking statements, whether as a result of new information, future events or otherwise.*

**Important Additional Information Will be Filed with the SEC**

*This press release is neither an offer to purchase nor a solicitation of an offer to sell common stock of PFIE or any other securities. This communication is for informational purposes only. The tender offer transaction commenced by a subsidiary of CECO is being made pursuant to a tender offer statement on Schedule TO (including the Offer to Purchase, a related Letter of Transmittal and other offer materials) filed by such affiliates of CECO with the SEC. In addition, PFIE will file a solicitation/recommendation statement on Schedule 14D-9 with the SEC related to the tender offer. The offer to purchase shares of PFIE common stock is only being made pursuant to the Offer to Purchase, the Letter of Transmittal and related offer materials filed as a part of the tender offer statement on Schedule TO, in each case as amended from time to time. THE TENDER OFFER MATERIALS (INCLUDING THE OFFER TO PURCHASE, THE RELATED LETTER OF TRANSMITTAL AND OTHER MATERIALS) AND THE SOLICITATION/RECOMMENDATION STATEMENT ON SCHEDULE 14D-9 CONTAIN IMPORTANT INFORMATION. PRIOR TO MAKING ANY DECISION REGARDING THE TENDER OFFER, PFIE STOCKHOLDERS ARE STRONGLY ADVISED TO CAREFULLY READ THESE DOCUMENTS, AS FILED AND AS THEY MAY BE AMENDED FROM TIME TO TIME, WHEN THEY BECOME AVAILABLE. PFIE stockholders will be able to obtain the tender offer statement on Schedule TO (including the Offer to Purchase, a related Letter of Transmittal and other offer materials) and the related solicitation/recommendation statement on Schedule 14D-9 at no charge on the SEC's website at www.sec.gov. In addition, the tender offer statement on Schedule TO (including the Offer to Purchase, a related Letter of Transmittal and other offer materials) and the related solicitation/recommendation statement on Schedule 14D-9 may be obtained free of charge from D.F. King & Co., Inc. 48 Wall Street, 22nd Floor New York, New York 10005, Telephone Number (866) 342-4881.*

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