CECO Environmental Announces Closing of Acquisition of Profire Energy

January 9, 2025

Advances CECO's Position as the Leading Environmental Solutions Provider in Industrial Markets

ADDISON, Texas, Jan. 09, 2025 (GLOBE NEWSWIRE) -- CECO Environmental Corp. (Nasdaq: CECO) ("CECO"), a leading environmentally focused, diversified industrial company whose solutions protect people, the environment, and industrial equipment, today announced the closing of its acquisition of Profire Energy, Inc., as of January 3, 2025, (*formerly* NASDAQ: PFIE) ("Profire"), a technology company and industry-leading provider of intelligent control solutions that enhance the efficiency, safety, and reliability of industrial combustion appliances while mitigating potential environmental impacts related to the operation of these devices with its primary operations in Lindon, Utah and Acheson, Alberta.

As previously announced, CECO, Combustion Merger Sub and PFIE entered into an Agreement and Plan of Merger on October 28, 2024, pursuant to which CECO commenced a cash tender offer to acquire all of the issued and outstanding shares of PFIE common stock at a price of $2.55 per share, in cash, without interest, and subject to applicable withholding tax. Also as previously disclosed, the tender offer expired at one minute after 11:59 P.M., New York City time, on December 31, 2024, after which time CECO accepted for payment and paid for all shares validly tendered.

On January 3, 2025, following the expiration of the tender offer and acceptance for payment of the shares validly tendered and not validly withdrawn pursuant to the tender offer and the satisfaction of the remaining conditions to the merger, the Company completed its acquisition of PFIE. As a result of the completion of the transaction, PFIE's common stock is no longer listed on any public market. The aggregate consideration paid by CECO to acquire the shares of PFIE was approximately $122.7M, which CECO financed through a combination of cash on hand and borrowings under its existing credit facility.

"I am excited to welcome the Profire team to CECO as we advance our strategic portfolio of leading environmental solution businesses in niche energy and industrial markets," said Todd Gleason, CECO's Chief Executive Officer. "Together, I believe that we will accelerate Profire's growth by accelerating expansion in new energy, industrial and international markets."

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 globally 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 in power generation, petrochemical processing, refining, midstream gas transport and treatment, electric vehicle and battery production, metals and mineral processing, polysilicon production, battery recycling, beverage can production, and produced and oily water/wastewater treatment along with a wide range of other industrial applications. CECO is listed on Nasdaq under the ticker symbol "CECO." Incorporated in 1966, CECO's global headquarters is in Dallas, Texas. For more information, please visit www.cecoenviro.com.

SAFE HARBOR STATEMENT

Any statements contained in this Press Release, 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 and include, but are not limited to, statements about CECO's expectations regarding the integration of PFIE into CECO; the benefits of the acquisition of PFIE and the expectations regarding the transaction's impact on CECO's strategic growth plan. We use words such as "believe," "expect," "anticipate," "intends," "estimate," "forecast," "project," "will," "plan," "feel," "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 that could cause actual results to differ materially include risks regarding the effect of the transaction on business relationships, operating results, and business generally, disruption of current plans and operations and potential difficulties in employee retention as a result of the transaction, diversion of management's attention from ongoing business operations in connection with the integration of the transaction, the outcome of any legal proceedings that have been or may in the future be instituted related to the transaction, the amount of the costs, fees, expenses and other charges related to the transaction, the achievement of the anticipated benefits of the transaction, the ability of PFIE to achieve its earnings guidance, our ability to successfully integrate acquired businesses and realize the synergies from acquisitions, as well as a number of factors related to our business, including the sensitivity of our business to economic and financial market conditions generally and economic conditions in our 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 our 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 our strategic transactions and our ability to repay or refinance it or incur additional debt in the future; the impact of federal, state or local government regulations; our ability to repurchase shares of our common stock and the amounts and timing of repurchases, if any; our ability to successfully realize the expected benefits of our restructuring program; our ability to successfully integrate acquired businesses and realize the synergies from strategic transactions; the unpredictability and severity of catastrophic events, including cyber security 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; and our ability to remediate our material weakness, or any other material weakness that we may identify in the future that could result in material misstatements in our financial statements. Additional risks and uncertainties are discussed under "Part I – Item 1A. Risk Factors" of CECO's Annual Report on Form 10-K for the fiscal year ended December 31, 2023 and may be included in subsequently filed Quarterly Reports on Form 10-Q. 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 the 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 our views as of the date the statement is made. Except as required under the federal securities laws or the rules and regulations of the Securities and Exchange Commission, we undertake no obligation to update or review any forward-looking statements, whether as a result of new information, future events or otherwise.

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