PERMA-PIPE®

2021
ANNUAL REPORT

Partners In Excellence

Cover Photo: PERMA-PIPE's XTRU-THERM® insulated piping systems keep Egyptian ministerial employees cool in Cairo's New Capital City by delivering chilled water cooling in an environmentally sustainable manner.

RESUMING WHERE WE PAUSED

After the unexpected events we've all experienced through the pandemic, it appears things are gradually returning to normal. During the last three quarters of the year, our environments and markets began to see gradual improvement from the restrictive conditions we had been operating under. We were all relieved to see we have 'survived the storm' and were entering a period where we could begin to resume our strategic push for improvement.

When compared to the results of a very testing year in 2020, our 2021 results show a significant improvement. Revenues increased over 60% and EBIT by $16.5 million versus 2020. In fact, the year-over-year EBIT improvement was $21 million if you exclude the impact of government assistance received in 2020. These improvements were well distributed amongst all our Business Units, with each one experiencing a meaningful improvement in profits. A good sign that recovery is being seen everywhere.

But we consider the conditions and resulting financial results for 2020 to be an anomaly. As a more reasonable benchmark, our 2021 result shows an improvement in EBIT of 50% versus the 2019 year. What has enabled us to achieve this result is a modest increase in revenues (8.5% versus 2019), while sustaining most of the overhead cost reductions achieved during the 2020 downturn. This achievement is more notable when it is recognized that we were still operating under the pandemic restrictions during the first quarter of the year. During this initial period, we continued to remain defensive with our cost controls and cash preservation. As a result, some of our more significant capital expenditure programs to accelerate growth and productivity improvement were delayed and these are still in progress now. Once complete, we expect to be able to capture the growth opportunities we identified, and it is a relief to know that we are now able to recommence our focus on these.

At a more detailed level, there was a significant improvement in the earnings from our Canadian operation. This market was hit by the 'double whammy' of COVID and the collapse of oil prices since the anti-corrosion coating market there is heavily dependent on drilling activity. These market conditions are now improving, and we have seen a welcome improvement to profitability after managing the increased levels of activity without a proportionate increase to the reduced overhead costs. A similar achievement occurred in our US operations, where revenues increased while still maintaining reduced overhead costs.

We have also had continued success with our anti-corrosion coating services introduced in the UAE and have now expanded that capability into Egypt, which has also continued to exceed our original expectations. Both of these strategic moves are proving to provide excellent improvements to our worldwide business and are presenting new opportunities for future growth.

During 2021, we had a significant upturn in our earnings in India after the execution of a project on pipe ultimately destined for South America. While the project value was not significant in the context of our group performance, it led to the doubling of annual revenues for our business in India. Similarly, our levels of activity in Saudi Arabia doubled and the market appears to have become much more buoyant again, with more prospects on the horizon.

Our leak detection division has experienced the most prolonged adverse impacts from the pandemic. Many customers delayed their schedules for construction of new data centers, thus reducing the market available to PermAlert. We are still seeing some of the effects of this today. In addition, there continues to be constraints due to supply chain obstacles, since our product is dependent upon the availability of microprocessors, which continue to be in short supply worldwide and across many industries. Nevertheless, while the financial results did not return to the levels achieved in 2019, there was still an improvement over 2020.

During 2021, we also made some notable progress on non-operational issues. One of these was the extension of the Credit Agreement with our bank, providing for a new five-year $18.0 million senior secured revolving credit facility. In addition, during the first quarter of the year, we entered into a purchase and sale agreement for our land and buildings in Lebanon, Tennessee. During a period that began with uncertainty, these two events provided added security over the adequacy of cash availability and allowed us to continue to focus on moving our business forward. It also provided us with sufficient liquidity to commence a share repurchase program, which we began in the third quarter.

So, with a year that began under significant uncertainty and obstacles presented by the pandemic, I am very pleased to report that we have not merely survived what appears to be the worst of the consequences, but indeed made some worthwhile progress in several areas. The pandemic introduced many new challenges and required the introduction of numerous protocols previously unnecessary. Our handling of these circumstances was very successful. In a short period of time, we achieved a vaccination rate of 89% of our worldwide personnel, implemented regular testing programs, and mask mandates. All of this was a distraction from our anticipated priorities, but an important one to respond to. But we now expect to be entering a time when we can resume our focus on growth and improvement.

The past two years have been extremely challenging and stressful for everyone. And once again, I must extend my sincere thanks, and congratulations, to all our employees and to our Board of Directors. Without everyone's best efforts throughout this period, we could not have achieved the successful result that we did. And once again, our shareholders have continued to remain supportive and patient, and this is something that encourages and motivates us all to persevere under such difficult conditions. All of you have my most sincere gratitude. And I look forward to another successful year in 2022.

Sincerely,

David J. Mansfield
Chief Executive Officer

OUR COMPANY

PERMA-PIPE International Holdings, Inc. is a global engineered pipe services company offering core competencies in anti-corrosion coatings, insulation solutions, containment systems, leak detection systems, engineering support, field service, and custom fabrication for piping required for oil & gas, district heating and cooling, environmental, and other industrial applications.

PERMA-PIPE AT A GLANCE

7 Operational Facilities

6 Countries of Operations

500+ Employees

15 Pipe Protection, Insulation, Leak Detection Brands

OUR CORE VALUES

PERMA-PIPE is proud of the values upon which its business is based. Accordingly, it has and will continue to uphold the highest business ethics and personal integrity in the PERMA-PIPE organization's actions, interactions, and transactions.

During the past year, our core values have served us well. We saw our employees make connections and respect the work of their colleagues on a deeper level. They demonstrated accountability and supported one another. We further saw them quickly adapt to new technologies to become more productive. We value our employees and appreciate all that they do day in and day out to improve the company. Integrity and professionalism underpin our relationships with our employees, customers, and suppliers.

SAFETY FIRST

No Accidents, No Injuries.
Be responsible for your own and other’s safety.

VALUE PEOPLE

Seek out and appreciate each other’s ideas, thoughts, and values.

ACT WITH INTEGRITY

Tell the truth, be reliable and transparent, and do the right thing.

BE A TEAM PLAYER

Work with your customers and coworkers to identify and solve problems. Never settle for the status quo.

RESPECT

Treat others as you want to be treated with trust, dignity, and respect.

OWN IT

Own your actions, decisions, and responsibilities.

Partners In Excellence

We sincerely thank our customers for partnering with PERMA-PIPE during these challenging times. They are not only purchasing high-quality and reliable custom fabricated piping systems, coatings, or liquid leak detection systems, they are investing in a partnership with a company that stands behind its products. We work together to provide convenience, cost savings, and peace of mind from start to finish as their preferred partner. We value our long-lasting relationships and strive for excellence in what we do every day.

THANK YOU

SAFETY AS A CORE VALUE

PERMA-PIPE is committed to the health and safety of our employees, customers, contractors, and visitors at all our global locations. Our employees are integrated as part of our continuous safety improvement plan to keep each other safe. It is vital to focus on the task of zero injuries, working safely, and following our health and safety procedures and protocols.

In early 2021 we implemented the PERMA-PIPE Life Saving Rules to establish a consistent approach to preventing serious injuries and fatalities, enabling the standardization of safety orientation and training for employees. Further, the PERMA-PIPE Zero Incidents Culture promotes a positive safety environment where every team member speaks up when they see unsafe conditions. Maintaining a strong safety culture is vital to improving our performance and success.

2021 SAFETY HIGHLIGHTS

Total Injury Rate Reduced

34%

From Y2020

Lost Time Injury Rate Reduced

13%

From Y2020

LIFE SAVING RULES

ZERO INCIDENTS SAFETY CULTURE

ZERO ACCIDENTS

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

Environmental, social, and governance (ESG) considerations are essential to conducting our business. Addressing ESG challenges and finding solutions within our business units lead to building better business globally. We also understand that focusing on ESG within our operations will protect and create value while positioning us for a better future.

Our company conducts environmentally responsible operations. PERMA-PIPE has adopted a systematic approach to environmental management and has established an assurance process for legal compliance in health, safety, and environment (HSE) and continuous performance improvement. We also promote reducing energy consumption in all our activities and reduce, recycle, and aim to reuse waste where possible.

The Environmental Management System (EMS) in our Middle East and North Africa business units is certified to the ISO 14001 standard, which provides a framework to identify, manage, monitor, and control environmental issues in a holistic manner. It requires continual improvement of our EMS systems toward reducing environmental impacts. We strive to enhance our employees' economic and social well-being in the communities in which we operate and to positively impact the communities where we live and work.

SUSTAINABILITY IN DISTRICT ENERGY SYSTEMS

Sustainability matters, and whom our clients select today will have a lasting impact on generations to come.

Our district energy piping systems are key components in environmentally sustainable energy infrastructure, especially the piping networks serving the local communities in which we operate. Delivering heating, cooling, and power from a single central plant to nearby buildings in a highly efficient method helps to reduce the environmental impact of energy usage.

For nearly a century, PERMA-PIPE has been at the forefront of engineering solutions to deliver sustainable district energy systems for below or above ground steam, hot, and chilled water applications. Our piping systems maximize thermal efficiency, resulting in considerable energy savings.

Over the past year, our growth strategies have made significant progress in introducing our energy-efficient piping systems to universities, airports, hospitals, military installations, and municipalities that want to make a difference in the environment. We strive to address these challenges by delivering superior piping systems that are safe, reliable, and reduce the overall carbon footprint in providing energy for heating and cooling.

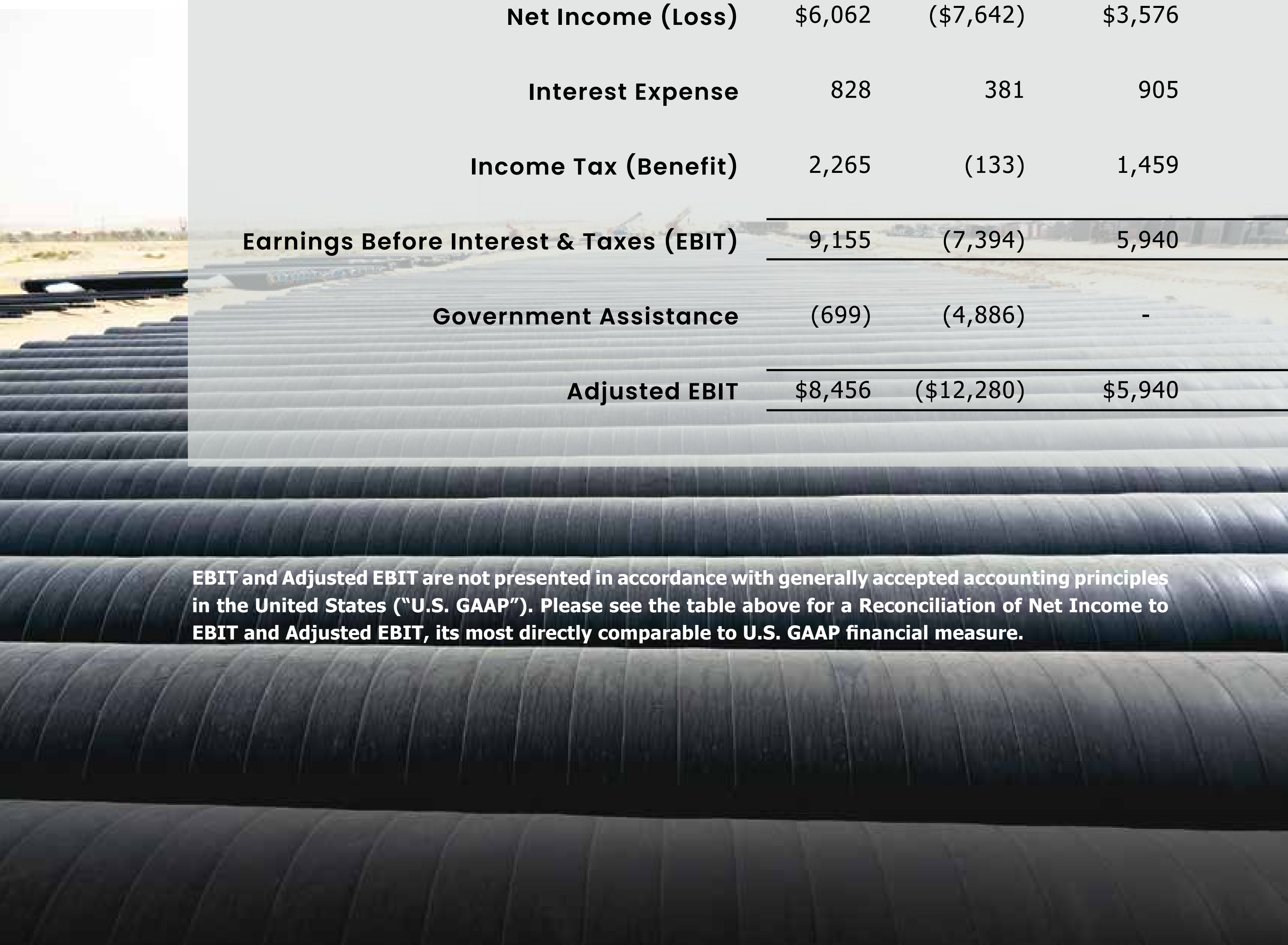
FINANCIAL HIGHLIGHTS

"Without everyone's best efforts throughout this period, we could not have achieved the successful result that we did."

David J. Mansfield
Chief Executive Officer

	2021	2020	2019
Net Income (Loss)	$6,062	($7,642)	$3,576
Interest Expense	828	381	905
Income Tax (Benefit)	2,265	(133)	1,459
Earnings Before Interest & Taxes (EBIT)	9,155	(7,394)	5,940
Government Assistance	(699)	(4,886)	-
Adjusted EBIT	$8,456	($12,280)	$5,940

EBIT and Adjusted EBIT are not presented in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). Please see the table above for a Reconciliation of Net Income to EBIT and Adjusted EBIT, its most directly comparable to U.S. GAAP financial measure.



FORM 10-K

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

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended January 31, 2022

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___________ to ____________

Commission File No. 001-32530

Perma-Pipe International Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**36-3922969**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
6410 W. Howard Street, Niles, Illinois	**60714**
(Address of principal executive offices)	(Zip Code)
(847) 966-1000	
(Registrant's telephone number, including area code)	

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

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock, $.01 par value per share	PPIH	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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, a 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant (the exclusion of the market value of the shares owned by any person shall not be deemed an admission by the registrant that such person is an affiliate of the registrant) was $53,405,526.85 based on the closing sale price of $6.89 per share as reported on the Nasdaq Global Market on July 31, 2021.

The number of shares of the registrant's common stock outstanding at April 14, 2022 was 8,154,154.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement for its 2022 annual meeting of stockholders, which will be filed with the Securities and Exchange Commission within 120 days after January 31, 2022, are incorporated by reference in Part III of this Annual Report on Form 10-K.

Perma-Pipe International Holdings, Inc.

FORM 10-K

For the fiscal year ended January 31, 2022

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PART I

Cautionary Statements Regarding Forward Looking Information

Certain statements contained in this Annual Report on Form 10-K, which can be identified by the use of forward-looking terminology such as "may," "will," "expect," "continue," "remains," "intend," "aim," "should," "prospects," "could," "future," "potential," "believes," "plans," "likely," and "probable," or the negative thereof or other variations thereon or comparable terminology, constitute "forward-looking statements," within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934 as amended ("Exchange Act"), and are subject to the safe harbors created thereby. These statements should be considered as subject to the many risks and uncertainties that exist in the Company's operations and business environment. Such risks and uncertainties could cause actual results to differ materially from those projected as a result of many factors, including, but not limited to, the following:

Market Condition Risks

- the impact of the coronavirus ("COVID-19") on the Company's results of operations, financial condition and cash flows;
- fluctuations in the price of oil and natural gas and its impact on customer order volume for the Company's products;
- the impact of global economic weakness and volatility;
- fluctuations in steel prices and the Company's ability to offset increases in steel prices through price increases in its products;
- decreases in government spending on projects using the Company's products, and challenges to the Company's non-government customers' liquidity and access to capital funds;

Financial Risks

- the Company's ability to repay its debt and renew expiring international credit facilities;
- the Company's ability to effectively execute its strategic plan and achieve sustained profitability and positive cash flows;
- the Company's ability to collect a long-term account receivable related to a project in the Middle East;
- the Company's ability to interpret changes in tax regulations and legislation;
- the Company's ability to use its net operating loss carryforwards;
- reversals of previously recorded revenue and profits resulting from inaccurate estimates made in connection with the Company's over time revenue recognition;
- the Company's failure to establish and maintain effective internal control over financial reporting;

Business Condition Risks

- the timing of order receipt, execution, delivery and acceptance for the Company's products;
- the Company's ability to successfully negotiate progress-billing arrangements for its large contracts;
- aggressive pricing by existing competitors and the entrance of new competitors in the markets in which the Company operates;
- the Company's ability to purchase raw materials at favorable prices and to maintain beneficial relationships with its suppliers;
- the Company's ability to manufacture products free of latent defects and to recover from suppliers who may provide defective materials to the Company;
- reductions or cancellations of orders included in the Company's backlog;
- risks and uncertainties specific to the Company's international business operations;

General Risks

- the Company's ability to attract and retain senior management and key personnel;
- the Company's ability to achieve the expected benefits of its growth initiatives; and
- the impact of cybersecurity threats on the Company's information technology systems

Item 1. BUSINESS

Perma-Pipe International Holdings, Inc., collectively with its subsidiaries ("PPIH", the "Company" or the "Registrant"), is engaged in the manufacture and sale of products in one reportable segment: Piping Systems. The Company was incorporated in Delaware on October 12, 1993. The Company's common stock is traded on the Nasdaq Global Market and reported under the ticker symbol "PPIH". The Company's fiscal year ends on January 31. Years, results and balances described as 2022, 2021 and 2020 are for the fiscal years ended January 31, 2023, 2022 and 2021, respectively.

Products and services. The Company engineers, designs, manufactures and sells specialty piping systems and leak detection systems. Specialty piping systems include: (i) insulated and jacketed district heating and cooling piping systems for efficient energy distribution from central energy plants to multiple locations, (ii) primary and secondary containment piping systems for transporting chemicals, hazardous fluids and petroleum products, (iii) the coating and/or insulation of oil and gas gathering and transmission pipelines, and (iv) liquid and powder based anti-corrosion coatings applied both to the external and internal surfaces of steel pipe, including shapes like bends, reducers, tees, and other spools/fittings used in pipelines for the transportation of oil and gas products and potable water. The Company's leak detection systems are sold with its piping systems or on a stand-alone basis to monitor areas where fluid intrusion may contaminate the environment, endanger personal safety, cause a fire hazard, impair essential services or damage equipment or property.

The Company frequently engineers and custom fabricates to job site dimensions and incorporates provisions for thermal expansion due to cycling temperatures. Most of the Company's piping systems are produced for underground installations and, therefore, require trenching, which is the responsibility of the general contractor, and completed by unaffiliated installation contractors.

The Company’s piping systems are typically sold as a part of discrete projects, and customer demand can vary by reporting period. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Operating Facilities: The Company operates its business from the following locations:

Perma-Pipe, Inc.	**Perma-Pipe Middle East FZC**
Niles, IL	Fujairah, United Arab Emirates
New Iberia, LA	**Perma-Pipe Saudi Arabia, LLC**
Lebanon, TN	Dammam, Kingdom of Saudi Arabia
Perma-Pipe Canada, Ltd.	**Perma-Pipe India Pvt. Ltd**
Camrose, Alberta, Canada	Gandhidham, India
Perma-Pipe Egypt for Metal Fabrication and Insulation Industries (Perma-Pipe Egypt) S.A.E.	
Beni Suef, Egypt	

Customers and sales channels. The Company's customer base is industrially and geographically diverse. In the United States, the Company employs inside and outside sales managers who use and assist a network of independent manufacturers' representatives, none of whom sell products that are competitive with the Company's piping systems. The Company employs a direct sales force to market and sell products and services in Canada, India, Egypt, and in several countries in the Middle East. On a country-by-country basis, and where advantageous, the Company uses an agent network to assist in marketing and selling the Company's products and services.

For the years ended January 31, 2022 and 2021, respectively, no one customer accounted for greater than 10% of the Company's consolidated net sales.

As of January 31, 2022 and 2021, one customer accounted for 11.9% and no one customer accounted for greater than 10% of accounts receivable, respectively.

Backlog. The Company’s backlog on January 31, 2022 was $39.3 million compared to $52.6 million on January 31, 2021, most of which is expected to be completed within 2022. This decrease was primarily the result of the Company's completion of a significant number of projects during 2021 that were delayed because of the COVID-19 pandemic and related disruptions. The Company defines backlog as the expected total revenue value resulting from confirmed customer purchase orders that have not yet been recognized as revenue. However, by industry practice, orders may be canceled or modified at any time. If a customer cancels an order, the customer is normally responsible for all finished goods produced or shipped, all direct and indirect costs incurred, and also for a reasonable allowance for anticipated profits. No assurance can be given that these amounts will be recovered after cancellation. Any cancellation or delay in orders may result in lower than expected revenue from the Company's reported backlog.

Intellectual property. The Company owns various patents covering its piping and electronic leak detection systems, as well as for some of the features of its sensor cables. These patents are not material to the Company either individually or in the aggregate because the Company believes its sales would not be materially reduced if patent protection was not available. The Company owns numerous trademarks connected with its piping and leak detection systems throughout the world.

Suppliers. The basic raw materials used in production are pipes and tubes made of carbon steel, steel alloys, copper, ductile iron, or polymers and various chemicals such as polyols, isocyanate, urethane resin, polyethylene, and fiberglass, which are mostly purchased in bulk quantities. The Company believes there are currently adequate supplies and sources of availability of these needed raw materials.

The sensor cables used in the Company's leak detection and location systems are manufactured to the Company's specifications by companies regularly engaged in manufacturing such cables. The Company assembles the monitoring component of its leak detection and location systems from components purchased from many sources.

The Company's global supply chains have been negatively affected by the COVID-19 pandemic. Due to the current inflationary environment, raw material supply shortages and transportation delays, the Company routinely experiences significant delays and increased prices for raw materials used in our production processes. To mitigate these impacts, the Company has implemented several strategies, including purchasing from alternative suppliers and planning for material purchases farther in advance to ensure the Company has materials when needed. The Company has also updated its pricing to customers to offset the impacts of the raw material price increases. While these impacts are expected to continue into 2022, the resulting future disruptions to the Company’s operations are uncertain.

Competition. The piping systems market is highly competitive. The Company believes its principal competition consists of over 20 major competitors and more small competitors. The Company believes that quality, service, engineering design capabilities and support, a comprehensive product line, timely execution, plant location and price are key competitive factors in the industry. The Company also believes it has a more comprehensive product line than any competitor.

Research and Development. The Company maintains a standalone research and development function and primarily focuses on activities and development to meet product specifications mandated by its customers and the industry.

Government regulation. The demand for the Company's leak detection and location systems and secondary containment piping systems, which is a small percentage of the Company's total annual piping sales, is driven in the U.S. by federal and state environmental regulation with respect to hazardous waste. The U.S. Federal Resource Conservation and Recovery Act requires, in some cases, that the storage, handling and transportation of fluids through underground pipelines feature secondary containment and leak detection. The U.S. National Emission Standard for hydrocarbon airborne particulates requires reduction of airborne volatile organic compounds and fugitive emissions. Under this regulation, many major refineries are required to recover fugitive vapors and dispose of the recovered material in a process sewer system, which then becomes a hazardous secondary waste system that must be contained. Although there can be no assurances as to the ultimate effects of these governmental regulations, the Company believes such regulations generally increase the demand for its piping systems products.

In the United States and Canada, federal government regulations require that all buried oil and gas pipelines that cross state or provincial boundaries or the United States-Canada border, have an anti-corrosion coating system applied. The Company believes that this regulation has a positive effect on demand for its products due to the Company's unique expertise with respect to anti-corrosion coating.

Environmental impacts. The Company provides insulated pipe for district energy systems. A district energy system is a highly efficient way to provide heating or cooling to nearby buildings. A central plant produces steam or chilled water, hot and/or chilled water that flows through insulated pipes to nearby buildings. The goal of a district energy system is to centralize production to deliver energy efficiency, reduce operating costs, and use less equipment compared to individual buildings with their own boilers and chillers. In addition, district heating and cooling plants can provide better pollution control than localized boilers and cooling equipment.

Employees

As of January 31, 2022, the Company had approximately 184 full-time employees working in the United States, of which approximately 64 were under two collective bargaining agreements, one expiring on April 30, 2023, and the other expiring on March 31, 2025. There were approximately 424 full-time employees working at the Company's international locations. The Company considers its relationship with its employees to be good.

Available Information

The Company files with and furnishes to the Securities and Exchange Commission ("SEC") reports, including annual meeting materials, annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, as well as amendments thereto. The Company maintains a website, www.permapipe.com, where these reports and related materials are available free of charge as soon as reasonably practicable after the Company electronically files or furnishes such material with or to the SEC. The information on the Company's website is not part of this Annual Report on Form 10-K and is not incorporated into this or any other filings by the Company with the SEC.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The following table sets forth information regarding the executive officers of the Company as of April 14, 2022:

Name	Offices and Positions; Age	Executive officer of the Company since
David J. Mansfield	Director, President and Chief Executive Officer; Age 61	2016
Grant Dewbre	Chief Operating Officer; Age 53	2021
D. Bryan Norwood	Vice President and Chief Financial Officer; Age 66	2018
Wayne Bosch	Vice President, Chief Human Resources Officer; Age 65	2013

David J. Mansfield: President, Chief Executive Officer ("CEO") and member of the Board of Directors since November 2016. From 2015 to 2016, Mr. Mansfield served as Chief Financial Officer ("CFO") of Compressor Engineering Corp. & CECO Pipeline Services Co., which provides products and services to the gas transmission, midstream, gas processing, and petrochemical industries. In this position, he had overall responsibility for the group’s financial affairs, including the development and execution of turnaround plans and the successful negotiation of a corporate refinancing. From 2009 to 2014, Mr. Mansfield served as CFO and as Acting CEO of Pipestream, Inc., a venture capital-owned technology development company providing a suite of products to the oil and gas pipeline industry. From 1992 to 2009, Mr. Mansfield was employed with Bredero Shaw, the world’s largest provider of protective coatings for the oil and gas pipeline industry, most recently as Vice President Strategic Planning. During his tenure with Bredero Shaw, Mr. Mansfield served in numerous roles including Vice President Controller, and Commercial General Manager, Europe, Africa & FSU, and played a key role in strategy development and merger and acquisition activities as the company grew from annual revenues of $100 million to over $900 million.

Grant Dewbre: Appointed Chief Operating Officer in July 2021. Mr. Dewbre was formerly Senior Vice President, Middle East & North Africa for the Company since December 2017. He was responsible for facilities in Fujairah, U.A.E., Dammam, Saudi Arabia, Gujarat, India, and Beni Suef, Egypt, which was established in 2019 under Mr. Dewbre’s leadership of the division. Before joining the Company, Mr. Dewbre served as Managing Director for Seaway Heavy Lifting in Houston, Texas, a Dutch offshore construction company, which was part of the Subsea 7 group from July 2015 to November 2017. In addition, he was Senior Vice President for Ceona Offshore, a startup offshore construction specialist company based in London, the United Kingdom from December 2013 to June 2015. From March 2004 to November 2013, he held several roles, including project management, sales, and commercial management, in Houston, Texas and Leiden, The Netherlands, for Heerema Marine Contractors, a Dutch offshore construction company specialized in the installation of fixed and floating offshore platforms as well as pipeline installation services. Mr. Dewbre has held various project and plant management and commercial positions in the United States, United Kingdom, Malaysia, Azerbaijan, and at other locations for Bredero Shaw, the world’s largest provider of protective coatings for the oil & gas pipeline industry from October 1992 to February 2004.

D. Bryan Norwood: Appointed Vice President and CFO in November 2018. From 2014 to 2018, Mr. Norwood served as CFO of API Perforating, LLC, an oilfield service company providing stage perforation and wireline services. From 2012 to 2014, Mr. Norwood served as CFO of Dupre’ Energy Services, LLC, an oilfield service company offering multiple services lines. From 2010 to 2012, Mr. Norwood was Vice President Finance for the Environmental Services Division of PSC, LLC, a hazardous waste disposal company. From 1992 to 2010, Mr. Norwood held several senior leadership positions, including CFO of Smith Equipment Rental and Services, LLC, a regional oilfield service provider, Vice President and Treasurer of Key Energy Services, Inc., an oilfield multi-service provider, and Corporate Controller and Vice President Finance-Americas with Bredero Shaw, a global pipe coating provider.

Wayne Bosch: Appointed Vice President and Chief Human Resources Officer in December 2013. From 2010 to 2012, Mr. Bosch was Vice President of Human Resources at Pactiv, a $4.0 billion global manufacturer and distributor of food packaging products. Prior to Pactiv, he led the human resource activities at the North American segment of Barilla America, a $6.3 billion global pasta, sauces and bakery manufacturer and was the Chief Human Resources Officer for water filtration leader Culligan International Company. Mr. Bosch's background spans the entire spectrum of human resources competencies, including mergers, acquisitions and business integration, in start-up, turnaround and high-growth businesses. The scope of his experience also includes communications, legal, ethics and compliance, health safety environment, risk management, payroll, facilities and general administrative services. On January 3, 2022, Mr. Bosch provided notice to the Company of his intent to retire as the Company's Vice President and Chief Human Resources Officer effective July 3, 2022.

Item 1A. RISK FACTORS

The Company's business, financial condition, results of operations and cash flows are subject to various risks, including, but not limited to, those set forth below, which could cause actual results to vary materially from recent results or from anticipated future results. These risk factors should be considered together with information included elsewhere in this Annual Report on Form 10-K.

Market Condition Risks

The Company's business has been and may continue to be negatively impacted by the ongoing COVID-19 pandemic. The COVID-19 pandemic has severely restricted the level of economic activity around the world. In response to this COVID-19 pandemic, the governments of many countries, states, cities and other geographic regions, as well as customers and suppliers, have taken preventative or protective actions, such as imposing restrictions on travel and business operations, shutdowns, lockdowns, mask mandates and other measures. Temporary closures of businesses have been ordered and numerous other businesses have temporarily closed voluntarily. These actions may continue to expand in scope, type and impact depending on the ongoing severity of the pandemic. These measures, while intended to protect human life, have had and are expected to continue to have significant adverse impacts on domestic and foreign economies. Currently, the effectiveness of economic stabilization efforts being taken by federal and state government authorities to mitigate the effects of these actions and the spread of COVID-19 is uncertain.

This COVID-19 pandemic has impacted, and may continue to impact, the Company's office locations and manufacturing facilities, as well as those of its customers and third-party vendors, including through the effects of facility closures, reductions in operating hours and other social distancing efforts. In addition, the Company has modified its business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and the Company may take further actions as may be required by government authorities or that the Company determines are in the best interests of its employees, customers, partners and suppliers. In some cases, customer mitigation efforts have prevented the Company from accessing the facilities of its customers to deliver products and provide services. In addition, some of the Company's customers have chosen to delay and some of the Company's customers may choose to abandon projects for which the Company provides products and/or services as a result of such actions. Further, the Company may experience disruptions or delays in its supply chain as a result of such actions. While a substantial portion of the Company's businesses have been classified as an essential business in jurisdictions in which facility closures have been mandated, the Company can provide no assurance that this will not change in the future or that the Company's businesses will be classified as essential in each of the jurisdictions in which they operate.

The Company's results of operations, financial condition, liquidity and cash flow in 2020 were materially adversely affected by the COVID-19 pandemic and may in the future be materially adversely affected if the COVID-19 pandemic again worsens, although the extent of any such impacts remains unclear at this time.

Crude oil and natural gas prices are volatile, and any substantial and extended increases or decreases in oil and natural gas prices will likely have a material effect on demand and pricing in the Company's business. Generally, when the prices for crude oil and natural gas are higher, demand for certain of the Company's products increases and the Company is able to negotiate higher prices. On the other hand, when the prices of crude oil and natural gas are lower, demand for certain of the Company's products decreases and the Company is forced to compete with lower prices and other concessions. Volatility in these commodity prices can also result in circumstances where demand for certain of the Company's products is suddenly high, but the Company is unable to negotiate higher prices, thereby adversely impacting the Company's margins and capacity to accept new projects at higher margins. Among the factors that can or could cause these price fluctuations are:

- the level of consumer demand;
- global supplies of crude oil and natural gas;
- global drilling activity;
- the actions of other crude oil exporting nations and the Organization of Petroleum Exporting Countries;
- government sanctions and boycotts of crude oil, natural gas and other energy products produced by certain countries, such as the current sanctions and boycotts of oil and natural gas provided by Russia as a result of the war in Ukraine;
- worldwide economic and political conditions, including political instability or armed conflict in oil and gas producing regions, such as the current war in Ukraine; and
- the price and availability of, and demand for, competing energy sources, including alternative energy sources.

Oil prices may continue to be volatile as a result of the disruption of global markets from the war in Ukraine and resulting boycotts of Russian oil and gas by several countries, as well as the ongoing COVID-19 pandemic. West Texas Intermediate crude oil prices have increased from approximately $60 per barrel in March 2021 to approximately $75 per barrel in December 2021 and further increasing to approximately $100 per barrel in March 2022. While the Company can give no assurance that this increase in prices will result in increased sales and earnings, continued higher prices historically lead to higher capital spending by energy companies. Any U.S. federal government or other restrictions on oil and gas production, transportation or use, could have an impact on the Company's business; however, most of the Company's sales attributable to oil and gas markets are outside of the United States. As such, any impacts are not expected to be material.

Global economic weakness and volatility would likely adversely affect operating margins for the Company’s services and products. If the global economy experiences a severe and prolonged downturn, it would likely adversely impact the Company's business. Downturns in such general economic conditions can significantly affect the business of the Company's customers, which in turn affects demand, volume, pricing, and operating margins for the Company's services and products. A downturn in one or more of the Company's significant markets would likely have a material adverse effect on the Company's business, results of operations, financial condition and cash flows. Because economic and market conditions vary within the Company's geographic regions, the Company's performance will also vary. In addition, the Company is exposed to fluctuations in currency exchange rates and commodity prices, including rising steel prices and volatility in oil prices. The Company notes that the current Russian oil and gas boycotts have caused a surge in oil prices which has impacted some of our material and freight costs, adding to upward pressure from global supply chain impacts from the COVID-19 pandemic. The Company has experienced and anticipates continuing to experience increased prices for purchasing and shipping raw materials. The Company has updated its pricing to customers to offset the impacts of the raw material price increases.

Fluctuations in the availability of, and price of, steel may affect the Company's results of operations. The steel industry is highly cyclical in nature, and at times, pricing can be highly volatile due to a number of factors beyond the Company's control, including general economic conditions, import duties, other trade restrictions and currency exchange rates. This volatility may negatively impact market conditions thus reducing project activity and the Company's results of operations. The Company utilizes escalation clauses and bid expiration dates to mitigate any impact of this volatility on its earnings.

Through a series of Presidential Proclamations pursuant to Section 232 of the Trade Expansion Act of 1962, as of the date of this filing, U.S. imports of certain steel products are subject to a 25% tariff (exceptions are Australia, Argentina, Brazil and South Korea imports), with retaliatory tariffs imposed by importing countries. These tariffs could lead to increased steel costs and decreased supply availability.

The United States has maintained tariffs on certain imported steel, aluminum and items originating from China. These tariffs have increased the cost of raw materials and components we purchase. If the United States or other countries impose additional tariffs, that could have a further adverse impact on our business. There can be no assurance that the current administration will continue its approach to global trade policies and any changes to those policies could have negative impacts on the price and availability of steel and other imports used in the Company's business. The Company is in active discussions with our suppliers to ensure any supply disruptions are minimal if tariffs increase or there is any outright ban on Chinese imports in the future.

The Company regularly updates its quoting system for the movements in steel prices and attempts to recover these price differentials through price increases in the Company's products; however, the Company is not always successful. Any increase in steel prices that is not offset by an increase in the Company's prices that is accepted by customers could have an adverse effect on the Company's business, results of operations, financial position and cash flows. In addition, if the Company is unable to acquire timely steel supplies, it may need to decline bid and order opportunities, which could also have an adverse effect on the Company's business, results of operations, financial position and cash flows.

Decreases in government spending on projects using the Company’s products, and challenges to the Company’s non-government customers’ liquidity and availability of capital funds, may adversely impact demand for the Company’s products. Uncertainty about economic market conditions poses risks that the Company's customers may postpone spending for capital improvement and maintenance projects in response to tighter credit markets or negative financial news, which could have a material adverse effect on the demand for the Company's products. Decreases in U.S. federal and state spending on projects using the Company's products can have negative impact on sales volume from the Company's domestic facilities. Governmental spending on large infrastructure projects in the Gulf Cooperation Council ("GCC") countries vary and spending has in the past been curtailed or delayed as a result of reduced public spending budgets in countries which are dependent on oil and gas revenues and their respective price levels.

Financial Risks

The Company may be unable to repay its debt or renew its expiring international credit facilities. There is a risk that the Company may not be able to remain in compliance with its credit agreement covenants due to, among other matters, the potential impact on the Company's results of operations and financial condition resulting from the COVID-19 pandemic and any adverse developments in the market for oil and gas. If there were an event of default under the Company's current revolving credit facilities, the lenders could cause all amounts outstanding with respect to that debt to be due and payable immediately. The Company cannot assure that its cash flow will be sufficient to fully repay amounts due under any of the financing arrangements, if accelerated upon an event of default, or, that the Company would be able to repay, refinance or restructure the payments under any such arrangements. Complying with the covenants under the Company's domestic and/or foreign revolving credit facilities may limit management's discretion by restricting options such as:

- incurring additional debt;
- entering into transactions with affiliates;
- making investments or other restricted payments;
- paying dividends, capital returns, intercompany obligations and other forms of repatriation; and
- creating liens.

The Company has approximately $4.2 million becoming due in 2022 under its various foreign revolving lines of credit. The Company’s credit arrangements used by its Middle Eastern subsidiaries are renewed on an annual basis. In addition to these credit arrangements, the Company also obtains project financing in the Middle East on a project-by-project basis. The Company has approximately $1.8 million becoming due in 2022 under its project financing agreements. While the Company believes that it will be able to renew its Middle East credit arrangements and will have continued access to individual project financing, there is no assurance that such arrangements will be renewed or made available in similar amounts or on similar terms and conditions as the current arrangements, or that such individual project financing will be available for projects that the Company is interested in pursuing.

Any replacement credit arrangements outside of the United States may further limit the Company’s ability to repatriate funds from abroad. Repatriation of funds from certain countries may become limited based upon regulatory restrictions or economically unfeasible because of the taxation of funds when moved to another subsidiary or to the parent company. In addition, any refinancing, replacement or additional financing the Company may obtain could contain similar or more restrictive covenants than those currently applicable to the Company. The Company’s ability to comply with any covenants may be adversely affected by general economic conditions, political decisions, industry conditions and other events beyond management’s control.

The Company incurred net losses for its three fiscal years prior to 2019, as well as in 2020, and may be unable to maintain sustained levels of profitability or positive cash flows in the future. The Company experienced net losses for its three fiscal years prior to 2019, as well as in 2020. While the Company was profitable and had positive cash flow in 2021, there is no guarantee that the Company will be able to sustain its 2021 levels of profitability or positive cash flows in the future. Generating net income and positive cash flows in the future will depend on the Company's ability to successfully complete and execute its strategic plan. The Company’s inability to successfully maintain profitability and positive cash flows may result in it experiencing a serious liquidity deficiency resulting in material adverse consequences that could threaten its viability.

The Company extended credit to a customer for a project in the Middle East in 2013 and, if the Company is unable to collect this account receivable, its future profitability could be adversely impacted. In 2013, the Company started a project in the Middle East as a sub-contractor, with billings in the aggregate amount of approximately $41.9 million. The Company completed all its deliverables in 2015, and has since then collected approximately $38.3 million, with a remaining balance due in the amount of $3.6 million. Included in this balance is an amount of $3.4 million, which pertains to retention clauses within the agreements of the Company's customer, and which become payable by the customer when this project is fully tested and commissioned. In the absence of a firm date for the final commissioning of the project, and due to the long-term nature of this receivable, $2.0 million of this retention amount was reclassified to a long-term receivable account.

The Company has been engaged in ongoing active efforts to collect the outstanding amount. During 2021, the Company received approximately $0.1 million from the customer. In August 2021, the Company has also received an updated acknowledgment of the outstanding balances and assurances of payment from the customer. Further, the Company has been engaged by the customer to perform additional work in 2022 under customary trade credit terms that supports the continued cooperation between the Company and the customer. As a result, the Company did not reserve any allowance against this amount as of January 31, 2022. However, if the Company’s efforts to collect on this account are not successful in 2022, then the Company may be required to recognize an allowance for all, or substantially all, of any such then uncollected amounts in the future.

The Company may be impacted by interpretations and changes in tax regulations and legislation which could adversely affect the Company's results of operations. Tax interpretations, regulations, and legislation in the various jurisdictions in which the Company operates are subject to measurement uncertainty and the interpretations can impact net income, income tax expense or recovery, and deferred income tax assets or liabilities. Tax rules and regulations, including those relating to foreign jurisdictions, are subject to interpretation and require judgment by the Company that may be challenged by the applicable taxation authorities upon audit. Although the Company believes its assumptions, judgements and estimates are reasonable, changes in tax laws or the Company's interpretation of tax laws and the resolution of any tax audits could significantly impact the amounts provided for income taxes in the Company's consolidated financial statements.

The Company's ability to use its net operating loss carryforwards and certain other tax attributes may be limited. The Company's net operating loss ("NOL") carryforwards in the U.S. could expire unused and be unavailable to offset future income tax liabilities because of their limited duration or because of restrictions under U.S. tax law. As of January 31, 2022, the Company had $40.1 million of gross federal NOLs and $2.7 million of state NOLs available to offset the Company's future taxable income, if any. Of the gross federal NOL amount, $33.8 million will begin to expire between tax years 2030 and 2037 and the remainder has an indefinite carryforward. The state NOLs expire at various dates from 2022 to 2032. The Company may experience ownership changes in the future as a result of subsequent shifts in its stock ownership. As a result, if the Company earns net taxable income, the Company's ability to use its pre-change NOLs to offset U.S. federal taxable income may be subject to limitations, which could potentially result in increased future tax liability to the Company. In addition, at the state level, there may be periods during which the use of NOLs is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed.

The Company may be required to reverse previously recorded revenue and profits as a result of inaccurate estimates made in connection with the Company's over time revenue recognition. Certain domestic divisions have contracts that recognize revenues using periodic recognition of income. For these contracts, the Company uses the over time accounting method. This methodology allows revenue and profits to be recognized proportionally over the life of a contract by comparing the amount of the cost incurred to date against the total amount of cost expected to be incurred. The effect of revisions to revenue and total estimated cost is recorded when the amounts are known or can be reasonably estimated. These revisions can occur at any time and could be material. On a historical basis, management believes that reasonably reliable estimates of the progress towards completion on long-term contracts have been made. However, given the uncertainties associated with these types of contracts, it is possible for actual cost to vary from estimates previously made, which may result in reductions or reversals of previously recorded revenue and profits.

The Company's failure to establish and maintain effective internal control over financial reporting could harm its business and financial results. The Company's management is responsible for establishing and maintaining effective internal control over financial reporting. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of financial reporting for external purposes in accordance with accounting principles generally accepted in the United States. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that the Company would prevent or detect a misstatement of its financial statements or fraud.

Business Condition Risks

Delays in the timing of order receipt, execution, delivery and acceptance for the Company's products generally negatively impact the Company's operating results. Since the Company's revenues are based on discrete projects, the Company's operating results in any reporting period generally are negatively impacted as a result of large variations in the level of overall market demand or delays in the timing of project execution phases.

The Company may not be able to successfully negotiate progress-billing arrangements for its large contracts, which could adversely impact the Company's working capital needs, cash flows and credit risk. The Company sells systems and products under contracts that allow the Company to either bill upon the completion of certain agreed upon milestones, or upon actual shipment of the system or product. The Company attempts to negotiate progress-billing milestones on large contracts to help manage its working capital and cash flows, and to reduce the credit risk associated with these large contracts. Consequently, shifts in the billing terms of the contracts in the backlog from period to period can increase the Company's requirements for working capital, negatively impact its cash flows and increase its exposure to credit risk.

Aggressive pricing by existing competitors and the entrance of new competitors in the markets in which the Company operates could drive down the Company's profits and reduce the Company's revenue. The Company's business is highly competitive. Some of the Company's competitors are larger and have more resources than the Company. Additionally, many of the Company's products are also subject to competition from alternative technologies and alternative products. In periods of declining demand, the Company's fixed cost structure may limit its ability to cut costs, which may be a competitive disadvantage compared to companies with more flexible cost structures, or may result in reduced operating margins, operating losses and negative cash flows.

The Company may be unable to purchase raw materials at favorable prices, or maintain beneficial relationships with its suppliers, which could result in a shortage of supply, or increased pricing. To the extent the Company relies upon a single source for key components of several of its products, the Company believes there are alternate sources available for such components. However, there can be no assurance that the interruption of supplies of such components would not have an adverse effect on the financial condition of the Company and that the Company, if required to do so, would be able to negotiate agreements with alternative sources on acceptable terms.

The Company's global supply chains have been negatively affected by the COVID-19 pandemic. Due to the current inflationary environment, raw material supply shortages and transportation delays, the Company routinely experiences significant delays and increased prices for raw materials used in our production processes. To mitigate these impacts, the Company has implemented several strategies, including purchasing from alternative suppliers and planning for material purchases farther in advance to ensure the Company has materials when needed. The Company has also updated its pricing to customers to offset the impacts of the raw material price increases. While these impacts are expected to continue into 2022, the resulting future disruptions to the Company’s operations are uncertain.

The Company may be subject to claims for damages for defective products. The Company warrants its products to be free of certain defects. The Company has, from time to time, had claims alleging defects in its products. The Company cannot be certain it will not experience material product liability losses in the future or that it will not incur significant costs to defend such claims. While the Company currently has product liability insurance, the Company cannot be certain that its product liability insurance coverage will be adequate for liabilities that may be incurred in the future or that such coverage will continue to be available to the Company on commercially reasonable terms. Any claims relating to defective products that result in liabilities exceeding the Company's insurance coverage could have a material adverse effect on the Company's business, results of operations financial position and cash flows.

The Company may not be able to recover costs and damages from vendors that supply defective materials. The Company may receive defective materials from its vendors that are incorporated into the Company's products during the manufacturing process. The cost to repair, remake or replace defective products could be greater than the amount that can be recovered from the vendor. Such excess costs could have an adverse effect on the Company's business, results of operations, financial position and cash flows.

Product and service orders included in the Company’s backlog may be reduced or cancelled. The Company defines backlog as the revenue value resulting from confirmed customer purchase orders that have not yet been recognized as revenue. However, by industry practice, orders may be canceled or modified at any time. If a customer cancels an order, the customer is normally responsible for all finished goods produced or shipped, all direct and indirect costs incurred and also for a reasonable allowance for anticipated profits. No assurance can be given that these amounts will be recovered after cancellation. Any cancellation or delay in orders may result in revenues that are lower than expected.

The Company's results of operations could be adversely affected by changes in international regulations and other activities of U.S. and non-U.S. governmental agencies related to the Company's international operations. International sales represent a significant portion of the Company's total sales. The Company's sales to foreign customers increased to 66.2% in 2021 from 49.8% in 2020. The Company's anticipated growth and profitability may require increasing foreign sales volume and may necessitate further international expansion. The Company's results of operations could be adversely affected by changes in trade, monetary and fiscal policies, laws and regulations, other activities of U.S. and non-U.S. governments, agencies and similar organizations, and other factors. These factors include, but are not limited to, changes in a country's or region's economic or political conditions, trade regulations affecting production, pricing and marketing of products, local labor conditions and regulations, reduced protection of intellectual property rights in some countries, changes in the regulatory or legal environment, restrictions on currency exchange activities, burdensome taxes and tariffs and other trade barriers. We cannot predict the impact, if any, changes in foreign policies adopted by the current U.S. administration will have on our business. International risks and uncertainties, including changing social and economic conditions as well as terrorism, political hostilities and war, could lead to reduced international sales and reduced profitability associated with such sales. In addition, these risks can include extraordinarily delayed collections of accounts receivable. Because the Company conducts a significant portion of its business activities in the Middle East, the political and economic events of the countries that comprise the GCC can have a material effect on the Company's business, results of operations, financial condition, and cash flows.

Due to the international scope of the Company's operations, it is subject to a complex system of commercial and trade regulations around the world. Recent years have seen an increase in the development and enforcement of laws regarding trade compliance anti-corruption, such as the U.S. Foreign Corrupt Practices Act and similar laws from other countries as well as new regulatory requirements regarding data privacy. The Company's foreign subsidiaries are governed by laws, rules and business practices that differ from those of the United States. If the activities of these entities do not comply with U.S. laws or business practices or the Company's Code of Business Conduct, then violations of these laws may result in severe criminal or civil sanctions, which could disrupt the Company's business, and result in an adverse effect on the Company's reputation, business and results of operations or financial condition. The Company cannot predict the nature, scope, or effect of future regulatory requirements to which its operations might be subject or the manner in which existing laws might be administered or interpreted.

General Risks

The Company may be unable to retain its senior management and key personnel. The Company's ability to meet its strategic and financial goals will depend to a significant extent on the continued contributions of its senior management and key personnel. Future success will also depend in large part on the Company's ability to identify, attract, motivate, effectively utilize and retain highly qualified managerial, sales, marketing and technical personnel. The loss of senior management or other key personnel or the inability to identify, attract and retain qualified personnel in the future could make it more difficult to manage the Company's business and could adversely affect operations and financial results.

The Company may not be able to achieve the expected benefits from its growth initiatives. The Company's cyclical or general expansion may result in unanticipated adverse consequences, including significant strain on management, operations and financial systems, as well as on the Company's ability to attract and retain competent employees. In the future, the Company may seek to grow its business by investing in new or existing facilities, making acquisitions, entering partnerships and joint ventures, or constructing new facilities, which could entail a number of additional risks, including:

- strain on working capital;
- diversion of management's attention away from other activities, which could impair the operation of existing businesses;
- failure to successfully integrate the acquired businesses or facilities into existing operations;
- inability to maintain key pre-acquisition business relationships;
- loss of key personnel of the acquired business or facility;
- exposure to unanticipated liabilities; and
- failure to realize efficiencies, synergies and cost savings.

As a result of these and other factors, including general economic risks, the Company may not be able to realize the expected benefits from future acquisitions, new facility developments, partnerships, joint ventures or other investments.

The Company's information technology systems may be negatively affected by cybersecurity threats. The Company faces risks relating to cybersecurity attacks that could cause the loss of confidential information and other business disruptions. The Company relies extensively on computer systems to process transactions and manage its business, and its business is at risk from and may be impacted by cybersecurity attacks. These could include attempts to gain unauthorized access to data and computer systems. Attacks can be both individual and/ or highly organized attempts organized by very sophisticated hacking organizations. The Company employs a number of measures to prevent, detect and mitigate these threats, which include password encryption, frequent password change events, firewall detection systems, anti-virus software in-place and frequent backups; however, there is no guarantee such efforts will be successful in preventing a cyber-attack. A successful attack could disrupt and otherwise adversely affect the Company's reputation and results of operations, including through lawsuits by third parties. The Audit Committee of the Board of Directors is responsible for overseeing the Company's cybersecurity policies and programs.

Item 1B. UNRESOLVED STAFF COMMENTS - None.

Item 2. PROPERTIES

Location	**Leased or Owned**
Illinois	Leased building and office space
Louisiana	Owned building and leased land
Tennessee	Leased building and office space
Texas	Leased office space
Canada	Owned building with office space on owned land, leased land and leased office space
India	Leased building, office space and land
Kingdom of Saudi Arabia	Owned building and office space on leased land
United Arab Emirates	Leased office space and building on leased land
Egypt	Leased building and office space

For further information, see Note 6 - Lease information, in the Notes to Consolidated Financial Statements.

Item 3. LEGAL PROCEEDINGS - As of January 31, 2022, the Company had no material pending litigation.

Item 4. MINE SAFETY DISCLOSURES - Not applicable.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The Company's common stock is traded on the Nasdaq Global Market under the symbol "PPIH".

As of April 14, 2022, there were approximately 60 stockholders of record and other additional stockholders for whom securities firms or banks acted as nominees.

The Company has never declared or paid a cash dividend and does not anticipate paying any cash dividends on its common stock in the foreseeable future. Management presently intends to retain all available funds for the development of the Company's business and for use as working capital, including potentially repurchasing its common stock. The Company's credit facilities also restrict dividend payments. Future dividend policy will depend upon the Company's earnings, capital requirements, financial condition, credit agreement restrictions and other relevant factors. For further information, see "Financing" in Item 7 and Note 5 - Debt, in the Notes to Consolidated Financial Statements.

The Transfer Agent and Registrar for the Company's common stock is Broadridge Corporate Issuer Solutions, Inc., P.O. Box 1342 Brentwood, NY 11717, (877) 830-4936 or (720) 378-5591.

Unregistered Sales of Equity Securities and Use of Proceeds

The Company has not made any sale of unregistered securities during the preceding three fiscal years.

Issuer Purchases of Equity Securities

On October 4, 2021, the Company's Board of Directors approved a stock repurchase program, which authorizes the Company to purchase up to $3.0 million of its outstanding shares of common stock. Stock repurchases are permitted to be executed through open market or privately negotiated transactions over the course of 12 months, depending upon current market conditions and other factors. As of January 31, 2022, the Company had repurchased its stock with a total value of $2.0 million, leaving $1.0 million remaining authorized for potential repurchase under the program.

The following table sets forth information with respect to repurchases by the Company of its shares of common stock during 2021 under its stock repurchase program:

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs
October 1, 2021 - October 31, 2021	58,528	$ 8.45	58,528	$ 2,505,216
November 1, 2021 - November 30, 2021	21,350	8.55	21,350	2,322,674
December 1, 2021 - December 31, 2021	56,447	7.99	56,447	1,871,840
January 1, 2022 - January 31, 2022	97,956	8.81	97,956	1,008,444
Total	234,281		234,281	

Item 6. [REMOVED AND RESERVED] - Not applicable.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

Certain statements contained in this Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), which can be identified by the use of forward-looking terminology such as "may," "will," "expect," "continue," "remains," "intend," "aim," "should," "prospects," "could," "future," "potential," "believes," "plans," "likely," and "probable," or the negative thereof or other variations thereon or comparable terminology, constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act and are subject to the safe harbors created thereby. These statements should be considered as subject to the many risks and uncertainties that exist in the Company's operations and business environment. Such risks and uncertainties could cause actual results to differ materially from those projected as a result of many factors, including, but not limited to, those under the headings Cautionary Statements Regarding Forward Looking Information and Item 1A. Risk Factors.

The analysis presented below and discussed in more detail throughout this MD&A was organized to provide instructive information for better understanding the Company's results of operations, financial condition and cash flows. However, this MD&A should be read in conjunction with the Consolidated Financial Statements in Item 8 of this Annual Report on Form 10-K, including the notes thereto and the risk factors contained herein. The Company's fiscal year ends on January 31. Years, results and balances described as 2021 and 2020 are for the fiscal years ended January 31, 2022 and 2021, respectively.

The Company is engaged in the manufacture and sale of products in one reportable segment: Piping Systems. Since the Company's revenues are significantly dependent upon discrete projects, the Company's operating results in any reporting period could be negatively impacted as a result of variations in the level of the Company's discrete project orders or delays in the timing of the specific project phases.

COVID-19 and the Oil and Gas Market

The Company's results of operations, financial condition, liquidity and cash flow in 2021 were materially adversely affected by the COVID-19 pandemic and the then depressed market prices for oil and gas. During 2021, the Company experienced improved results as the adverse impact of the COVID-19 pandemic diminished and delayed projects were turned to production. Increases in oil prices also helped to improve the Company's results in Canada and in the Middle East. See Item 1A. Risk Factors for additional information.

Liquidity Position

As discussed further below, on April 14, 2021, the Company entered into a purchase and sale agreement to sell its land and buildings in Lebanon, Tennessee (the "Property"), and subsequently enter into a fifteen-year lease agreement to lease back the Property. The transaction generated net cash proceeds of $9.1 million, following the release of the escrowed amount of $0.4 million in June 2021. The transaction provided significant liquidity for the Company, which used a portion of the proceeds to repay its borrowings under the Senior Credit Facility. The Company expects to use its liquidity for strategic investments and general corporate needs. The Company will lease back the Property at an annual rental rate of approximately $0.8 million, subject to annual rent increases of 2.0%.

The Company further enhanced its liquidity position on September 17, 2021 when the North American Loan Parties executed an extension of the Credit Agreement with PNC, providing for a new five-year $18.0 million senior secured revolving credit facility, subject to a borrowing base including various reserves (the "Renewed Senior Credit Facility"). See further discussion below and in Note 5 - Debt, in the Notes to Consolidated Financial Statements.

Supply Chain Constraints

The Company's global supply chains have been negatively affected by the COVID-19 pandemic. Due to the current inflationary environment, raw material supply shortages and transportation delays, the Company routinely experiences significant delays and increased prices for raw materials used in our production processes. To mitigate these impacts, the Company has implemented several strategies, including purchasing from alternative suppliers and planning for material purchases farther in advance to ensure the Company has materials when needed. The Company has also updated its pricing to customers to offset the impacts of the raw material price increases. While these impacts are expected to continue into 2022, the resulting future disruptions to the Company's operations are uncertain. See Item 1A. Risk Factors for additional information.

Results of Operations

Consolidated Results of Operations:

($ in thousands)	2021		2020		Change favorable (Unfavorable)
	Amount	**Percent of Net Sales**	**Amount**	**Percent of Net Sales**	**Amount**
Net sales	$ 138,552		$ 84,694		$ 53,858
Gross profit	32,530	23.5%	11,179	13.2%	21,351
General and administrative expenses	19,893	14.4%	17,222	20.3%	(2,671)
Selling expense	4,526	3.3%	5,334	6.3%	808
Interest expense, net	828		381		(447)
Other income, net	1,044		3,983		(2,939)
Income/(loss) from operations before income taxes	8,327		(7,775)		16,102
Income tax expense/(benefit)	2,265		(133)		(2,398)
Net income/(loss)	6,062		(7,642)		13,704

2021 Compared to 2020

Net sales:

Net sales were $138.6 million in 2021, an increase of $53.9 million, or 63.6%, from $84.7 million in 2020. The increase was a result of increased sales volumes in both North America and the Middle East, North Africa and India ("MENA") due largely to recovery from the effects of the COVID-19 pandemic.

Gross profit:

Gross profit increased to $32.5 million, or 23.5% of net sales, in 2021, an increase of $21.4 million, or 191.0%, from $11.2 million, or 13.2% of net sales, in 2020. This increase was primarily driven by higher sales volumes without a corresponding increase in fixed plant costs. In addition, the Company's U.A.E. business benefitted from the introduction of a high margin new product line in late 2020.

General and administrative expenses:

General and administrative expenses were $19.9 million in 2021 compared to $17.2 million in 2020, an increase of $2.7 million, or 15.5%. This increase was driven primarily by the increase in headcount as operations returned to pre-pandemic levels, as well as incentive compensation associated with the improved financial results in 2021.

Selling expenses:

Selling expenses decreased by $0.8 million, or 15.1%, from $5.3 million in 2020 to $4.5 million in 2021. This decrease was primarily due to organizational changes during the year.

Interest expense:

Interest expense increased to $0.8 million in 2021 from $0.4 million in 2020. This increase is primarily related to the sale and leaseback of the Company's land and buildings in Lebanon, Tennessee in April 2021, whereby a portion of the Company's monthly rent payments are recorded to interest expense.

Other income, net:

Other income was $1.1 million in 2021 compared to $4.0 million in 2020, a decrease of $2.9 million. This decrease was primarily the result of income recorded in 2020 for funds received under the PPP program of $3.2 million. Funds received under the Canadian Emergency Wage Subsidy ("CEWS") and Canadian Emergency Rent Subsidy ("CERS") programs in Canada during 2021 were also less than in 2020, as CEWS and CERS grants ceased in the second quarter of 2021. These decreases were offset by individually immaterial increases in our North American businesses.

Income/(loss) from operations before income taxes:

Income from operations before income taxes increased to income of $8.3 million in 2021 compared to a loss of ($7.8) million in 2020. The increase was a result of increased sales volumes in both North America and MENA. In addition, the Company's U.A.E. business benefitted from the introduction of a new product line in late 2020.

Income taxes:

The Company's worldwide effective tax rates ("ETR") were 27.2% and 1.7% in 2021 and 2020, respectively. The change in the ETR from the prior year to the current year is largely due to changes in the mix of income and loss in various jurisdictions and the absence of recognizing tax benefits on losses in the United States due to a full valuation allowance applied against its deferred tax assets.

As a result of the one-time transition tax from the U.S. Tax Cuts and Jobs Act of 2017 (“Tax Act”), the Company estimates that distributions from foreign subsidiaries will not be subject to incremental U.S. tax as they will either be remittances of previously taxed earnings and profits or eligible for a full dividends received deduction. Current and future earnings in the Company's subsidiaries in Canada and Egypt are not permanently reinvested. Earnings from these subsidiaries are subject to tax in their local jurisdiction, and withholdings taxes in these jurisdictions are considered. The Company's liability has remained consistent at $0.2 million as of January 31, 2022 and 2021, respectively, related to these taxes.

For further information, see Note 7 - Income taxes, in the Notes to Consolidated Financial Statements.

Net income/(loss):

The resulting net income of $6.1 million in 2021 was a $13.7 million increase from the net loss of ($7.6) million in 2020. The increase was a result of increased sales volumes in both North America and MENA due to recovery from the effects of the COVID-19 pandemic. In addition, the Company's U.A.E. business benefitted from the introduction of a new product line in late 2020.

Liquidity and capital resources

Cash and cash equivalents as of January 31, 2022 and 2021 were $8.2 million and $7.2 million, respectively. On January 31, 2022, less than $0.1 million was held in the United States and $8.2 million was held by the Company's foreign subsidiaries. The Company has no plans to repatriate any foreign earnings, but the potential repatriation of foreign earnings is discussed further in Note 7 - Income taxes, in the Notes to the Consolidated Financial Statements. Further, the Company's Renewed Senior Credit Facility permits the repatriation of foreign earnings to cure a breach of its debt covenants, should one occur. See further discussion in Note 5 - Debt, in the Notes to the Consolidated Financial Statements. The Company's working capital was $40.0 million on January 31, 2022 compared to $25.6 million on January 31, 2021. Of the working capital components, cash increased $1.0 million primarily as a result of the activity discussed below.

Net cash used in operating activities was $(2.6) million in 2021 compared to net cash provided by operating activities of $0.2 million in 2020. This decrease of $2.8 million was due primarily to increases in accounts receivable and inventory, partially offset by increases in net income and increases in accounts payable and accrued compensation and payroll taxes in the current period compared to the prior year period.

Net cash used in investing activities during 2021 and 2020 was $2.3 million and $2.0 million, respectively. The increase of $0.3 million was primarily due to increased capital investment in the Middle East and Canada during the period.

Net cash provided by financing activities was $6.2 million in 2021 compared to net cash used in financing activities of $4.1 million in 2020. The main source of cash from financing activities during 2021 was net proceeds of $8.6 million as a result of the sale and leaseback of the Company's land and buildings in Lebanon, Tennessee during 2021. Additionally, during the current period, the Company had approximately $0.5 million less net repayments under its revolving credit facility, as compared to $3.2 million in the prior year period. Further, the Company's debt totaled $21.9 million and $13.2 million as of January 31, 2022 and 2021, respectively. This large increase in the Company's debt is mainly attributable to the sale and leaseback transaction noted above. For additional information, see Note 5 - Debt, in the Notes to Consolidated Financial Statements.

The Company believes it will have the ability to satisfy all working capital needs and any planned capital expenditures for the twelve months following the issuance of these financial statements, based on its existing cash on hand, positive cash flows from operations and available credit facilities.

There was no restricted cash held in the United States on January 31, 2022 or January 31, 2021. Restricted cash held by foreign subsidiaries was $1.6 million and $1.2 million as of January 31, 2022 and 2021, respectively. Restricted cash held by foreign subsidiaries related to fixed deposits that also serve as security deposits and guarantees.

The following table summarizes the Company's estimated contractual obligations on January 31, 2022

($ in thousands)	Year Ending January 31,						
Contractual obligations	**Total**	**2023**	**2024**	**2025**	**2026**	**2027**	**Thereafter**
Revolving line - North America (1)	$ 634	$ 634	$ -	$ -	$ -	$ -	$ -
Mortgages (2)	5,257	251	251	251	251	251	4,002
Revolving lines - foreign (3)	6,049	6,049	-	-	-	-	-
Long-term finance obligation (4)	14,301	837	854	871	889	906	9,944
Term loan - foreign	26	6	13	7	-	-	-
Subtotal	26,267	7,777	1,118	1,129	1,140	1,157	13,946
Finance lease obligations	529	357	172	-	-	-	-
Operating lease obligations (5)	21,208	2,367	2,335	1,525	1,326	1,333	12,322
Uncertain tax position obligations (6)	652	-	-	-	-	-	652
Total	$ **48,656**	$ **10,501**	$ **3,625**	$ **2,654**	$ **2,466**	$ **2,490**	$ **26,920**

(1) Interest obligations exclude floating rate interest on debt payable under the North American revolving line of credit. Based on the amount of such debt on January 31, 2022, and the weighted average interest rate of 4.25% on that debt, such interest was being incurred at an annual rate of less than $0.1 million.
(2) Scheduled maturities, excluding interest.
(3) Scheduled maturities of foreign revolver line, excluding interest.
(4) This schedule represents the cash payments to be made under the lease agreement for the land and buildings sold by the Company in Lebanon, Tennessee and leased back from the purchaser in April 2021. These amounts differ from the liabilities presented as debt in the consolidated balance sheet as the debt amount represents future payments discounted to the present date. Refer to Note 5 - Debt, in the Notes to the Consolidated Financial Statements for further discussion of the transaction.
(5) Minimum contractual amounts, assuming no changes in variable expenses.
(6) Refer to Note 7 - Income taxes, in the Notes to Consolidated Financial Statements for a description of the uncertain tax position obligations.

Financing

Revolving line - North America. On September 20, 2018, the Company and certain of its U.S. and Canadian subsidiaries (collectively, together with the Company, the “North American Loan Parties”) entered into a Revolving Credit and Security Agreement (the “Credit Agreement”) with PNC Bank, National Association ("PNC"), as administrative agent and lender, providing for a three-year $18 million Senior Secured Revolving Credit Facility, subject to a borrowing base including various reserves (the “Senior Credit Facility”).

On September 17, 2021, the North American Loan Parties executed an extension of the Credit Agreement with PNC, providing for a new five-year $18.0 million senior secured revolving credit facility, subject to a borrowing base including various reserves (the “Renewed Senior Credit Facility”). The Company's obligations under the Renewed Senior Credit Facility are currently guaranteed by Perma-Pipe Canada, Inc. Each of the North American Loan Parties other than Perma-Pipe Canada, Inc. is a borrower under the Renewed Senior Credit Facility (collectively, the “Borrowers”).

The Borrowers are using borrowings under the Renewed Senior Credit Facility (i) to fund capital expenditures; (ii) to fund ongoing working capital needs; and (iii) for other corporate purposes, including potentially additional stock repurchases under the Company's $3.0 million stock repurchase program. Borrowings under the Renewed Senior Credit Facility bears interest at a rate equal to an alternate base rate, the London Inter-Bank Offered Rate (“LIBOR”) or a LIBOR successor rate index, plus, in each case, an applicable margin. The applicable margin is based on a fixed charge coverage ratio ("FCCR") range. Interest on alternate base rate borrowings are based on the alternate base rate as defined in the Renewed Senior Credit Facility plus an applicable margin ranging from 1.00% to 1.50%, based on the FCCR in the most recently reported period. Interest on LIBOR or LIBOR successor rate borrowings will be the LIBOR rate as defined in the Renewed Senior Credit Facility plus an applicable margin ranging from 2.00% to 2.50%, based on the FCCR in the most recently reported period. Additionally, the Borrowers pay a 0.25% per annum facility fee on the unused portion of the Renewed Senior Credit Facility.

Subject to certain exceptions, borrowings under the Renewed Senior Credit Facility are secured by substantially all of the North American Loan Parties' assets. The Renewed Senior Credit Facility will mature on September 20, 2026. Subject to certain qualifications and exceptions, the Renewed Senior Credit Facility contains covenants that, among other things, restrict the North American Loan Parties' ability to create liens, merge or consolidate, consummate acquisitions, make investments, dispose of assets, incur debt, and pay dividends and other distributions. In addition, the North American Loan Parties may not make capital expenditures in excess of $5.0 million annually, plus a limited carryover of unused amounts. Further, the North American Loan Parties may not make repurchases of the Company's common stock in excess of $3.0 million.

The Renewed Senior Credit Facility also contains financial covenants requiring the North American Loan Parties to achieve a ratio of its EBITDA to the sum of scheduled cash principal payments on indebtedness for borrowed money and interest payments on the advances under the Renewed Senior Credit Facility to be not less than 1.10 to 1.00 if for any five consecutive days the undrawn availability is less than $3.0 million or any day in which the undrawn availability is less than $2.0 million. As of January 31, 2022, the calculated ratio was substantially greater than 1.10 to 1.00. In order to cure any future breach of the FCCR covenant by the North American Loan Parties, the Company may repatriate cash from any of its foreign subsidiaries that are otherwise not a party to the Renewed Senior Credit Facility in an amount which, when added to the amount of the Company's Consolidated EBITDA, would result in pro forma compliance with the covenant. The Company was in compliance with these covenants as of January 31, 2022.

The Renewed Senior Credit Facility contains customary events of default. If an event of default occurs and is continuing, then PNC may terminate all commitments to extend further credit and declare all amounts outstanding under the Renewed Senior Credit Facility due and payable immediately. In addition, if any of the North American Loan Parties or certain of their subsidiaries become the subject of voluntary or involuntary proceedings under any bankruptcy, insolvency or similar law, then any outstanding obligations under the Renewed Senior Credit Facility will automatically become immediately due and payable. Loans outstanding under the Renewed Senior Credit Facility will bear interest at a rate of 2.00% per annum in excess of the otherwise applicable rate (i) while a bankruptcy event of default exists or (ii) upon the lender's request, during the continuance of any other event of default.

As of January 31, 2022, the Company had borrowed an aggregate of $0.6 million at a rate of 4.25% and had $8.5 million available under the Renewed Senior Credit Facility, before application of a $2.5 million availability block that can be reduced by the Company's financial performance. This block on the Company's availability under its Renewed Senior Credit Facility was removed completely based on its financial performance as of and for the year ended January 31, 2022.

***Revolving lines - foreign*.** The Company also has credit arrangements used by its Middle Eastern subsidiaries in the U.A.E. and Egypt as discussed further below.

The Company has a revolving line for 8.0 million U.A.E. Dirhams (approximately $2.2 million at January 31, 2022) from a bank in the U.A.E. The facility has an interest rate of approximately 3.77% and was originally set to expire in November 2020, however, the expiration was extended due to the COVID-19 pandemic. The Company has submitted final documentation to complete the renewal process and is awaiting official notification from the bank of the renewal completion. This process is expected to be completed in May 2022.

The Company has a second revolving line for 19.5 million U.A.E. Dirhams (approximately $5.3 million at January 31, 2022) from a bank in the U.A.E. The facility has an interest rate of approximately 4.5% and is set to expire in January 2023.

The Company has a third credit arrangement for project financing with a bank in the U.A.E. for 3.0 million U.A.E. Dirhams (approximately $0.8 million at January 31, 2022). This credit arrangement is in the form of project financing at rates competitive in the U.A.E. The line is secured by the contract for a project being financed by the Company's U.A.E. subsidiary. The facility has an interest rate of approximately 4.5% and is expected to expire in June 2023 in connection with the completion of the project.

These credit arrangements are in the form of overdraft facilities and project financing at rates competitive in the countries in which the Company operates. The lines are secured by certain equipment, certain assets (such as accounts receivable and inventory), and a guarantee by the Company. Some credit arrangement covenants require a minimum tangible net worth to be maintained, including maintaining certain levels of intercompany subordinated debt. In addition, some of the revolving credit facilities restrict payment of dividends or undertaking of additional debt by the respective subsidiary.

In June 2021, the Company's Egyptian subsidiary entered into a credit arrangement with a bank in Egypt for a revolving line of 100.0 million Egyptian Pounds (approximately $6.2 million at January 31, 2022). This credit arrangement is in the form of project financing at rates competitive in Egypt. The line was secured by certain assets (such as accounts receivable) of the Company's Egyptian subsidiary. Among other covenants, the credit arrangement established a maximum leverage ratio allowable and restricted the Company's Egyptian subsidiary's ability to undertake any additional debt. The facility has an interest rate of approximately 8.0% and is set to expire in August 2022.

In December 2021, the Company entered into a credit arrangement for project financing with a bank in Egypt for 28.2 million Egyptian Pounds (approximately $1.8 million at January 31, 2022). This credit arrangement is in the form of project financing at rates competitive in Egypt. The line is secured by the contract for a project being financed by the Company's Egyptian subsidiary. The facility has an interest rate of approximately 8.0% and is expected to expire in June 2022 in connection with the completion of the project.

The Company’s credit arrangements used by its Middle Eastern subsidiaries are subject to renewal on an annual basis.

The Company was in compliance with the covenants under the credit arrangements in the U.A.E. as of January 31, 2022. The Company was not in compliance with a covenant under its 28.2 million Egyptian Pound project financing in Egypt as of January 31, 2022. The Company did not meet its required debt to equity ratio as of January 31, 2022. The Company has received a waiver from the bank as of January 31, 2022. On January 31, 2022, interest rates were based on the Emirates Inter Bank Offered Rate plus 3.0% to 3.5% per annum for the U.A.E. credit arrangements, two of which have a minimum interest rate of 4.5% per annum, and based on the stated interest rate in the agreement for the Egypt credit arrangement. Based on these base rates, as of January 31, 2022, the Company's interest rates ranged from 3.77% to 8.0%, with a weighted average rate of 7.31%, and the Company had facility limits totaling $16.4 million under these credit arrangements. As of January 31, 2022, $1.2 million of availability was used to support letters of credit to guarantee amounts committed for inventory purchases and for performance guarantees. Additionally, as of January 31, 2022, the Company had borrowed $6.0 million, and had an additional $6.1 million of borrowing remaining available under the foreign revolving credit arrangements. The foreign revolving lines balances as of January 31, 2022 and 2021 were included as current maturities of long-term debt in the Company's consolidated balance sheets.

Finance obligation - buildings and land. On April 14, 2021, the Company entered into a purchase and sale agreement (the "Purchase and Sale Agreement"). Pursuant to the terms of the Purchase and Sale Agreement, the Company sold its land and buildings in Lebanon, Tennessee (the "Property") for a purchase price of $10.4 million. The transaction generated net cash proceeds of $9.1 million, following the release of the escrowed amount in June 2021 discussed below. The Company used a portion of the proceeds to repay its borrowings under the Senior Credit Facility. The Company expects to use its liquidity for strategic investments and general corporate needs. Concurrent with the sale of the Property, the Company entered into a fifteen-year lease agreement (the “Lease Agreement”), whereby the Company will lease back the Property at an annual rental rate of approximately $0.8 million, subject to annual rent increases of 2.0%. Under the Lease Agreement, the Company has four consecutive options to extend the term of the lease by five years for each such option. Concurrently with the sale of the Property, the Company paid off the approximately $0.9 million remaining on the mortgage note on the Property to its lender. At closing, $0.4 million was placed in a short-term escrow account to cover certain post-closing contingencies that may arise. The contingencies were resolved in May 2021 and the Company received the escrowed funds in June 2021.

In accordance with ASC Topic 842, "Leases", this transaction was recorded as a failed sale and leaseback as the present value of lease payments exceeded substantially all of the fair value of the underlying asset. The Company utilized an incremental borrowing rate of 8.0% to determine the finance obligation to record for the amounts received and will continue to depreciate the assets. The current portion of the finance obligation of $0.1 million is recognized in current maturities of long-term debt and the long-term portion of $9.3 million is recognized in long-term finance obligation on the Company's consolidated balance sheets as of January 31, 2022. The net carrying amount of the financial liability and remaining assets will be zero at the end of the lease term.

Prior additional liquidity from the PPP

On May 1, 2020, the Company entered into a loan agreement under the SBA's PPP and received proceeds of approximately $3.2 million. Interest on the loan accrued at a fixed interest rate of 1.0%. Under Section 1106 of the CARES Act, borrowers were eligible for forgiveness of principal and accrued interest on the loans to the extent that the proceeds were used to cover eligible payroll costs, mortgage interest costs, rent and utility costs, otherwise described as qualified expenses. During the three months ended July 31, 2020, the Company used all of the PPP loan proceeds to pay for qualified expenses, 100% of which were used for payroll related expenses. The Company submitted its application and supporting documentation for forgiveness to its bank, which submitted the application and supporting documentation to the Small Business Administration ("SBA"). On June 24, 2021, the Company was notified by its lender that its PPP loan had been forgiven by the SBA.

Based on the facts and circumstances of the Company's PPP loan and according to the applicable accounting guidance described herein, the Company elected to account for the PPP loan proceeds as a grant that had reasonable assurance of being forgiven. As such, the Company recognized the proceeds in earnings during the year ended January 31, 2021. The amounts were recognized in other income, net in the consolidated statements of operations.

Prior additional liquidity from the CEWS and CERS Programs

Beginning in April 2020, the Company's subsidiary, Perma-Pipe Canada, Ltd. ("PPCA"), applied for relief in the form of grants from the Canadian government under the CEWS program. Based on the program rules, the grants were applied for each month and were granted based on the amount of eligible employee expenses incurred over the previous month. Beginning in October 2020, PPCA also applied for grants under the CERS program. PPCA was approved for and received approximately $0.6 million and $0.1 million in grants under the CEWS and CERS programs, respectively, during the year ended January 31, 2022. Grants to the Company under both programs ended in the second quarter of 2021. The proceeds from CEWS and CERS are recognized in other income, net in the consolidated statements of operations.

Accounts receivable

In 2013, the Company started a project in the Middle East as a sub-contractor, with billings in the aggregate amount of approximately $41.9 million. The Company completed all its deliverables in 2015 under the related contract, but the system has not yet been commissioned by the customer. Nevertheless, the Company has collected approximately $38.3 million as of January 31, 2022, with a remaining balance due in the amount of $3.6 million. Included in this balance is an amount of $3.4 million, which pertains to retention clauses within the agreements of the Company's customer, and which become payable by the customer when this project is fully tested and commissioned. In the absence of a firm date for the final commissioning of the project, and due to the long-term nature of this receivable, $2.0 million of this retention amount was reclassified to a long-term receivable account.

The Company has been engaged in ongoing active efforts to collect the outstanding amount. During the first quarter of 2021, the Company received approximately $0.1 million from the customer. The Company continues to engage with the customer to ensure full payment of open balances, and during April 2022 received an updated acknowledgment of the outstanding balances and assurances of payment from the customer. Further, the Company has been engaged by the customer to perform additional work in 2022 under customary trade credit terms that supports the continued cooperation between the Company and the customer. As a result, the Company did not reserve any allowance against this amount as of January 31, 2022. However, if the Company’s efforts to collect on this account are not successful, the Company may recognize an allowance for all, or substantially all, of any such then uncollected amounts.

Stock repurchase plan

On October 4, 2021, the Company's Board of Directors approved a stock repurchase program, which authorizes the Company to purchase up to $3.0 million of its outstanding shares of common stock. Stock repurchases are permitted to be executed through open market or privately negotiated transactions over the course of 12 months, depending upon current market conditions and other factors. As of January 31, 2022, the Company had repurchased its stock with a total value of $2.0 million, leaving $1.0 million remaining authorized for potential repurchase under the program.

Critical accounting estimates and policies

The Company's significant accounting policies are discussed in the Notes to Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K. The application of certain of these policies requires significant judgments or a historical based estimation process that can affect the results of operations and financial position of the Company, as well as the related footnote disclosures. The Company bases its estimates on historical experience and other assumptions that it believes are reasonable. If actual amounts ultimately differ from previous estimates, the revisions are included in the Company's results of operations for the period in which the actual amounts become known.

Revenue recognition. In accordance with Accounting Standards Update No. 2014-19, “Revenue from Contracts with Customers” (“ASC 606”), the Company recognizes revenue when a customer obtains control of promised goods or services. See Note 4 - Revenue recognition, in the Notes to Consolidated Financial Statements, for more detail.

Over time revenue recognition. Certain domestic divisions have contracts that recognize revenues using periodic recognition of income. For these contracts, the Company uses the over time accounting method. Under this approach, income is recognized in each reporting period based on the status of the uncompleted contracts and the current estimates of costs to complete. The amount of revenue recognized is determined by the relationship of costs incurred to the total estimated costs of the contract. Provisions are made for estimated losses on uncompleted contracts in the period in which such losses are determined. Changes in job performance, job conditions, and estimated profitability, including those arising from contract penalty provisions and final contract settlements, may result in revisions to costs and income. Such revisions are recognized in the period in which they are determined. Claims for additional compensation due to the Company are recognized in contract revenues when realization is probable, the amount can be reliably estimated and the amount is not subject to reversal.

Income taxes. Deferred income taxes have been provided for temporary differences arising from differences in the basis of assets and liabilities for tax and financial reporting purposes. Deferred income taxes on temporary differences have been recorded at the current tax rate. The Company assesses its deferred tax assets for realizability at each reporting period. The Company has not recognized any tax benefits on losses in the United States due to a full valuation allowance applied against its deferred tax assets.

The Company recognizes a tax position in its consolidated financial statements only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely than not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. For further information, See Note 7 - Income taxes, in the Notes to Consolidated Financial Statements.

New accounting pronouncements. See Recent accounting pronouncements in Note 2 - Significant accounting policies, in the Notes to Consolidated Financial Statements.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK - Not applicable.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements of the Company for each of the two years in the periods ended as of January 31, 2022 and 2021 and the notes thereto are set forth as an exhibit hereto.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE - None.

Item 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures. The Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e)) under the Exchange Act as of January 31, 2022. This evaluation included consideration of the controls, processes and procedures that are designed to ensure that information required to be disclosed by the Company in the reports the Company files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and to provide reasonable assurance that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Based upon the foregoing, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective and operating to provide reasonable assurance that information required to be disclosed by the Company in the reports the Company files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and to provide reasonable assurance that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. The Company's management, including its Chief Executive Officer and Chief Financial Officer, have further concluded that the financial statements included in this Annual Report on Form 10-K present fairly, in all material respects, the Company's financial position, results of operations and cash flows for the periods presented in conformity with accounting principles generally accepted in the United States.

Management's Annual Report on Internal Control Over Financial Reporting. The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Exchange Act. As required by Rule 13a-15(c) under the Exchange Act, the Company's management carried out an evaluation, with the participation of the Chief Executive Officer and Chief Financial Officer, of the effectiveness of its internal control over financial reporting as of January 31, 2022. The framework on which such evaluation was based is contained in the report entitled Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

The Company's system of internal control over financial reporting is designed 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. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Based on this evaluation, the Company's management concluded that the Company's internal control over financial reporting was effective as of January 31, 2022.

Changes in Internal Control over Financial Reporting. There were no changes in the Company's internal control over financial reporting during the Company's most recent year that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. OTHER INFORMATION - Not applicable.

Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS - Not applicable.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information with respect to this item is incorporated herein by reference to the Company's definitive proxy statement for its 2022 annual meeting of stockholders.

Information with respect to executive officers of the Company is included in Part I, Item 1, hereof under the caption "Information about our Executive Officers".

Item 11. EXECUTIVE COMPENSATION

Information with respect to this item is incorporated herein by reference to the Company's definitive proxy statement for its 2022 annual meeting of stockholders.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Equity Compensation Plan Information

The following table provides information regarding the number of shares of common stock that may be issued upon exercise of outstanding options, warrants and rights under the Company's equity compensation plans and the weighted average exercise price and number of shares of common stock remaining available for issuance under those plans as of January 31, 2022.

Plan Category	**Number of shares to be issued upon exercise of outstanding options, warrants and rights** (a)(1)	**Weighted-average exercise price of outstanding options, warrants and rights** (b)(1)	**Number of shares remaining available for future issuance under equity compensation plans (excluding shares reflected in column (a))** (c)(2)
Equity compensation plans approved by stockholders	66,875	$9.51	-

(1) The amounts shown in columns (a) and (b) of the above table do not include 354,382 outstanding shares of restricted stock granted under the Company's 2013 Omnibus Stock Incentive Plan as amended on June 14, 2013, the 2017 Omnibus Stock Incentive Plan as amended on June 13, 2017 ("2017 Plan") or the 2021 Omnibus Stock Incentive Plan dated May 26, 2021 ("2021 Plan").
(2) The 2017 Plan expired in June 2020. The 2021 Plan will expire on May 26, 2024.

The other information with respect to this item is incorporated herein by reference to the Company's definitive proxy statement for its 2022 annual meeting of stockholders.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information with respect to this item is incorporated herein by reference to the Company's definitive proxy statement for its 2022 annual meeting of stockholders.

Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information with respect to this item is incorporated herein by reference to the Company's definitive proxy statement for its 2022 annual meeting of stockholders.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

a. List of documents filed as part of this report:
   (1) Financial Statements - Consolidated Financial Statements of the Company
   Refer to Part II, Item 8 of this report.
   (2) Financial Statement Schedules
   Schedule II - Valuation and Qualifying Accounts
   (3) Report of Registered Public Accounting Firm (Grant Thornton LLP, Houston, Texas, Auditor Firm ID 248)
b. Exhibits: The exhibits, as listed in the Exhibit Index included herein, are submitted as a separate section of this report.
c. The response to this portion of Item 15 is submitted under 15a(2) above.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Perma-Pipe International Holdings, Inc.

Opinion on the financial statements
We have audited the accompanying consolidated balance sheets of Perma-Pipe International Holdings, Inc. (a Delaware corporation) and subsidiaries (the “Company”) as of January 31, 2022 and 2021, the related consolidated statements of operations, comprehensive income/(loss), stockholders’ equity, and cash flows for each of the two years in the period ended January 31, 2022, and the related notes and financial statement schedule (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of January 31, 2022 and 2021, and the results of its operations and its cash flows for each of the two years in the period ended January 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

Basis for opinion
These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical audit matter
The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue at U.S. operating entities for specialty piping systems and coating is recognized using the input method over time
As described in Notes 2 and 4 to the consolidated financial statements, the Company’s U.S. operating entities record specialty piping and coating systems revenue over time based upon the costs incurred to date relative to the estimated total contract costs. Significant changes in estimates could have a material effect on the Company’s results of operations. We identified revenue being recognized using the input method over time as a critical audit matter.

The principal considerations for our determination that revenue recognition using the input method over time is a critical audit matter are the Company’s estimates include all labor and materials necessary to complete the contract to arrive at the total contract costs. These estimates are based on management’s assessment of the current status of the contract and historical results.

Our audit procedures included the following, among others:

- Evaluated the design and implementation of controls that are designed to address the reasonableness of estimates of costs to complete contracts;
- Obtained supporting documentation for a sample of contract costs incurred to date as well as recalculated revenue recognition based on the percentage of completion;
- Evaluated the reasonableness of management's estimates related to the cost to complete for contracts through testing of the key components of the estimated costs to complete, including: labor, materials, and subcontractor costs;
- Performed a retrospective review to assess management's historical ability to accurately estimate the transaction price and cost to complete the contracts including investigating significant cost changes; and
- Obtained confirmations of significant contract terms and status for a sample of contracts.

/s/ GRANT THORNTON LLP

We have served as the Company’s auditor since 2004.

Houston, Texas
April 19, 2022

PERMA-PIPE INTERNATIONAL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year ended January 31,	
(In thousands, except per share data)	**2022**	**2021**
Net sales	$ 138,552	$ 84,694
Cost of sales	106,022	73,515
Gross profit	32,530	11,179
Operating expenses:		
General and administrative expense	19,893	17,222
Selling expense	4,526	5,334
Total operating expenses	24,419	22,556
Income/(loss) from operations	8,111	(11,377)
Interest expense, net	828	381
Other income, net	1,044	3,983
Income/(loss) from operations before income taxes	8,327	(7,775)
Income tax expense/(benefit)	2,265	(133)
Net income/(loss)	**$ 6,062**	**$ (7,642)**
Weighted average common shares outstanding		
Basic	8,133	8,126
Diluted	8,418	8,126
Income/(loss) per share		
Basic	$ 0.75	$ (0.94)
Diluted	$ 0.72	$ (0.94)

See accompanying Notes to Consolidated Financial Statements.
Note: Earnings per share calculations could be impacted by rounding.

PERMA-PIPE INTERNATIONAL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)

(In thousands)	Year ended January 31, 2022	Year ended January 31, 2021
Net income/(loss)	$ 6,062	$ (7,642)
Other comprehensive income/(loss)		
Currency translation adjustments, net of tax	(357)	288
Minimum pension liability adjustment, net of tax	540	185
Other comprehensive income/(loss)	183	473
Comprehensive income/(loss)	**$ 6,245**	**$ (7,169)**

See accompanying Notes to Consolidated Financial Statements.

PERMA-PIPE INTERNATIONAL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

	January 31,	
(In thousands, except per share data)	**2022**	**2021**
ASSETS		
Current assets		
Cash and cash equivalents	$ 8,214	$ 7,174
Restricted cash	1,557	1,201
Trade accounts receivable, less allowance for doubtful accounts of $486 on January 31, 2022 and $474 on January 31, 2021	44,449	25,226
Inventories, net	13,760	12,157
Prepaid expenses and other current assets	5,444	3,863
Unbilled accounts receivable	2,656	247
Costs and estimated earnings in excess of billings on uncompleted contracts	2,309	4,007
Total current assets	78,389	53,875
Property, plant and equipment, net of accumulated depreciation	24,756	26,897
Other assets		
Operating lease right-of-use assets	11,213	13,384
Deferred tax assets	811	823
Goodwill	2,342	2,332
Other assets	5,890	5,380
Total other assets	20,256	21,919
Total assets	**$ 123,401**	**$ 102,691**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Trade accounts payable	$ 13,618	$ 10,365
Commissions and management incentives payable	2,047	218
Accrued compensation and payroll taxes	1,612	1,448
Revolving line - North America	634	2,826
Current maturities of long-term debt	6,750	3,941
Customers' deposits	3,072	2,088
Outside commission liability	1,255	1,431
Operating lease liabilities short-term	1,496	1,402
Other accrued liabilities	4,616	2,616
Billings in excess of costs and estimated earnings on uncompleted contracts	1,277	762
Income tax payable	2,020	1,155
Total current liabilities	38,397	28,252
Long-term liabilities		
Long-term debt, less current maturities	5,059	6,268
Long-term finance obligation	9,327	-
Deferred compensation liabilities	3,379	4,120
Deferred tax liabilities	712	914
Operating lease liabilities long-term	11,270	13,174
Other long-term liabilities	800	650
Total long-term liabilities	30,547	25,126
Stockholders' equity		
Common stock, $.01 par value, authorized 50,000 shares; 8,152 issued and outstanding January 31, 2022 and 8,165 issued and outstanding January 31, 2021	82	82
Additional paid-in capital	61,766	60,875
Treasury Stock, 234 shares at January 31, 2022 and no shares at January 31, 2021	(1,992)	-
Accumulated deficit	(2,295)	(8,357)
Accumulated other comprehensive loss	(3,104)	(3,287)
Total stockholders' equity	54,457	49,313
Total liabilities and stockholders' equity	**$ 123,401**	**$ 102,691**

See accompanying Notes to Consolidated Financial Statements.

PERMA-PIPE INTERNATIONAL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands, except share data)	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Treasury Stock	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Total stockholders' equity on January 31, 2020	$ 80	$ 60,024	$ (715)	$ -	$ (3,760)	$ 55,629
Net loss	-	-	(7,642)		-	(7,642)
Common stock issued under stock plans, net of shares used for tax withholding	2	(193)	-		-	(191)
Stock-based compensation expense	-	1,044	-		-	1,044
Pension liability adjustment	-	-	-		185	185
Foreign currency translation adjustment	-	-	-		288	288
Total stockholders' equity on January 31, 2021	$ 82	$ 60,875	$ (8,357)	$ -	$ (3,287)	$ 49,313
Net income	-	-	6,062	-	-	6,062
Common stock issued under stock plans, net of shares used for tax withholding	-	(210)	-	-	-	(210)
Repurchase of common stock	-	-	-	(1,992)	-	(1,992)
Stock-based compensation expense	-	1,101	-	-	-	1,101
Pension liability adjustment	-	-	-	-	540	540
Foreign currency translation adjustment	-	-	-	-	(357)	(357)
Total stockholders' equity on January 31, 2022	$ 82	$ 61,766	$ (2,295)	$ (1,992)	$ (3,104)	$ 54,457

Common stock shares	**2021**	**2020**
Balance beginning of year	8,164,989	8,048,006
Treasury stock purchased	(234,281)	-
Shares issued	221,046	116,983
Balance end of year	**8,151,754**	**8,164,989**

See accompanying Notes to Consolidated Financial Statements.

PERMA-PIPE INTERNATIONAL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended January 31,	
(In thousands)	**2022**	**2021**
Operating activities		
Net income/(loss)	$ 6,062	$ (7,642)
Adjustments to reconcile net income/(loss) to net cash flows (used in)/provided by operating activities		
Depreciation and amortization	4,324	4,739
Deferred tax benefit	(195)	(669)
Stock-based compensation expense	1,101	1,044
Provision on uncollectible accounts	20	72
Loss on disposal of fixed assets	41	58
Changes in operating assets and liabilities		
Accounts payable	3,196	730
Accrued compensation and payroll taxes	2,094	(1,597)
Inventories	(1,618)	2,418
Customers' deposits	990	(117)
Income taxes receivable and payable	955	213
Prepaid expenses and other current assets	(2,205)	(2,705)
Accounts receivable	(21,331)	2,596
Costs and estimated earnings in excess of billings on uncompleted contracts	2,213	(2,252)
Unbilled accounts receivable	(351)	247
Other assets and liabilities	2,130	3,030
Net cash (used in)/provided by operating activities	(2,574)	165
Investing activities		
Capital expenditures	(2,262)	(1,963)
Proceeds from sales of property and equipment	9	2
Net cash used in investing activities	(2,253)	(1,961)
Financing activities		
Proceeds from revolving lines	23,106	40,023
Payments of debt on revolving lines	(22,639)	(43,192)
Proceeds from term loan	23	19
Payments of debt on mortgage	(892)	-
Proceeds from finance obligation, net of issuance costs	9,538	-
Payments of principal on finance obligation	(124)	-
Payments of other debt	(260)	(371)
Decrease in drafts payable	58	-
Payments on finance lease obligations, net	(375)	(432)
Repurchase of common stock	(1,992)	-
Stock options exercised and taxes paid related to restricted shares vested	(210)	(191)
Net cash provided by/(used in) financing activities	6,233	(4,144)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(10)	(343)
Net increase/(decrease) in cash, cash equivalents and restricted cash	1,396	(6,283)
Cash, cash equivalents and restricted cash - beginning of period	8,375	14,658
Cash, cash equivalents and restricted cash - end of period	$ 9,771	$ 8,375
Supplemental cash flow information		
Interest paid	$ 791	$ 540
Income taxes paid	1,346	107

See accompanying Notes to Consolidated Financial Statements.

Note 1 - Business information

Perma-Pipe International Holdings, Inc. ("PPIH", the "Company", or the "Registrant") was incorporated in Delaware on October 12, 1993. The Company is engaged in the manufacture and sale of products in one distinct segment: Piping Systems.

Fiscal year. The Company's fiscal year ends on January 31. Years, results and balances described as 2021 and 2020 are the fiscal years ended January 31, 2022 and 2021, respectively.

Nature of business. The Company engineers, designs, manufactures and sells specialty piping systems, and leak detection systems. Specialty piping systems include: (i) insulated and jacketed district heating and cooling ("DHC") piping systems for efficient energy distribution from central energy plants to multiple locations, (ii) primary and secondary containment piping systems for transporting chemicals, hazardous fluids and petroleum products, and (iii) the coating and/or insulation of oil and gas gathering and transmission pipelines. The Company's leak detection systems are sold with its piping systems or on a stand-alone basis, to monitor areas where fluid intrusion may contaminate the environment, endanger personal safety, cause a fire hazard, impair essential services or damage equipment or property.

Geographic information. Net sales attributed to a geographic area are based on the destination of the product shipment. Sales to foreign customers were 66.2% in 2021 compared to 49.8% in 2020. Long-lived assets are based on the physical location of the assets and consist of property, plant and equipment used in the generation of revenues in the geographic area.

(In thousands)	2021	2020
Net sales		
United States	$ 46,770	$ 42,527
Canada	28,302	12,367
Middle East/North Africa	51,543	23,662
Europe	194	118
India	11,101	1,942
Other	642	4,078
Total net sales	**$ 138,552**	**$ 84,694**
Property, plant and equipment, net of accumulated depreciation		
United States	$ 6,415	$ 7,672
Canada	9,750	10,592
Middle East/North Africa	7,595	7,854
India	996	779
Total property, plant and equipment, net of accumulated depreciation	**$ 24,756**	**$ 26,897**

Note 2 - Significant accounting policies

Use of estimates. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition. During 2021 and 2020 and in accordance with Accounting Standards Codification ("ASC") 606, "Revenue from Contracts with Customers", the Company recognizes revenue when a customer obtains control of promised goods or services. See Note 4 - Revenue Recognition for more detail.

Over time revenue recognition. Certain domestic divisions have contracts that recognize revenues using periodic recognition of income. For these contracts, the Company uses the over time accounting method. Under this approach, income is recognized in each reporting period based on the status of the uncompleted contracts and the current estimates of costs to complete. The amount of revenue recognized is determined by the relationship of costs incurred to the total estimated costs of the contract. Provisions are made for estimated losses on uncompleted contracts in the period in which such losses are determined. Changes in job performance, job conditions, and estimated profitability, including those arising from contract penalty provisions and final contract settlements, may result in revisions to costs and income. Such revisions are recognized in the period in which they are determined. Claims for additional compensation due to the Company are recognized in contract revenues when realization is probable, the amount can be reliably estimated and the amount is not subject to reversal.

Shipping and handling. Shipping and handling costs are included in cost of sales, and the amounts invoiced to customers relating to shipping and handling are included in net sales.

Sales tax. Sales tax is reported on a net basis in the consolidated financial statements.

Operating cycle. The length of contracts vary but are typically less than one year. The Company includes in current assets and liabilities amounts realizable and payable in the normal course of contract completion unless completion of such contracts extends significantly beyond one year.

Consolidation. The consolidated financial statements include the accounts of the Company and its domestic and foreign subsidiaries, all of which are wholly owned. All intercompany balances and transactions have been eliminated.

Translation of foreign currency. Assets and liabilities of consolidated foreign subsidiaries are translated into U.S. dollars at exchange rates in effect at year-end. Revenues and expenses are translated at average weighted exchange rates prevailing during the year. The resulting translation adjustments are included in stockholders' equity as part of accumulated other comprehensive income (loss). Gains or losses on foreign currency transactions and the related tax effects are reflected in net income. The aggregated foreign exchange transaction loss recognized in the income statement was $0.1 million in 2021 as compared to a gain of less than $0.1 million recognized in 2020.

Contingencies. The Company is subject to various legal proceedings and claims that arise in the ordinary course of business, including those involving environmental, tax, product liability and general liability claims. The Company accrues for such liabilities when it is probable that future costs will be incurred and such costs can be reasonably estimated. Such accruals are based on developments to date, the Company's estimates of the outcomes of these matters, and its experience in contesting, litigating and settling other similar matters. The Company does not currently anticipate the amount of any ultimate liability with respect to these matters will materially affect the Company's financial position, liquidity or future operations.

Cash and cash equivalents. All highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. Cash and cash equivalents were $8.2 million and $7.2 million as of January 31, 2022 and 2021, respectively. On January 31, 2022, less than $0.1 million was held in the United States and $8.2 million was held by foreign subsidiaries. On January 31, 2021, $0.1 million was held in the United States and $7.1 million was held by foreign subsidiaries.

Accounts payable included drafts payable of $0.2 million and $0.1 million on January 31, 2022 and 2021, respectively.

Restricted cash. There was no restricted cash held in the United States on January 31, 2022 or January 31, 2021. Restricted cash held by foreign subsidiaries was $1.6 million and $1.2 million as of January 31, 2022 and 2021, respectively. Restricted cash held by foreign subsidiaries related to fixed deposits that also serve as security deposits and guarantees.

(In thousands)		2021		2020
Cash and cash equivalents	$	8,214	$	7,174
Restricted cash		1,557		1,201
Cash, cash equivalents and restricted cash shown in the statement of cash flows	$	9,771	$	8,375

Accounts receivable. The majority of the Company's accounts receivable are due from geographically dispersed contractors and manufacturing companies. Credit is extended based on an evaluation of a customer's financial condition. In the United States, collateral is not generally required. In the U.A.E., Saudi Arabia, Egypt and India letters of credit are usually obtained for significant orders. Accounts receivable are due within various time periods specified in the terms applicable to the specific customer and are stated at amounts due from customers net of an allowance for claims and doubtful accounts. Standard payment terms are net 30 days. The allowance for doubtful accounts is based on specifically identified amounts in customers' accounts, where future collectability is deemed uncertain. Management may exercise its judgment in adjusting the provision as a consequence of known items, such as current economic factors and credit trends. Past due trade accounts receivable balances are written off when the Company's collection efforts have been unsuccessful in collecting the amount due and the amount is deemed uncollectible. The write off is recorded against the allowance for doubtful accounts.

One of the Company’s accounts receivable in the total amount of $3.6 million and $3.8 million as of January 31, 2022 and 2021, respectively, has been outstanding for several years. Included in this balance is a retention receivable that is payable upon commissioning of the system in the amount of $3.4 million, of which, due to the long-term nature of the receivable, $2.0 million and $2.4 million were included in the balance of other long-term assets in the Company's consolidated balance sheets as of January 31, 2022 and January 31, 2021, respectively. The Company completed all of its deliverables in 2015 under the related contract, but the system has not yet been commissioned by the customer as additional activities must be completed prior to the overall system completion and commissioning. Nevertheless, the Company has been engaged in ongoing active efforts to collect this outstanding amount. During 2021, the Company received payments of approximately $0.1 million. The Company continues to engage with the customer to ensure full payment of open balances, and during April 2022 received an updated acknowledgment of the outstanding balances and assurances of payment from the customer. Further, the Company has been engaged by the customer to perform additional work in 2022 under customary trade credit terms that supports the continued cooperation between the Company and the customer. As a result, the Company did not reserve any allowance against this receivable as of January 31, 2022. However, if the Company’s efforts to collect on this account are not successful, the Company may recognize an allowance for all, or substantially all, of any such then uncollected amounts.

For the years ended January 31, 2022 and 2021, respectively, no one customer accounted for greater than 10% of the Company's consolidated net sales.

As of January 31, 2022 and 2021, one customer accounted for 11.9% and no one customer accounted for greater than 10% of accounts receivable, respectively.

Concentration of credit risk. The Company maintains its U.S. cash in bank deposit accounts at financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC"). Cash balances are below FDIC limits. The Company has not experienced any losses in such accounts.

The Company has a broad customer base doing business in all regions of the United States as well as other areas in the world.

Accumulated other comprehensive loss. Accumulated other comprehensive loss represents the change in equity from non-owner transactions and consisted of foreign currency translation, minimum pension liability and marketable securities.

(In thousands)		2021		2020
Equity adjustment foreign currency, gross	$	(1,947)	$	(1,590)
Minimum pension liability, gross		(1,362)		(1,902)
Subtotal excluding tax effect		(3,309)		(3,492)
Tax effect of equity adjustment foreign currency		91		91
Tax effect of minimum pension liability		114		114
Total accumulated other comprehensive loss	$	(3,104)	$	(3,287)

Inventories. Inventories are stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out method for all inventories.

(In thousands)		2021		2020
Raw materials	$	13,909	$	12,499
Work in process		426		211
Finished goods		527		375
Subtotal		14,862		13,085
Less allowance		1,101		928
Inventories, net	$	13,761	$	12,157

Long-lived assets. Property, plant and equipment are stated at cost. Interest is capitalized in connection with the construction of facilities and amortized over the asset's estimated useful life. Long-lived assets are reviewed for possible impairment whenever events indicate that the carrying amount of such assets may not be recoverable. If such a review indicates impairment, the carrying amount of such assets is reduced to an estimated fair value.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from three to 30 years. Leasehold improvements are depreciated over the remaining life of the lease or its useful life, whichever is shorter. Amortization of assets under capital leases is included in depreciation. Depreciation expense was approximately $4.1 million in 2021 and $4.3 million in 2020.

(In thousands)		2021		2020
Land, buildings and improvements	$	22,748	$	22,713
Machinery and equipment		50,534		49,406
Furniture, office equipment and computer systems		3,941		3,830
Transportation equipment		2,000		2,725
Subtotal		79,223		78,674
Less accumulated depreciation		54,467		51,777
Property, plant and equipment, net of accumulated depreciation	$	24,756	$	26,897

Impairment of long-lived assets. The Company's assessment of long-lived assets, and other identifiable intangibles is based upon factors that market participants would use in accordance with the accounting guidance for the fair value measurement of assets. At January 31, 2022, the Company performed a qualitative analysis assessment to determine if it was more likely than not that the fair values of the Company's long-lived assets exceeded their carrying values. The Company assessed three asset groups as part of this analysis: United States, Canada and Middle East. The qualitative assessment indicated that it was more likely than not that the fair values of the Company's long-lived assets exceeded their carrying values for all three asset groups. Therefore, it was determined that there was no impairment of the Company's long-lived assets for the year ended January 31, 2022. The Company will continue testing for potential impairment at least annually or as otherwise required by applicable accounting standards.

Goodwill. The purchase price of an acquired company is allocated between intangible assets and the net tangible assets of the acquired business with the residual of the purchase price recorded as goodwill. All identifiable goodwill as of January 31, 2022 and 2021, is attributable to the purchase of Perma-Pipe Canada, Ltd., which occurred in 2016.

(In thousands)	January 31, 2021	Foreign exchange change effect	January 31, 2022
Goodwill	$ 2,332	$ 10	$ 2,342

The Company performs an impairment assessment of goodwill annually as of January 31, or more frequently if triggering events occur, based on the estimated fair value of the related reporting unit or intangible asset. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. At January 31, 2022, the Company elected to perform a qualitative analysis assessment to determine if it was more likely than not that the fair value of the Company's Canadian reporting unit exceeded its carrying value, including goodwill. The qualitative assessment did not identify any triggering events that would indicate potential impairment of the Company's Canadian reporting unit. Therefore, it was determined that the fair value of the reporting unit exceeded its carrying value, resulting in no impairment for the years ended January 31, 2022. The Company will continue testing for potential impairment at least annually or as otherwise required by applicable accounting standards.

Other intangible assets with definite lives. The Company owns several patents including those covering features of its piping and electronic leak detection systems. Patents are capitalized and amortized on a straight-line basis over a period not to exceed the legal lives of the patents. The Company expenses costs incurred to renew or extend the term of intangible assets. Gross patents were $2.7 million and $2.6 million as of January 31, 2022 and 2021, respectively. Accumulated amortization was approximately $2.6 million and $2.5 million as of January 31, 2022 and 2021 Future amortization over the next five years ending January 31 will be less than $0.1 million in the years 2022 to 2026 and less than $0.1 million thereafter. Amortization expense is expected to be recognized over the weighted-average period of 3.4 years.

Research and development. Research and development expenses consist of materials, salaries and related expenses of engineering personnel and outside services for product development projects. Research and development costs are expensed as incurred. Research and development expense was approximately $0.4 million in 2021 and $0.3 million in 2021 and 2020.

Income taxes. Deferred income taxes have been provided for temporary differences arising from differences in the basis of assets and liabilities for tax and financial reporting purposes. Deferred income taxes on temporary differences have been recorded at the current tax rate. The Company assesses its deferred tax assets and liabilities for realizability at each reporting period.

The Company recognizes a tax position in its consolidated financial statements only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely than not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. For further information, see Note 7 - Income taxes, in the Notes to Consolidated Financial Statements.

One of the base broadening provisions of the U.S. Tax Cuts and Jobs Act of 2017 ("Tax Act") is the global intangible low-taxed income provisions ("GILTI"). In accordance with guidance issued by the FASB staff, the Company has adopted an accounting policy to treat any GILTI inclusions as a period cost if and when incurred. Thus, for periods ended January 31, 2022 and 2021, deferred taxes were computed without consideration of the possible future impact of the GILTI provisions, and any current year impact was recorded as a part of the current portion of income tax expense.

Fair value of financial instruments. The carrying values of cash and cash equivalents, accounts receivable and accounts payable are based upon reasonable estimates of their fair value due to their short-term nature. The carrying amount of the Company's short-term debt, revolving line of credit and long-term debt approximate fair value because the majority of the amounts outstanding accrue interest at variable rates.

Reclassifications. Certain reclassifications have been made to prior period financial statements to conform to current period presentation. These reclassifications have no effect on net income. Unbilled accounts receivable was broken out from prepaid expenses and other current assets on the consolidated balance sheet. Unbilled accounts receivable was segregated from prepaid expenses and other current assets and reclassified into its own line on the consolidated balance sheets and consolidated statements of cash flows.

Net income/(loss) per common share. Earnings per share ("EPS") is computed by dividing net income/(loss) by the weighted average number of common shares outstanding (basic). The Company reported net income in 2021 and a net loss in 2020. Therefore, the Company adjusted for dilutive shares in 2021, while in 2020 the diluted loss per share was identical to the basic loss per share rather than assuming conversion, exercise, or contingent issuance of securities that would have an anti-dilutive effect on earnings per share. The dilutive shares are in the following table:

Basic weighted average number of common shares outstanding (in thousands)	**2021**	**2020**
Basic weighted average number of common shares outstanding	8,133	8,126
Dilutive effect of stock options and restricted stock units	285	-
Weighted average number of common shares outstanding assuming full dilution	8,418	8,126
Restricted Stock and Stock options not included in the computation of diluted EPS of common stock because the option exercise prices exceeded the average market prices	39	214
Canceled options during the year	(33)	(25)
Restricted Stock and Stock options with an exercise price below the average stock price	285	168

Equity-based compensation. The Company issues or has issued various types of stock-based awards to employees and directors: restricted stock, deferred stock and stock options. Non-cash compensation expense associated with restricted stock is based on the fair value of the common stock at the date of grant, and amortized using the straight line method over the vesting period. Compensation expense associated with deferred stock which has been awarded to the Board of Directors (non-employee) is based upon the fair value of the common stock at the date of grant, and since the grant vests immediately it is expensed on the date of the grant. Stock compensation expense for stock options is recognized ratably over the requisite service period of the award. The Black-Scholes option-pricing model is utilized to estimate the fair value of option awards.

Treasury Stock. In accordance with ASC Topic 505*,* "Equity", the Company has accounted for the stock repurchases under the cost method, as the Company has *not* elected to retire the repurchased stock at this time. This results in recognizing the shares as treasury stock, a reduction of stockholders' equity on the Company's consolidated balance sheets as of January 31, 2022 and on the Company's consolidated statements of stockholders' equity for the year ended January 31, 2022. The amounts recognized as treasury stock in the consolidated balance sheets and consolidated statements of stockholders' equity include costs associated with the acquisition of the shares.

Segments. Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker ("CODM") in making decisions regarding resource allocation and assessing performance The Company’s Chief Executive Officer is the CODM, and he uses a combination of several management reports, including the Company's financial information in determining how to allocate resources and assess performance. The Company has determined that it operates in one segment.

Recent accounting pronouncements. In March 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-04, *Reference Rate Reform* (Topic 848), which provides guidance designed to provide relief from the accounting analysis and impacts that may otherwise be required for modifications to agreements necessitated by the scheduled discontinuation of LIBOR on December 31, 2021. It also provides optional expedients to enable companies to continue to apply hedge accounting to certain hedging relationships impacted by reference rate reform. The ASU provides the option to account for and present a modification that meets the scope of the standard as an event that does not require contract remeasurement at the modification date or reassessment of a previous accounting determination required under the relevant topic or subtopic. This ASU is effective for all entities; however, application of the guidance is optional, is only available in certain situations and is only available for companies to apply from March 12, 2020 until December 31, 2022. The Company's Renewed Senior Credit Facility which matures on September 20, 2026, bears interest at a rate equal to an alternate base rate, the London Inter-Bank Offered Rate ("LIBOR") or a LIBOR successor rate index, plus, in each case, an applicable margin. Based on the inclusion of the LIBOR successor rate index in the Renewed Senior Credit Facility, the Company does not expect a material impact from the adoption of this standard on the financial statements of the Company.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments-Credit Losses* (Topic 326): Measurement of Credit Losses on Financial Instruments. The new guidance affects loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. This ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019, with early adoption permitted. A recently adopted amendment has delayed the effective date until fiscal years beginning after December 15, 2022. The Company is currently evaluating this standard and the impact to the financial statements of the Company.

The Company evaluated other recent accounting pronouncements and does not expect them to have a material impact on its consolidated financial statements.

Note 3 - Retention

A retention receivable is a portion of an outstanding receivable balance amount withheld by a customer until a contract is fully completed as specified in the contractual agreement. Retention receivables of $2.9 million and $2.7 million were included in the balance of trade accounts receivable as of January 31, 2022 and 2021, respectively. A retention receivable of $4.3 million and $2.7 million was included in the balance of other long-term assets as of January 31, 2022 and 2021 due to the long-term nature of the receivables. See Note 2 - Accounts receivable for further information regarding the future realization of these long-term balances.

Note 4 - Revenue recognition

The Company accounts for its revenues under ASC Topic 606, "Revenue from Contracts with Customers" ("Topic 606").

Revenue from contracts with customers:

The Company defines a contract as an agreement that has approval and commitment from both parties, defined rights and identifiable payment terms, which ensures the contract has commercial substance and that collectability is reasonably assured.

The Company’s standard revenue transactions are classified in to two main categories:

1) Systems and Coating - which include all bundled products in which Perma-Pipe designs, engineers, and manufactures pre-insulated specialty piping systems, insulates subsea flowline pipe, subsea oil production equipment, and landlines. Additionally, this systems classification also includes coating applied to pipes and structures.

2) Products - which include cables, leak detection products, heat trace products, material/goods not bundled with piping or flowline systems, and field services not bundled into a project contract.

In accordance with ASC 606-10-25-27 through 29, the Company recognizes specialty piping and coating systems revenue over time as the manufacturing process progresses because one of the following conditions exist:

1) the customer owns the material that is being insulated or coated, so the customer controls the asset and thus the work-in-process; or

2) the customer controls the work-in-process due to the custom nature of the pre-insulated, fabricated system being manufactured as evidenced by the Company’s right to payment for work performed to date plus seller’s profit margin for products that have no alternative use for the Company.

Products revenue is recognized when goods are shipped or services are performed (ASC 606-10-25-30).

A breakdown of the Company's revenues by revenue class for the years ended January 31, 2021 and 2020 are as follows (in thousands):

	2021		2020	
	Sales	% to Total	Sales	% to Total
Products	$ 13,575	10%	$ 11,496	14%
Specialty Piping Systems and Coating				
Revenue recognized under input method	44,778	32%	35,041	41%
Revenue recognized under output method	80,199	58%	38,157	45%
Total	$ 138,552	100%	$ 84,694	100%

The input method as noted in ASC 606-10-55-20 is used by the U.S. operating entities to measure revenue by the costs incurred to date relative to the estimated costs to satisfy the contract using the over time method. Generally, these contracts are considered a single performance obligation satisfied over time and due to the custom nature of the goods and services, the over time method is the most faithful depiction of the Company's performance as it measures the value of the goods and services transferred to the customer. Costs include all material, labor, and direct costs incurred to satisfy the performance obligations of the contract. Revenue recognition begins when projects costs are incurred.

The output method as noted in ASC 606-10-55-17 is used by all other operating entities to measure revenue by the direct measurement of the outputs produced relative to the remaining goods promised under the contract. Due to the types of end customers, generally these contracts require formal inspection protocols or specific export documentation for units produced, or produced and shipped, therefore, the output method is the most faithful depiction of the Company's performance. Depending on the conditions of the contract, revenue may be recognized based on units produced, inspected and held by the Company prior to shipment or on units produced, inspected and shipped.

Some of the Company's operating entities invoice and collect milestones or other contractual obligations prior to the transfer of goods and services, but do not recognize revenue until the performance obligations are satisfied under the methods discussed above.

Contract modifications that occur prior to the start of the manufacturing process will supersede the original contract and revenue is recognized using the modified contract value. Contract modifications that occur during the manufacturing process (changes in scope of work, job performance, material costs, and/or final contract settlements) are recognized in the period in which the revisions are known. Provisions for losses on uncompleted contracts are made in contract liabilities account in the period such losses are identified.

Contract assets and liabilities:

Contract assets represent revenue recognized in excess of amounts billed for contract work in progress for which the Company has a valid contract and an enforceable right to payment for work completed. Contract liabilities represent billings in excess of costs for contract work in progress for which the Company has a valid contract and an enforceable right to payment for work completed. Both customer billings and the satisfaction (or partial satisfaction) of the performance obligation(s) occur throughout the manufacturing process and impact the period end balances in these accounts.

The Company anticipates that substantially all costs incurred for uncompleted contracts as of January 31, 2022 will be billed and collected within one year.

During the year ended January 31, 2021, one of the Company's customers in Qatar made a call on a performance bond held to secure one of the Company's contracts. The Company believes the customer's claims of non-performance under the contract are invalid and that the customer's actions were themselves a breach of the contract. The Company has engaged local counsel to seek reimbursement as well as additional compensation for lost profits suffered as a result of cancellation of certain work orders under the contract. The Company has recorded the expense related to the encashment of approximately $0.6 million in other income in the consolidated statements of operations for the year ended January 31, 2021. No receivable has been recorded related to the potential reimbursement in the consolidated financial statements as of January 31, 2022.

The following table shows the reconciliation of the cost in excess of billings:

(In thousands)		2021		2020
Costs incurred on uncompleted contracts	$	20,021	$	17,543
Estimated earnings		12,030		9,651
Earned revenue		32,051		27,194
Less billings to date		31,019		23,949
Costs in excess of billings, net	$	1,032	$	3,245
Balance sheet classification				
Contract assets: Costs and estimated earnings in excess of billings on uncompleted contracts	$	2,309	$	4,007
Contract liabilities: Billings in excess of costs and estimated earnings on uncompleted contracts		(1,277)		(762)
Costs in excess of billings, net	$	1,032	$	3,245

Substantially all of the $0.8 million and $1.2 million contract liabilities balances at January 31, 2021 and 2020, respectively, were recognized in revenues during 2021 and 2020, respectively.

Unbilled accounts receivable:

The Company has recorded $2.7 million and $0.2 million of unbilled accounts receivable on the consolidated balance sheets as of January 31, 2022 and 2021, respectively, from revenues generated by its subsidiaries in MENA. The Company has fulfilled all performance obligations and has recorded revenue under the respective contracts. The deliverables under these contracts have been accepted by the customer and billings will be made once the customer picks up or arranges shipping for the products. All of the amounts included in unbilled accounts receivable as of January 31, 2021 are expected to be billed in the first quarter of 2022.

Practical expedients:

Costs to obtain a contract are not considered project costs as they are not usually incremental, nor does job duration span more than one year. The Company applies practical expedient for these types of costs and as such are expensed in the period incurred.

As the Company's contracts are less than one year, the Company has applied the practical expedient regarding disclosure of the aggregate amount and future timing of performance obligations that are unsatisfied or partially satisfied as of the end of the reporting period.

Note 5 - Debt

(In thousands)	2021	2020
Revolving line - North America	$ 634	$ 2,826
Mortgage note	5,257	6,394
Revolving lines - foreign	6,049	3,272
Term loan - foreign	33	17
Finance lease obligations	9,944	701
Total debt	**21,917**	**13,210**
Unamortized debt issuance costs	(147)	(166)
Less current maturities	7,384	6,776
Total long-term debt	**$ 14,386**	**$ 6,268**
Current portion of long-term debt	$ 7,384	$ 6,776
Unamortized debt issuance costs	-	(9)
Total short-term debt	**$ 7,384**	**$ 6,767**

The following table summarizes the Company's scheduled maturities on January 31:

(In thousands)	Total	2023	2024	2025	2026	2027	Thereafter
Revolving line - North America	$ 634	$ 634	$ -	$ -	$ -	$ -	$ -
Mortgage note	5,257	251	251	251	251	251	4,002
Revolving lines - foreign	6,049	6,049	-	-	-	-	-
Long-term finance obligation	9,415	87	112	137	168	201	8,710
Term loan - foreign	33	6	13	7	7	-	-
Finance lease obligations	529	357	172	-	-	-	-
Total	$ 21,917	$ 7,384	$ 548	$ 395	$ 426	$ 452	$ 12,712

Paycheck Protection Program Loan. On May 1, 2020, the Company entered into a loan agreement under the Small Business Administration's Paycheck Protection Program ("PPP") and received proceeds of approximately $3.2 million. Interest on the loan accrued at a fixed interest rate of 1.0%, and the loan had a maturity date of April 28, 2022. Under Section 1106 of the CARES Act, borrowers are eligible for forgiveness of principal and accrued interest on the loans to the extent that the proceeds are used to cover eligible payroll costs, mortgage interest costs, rent and utility costs, otherwise described as qualified expenses. During the three months ended July 31, 2020, the Company used all of the PPP loan proceeds to pay for qualified expenses, 100% of which were used for payroll related expenses. The Company submitted its application and supporting documentation for forgiveness to its bank, which submitted the application and supporting documentation to the Small Business Administration ("SBA"). On June 24, 2021, the Company was notified by its lender that its PPP loan had been forgiven by the SBA.

Guidance from the American Institute of Certified Public Accountants' ("AICPA") Technical Question and Answer Section 3200.18 states that if a company expects to meet the PPP's eligibility criteria and concludes that the PPP loan represents, in substance, a grant that is expected to be forgiven, it may analogize to International Accounting Standards ("IAS") 20 - Accounting for Government Grants and Disclosure of Government Assistance to account for the PPP loan. The Company has recognized the earnings impact on a systematic basis over the periods in which the Company recognized as expenses the related costs for which the grants were intended to compensate. We noted that all of these expenses, and thus the related earnings impact, were incurred during the year ended January 31, 2021.

The IAS 20 guidance allows for recognition in earnings either separately under a general heading such as other income, or as a reduction of the related expenses. The Company has elected the former option, to make a more clear distinction in its financial statements between its operating income and the amount of net income resulting from the PPP loan and subsequent expected forgiveness. As such, we have recognized the proceeds in earnings during the year ended January 31, 2021. The amounts were recognized in other income, net in the consolidated statements of operations.

Revolving line - North America. On September 20, 2018, the Company and certain of its U.S. and Canadian subsidiaries (collectively, together with the Company, the "North American Loan Parties") entered into a Revolving Credit and Security Agreement (the "Credit Agreement") with PNC Bank, National Association ("PNC"), as administrative agent and lender, providing for a three-year $18 million Senior Secured Revolving Credit Facility, subject to a borrowing base including various reserves (the "Senior Credit Facility").

On December 18, 2020, the Company entered into the First Amendment and Waiver to the Revolving Credit and Security Agreement ("Amendment and Waiver") with PNC, which (i) reflected PNC's waiver of the Company's failure to maintain a fixed charge coverage ratio ("FCCR") of 1.10 to 1.00 as of October 31, 2020 on a trailing four quarter basis as required under the Company's Credit Agreement and (ii) further amended certain future fixed charge coverage ratio covenants requirements under the Credit Agreement. Additionally, the Company was also required to have received, and applied to reduce the outstanding balance under the Credit Agreement, $1.0 million from one of its foreign subsidiaries, Perma-Pipe Middle East FZC, in the U.A.E. The transfer and repayment occurred on December 17, 2020 and did not cause the Company to incur any additional fees or taxes, nor did it force the Company to change any of its assertions with regards to permanent reinvestment in any of its foreign subsidiaries. The Company incurred additional fees over the remainder of the Amendment and Waiver of approximately $0.1 million. The Amendment and Waiver also eliminated the Company's ability to make LIBOR borrowings and reduced the overall availability by $2.0 million until maturity.

On September 17, 2021, the North American Loan Parties executed an extension of the Credit Agreement with PNC, providing for a new five-year $18.0 million senior secured revolving credit facility, subject to a borrowing base including various reserves (the "Renewed Senior Credit Facility"). The Company's obligations under the Renewed Senior Credit Facility are currently guaranteed by Perma-Pipe Canada, Inc. Each of the North American Loan Parties other than Perma-Pipe Canada, Inc. is a borrower under the Renewed Senior Credit Facility (collectively, the "Borrowers").

The Borrowers are using borrowings under the Renewed Senior Credit Facility (i) to fund capital expenditures; (ii) to fund ongoing working capital needs; and (iii) for other corporate purposes, including potentially additional stock repurchases. Borrowings under the Renewed Senior Credit Facility bears interest at a rate equal to an alternate base rate, the London Inter-Bank Offered Rate ("LIBOR") or a LIBOR successor rate index, plus, in each case, an applicable margin. The applicable margin is based on an FCCR range. Interest on alternate base rate borrowings are based on the alternate base rate as defined in the Renewed Senior Credit Facility plus an applicable margin ranging from 1.00% to 1.50%, based on the FCCR in the most recently reported period. Interest on LIBOR or LIBOR successor rate borrowings will be the LIBOR rate as defined in the Renewed Senior Credit Facility plus an applicable margin ranging from 2.00% to 2.50%, based on the FCCR in the most recently reported period. Additionally, the Borrowers pay a 0.25% per annum facility fee on the unused portion of the Renewed Senior Credit Facility.

Subject to certain exceptions, borrowings under the Renewed Senior Credit Facility are secured by substantially all of the North American Loan Parties' assets. The Renewed Senior Credit Facility will mature on September 20, 2026. Subject to certain qualifications and exceptions, the Renewed Senior Credit Facility contains covenants that, among other things, restrict the North American Loan Parties' ability to create liens, merge or consolidate, consummate acquisitions, make investments, dispose of assets, incur debt, and pay dividends and other distributions. In addition, the North American Loan Parties may not make capital expenditures in excess of $5.0 million annually, plus a limited carryover of unused amounts. Further, the North American Loan Parties may not make repurchases of the Company's common stock in excess of $3.0 million.

The Renewed Senior Credit Facility also contains financial covenants requiring the North American Loan Parties to achieve a ratio of its EBITDA to the sum of scheduled cash principal payments on indebtedness for borrowed money and interest payments on the advances under the Renewed Senior Credit Facility to be not less than 1.10 to 1.00 if for any five consecutive days the undrawn availability is less than $3.0 million or any day in which the undrawn availability is less than $2.0 million. As of January 31, 2022, the calculated ratio was substantially greater than 1.10 to 1.00. In order to cure any future breach of the fixed charge coverage ratio covenant by the North American Loan Parties, the Company may repatriate cash from any of its foreign subsidiaries that are otherwise not a party to the Renewed Senior Credit Facility in an amount which, when added to the amount of the Company's Consolidated EBITDA, would result in pro forma compliance with the covenant. The Company was in compliance with these covenants as of January 31, 2022.

The Renewed Senior Credit Facility contains customary events of default. If an event of default occurs and is continuing, then PNC may terminate all commitments to extend further credit and declare all amounts outstanding under the Renewed Senior Credit Facility due and payable immediately. In addition, if any of the North American Loan Parties or certain of their subsidiaries become the subject of voluntary or involuntary proceedings under any bankruptcy, insolvency or similar law, then any outstanding obligations under the Renewed Senior Credit Facility will automatically become immediately due and payable. Loans outstanding under the Renewed Senior Credit Facility will bear interest at a rate of 2.00% per annum in excess of the otherwise applicable rate (i) while a bankruptcy event of default exists or (ii) upon the lender's request, during the continuance of any other event of default.

As of January 31, 2022, the Company had borrowed an aggregate of $0.6 million at a rate of 4.25% and had $8.5 million available under the Renewed Senior Credit Facility, before application of a $2.5 million availability block that can be reduced by the Company's financial performance. This block on the Company's availability under its Renewed Senior Credit Facility was removed completely based on its financial performance as of and for the year ended January 31, 2022.

Finance obligation - buildings and land. On April 14, 2021, the Company entered into a purchase and sale agreement (the "Purchase and Sale Agreement"). Pursuant to the terms of the Purchase and Sale Agreement, the Company sold its land and buildings in Lebanon, Tennessee (the "Property") for a purchase price of $10.4 million. The transaction generated net cash proceeds of $9.1 million, following the release of the escrowed amount in June 2021 discussed below. The Company used a portion of the proceeds to repay its borrowings under the Senior Credit Facility. The Company expects to use its liquidity for strategic investments and general corporate needs. Concurrent with the sale of the Property, the Company entered into a fifteen-year lease agreement (the “Lease Agreement”), whereby the Company will lease back the Property at an annual rental rate of approximately $0.8 million, subject to annual rent increases of 2.0%. Under the Lease Agreement, the Company has four consecutive options to extend the term of the lease by five years for each such option. Concurrently with the sale, the Company paid off the approximately $0.9 million mortgage note on the Property to its lender. At closing, $0.4 million was placed in a short-term escrow account to cover certain post-closing contingencies that may arise. The contingencies were resolved in May 2021 and the Company received the escrowed funds in June 2021.

In accordance with ASC Topic 842, "Leases", this transaction was recorded as a failed sale and leaseback as the present value of lease payments exceeded substantially all of the fair value of the underlying asset. The Company utilized an incremental borrowing rate of 8.0% to determine the finance obligation to record for the amounts received and will continue to depreciate the assets. The current portion of the finance obligation of $0.1 million is recognized in current maturities of long-term debt and the long-term portion of $9.3 million is recognized in long-term finance obligation on the Company's consolidated balance sheets as of January 31, 2022. The net carrying amount of the financial liability and remaining assets will be zero at the end of the lease term.

Revolving lines - foreign. The Company also has credit arrangements used by its Middle Eastern subsidiaries in the U.A.E. and Egypt as discussed further below.

The Company has a revolving line for 8.0 million U.A.E. Dirhams (approximately $2.2 million at January 31, 2022) from a bank in the U.A.E. The facility has an interest rate of approximately 3.77% and was originally set to expire in November 2020, however, the expiration was extended due to the COVID-19 pandemic. The Company has submitted final documentation to complete the renewal process and is awaiting official notification from the bank of the renewal completion. This process is expected to be completed in May 2022.

The Company has a second revolving line for 19.5 million U.A.E. Dirhams (approximately $5.3 million at January 31, 2022) from a bank in the U.A.E. The facility has an interest rate of approximately 4.5% and is set to expire in January 2023.

The Company has a third credit arrangement for project financing with a bank in the U.A.E. for 3.0 million U.A.E. Dirhams (approximately $0.8 million at January 31, 2022). This credit arrangement is in the form of project financing at rates competitive in the U.A.E. The line is secured by the contract for a project being financed by the Company's U.A.E. subsidiary. The facility has an interest rate of approximately 4.5% and is expected to expire in June 2023 in connection with the completion of the project.

These credit arrangements are in the form of overdraft facilities and project financing at rates competitive in the countries in which the Company operates. The lines are secured by certain equipment, certain assets (such as accounts receivable and inventory), and a guarantee by the Company. Some credit arrangement covenants require a minimum tangible net worth to be maintained, including maintaining certain levels of intercompany subordinated debt. In addition, some of the revolving credit facilities restrict payment of dividends or undertaking of additional debt by the respective subsidiary.

In June 2021, the Company's Egyptian subsidiary entered into a credit arrangement with a bank in Egypt for a revolving line of 100.0 million Egyptian Pounds (approximately $6.2 million at January 31, 2022). This credit arrangement is in the form of project financing at rates competitive in Egypt. The line was secured by certain assets (such as accounts receivable) of the Company's Egyptian subsidiary. Among other covenants, the credit arrangement established a maximum leverage ratio allowable and restricted the Company's Egyptian subsidiary's ability to undertake any additional debt. The facility has an interest rate of approximately 8.0% and is set to expire in August 2022.

In December 2021, the Company entered into a credit arrangement for project financing with a bank in Egypt for 28.2 million Egyptian Pounds (approximately $1.8 million at January 31, 2022). This credit arrangement is in the form of project financing at rates competitive in Egypt. The line is secured by the contract for a project being financed by the Company's Egyptian subsidiary. The facility has an interest rate of approximately 8.0% and is expected to expire in June 2022 in connection with the completion of the project.

The Company’s credit arrangements used by its Middle Eastern subsidiaries are subject to renewal on an annual basis. The Company guarantees only a portion of the subsidiaries' debt, including foreign debt. As of January 31, 2022, the amount of foreign subsidiary debt guaranteed by the Company was approximately $0.2 million.

The Company was in compliance with the covenants under the credit arrangements in the U.A.E. as of January 31, 2022. The Company was not in compliance with a covenant under its 28.2 million Egyptian Pound project financing in Egypt as of January 31, 2022. The Company did not meet its required debt to equity ratio as of January 31, 2022. The Company has received a waiver from the bank as of January 31, 2022. On January 31, 2022, interest rates were based on the Emirates Inter Bank Offered Rate plus 3.0% to 3.5% per annum for the U.A.E. credit arrangements, two of which have a minimum interest rate of 4.5% per annum, and based on the stated interest rate in the agreement for the Egypt credit arrangement. Based on these base rates, as of January 31, 2022, the Company's interest rates ranged from 3.77% to 8.0%, with a weighted average rate of 7.31%, and the Company had facility limits totaling $16.4 million under these credit arrangements. As of January 31, 2022, $1.2 million of availability was used to support letters of credit to guarantee amounts committed for inventory purchases and for performance guarantees. Additionally, as of January 31, 2022, the Company had borrowed $6.0 million, and had an additional $6.1 million of borrowing remaining available under the foreign revolving credit arrangements. The foreign revolving lines balances as of January 31, 2022 and 2021 were included as current maturities of long-term debt in the Company's consolidated balance sheets.

Mortgages. On July 28, 2016, the Company borrowed CAD 8.0 million (approximately USD $6.1 million at the prevailing exchange rate on the transaction date) from a bank in Canada under a mortgage note secured by the manufacturing facility located in Alberta, Canada that matures on December 23, 2042. The interest rate is variable, and was 4.3% at January 31, 2022. Principal payments began in January 2018.

On June 19, 2012, the Company borrowed $1.8 million under a mortgage note secured by its manufacturing facility in Lebanon, Tennessee. The proceeds were used for payment of amounts borrowed. On April 14, 2021, the Company entered into the Purchase and Sale Agreement discussed above. Concurrently with the sale of the Property, the Company paid off the approximately $0.9 million remaining on the mortgage note on the Property to its lender.

Note 6 - Leases

The Company accounts for its leases under ASC 842, *Leases*. Under this guidance, arrangements meeting the definition of a lease are classified as operating or financing leases, and are recorded on the consolidated balance sheet. Operating leases are included in operating lease right-of-use (“ROU”) assets, operating lease liabilities short-term, and operating lease liabilities long-term in the Company's consolidated balance sheets. Finance leases are included in property, plant and equipment, current maturities of long-term debt, and long-term debt less current maturities in the Company's consolidated balance sheets.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease calculated by discounting fixed lease payments over the lease term at the rate implicit in the lease or the Company’s incremental borrowing rate. Lease liabilities are increased by interest and reduced by payments each period, and the ROU asset is amortized over the lease term. For operating leases, interest on the lease liability and the amortization of the ROU asset result in straight-line rent expense over the lease term. For finance leases, interest on the lease liability and the amortization of the ROU asset results in front-loaded expense over the lease term. Variable lease expenses are recorded when incurred. ROU assets and liabilities are recognized at the commencement date of the lease based on the present value of lease payments over the lease term.

As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term and amount equal to the lease payments in a similar economic environment.

In calculating the ROU asset and lease liability, the Company elects to combine lease and non-lease components. The Company excludes short-term leases having initial terms of 12 months or less from the new guidance as an accounting policy election, and recognizes rent expense on a straight-line basis over the lease term.

Operating Leases. In August 2020, the Company entered into a new lease in Abu Dhabi, U.A.E. for land upon which the Company intends to build a facility. The annual payments are initially expected to be approximately 1.2 million U.A.E. Dirhams (approximately $0.3 million at October 31, 2020), inclusive of rent and common charges, with escalation clauses in the agreement. Rent payments are deferred until August 2022. The lease expires in August 2050.

Finance Leases. In 2019, the Company obtained two finance leases for CAD 1.1 million (approximately USD $0.8 million at the prevailing exchange rates on the transaction dates) to finance vehicle equipment. The interest rates for these finance leases were 8.0% per annum with monthly principal and interest payments of less than $0.1 million. These leases mature in August 2023. In 2017, the Company obtained three finance leases for CAD 1.1 million (approximately USD $0.8 million at the prevailing exchange rates on the transaction dates) to finance vehicle equipment. The interest rates for these finance leases range from 4.0% to 7.8% per annum with monthly principal and interest payments of less than $0.1 million. Two of these leases matured in April 2021 and new leases have been entered into in May 2021 to replace the matured leases. The remaining lease matures in September 2022.

The Company has several significant operating lease agreements, with lease terms of one to 30 years, which consist of real estate, vehicles and office equipment leases. These leases do not require any contingent rental payments, impose any financial restrictions or contain any residual value guarantees. Certain of the Company’s leases include renewal options and escalation clauses; renewal options have not been included in the calculation of the lease liabilities and ROU assets as the Company is not reasonably certain to exercise the options. Variable expenses generally represent the Company’s share of the landlord’s operating expenses. The Company does not have any arrangements where it acts as a lessor, other than one sub-lease arrangement.

At January 31, 2022, the Company had total operating lease liabilities of $12.8 million and operating ROU assets of $11.2 million, which are reflected in the consolidated balance sheet. At January 31, 2022, the Company also had finance lease liabilities of $0.5 million included in current maturities of long-term debt and long-term debt less current maturities, and finance ROU assets of $0.7 million which were included in property plant and equipment, net of accumulated depreciation in the consolidated balance sheet.

Supplemental balance sheet information related to leases follows (in thousands):

Operating and Finance leases:	**January 31, 2022**	**January 31, 2021**
Finance leases assets:		
Property and Equipment - gross	$ 1,221	$ 879
Accumulated depreciation and amortization	(490)	(96)
Property and Equipment - net	$ 731	$ 783
Finance lease liabilities:		
Finance lease liability short-term	$ 357	$ 300
Finance lease liability long-term	173	401
Total finance lease liabilities	$ 530	$ 701
Operating lease assets:		
Operating lease ROU assets	$ 11,213	$ 13,384
Operating lease liabilities:		
Operating lease liability short-term	$ 1,496	$ 1,402
Operating lease liability long-term	11,270	13,174
Total operating lease liabilities	$ 12,766	$ 14,576

Total lease costs consist of the following (in thousands):

Lease costs	Consolidated Statements of Operations Classification	Year Ended January 31, 2022	Year Ended January 31, 2021
Finance Lease Costs			
Amortization of ROU assets	Cost of sales	$ 245	$ 214
Interest on lease liabilities	Interest expense	53	69
Operating lease costs	Cost of sales, SG&A expenses	2,502	2,570
Short-term lease costs (1)	Cost of sales, SG&A expenses	591	398
Sub-lease income	SG&A expenses	(81)	(81)
Total Lease costs		$ 3,310	$ 3,170

(1) Includes variable lease costs, which are immaterial

Supplemental cash flow information related to leases is as follows (in thousands):

	Year Ended January 31, 2022	Year Ended January 31, 2021
Cash paid for amounts included in the measurement of lease liabilities:		
Financing cash flows from finance leases	$ 375	$ 432
Operating cash flows from finance leases	53	69
Operating cash flows from operating leases	2,784	3,097

	Year Ended January 31, 2022
ROU Assets obtained in exchange for new lease obligations:	
Finance leases liabilities	$ -
Operating leases liabilities	121

Weighted-average lease terms discount rates are as follows:

	January 31, 2022
Weighted-average remaining lease terms (in years):	
Finance leases	1.5
Operating leases	13.5
Weighted-average discount rates:	
Finance leases	9.1%
Operating leases	7.4%

On January 31, 2022, future minimum annual rental commitments under non-cancelable lease obligations were as follows (in thousands):

Year:	Operating Leases	Finance Leases
For the year ended January 31, 2023	$ 2,367	$ 386
For the year ended January 31, 2024	2,335	177
For the year ended January 31, 2025	1,525	-
For the year ended January 31, 2026	1,326	-
For the year ended January 31, 2027	1,333	-
Thereafter	12,322	-
Total lease payments	21,208	563
Less: amount representing interest	(8,442)	(33)
Total lease liabilities at January 31, 2022	$ 12,766	$ 530

Rental expense for operating leases was $3.1 million and $3.0 million in 2021 and 2020, respectively.

The Company has several significant operating lease agreements as follows:

- Office space of approximately 31,650 square feet in Niles, IL is leased until October 2023.
- Production facilities and office space of approximately 139,000 square feet in Lebanon, Tennessee is leased until December 31, 2035.
- Five acres of land in Louisiana is leased through March 2022.
- Twenty acres of land in Canada leased through December 2022.
- Nine acres of land in the Kingdom of Saudi Arabia is leased through April 2030.
- Production facilities in the U.A.E. of approximately 80,200 square feet on approximately 107,600 square feet of land is leased until June 2030.
- Office space of approximately 21,500 square feet and open land for production facilities of approximately 423,000 square feet in the U.A.E. is leased until July 2032.
- Production facilities in the U.A.E. of approximately 78,100 square feet is leased until December 2032.
- Approximately fourteen acres of land in the U.A.E. is leased through August 2050.

Note 7 - Income taxes

Income/(loss) from continuing operations before income taxes (in thousands)	2021	2020
Domestic	$ (3,357)	$ (3,288)
Foreign	11,684	(4,487)
Total	$ **8,327**	$ **(7,775)**

Components of income tax expense/(benefit) (in thousands)	2021	2020
Current		
Federal	$ 1	$ 18
Foreign	2,317	413
State and other	144	105
Total current income tax expense	2,462	536
Deferred		
Federal	—	—
Foreign	(197)	(669)
State and other	—	—
Total deferred income tax expense/(benefit)	(197)	(669)
Total income tax expense/(benefit)	$ **2,265**	$ **(133)**

Repatriation of foreign earnings

As a result of the onetime transition tax from the U.S. Tax Cuts and Jobs Act of 2017 ("Tax Act"), the Company estimates that distributions from foreign subsidiaries will no longer be subject to incremental U.S. tax as they will either be remittances of previously taxed earnings and profits or eligible for a full dividends received deduction. Current and future earnings in the Company's subsidiaries in Canada and Egypt are not permanently reinvested. Earnings from these subsidiaries are subject to tax in their local jurisdiction, and withholding taxes in these jurisdictions are considered. The Company's liability has remained consistent at $0.2 million as of January 31, 2022 and 2021, respectively, related to these taxes.

U.S. income and foreign withholding taxes have not been recognized on the excess of the amount for financial reporting over the tax basis of investments in foreign subsidiaries that is indefinitely reinvested outside the United States. The Company intends to permanently reinvest the undistributed earnings of its Middle Eastern and Indian subsidiaries. The Middle Eastern and Indian subsidiaries have unremitted earnings of $22.7 million and $0.8 million, respectively, as of January 31, 2022, all of which has been subject to the transition tax in the United States. Unremitted earnings of $19.2 million in the United Arab Emirates would not be subject to withholding tax in the event of a distribution, and $3.5 million of unremitted earnings in Saudi Arabia would be subject to withholding tax of $0.2 million. The Company has not recorded a deferred tax liability related to any financial reporting basis over tax basis related to the investment in these foreign subsidiaries as it is not practical to estimate.

The difference between the provision for income taxes and the amount computed by applying the U.S. Federal statutory rate of 21% was as follows:

(In thousands)		2021		2020
Tax expense at federal statutory rate	$	1,749	$	(1,633)
State expense, net of federal income tax effect		148		(97)
Deferred compensation adjustment		456		(5)
Domestic valuation allowance		(636)		1,807
Domestic return to provision		(6)		(485)
Global Intangible Low Tax Income Inclusion		742		-
Nontaxable Paycheck Protection Program Loan Forgiveness Proceeds		-		(662)
Permanent differences other		56		282
Valuation allowance for state NOLs		(29)		183
Differences in foreign tax rate		(430)		527
Foreign rate change		(31)		18
Deferred tax on unremitted earnings		(55)		(176)
Foreign withholding taxes		178		209
All other, net expense		123		(101)
Total income tax expense/(benefit)	$	**2,265**	$	**(133)**

The Company's worldwide effective tax rates ("ETR") were 27.2% and 1.7% in 2021 and 2020, respectively. The change in the ETR from the prior year to the current year is largely due to the Company's valuation allowance against its domestic deferred tax asset and changes to the mix of income in various jurisdictions.

Components of deferred income tax assets (in thousands)		2021		2020
U.S. Federal NOL carryforward	$	8,424	$	8,626
Deferred compensation		350		508
Research tax credit		2,573		2,686
Foreign NOL carryforward		448		543
Foreign tax credit		2,580		2,580
Stock compensation		62		442
Other accruals not yet deducted		276		245
State NOL carryforward		2,730		2,678
Accrued commissions and incentives		483		362
Inventory valuation allowance		116		106
Lease liability		418		541
Accrued pension		-		18
Other		17		95
Deferred tax assets, gross		18,477		19,430
Valuation allowance		(16,905)		(17,746)
Total deferred tax assets, net of valuation allowances	$	**1,572**	$	**1,684**
Components of the deferred income tax liability				
Depreciation	$	(643)	$	(981)
Foreign subsidiaries unremitted earnings		(231)		(289)
Prepaid		(54)		(21)
Accrued pension		(159)		-
Right of use asset		(386)		(484)
Total deferred tax liabilities	$	**(1,473)**	$	**(1,775)**
Deferred tax asset/(liability), net	$	**99**	$	**(91)**
Balance sheet classification				
Long-term assets	$	811	$	823
Long-term liability		(712)		(914)
Total deferred tax assets/(liabilities), net of valuation allowances	$	**99**	$	**(91)**

The Company has a gross U.S. Federal operating loss carryforward of $40.1 million. Of this amount, $33.8 million will begin to expire between tax years 2030 and 2037 and the remainder has an indefinite carryforward.

The deferred tax asset ("DTA") for state net operating loss ("NOL") carryforwards of $2.7 million relates to amounts that expire at various times from 2022 to 2032.

The Company has a DTA foreign NOL carryforward of $0.4 million for its subsidiary in Saudi Arabia. The NOL in Saudi Arabia can be carried forward indefinitely and does not have a valuation allowance recorded against it. The NOL in India was fully utilized in 2021. The ultimate realization of this tax benefit is dependent upon the generation of enough operating income in the foreign tax jurisdictions.

The Company periodically reviews the adequacy of its valuation allowance in all of the tax jurisdictions in which it operates, evaluates future sources of taxable income and tax planning strategies and may make further adjustments based on management's outlook for continued profits in each jurisdiction.

Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit the use of the existing deferred tax assets. A significant piece of objective negative evidence evaluated was the domestic cumulative loss incurred leading up to the period ended January 31, 2013. Such objective evidence limits the ability to consider other subjective evidence, such as our projections for future growth.

On the basis of this evaluation, as of December 31, 2013, a full valuation allowance was recorded against the domestic deferred tax assets as the Company has determined that they are not more likely than not to be realized based upon the available evidence. As of January 31, 2022, the Company has not released the valuation allowance as the objective negative evidence in the form of cumulative losses continues to exist. The amount of the domestic deferred tax assets considered realizable, however, could be increased if objective negative evidence in the form of cumulative losses is no longer present.

The Company has a deferred tax asset of $2.6 million for U.S. foreign tax credits after considering the impact of the repatriated foreign earnings and the one-time transition tax. The foreign tax credit deferred tax asset is fully offset with a valuation allowance. The excess foreign tax credits are subject to a ten-year carryforward and will begin to expire on January 31, 2026.

The following table summarizes uncertain tax position ("UTP") activity, excluding the related accrual for interest and penalties:

(In thousands)	**2021**	**2020**
Balance at beginning of the year	$ 1,591	$ 1,545
Increases in positions taken in a prior period	(4)	2
Increases in positions taken in a current period	66	65
Decreases due to lapse of statute of limitations	(8)	(21)
Decreases due to settlements	(34)	-
Balance at end of the year	$ **1,611**	$ **1,591**

Included in the total UTP liability were estimated accrued interest and penalties of $0.2 million in January 31, 2022 and 2021, respectively. These non-current income tax liabilities are recorded in other long-term liabilities in the consolidated balance sheet and recognized as an expense during the period. The Company's policy is to include interest and penalties in income tax expense. On January 31, 2022, the Company did not anticipate any significant adjustments to its unrecognized tax benefits within the next twelve months. Included in the balance on January 31, 2022 were amounts offset by deferred taxes (i.e. temporary differences) or amounts that could be offset by refunds in other taxing jurisdictions (i.e., corollary adjustments). Upon reversal, $0.6 million of the amount accrued on January 31, 2022 would impact the future ETR.

The Company is subject to income taxes in the U.S. federal jurisdiction, and various states and foreign jurisdictions. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply. Tax years related to January 31, 2019, 2020 and 2021 are open for federal and state tax purposes. In addition, federal and state tax years January 31, 2003 through January 31, 2009 are subject to adjustment on audit, up to the amount of research tax credit generated in those years. Any NOL carryover can still be adjusted by the Internal Revenue Service in future year audits.

The Company's management periodically estimates the probable tax obligations of the Company using historical experience in tax jurisdictions and informed judgments. There are inherent uncertainties related to the interpretation of tax regulations in the jurisdictions in which the Company transacts business. The judgments and estimates made at a point in time may change based on the outcome of tax audits, as well as changes to or further interpretations of regulations. If such changes take place, there is a risk that the tax rate may increase or decrease in any period. Tax accruals for tax liabilities related to potential changes in judgments and estimates for federal, foreign and state tax issues are included in other long-term liabilities on the consolidated balance sheet.

Note 8 - Retirement plans

Pension plan

The defined benefit plan that covered the hourly rate employees of a non-operating filtration business unit, previously located in Winchester, Virginia, was frozen on June 30, 2013 per the third Amendment to the Plan dated May 15, 2013. The accrued benefit of each participant was frozen as of the freeze date, and no further benefits shall accrue with respect to any service or hours of service after the freeze date. The benefits are based on fixed amounts multiplied by years of service of participants. The Company engages outside actuaries to calculate its obligations and costs. The funding policy is to contribute such amounts as are necessary to provide for benefits attributed to service to date. The amounts contributed to the plan are sufficient to meet the minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974.

Asset allocation

The pension plan holds no securities of Perma-Pipe International Holdings, Inc.; 100% of the assets are held for benefits under the plan. The fair value of the major categories of the pension plan's investments are presented below. The FASB has established a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs that are both significant to the fair value measurement and unobservable.

(In thousands)	**2021**	**2020**
Level 1 market value of plan assets		
Equity securities	$ 4,119	$ 4,112
U.S. bond market	1,544	1,716
Real estate securities	322	198
Subtotal	5,985	6,026
Level 2 significant other observable inputs		
Money market fund	$ 321	$ 139
Subtotal	321	139
Investments measured at net asset value*	$ 829	$ 851
Total	$ 7,135	$ 7,016

* Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the reconciliation of benefit obligations, plan assets and funded status of plan.

On January 31, 2022, plan assets were held 69% in equity, 26% in debt and 5% in other. The investment policy is to invest all funds not needed to pay benefits and investment expenses for the year, with target asset allocations of approximately 60% equities, 30% fixed income and 10% alternative investments, diversified across a variety of sub-asset classes and investment styles, following a flexible asset allocation approach that will allow the plan to participate in market opportunities as they become available. The expected long-term rate of return on assets is based on historical long-term rates of equity and fixed income investments and the asset mix objective of the funds.

Investment market conditions in 2021 resulted in $0.1 million loss on plan assets, computed as the actual return as presented below less the expected return, which increased the fair value of plan assets at year end. The Company kept its expected return on plan assets used in determining cost and benefit obligations consistent at 7.5%, based on long-term market expectations that were relatively unchanged from the prior year. The plan's investments are intended to earn long-term returns to fund long-term obligations, and investment portfolios with asset allocations similar to those of the plan's investment policy have attained such returns over several decades. The Company does not expect to make any future contributions to maintain funding requirements.

Reconciliation of benefit obligations, plan assets and funded status of plan (in thousands)		**2021**		**2020**
Accumulated benefit obligations				
Vested benefits	$	6,448	$	7,090
Accumulated benefits	$	6,448	$	7,090
Change in benefit obligation				
Benefit obligation - beginning of year	$	7,090	$	6,959
Interest cost		173		190
Actuarial loss		(511)		256
Benefits paid		(304)		(315)
Benefit obligation - end of year	$	6,448	$	7,090
Change in plan assets				
Fair value of plan assets - beginning of year	$	7,016	$	6,550
Actual gain on plan assets		423		781
Benefits paid		(304)		(315)
Fair value of plan assets - end of year	$	7,135	$	7,016
Over-funded/(unfunded) status	$	688	$	(74)
Balance sheet classification				
Prepaid expenses and other current assets	$	322	$	332
Other assets		2,050		1,828
Deferred compensation liabilities		(1,684)		(2,234)
Net amount recognized	$	688	$	(74)
Amounts recognized in accumulated other comprehensive loss				
Unrecognized actuarial loss	$	1,362	$	1,902
Net amount recognized	$	1,362	$	1,902

Weighted-average assumptions used to determine net cost and benefit obligations	**2021**	**2020**
End of year benefit obligation discount rate	3.00%	2.50%
End of year net periodic benefit cost discount rate	2.50%	2.80%
Expected return on plan assets	7.50%	7.50%

The discount rate was based on the FTSE pension discount curve of high quality fixed income investments with cash flows matching the plan's expected benefit payments, consistent with prior years. The Company determines the expected long-term rate of return on plan assets by performing a detailed analysis of historical and expected returns based on the strategic asset allocation approved by the Board of Directors and the underlying return fundamentals of each asset class. The Company's historical experience with the pension fund asset performance is also considered.

Components of net periodic benefit cost (in thousands)	**2021**	**2020**
Interest cost	$ 173	$ 190
Expected return on plan assets	(514)	(479)
Recognized actuarial loss	119	139
Net periodic benefit income	$ (222)	$ (150)
Amounts recognized in other comprehensive income (in thousands)		
Actuarial gain/(loss) on obligation	$ 511	$ (256)
Actual gain/(loss) on plan assets	$ (90)	$ 302
Amounts recognized in current year	119	139
Total in other comprehensive income	$ 540	$ 185

Other comprehensive income is also affected by the tax effect of the valuation allowance recorded on the domestic deferred tax assets. During the year ended January 31, 2022, there was an actuarial gain of $0.4 million. This actuarial gain is comprised of an asset loss of $0.1 million and liability gain of $0.5 million. The liability gain is the combination of: (i) a gain due to a 50 basis point increase in the discount rate, (ii) a loss resulting from an update to the mortality improvement assumption and (iii) other demographic gains. During the year ended January 31, 2021, there was an actuarial gain of less than $0.1 million. This actuarial gain was comprised of an asset gain of $0.3 million and liability loss of $0.3 million. The liability loss is the combination of: (i) a loss due to a 30 basis point decrease in the discount rate, (ii) a gain resulting from an update to the mortality improvement assumption and (iii) other demographic losses.

Cash flows (in thousands)	
Expected employer contributions for the fiscal year ending January 31, 2023	$ —
Expected employee contributions for the fiscal year ending January 31, 2023	—
Estimated future plan benefit payments reflecting expected future service for the fiscal year(s) ending January 31,:	
2023	$ 321
2024	316
2025	319
2026	322
2027	330
2028 - 2032	1,610

401(k) plan

The domestic employees of the Company participate in the PPIH 401(k) Employee Savings Plan, which is applicable to all employees except employees covered by collective bargaining agreement benefits. The plan allows employee pretax payroll contributions from 1% to 16% of total compensation. The Company matches 100% of each participant's payroll deferral contributions up to 1% of their compensation, plus 50% of each participant's payroll deferral contributions on the next 5% of compensation.

Contributions to the 401(k) plan were $0.3 million each in the years ended January 31, 2022 and 2021.

Multi-employer plans

The Company contributes to a multi-employer plan for certain collective bargaining U.S. employees. The risks of participating in this multi-employer plan are different from a single employer plan in the following aspects:

- Assets contributed to the multi-employer plans by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer ceases contributing to the plan, the unfunded obligations of the plan may be inherited by the remaining participating employers.
- If the Company chooses to stop participating in the multi-employer plan, the Company may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Company has assessed and determined that the multi-employer plans to which it contributes are not significant to the Company's consolidated financial statements. The Company does not expect to incur a withdrawal liability or expect to significantly increase its contribution over the remainder of the contract period. The Company made contributions to the bargaining unit supported multi-employer pension plans (in thousands):

Plan Name	EIN	Plan #	Funded Zone Status	FIP/RP Status Pending/Implemented	2021 Contribution	2020 Contribution	Surcharge Imposed	Collective Bargaining Expiration Date
Plumbers & Pipefitters Local 572 Pension Fund	626102837	001	Green	No	$172	$206	No	3/31/2025

Note 9 - Stock-based compensation

The Company's 2017 Omnibus Stock Incentive Plan dated June 13, 2017, as amended, which the Company's stockholders approved in June 2017 ("2017 Plan"), expired in June 2020.

The Company has prior incentive plans under which previously granted awards remain outstanding, including the 2017 Plan, but under which no new awards may be granted. At January 31, 2022, the Company had reserved a total of 421,255 shares for grants and issuances under these incentive stock plans, which includes a reserve for issuances pursuant to unvested or unexercised prior awards.

While the 2017 Plan provided for the grant of deferred shares, non-qualified stock options, incentive stock options, restricted shares, restricted stock units, and performance-based restricted stock units intended to qualify under section 422 of the Internal Revenue Code, the Company issued only restricted shares and restricted stock units under the 2017 Plan. The 2017 Plan authorized awards to officers, employees, consultants, and independent directors.

The Company's 2021 Omnibus Stock Incentive Plan dated May 26, 2021 was approved by the Company's stockholders in May 2021 ("2021 Plan"). The 2021 Plan will expire in May 2024. The 2021 Plan authorizes awards to officers, employees, consultants and independent directors. Grants were made to the Company's employees, officers and independent directors under the 2021 Plan, as described below.

Stock compensation expense

The Company has granted stock-based compensation awards to eligible employees, officers or independent directors. The Company recognized the following stock-based compensation expense for the periods presented:

(In thousands)	**2021**	**2020**
Stock-based compensation expense	$ -	$ 3
Restricted stock based compensation expense	1,101	1,041
Total stock-based compensation expense	**$ 1,101**	**$ 1,044**

Stock options

The Company did not grant any stock options during the years ended January 31, 2022 or 2021. The following tables summarizes the Company's stock option activity:

(Shares in thousands)	**Options**		**Weighted average exercise price**	**Weighted average remaining contractual term**		**Aggregate intrinsic value**
Outstanding on January 31, 2020	132	$	8.98	3.2	$	160
Exercised	-					
Expired or forfeited	(25)		7.85			
Outstanding on January 31, 2021	107		9.24	2.5		5
Options exercisable on January 31, 2021	107	$	9.24	2.5		5
Exercised	(7)					
Expired or forfeited	(33)		9.36			
Outstanding on January 31, 2022	67		9.51	1.7		63
Options exercisable on January 31, 2022	**67**	$	**9.51**	**1.7**	$	**63**

Seven thousand stock options were exercised during the year ended January 31, 2022 and no stock options were vested during the year ended January 31, 2021.

There was no vesting, expiration or forfeiture of previously unvested stock options during the year ended January 31, 2022. As of January 31, 2022, there were no remaining unvested stock options outstanding, and therefore no unrecognized compensation expense related to unvested stock options.

Deferred stock

As part of their compensation, in previous years the Company granted deferred stock units to each non-employee director, equal to the result of dividing the award amount by the fair market value of the common stock on the date of grant. The stock vests on the date of grant; however, it is distributed to the directors only upon their separation from service. In June 2019, the Company granted 23,104 deferred stock units from the 2017 Plan, and as of January 31, 2022, there were approximately 97,799 deferred stock units outstanding included in the restricted stock activity shown below.

Restricted stock

The Company has granted restricted stock to executive officers, independent directors, and employees. The restricted stock vest ratably over one to four years. The Company calculates restricted stock compensation expense based on the grant date fair value and recognizes expense on a straight-line basis over the vesting period. The following table summarizes restricted stock activity for the years ended January 31, 2022 and 2021, respectively:

(Shares in thousands)	**Restricted shares**	**Weighted average price**	**Aggregate intrinsic value**
Outstanding on January 31, 2020	321	$ 9.03	$ 2,902
Granted	156	5.88	
Issued	(64)		
Forfeited	(41)	8.31	
Outstanding on January 31, 2021	372	$ 7.62	$ 2,843
Granted	138	7.14	
Issued	(113)		
Forfeited	(43)	7.47	
Outstanding on January 31, 2022	354	$ 7.48	$ 2,652

The fair value of restricted stock vested was $1.1 million and $0.5 million in 2021 and 2020, respectively. As of January 31, 2022, there was $1.1 million of unrecognized compensation cost related to unvested restricted stock granted under the plans. That cost is expected to be recognized over the weighted-average period of 1.8 years.

Note 10 - Interest expense, net

(In thousands)	**2021**	**2020**
Interest expense	$ 918	$ 649
Interest income	(90)	(268)
Interest expense, net	**$ 828**	**$ 381**

Note 11 - Treasury stock

On October 4, 2021, the Company's Board of Directors approved a stock repurchase program, which authorizes the Company to use up to $3.0 million for the purchase of its outstanding shares of common stock. Stock repurchases are permitted to be executed through open market or privately negotiated transactions over the course of 12 months, depending upon current market conditions and other factors.

The following table sets forth information with respect to repurchases by the Company of its shares of common stock during 2021:

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs
October 1, 2021 - October 31, 2021	58,528	$ 8.45	58,528	$ 2,505,216
November 1, 2021 - November 30, 2021	21,350	8.55	21,350	2,322,674
December 1, 2021 - December 31, 2021	56,447	7.99	56,447	1,871,840
January 1, 2022 - January 31, 2022	97,956	8.81	97,956	1,008,444
Total	234,281		234,281	

Schedule II

Perma-Pipe International Holdings, Inc. and Subsidiaries
VALUATION AND QUALIFYING ACCOUNTS
For the Years Ended January 31, 2022 and 2021

(In thousands)	Balance at beginning of period	Charges to expenses	Write-offs (1)	Other charges (2)	Balance at end of period
Year Ended January 31, 2022					
Valuation allowance for deferred tax assets	$ 17,746	$ (717)	$ -	$ (124)	$ 16,905
Allowance for possible losses in collection of trade receivables	474	32	-	(20)	486
Year Ended January 31, 2021					
Valuation allowance for deferred tax assets	$ 15,937	$ 1,854	$ -	$ (45)	$ 17,746
Allowance for possible losses in collection of trade receivables	407	72	(7)	2	474

(1) Uncollectible accounts charged off.

(2) Trade receivable allowances primarily related to recoveries from accounts previously charged off and currency translation. Deferred tax asset valuation allowance primarily related to amounts charged to other comprehensive income.

EXHIBIT INDEX

The exhibits listed below are filed herewith except the exhibits described below as incorporated by reference. Exhibits not filed herewith are incorporated by reference to such exhibits filed by the Company under the location set forth under the caption "Description and Location" below. The Commission file number for the Company's Exchange Act filings referenced below is 001-32530.

Exhibit No.	Description and Location
3.1	Certificate of Incorporation of Perma-Pipe International Holdings, Inc. [Incorporated by reference to Exhibit 3.3 to Registration Statement No. 33-70298]
3.2	Certificate of Amendment to Certificate of Incorporation of Perma-Pipe International Holdings, Inc. [Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on March 20, 2017]
3.3	Fifth Amended and Restated By-Laws of Perma-Pipe International Holdings, Inc. [Incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on May 6, 2019]
4	Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 [Incorporated by reference to Exhibit 4(d) to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2020 filed on April 21, 2020]
10.1	Form of Directors and Officers Indemnification Agreement [Incorporated by reference to Exhibit 10.1 to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2006 filed on May 15, 2006] *
10.2	MFRI 2004 Stock Incentive Plan [Incorporated by reference to Exhibit 10(e) to the Company's Annual Report on Form 10-K/A for the fiscal year ended January 31, 2004 filed on June 1, 2004] *
10.3	2009 Non-Employee Directors Stock Option Plan [Incorporated by reference to Exhibit 10(k) to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2010 filed on April 19, 2010]*
10.4	2013 Omnibus Stock Incentive Plan as Amended June 14, 2013 [Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 17, 2013] *
10.5	Executive Employment Agreement with David J. Mansfield dated October 19, 2016 [Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on December 13, 2016]*
10.6	2017 Omnibus Stock Incentive Plan as Amended June 13, 2017 [Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on September 19, 2017] *
10.7	Form of Restricted Stock Unit Agreement under the 2017 Omnibus Stock Incentive Plan as Amended June 13, 2017 [Incorporated by reference to Exhibit 10(b) to the Company’s Quarterly Report on Form 10-Q filed on September 11, 2018]*
10.8	Revolving Credit and Security Agreement, dated September 20, 2018, by and among the Company, PNC Bank, National Association, and the other parties thereto [Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 24, 2018]
10.9	Second Amendment and Waiver to Revolving Credit and Security Agreement, dated September 17, 2021, by and among the Company, PNC Bank, National Association, and other parties thereto [Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 21, 2021]
10.10	Executive Employment Agreement, dated October 1, 2018, by and between the Company and D. Bryan Norwood [Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on October 1, 2018]*
10.11	Form of Restricted Stock Agreement under the 2017 Omnibus Stock Incentive Plan as Amended June 13, 2017 [Incorporated by reference to Exhibit 10(z) to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2020 filed on April 21, 2020]*
10.12	Executive Employment Agreement, dated January 31, 2020 by and between the Company and Wayne Bosch [Incorporated by reference to Exhibit 10(aa) to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2020 filed on April 21, 2020]*
10.13	Form of Restricted Stock and Performance Award Agreement under the 2017 Omnibus Stock Incentive Plan as Amended June 13, 2017*
10.14	Perma-Pipe International Holdings, Inc. 2021 Omnibus Stock Incentive Plan [Incorporated by reference to Appendix A to the Company's Definitive Proxy Statement on Schedule 14A filed on April 16, 2021]*
10.15	Real Estate Purchase and Sale Agreement with Escrow Instructions dated January 22, 2021, between the Company and Winkler [Incorporated by reference to to Exhibit 10.1 to the Company's Current Report on Form 8-K/A filed on April 22, 2021]

10.16	First Amendment to Real Estate Purchase and Sale Agreement with Escrow Instructions dated February 23, 2021, between the Company and Winkler [Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K/A filed on April 22, 2021]
10.17	Second Amendment to Real Estate Purchase and Sale Agreement with Escrow Instructions dated April 12, 2021, between the Company and Nash88 [Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K/A filed on April 22, 2021]
10.18	Lease dated March 15, 2021, between the Company and Nash88 [Incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K/A filed on April 22, 2021]
10.19	Executive Employment Agreement, dated July 26, 2021, by and between the Company and Grant Dewbre [Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended July 31, 2021 filed on September 8, 2021]*
10.20	Form of Restricted Stock and Performance Award Agreement under the 2021 Omnibus Stock Incentive Plan*
10.21	Form of Non-Employee Director Restricted Stock Unit Agreement under the 2021 Omnibus Stock Incentive Plan*
10.22	Form of Employee Restricted Stock Unit Agreement under the 2021 Omnibus Stock Incentive Plan*
14	Code of Conduct [Incorporated by reference to Exhibit 14 of the Company's Annual Report on Form 10-K/A for the fiscal year ended January 31, 2004 filed on June 1, 2004]
21	Subsidiaries of Perma-Pipe International Holdings, Inc.
23	Consent of Independent Registered Public Accounting Firm - Grant Thornton LLP
24	Power of Attorney executed by directors and officers of the Company
31	Rule 13a - 14(a)/15d - 14(a) Certifications (1) Chief Executive Officer certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (2) Chief Financial Officer certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Section 1350 Certifications(1) Chief Executive Officer certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002(2) Chief Financial Officer certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation
101.DEF	Inline XBRL Taxonomy Extension Definition
101.LAB	Inline XBRL Taxonomy Extension Labels
101.PRE	Inline XBRL Taxonomy Extension Presentation
104	Cover Page Interactive Data File (embedded within the Inline XBRL and contained in Exhibit 101)

*Management contracts and compensatory plans or agreements

Item 16. FORM 10-K SUMMARY - None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Perma-Pipe International Holdings, Inc.

Date: April 19, 2022

/s/ David J. Mansfield
David J. Mansfield
Director, President and Chief Executive Officer
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

DAVID J. MANSFIELD	Director, President and Chief Executive Officer (Principal Executive Officer)	))	
D. BRYAN NORWOOD*	Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	))	April 19, 2022
DAVID S. BARRIE*	Director and Chairman of the Board of Directors		
CYNTHIA BOITER*	Director	)	
DAVID B. BROWN*	Director	)	
ROBERT MCNALLY*	Director	)	
JEROME T. WALKER*	Director		
*By: /s/ David J. Mansfield David J. Mansfield	Individually and as Attorney in Fact		

Exhibit 10.20

_____ PPIH LONG-TERM INCENTIVE PROGRAM

RESTRICTED STOCK UNIT AND PERFORMANCE AWARD GRANT

RESTRICTED STOCK UNIT AND PERFORMANCE AWARD AGREEMENT
UNDER THE
2021 OMNIBUS STOCK INCENTIVE PLAN

GRANTEE: ___________

NO. OF RESTRICTED STOCK UNITS: _____________

This Agreement (the "***Agreement***") evidences the award of (i) ___________ restricted stock units of Common Stock (each, a "***RSU***" and, collectively, the "***RSUs***") subject to a vesting schedule, and (ii) a performance award (the "***Performance Award***") relating to the performance period of the Company's fiscal years ____-______ (the "***Performance Period***") with a target dollar amount of $_________ (the "***Target Amount***"), that ***Perma-Pipe International Holdings, Inc.***, a Delaware corporation (the "***Company***"), has granted to you, ________________, effective as of ____________ (the "***Grant Date***"), pursuant to the 2021 Omnibus Stock Incentive Plan (the "***Plan***") and conditioned upon your agreement to the terms described below. All of the provisions of the Plan are expressly incorporated into this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. Terminology. Unless otherwise provided in this Agreement, capitalized words used herein are defined in the Glossary at the end of this Agreement, or, if no definition is provided in this Agreement or the Glossary, such capitalized words shall have the same definitions as in the Plan.

2. Vesting of Restricted Stock Units.

(a) All of the RSUs are nonvested and forfeitable as of the Grant Date.

(b) So long as your Service is continuous from the Grant Date through the applicable date upon which vesting is scheduled to occur,

- _____ of the RSUs will vest and become nonforfeitable on ______ (the "***First Vesting Date***"),
- _____ of the RSUs will vest and become nonforfeitable on ______ (the "***Second Vesting Date***"),
- _____ of the RSUs will vest and become nonforfeitable on _____ (the "***Third Vesting Date***" and, together with the First Vesting Date and the Second Vesting Date, the "***Vesting Dates***").

(c) Notwithstanding Section 2(b), one hundred percent of the RSUs will become vested and nonforfeitable as of immediately before and contingent upon the occurrence of a Change in Control, so long as your Service is continuous from the Grant Date, through the date of the Change in Control. In addition, if you are in Retirement (as defined below) then, upon a Change in Control, any RSUs that had remained eligible for vesting following your Retirement, but that have not yet become vested, shall be vested and nonforfeitable as of immediately before and contingent upon the occurrence of such Change in Control. "**Retirement**" shall mean the effective date of your resignation or other termination of employment after your attainment of age 55 and at least 5 years of service (or such shorter period of service as may be determined by the Administrator); provided that, for a resignation to be treated as a Retirement, you must provide at least 6 months' advance written notice of such Retirement to the Company, and, for the avoidance of doubt, your Retirement will be effective upon your actual retirement date rather than upon the date of such notice. You will continue working diligently to satisfy our business obligations as well as assist the Company during a transition. The treatment of the RSUs upon Retirement is intended to recognize your contributions to the Company prior to your Retirement and it is not intended to apply if you will continue working in the Company's industry following your Retirement. Therefore, as a condition of receiving the award set forth in this Agreement under the conditions of Retirement, you will be required to enter into and comply with an extension of your current Confidentiality Agreement and Non-Solicitation/Non-Competition Agreement term for three years following the effective date of your retirement.

3. Terms of Performance Award. The Performance Award entitles you, subject to Section 4 and the other terms and conditions of this Agreement, to receive (a) a cash payment equal to ______ of ______ percent of the Target Amount (the "***Threshold Amount***") on each Vesting Date (each, an "***Annual Payment***") and (b) an additional cash amount, payable on the Third Vesting Date equal to (i) the excess, if any, of the percentage of the Target Amount indicated below corresponding to the actual achievement of the performance goals set forth below (the "***Performance Goals***") during the Performance Period over (ii) the sum of the Annual Payments. The additional amount payable shall be interpolated for performance between the specified levels and the sum of the Annual Payments shall not be less than eighty percent of the Target Amount. The Performance Goals and corresponding percentages of the Target Amount are the following:

Fiscal Years	**Net Income Threshold $ (Payout = __% of Target Amount)**	**Net Income Target $ (Payout = __% of Target Amount)**	**Net Income Maximum $ (Payout = __% of Target Amount)**
____-____	[__]	[__]	[__]

The Performance Goals and the Company's achievement of the Performance Goals shall be calculated by the Company in its sole and absolute discretion. Notwithstanding the foregoing, the Performance Award will be deemed earned and shall be paid as of immediately before and contingent upon the occurrence of a Change in Control, at the level indicated in the most recent forecast prepared by the Company, so long as your Service is continuous from the Grant Date through the date of the Change in Control. In addition, if you are in Retirement, then, upon a Change in Control, any portion of the Performance Award that had remained eligible to be paid following your Retirement, but that has not yet been paid, shall be paid as of immediately before and contingent upon the occurrence of such Change in Control in an amount based on the performance level indicated in the most recent forecast prepared by the Company.

4. Effect of Termination of Employment or Service.

(a) If your Service ceases by reason of your permanent disability (as defined in Section 22(e)(3) of the Code), then the RSUs that would have vested on the schedule set forth in Section 2(b), and the portion of the Performance Award that would have been paid on the schedule set forth in Section 3, if your Service had continued through the one-year anniversary of your date of disability shall, in the case of the RSUs, become nonforfeitable and shall be released to you on the date such RSUs would have vested as set forth in Section 2(b), and in the case of the Performance Award, be paid to you on the date such amount would have been paid as set forth in Section 3 but in an amount based on the performance level indicated in the most recent forecast prepared by the Company, if your Service had been continuous through the one year anniversary of your date of disability, and any RSUs or portion of your Performance Award that do not vest in accordance with this subsection shall be forfeited; provided, however, if the Company (or an Affiliate) reasonably determines following your termination due to disability that you could have been terminated for Cause had all the facts been known to the Company (or an Affiliate) at the time of your disability, then you shall forfeit all rights with respect to any unvested RSUs and any unpaid Performance Award.

(b) If your Service ceases by reason of your Retirement, by reason of your termination without Cause when you had met the age and service requirements for Retirement or by reason of your death, then:

(i) If your RSUs and Performance Award were granted prior to the 12-month period ending on the effective date of your Retirement or death, (A) one hundred percent of the RSUs will continue to vest and become nonforfeitable as set forth in Section 2(b), and (B) your Performance Award will be paid as set forth in Section 3, as though your Service was continuous, except that, in the case of your Performance Award, the amount of the payment shall be based on the performance level indicated in the most recent forecast prepared by the Company rather than _______ percent, or

(ii) If your RSUs and Performance Award were granted in the 12-month period ending on the effective date of your Retirement or death, a pro rata amount of the first tranche of your RSUs and your Performance Award (based on the number of days between the grant date and your Retirement divided by 365) will continue to vest and become nonforfeitable as set forth in Section 2(b), in the case of RSUs, and will be paid as set forth in Section 3, in the case of your Performance Award, as though your Service was continuous, except that the amount of the payment with respect to your Performance Award shall be based on the performance level indicated in the most recent forecast prepared by the Company.

Any portion of the Award that does not remain eligible for continued vesting or to be deemed earned upon the cessation of your Service shall be immediately forfeited. If you die following your separation under this Section 4(b), then your estate will receive any RSUs and Performance Awards that would have continued to vest in accordance with the foregoing.

(c) Notwithstanding the foregoing, if:

(i) You work in the Company's industry or with a competitor of the Company (in each case as determined by the Company in its sole and absolute discretion) during the three years following the effective date of your Retirement or

(ii) The Company (or an Affiliate) reasonably determines following your Retirement that you could have been terminated for Cause had all the facts been known to the Company (or an Affiliate) at the time of your Retirement,

then you shall forfeit any unearned RSUs and unpaid Performance Award amounts and be required to repay in cash the gross amount of any RSUs that vested or Performance Award amounts that were paid to you under this Agreement in connection with or following the effective date of your Retirement.

In the case of RSUs, the amount required to be repaid shall be the Fair Market Value of such RSUs at the time such RSUs became vested and nonforfeitable, provided that you may, rather than paying cash, repay a number of shares of Common Stock equal to the number of RSUs that became vested and nonforfeitable.

(d) If your Service ceases for any reason except as otherwise specified above, all RSUs that are not then vested, and any portion of your Performance Award that has not been earned, will be immediately forfeited by you. Except as otherwise specified above, unless otherwise determined by the Administrator in its sole discretion, none of the RSUs, and no portion of the Performance Award, will vest after your Service ceases.

5. Restrictions on Transfer.

(a) Prior to vesting, your RSUs may not be sold, assigned, transferred, pledged, hypothecated or disposed of in any way (whether by operation of law or otherwise), except by will or the laws of descent and distribution, and shall not be subject to execution, attachment or similar process. Any attempt to transfer your RSUs that is in violation of this Section 5(a) shall be wholly ineffective and, if any such attempt is made, the Company may cause you to immediately forfeit any unvested RSUs without any payment or consideration by the Company. The Company is authorized to take appropriate measures to prevent any such transfer, including, but not limited to, having its Transfer Agent hold all unvested shares in a designated nominee account until vesting and maintaining stop transfer instructions in regard to such RSUs, or placing appropriate legends on any certificates that are issued with respect to the RSUs.

(b) You hereby represent and warrant to the Company as follows:

(i) You will hold any Shares received under this Agreement for your own account for investment only and not with a w to, or for resale in connection with, any "distribution" of the Shares within the meaning of the Securities Act.

(ii) You understand that the Company may, in its discretion, continue to impose restrictions on the sale, pledge or other ısfer of your Shares after they vest (including the placement of appropriate legends on stock certificates and the issue of stop transfer tructions to the

Company's Transfer Agents) if, in the judgment of the Company, such restrictions are necessary or desirable to comply h the Securities Act, the securities laws of any State or any other law.

(iii) You are aware that your investment in the Company is a speculative investment that has limited liquidity and is ject to the risk of complete loss.

(c) Any attempt to dispose of the Shares received under this Agreement in contravention of the restrictions set forth in this Section 5 shall be null and void and without effect. The Company shall not be required to (i) transfer on its books any Shares that have been sold or transferred in contravention of this Agreement or (ii) treat as the owner of the Shares, or otherwise accord voting, dividend, or liquidation rights to any transferee to whom the Shares have been transferred in contravention of this Agreement.

6. Stockholder Rights. You are considered the record owner of the RSUs immediately upon the Grant Date; however, you shall not be entitled to vote such Shares and you shall authorize and, by this Agreement, provide an irrevocable proxy coupled with an interest to the Company to vote such shares in its discretion until they are vested. Any cash dividends will accrue and be paid to you at the same time, and to the same extent, that the RSUs vest, and any dividends paid in Shares or other securities shall be subject to the same vesting schedule, risk of forfeiture, and restrictions on transferability as the RSUs with respect to which they were paid. For clarity, if you forfeit any RSUs, then you will also forfeit any dividends or other distributions paid with respect to such RSUs.

7. Tax Withholding.

(a) You hereby agree to make adequate provision for foreign, federal, state and local taxes required by law to be withheld, if any, which arise in connection with the grant, vesting or other event relating to the RSUs or in connection with the grant, vesting, earning or payment of the Performance Award. To enable the satisfaction of your tax withholding obligations with respect to the RSUs through the delivery of proceeds from the sale of Shares that are issued under this Agreement on the market, you should execute Exhibit A to this Agreement and return it to the Company by the deadline set forth therein; provided that such sale of Shares shall occur only if the Company or its Affiliates do not satisfy applicable tax withholding obligations by withholding the issuance or delivery of Shares hereunder. If you have not timely executed Exhibit A to this Agreement, then you shall, immediately upon notification of the amount of withholding taxes due, if any, in connection with the RSUs, pay to the Company in cash or by check the amount necessary to satisfy any withholding obligations. The Company (and its Affiliates) shall also have the right to deduct from any compensation or any other payment of any kind due you (including withholding the issuance or delivery of Shares hereunder) the amount of any federal, state, local or foreign taxes required by law to be withheld in connection with this Agreement; provided, however, that the value of the Shares withheld or redeemed for taxes may not exceed the maximum statutory rate associated with the transaction with respect to which Shares are being withheld or redeemed to the extent necessary for the Company to avoid an accounting charge.

(b) You hereby acknowledge that you have been advised by the Company to seek independent tax advice from your own advisors regarding the tax consequences of this Award. You may not rely on the Company, its Affiliates, or any of their officers, directors or employees for tax or legal advice regarding this Award. You acknowledge that you have sought tax and legal advice from your own advisors regarding this Award or have voluntarily and knowingly foregone such consultation.

8. Adjustments for Corporate Transactions and Other Events.

(a) Stock Dividend, Stock Split and Reverse Stock Split. Upon a stock dividend of, or stock split or reverse stock split affecting, the Common Stock, the number of outstanding RSUs shall, without further action of the Administrator, be adjusted to reflect such event. The Administrator shall make adjustments, in its discretion, to address the treatment of fractional RSUs with respect to the Award as a result of the stock dividend, stock split or reverse stock split; provided that such adjustments do not result in the issuance of fractional Shares. Adjustments under this Section 8 will be made by the Administrator, whose determination as to what adjustments, if any, will be made and the extent thereof will be final, binding and conclusive.

(b) Non-Change in Control Transactions. Upon any change affecting the Common Stock, the Company or its capitalization, by reason of a spin-off, split-up, dividend, recapitalization, merger, consolidation or share exchange, other than any such change that is part of a transaction resulting in a Change in Control, the Administrator shall make any adjustments with respect to the Award as the Administrator determines to be appropriate and equitable. The Administrator's determination as to what adjustments, if any, will be made and the extent thereof will be final, binding and conclusive.

(c) Unusual or Nonrecurring Events. The Administrator shall make, in its discretion, adjustments in the terms and conditions of, and the criteria included in, the Award in recognition of unusual or nonrecurring events affecting the Company, or the financial statements of the Company or any Affiliate, or of changes in applicable laws, regulations, or accounting principles, whenever the Administrator determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan. The Administrator may make, in its discretion, adjustments in the terms and conditions of, and the criteria included in, the Performance Award in recognition of unusual, unanticipated or nonrecurring events affecting the Company, or the financial statements of the Company or any Affiliate, or of changes in applicable laws, regulations, or accounting principles, whenever the Administrator determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

(d) Binding Nature of Agreement. The terms and conditions of this Agreement shall apply with equal force to any additional and/or substitute securities received by you in exchange for, or by virtue of your ownership of, the RSUs, to the same extent as the RSUs with respect to which such additional and/or substitute securities are distributed, whether as a result of any spin-off, stock split-up, stock dividend, stock distribution, other reclassification of the Common Stock of the Company, or similar event, except as otherwise determined by the Administrator. If the RSUs are converted into or exchanged for, or stockholders of the Company receive by reason of any distribution in total or partial liquidation or pursuant to any merger of the Company or acquisition of its assets, securities of another entity, or other property (including cash), then the rights of the Company under this Agreement shall inure to the benefit of the Company's successor, and this Agreement shall apply to the securities or other property (including cash) received upon such conversion, exchange or distribution in the same manner and to the same extent as the RSUs.

9. Non-Guarantee of Employment or Service Relationship. Nothing in the Plan or this Agreement shall alter your at-will or other employment status or other service relationship with the Company (or an Affiliate), nor be construed as a contract of employment or service relationship between the Company (or an Affiliate) and you, or as a contractual right of you to continue in the employ of, or in a service relationship with, the Company (or an Affiliate) for any period of time, or as a limitation of the right of the Company (or an Affiliate) to discharge you at any time with or without cause or notice and whether or not such discharge results in the forfeiture of any RSUs or all or any portion of the Performance Award or any other adverse effect on your interests under the Plan.

10. The Company's Rights. The existence of this Award or the RSUs shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Common Stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of the Company's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

11. Notices. All notices and other communications made or given pursuant to this Agreement shall be in writing and shall be sufficiently made or given if hand delivered or mailed by certified mail, addressed to you at the address contained in the records of the Company, or addressed to the Administrator, care of the Company for the attention of its Corporate Secretary at its principal executive office or, if the receiving party consents in advance, transmitted and received via telecopy or via such other electronic transmission mechanism as may be available to the parties.

12. Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the RSUs and the Performance Award granted hereunder. Any oral or written agreements, representations, warranties, written inducements, or other communications made prior to the execution of this Agreement with respect to the RSUs or the Performance Award granted hereunder shall be void and ineffective for all purposes. In the event a court of competent jurisdiction deems any provision hereof to be unreasonable, void, or unenforceable, such provision(s) shall be deemed severed from the remainder of the Agreement, which shall continue in all other respects to be valid and enforceable. It is the intent of the parties that any such provision(s) of this Agreement declared void, unreasonable, or unenforceable shall be deemed by a court of competent jurisdiction revised to the minimum amount necessary in order to be valid and enforceable.

13. Amendment. This Agreement may be amended from time to time by the Administrator in its discretion; provided, however, that this Agreement may not be modified in a manner that would have a material adverse effect on your rights with respect to the RSUs or the Performance Award as determined in the discretion of the Administrator, except as otherwise provided in (a) Section 8 of this Agreement, (b) the Plan or (c) a written document signed by each of the parties hereto.

14. Conformity with Plan. This Agreement is intended to conform in all respects with, and is subject to all applicable provisions of, the Plan. Inconsistencies between this Agreement and the Plan shall be resolved in accordance with the terms of the Plan. In the event of any ambiguity in this Agreement or any matters as to which this Agreement is silent, the Plan shall govern. A copy of the Plan is provided to you with this Agreement.

15. Governing Law. The validity, construction and effect of this Agreement, and of any determinations or decisions made by the Administrator relating to this Agreement, and the rights of any and all persons having or claiming to have any interest under this Agreement, shall be determined exclusively in accordance with the laws of the State of Delaware, without regard to its provisions concerning the applicability of laws of other jurisdictions. As a condition of this Agreement, you agree that you will not bring any action arising under, as a result of, pursuant to or relating to, this Agreement in any court other than a federal or state court in the districts which include Niles, Illinois, and you hereby agree and submit to the personal jurisdiction of any federal court located in the district which includes Niles, Illinois or any state court in the district which includes Niles, Illinois. You further agree that you will not deny or attempt to defeat such personal jurisdiction or object to venue by motion or other request for leave from any such court.

16. Resolution of Disputes. Any dispute or disagreement which shall arise under, or as a result of, or pursuant to or relating to, this Agreement shall be determined by the Administrator in good faith in its absolute and uncontrolled discretion, and any such determination or any other determination by the Administrator under or pursuant to this Agreement and any interpretation by the Administrator of the terms of this Agreement, will be final, binding and conclusive on all persons affected thereby. You agree that before you may bring any legal action arising under, as a result of, pursuant to or relating to, this Agreement you will first exhaust your administrative remedies before the Administrator. You further agree that in the event that the Administrator does not resolve any dispute or disagreement arising under, as a result of, pursuant to or relating to, this Agreement to your satisfaction, no legal action may be commenced or maintained relating to this Agreement more than twenty-four (24) months after the Administrator's decision.

17. Headings. The headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

18. Counterparts. This Agreement may be executed in multiple counterparts, each of which is deemed to be an original, but all of which taken together constitute one and the same Agreement and shall become effective when all counterparts have been executed by each of the parties hereto and delivered to the other. Facsimile and other electronic transmissions (including in portable document format) of any originally executed document (including this Agreement) shall be deemed to be the same as a delivered, executed original.

19. Electronic Delivery of Documents. By your signing this Agreement, you (i) consent to the electronic delivery of this Agreement, all information with respect to the Plan and the RSUs and any reports of the Company provided generally to the Company's stockholders; (ii) acknowledge that you may receive from the Company a paper copy of any documents delivered electronically at no cost to you by contacting the Company by telephone or in writing; (iii) further acknowledge that you may revoke your consent to the electronic delivery of documents at any time by notifying the Company of such revoked consent by telephone, postal service or electronic mail; and (iv) further acknowledge that you understand that you are not required to consent to electronic delivery of documents.

20. No Future Entitlement. By your signing this Agreement, you acknowledge and agree that: (i) the grant of the RSUs and the Performance Award is a one-time benefit which does not create any contractual or other right to receive future grants of stock, or compensation in lieu of stock grants, even if stock grants have been granted repeatedly in the past; (ii) all determinations with respect to any such future grants, including, but not limited to, the times when stock grants shall be granted, the maximum number of Shares subject to each stock grant, and the times or conditions under which restrictions on such stock grants shall lapse, will be at the sole discretion of the Administrator; (iii) the value of this stock grant is an extraordinary item of compensation which is outside the scope of your employment contract, if any; (iv) the value of this stock grant is not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any termination, severance, resignation, redundancy, end of service payments or similar payments, or bonuses, long-service awards, pension or retirement benefits; (v) the vesting of RSUs ceases upon termination of employment with the Company or transfer of employment from the Company, or other cessation of eligibility for any reason, except as may otherwise be explicitly provided in this Agreement; (vi) the Company does not guarantee any future value of these RSUs; and (vii) no claim or entitlement to compensation or damages arises if these RSUs do not increase in value and you irrevocably release the Company from any such claim that does arise.

21. Personal Data. For purposes of the implementation, administration and management of this Award or the effectuation of any acquisition, equity or debt financing, joint venture, merger, reorganization, consolidation, recapitalization, business combination, liquidation, dissolution, share exchange, sale of stock, sale of material assets or other similar corporate transaction involving the Company (a "***Corporate Transaction***"), you consent, by execution of this Agreement, to the collection, receipt, use, retention and transfer, in electronic or other form, of your personal data by and among the Company and its third party vendors or any potential party to a potential Corporate Transaction. You understand that personal data (including but not limited to, name, home address, telephone number, employee number, employment status, social security number, tax identification number, date of birth, nationality, job and payroll location, data for tax withholding purposes and Shares awarded, cancelled, vested and unvested) may be transferred to third parties assisting in the implementation, administration and management of the stock grant or the effectuation of a Corporate Transaction and you expressly authorize such transfer as well as the retention, use, and the subsequent transfer of the data by the recipient(s). You understand that these recipients may be located in your country or elsewhere, and that the recipient's country may have different data privacy laws and protections than your country. You understand that data will be held only as long as is necessary to implement, administer and manage the stock grant or effect a Corporate Transaction. You understand that you may, at any time, request a list with the names and addresses of any potential recipients of the personal data, view data, request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company's Secretary. You understand, however, that refusing or withdrawing your consent may affect your ability to accept a stock grant.

22. Consideration for Shares. To ensure compliance with applicable state corporate law, the Company may require you to furnish consideration in the form of cash or cash equivalents equal to the par value of the Shares issued to you hereunder, and you hereby authorize the Company to withhold such amount from remuneration otherwise due you from the Company.

23. Recoupment. The RSUs and the Performance Award are subject to recoupment in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder, any clawback policy adopted by the Company and any compensation recovery policy or practice otherwise required by applicable law.

GLOSSARY

(a)" ***Administrator***" means the Board of Directors of Perma-Pipe International Holdings, Inc. and/or the committee(s) or officer(s) appointed by the Board that have authority to administer the Plan.

(b)" ***Affiliate***" means any entity, whether now or hereafter existing, which controls, is controlled by, or is under common control with the Company (including but not limited to joint ventures, limited liability companies and partnerships). For this purpose, "control" shall mean ownership of 25% or more of the total combined voting power or value of all classes of stock or interests of the entity, or the power to direct the management and policies of the entity, by contract or otherwise.

(c)" ***Cause***" means termination in whole or substantial part, for gross negligence or willful misconduct in the execution of your duties, for conviction of, or entry of a plea of guilty or *nolo contendere* to, any felony or any act of fraud, embezzlement, misappropriation, or a crime involving moral turpitude, or for commission of any act which causes or may reasonably be expected to cause substantial damage to the Company

(d)" ***Company***" means Perma-Pipe International Holdings, Inc.

(e)" ***Securities Act***" means the Securities Act of 1933, as amended.

(f)" ***Service***" means your employment or other service relationship with the Company and its Affiliates. Your Service will be considered to have ceased with the Company and its Affiliates if, immediately after a sale, merger or other corporate transaction, the trade, business or entity with which you are employed or otherwise have a service relationship is not Perma-Pipe International Holdings, Inc. or its successor, or an Affiliate of Perma-Pipe International Holdings, Inc. or its successor.

(g)" ***You***"; "***Your***"; "***Employee***"**,** means the recipient of this Award as reflected in the first paragraph of this Agreement. Whenever the word "Employee", "you" or "your" is used in any provision of this Agreement under circumstances where the provision should logically be construed, as determined by the Administrator, to apply to the estate, personal representative, or beneficiary to whom the RSUs or this Award may be transferred by will or by the laws of descent and distribution, the words "Employee", "you" and "your" shall be deemed to include such person.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer.

Perma-Pipe International Holdings, Inc.

By:

Date:

The undersigned hereby acknowledges that he/she has carefully read this Agreement and agrees to be bound by all of the provisions set forth herein. The undersigned also consents to electronic delivery of all notices or other information with respect to this Award or the Company.

WITNESS:

GRANTEE

Date:

Exhibit A

Standing Order Election

By executing this Irrevocable Standing Order Election (this "***Standing Order***"), I wish to notify the Company of my election to satisfy any withholding taxes due in connection with each and every vesting date for the RSUs by applying proceeds from a market sale of Company securities issuable as a result of such vesting date, except to the extent the Company satisfies such withholding taxes by withholding Company securities otherwise issuable as a result of such vesting date. **I understand that if I do not execute this Standing Order, then the Company will require that I pay my withholding obligations by cash or check, or the Company will deduct the amount of any withholding obligations from other payments due to me.**

IMPORTANT NOTES:

- You may not enter into this Standing Order if you are in possession of material non-public information. If you are in possession of material non-public information, then you must wait to complete this Standing Order until such time as you no longer possess material non-public information.
- No sales may be made pursuant to this Standing Order for 30 calendar days following its execution. To ensure that you can satisfy your withholding obligations by selling Shares in the market, you should return this form to the Company as soon as possible, but in no event later than 30 days before the first vesting date of your RSUs listed in the Agreement.

By signing below, I understand that I am agreeing to the following provisions:

1. I am executing this Standing Order to authorize the Company and any broker the Company designates (the "***Broker***") to take the actions described in this Paragraph 1. I authorize the Company to transfer any Shares issued to me in connection with my award of RSUs to the Broker to be held in an account for my benefit (the "***Brokerage Account***"), and I irrevocably authorize the Broker to sell, at the market price and on the date the RSUs vest for tax purposes (or, if all or a portion of the sale cannot be completed on such date because of insufficient demand or a market disruption, then on the next following business day on which the sale can be made) the number of Shares necessary to obtain proceeds sufficient to satisfy the amount of any withholding obligations associated with my RSUs indicated by the Company to the Broker. I understand and agree that the number of Shares that the Broker will sell will be based on the Company's estimate (or Broker's estimate if it provides such service) of the Shares required to satisfy the withholding obligations, using the closing price of a Share of the Company's common stock on the trading day immediately prior to the vesting date (or such other date as any withholding obligations become due). I agree to execute and deliver such documents, instruments and certificates as may reasonably be required in connection with the sale of the Shares pursuant to this Standing Order.

2. I agree that the proceeds received from the sale of Shares pursuant to Paragraph 1 will be used to satisfy any withholding obligations associated with my RSUs and, accordingly, I hereby authorize the Broker to pay such proceeds to the Company for such purpose. I understand that, to the extent that the proceeds obtained by such sale exceed the amount necessary to satisfy the withholding obligations, such excess proceeds shall be deposited into the Brokerage Account and, if a shortfall occurs, the Broker may sell additional Shares held in my Brokerage Account, the Company may deduct any remaining withholding obligations from any compensation or other payment of any kind due to me, or the Company may require that I pay any remaining withholding obligations to by cash or check. I further understand that any Shares that are not sold to satisfy withholding obligations will remain deposited in the Brokerage Account.

3. I have reviewed with my own tax advisors the federal, state, local and foreign tax consequences of this grant and the actions contemplated by the Agreement and this Standing Order. I am relying solely on such advisors and not on any statements or representations of the Company or any of its agents. I understand that I (and not the Company) will be responsible for my own tax liability that may arise as a result of this Standing Order.

4. I represent to the Company that, as of the date hereof, (i) I am not aware of any material nonpublic information about the Company or its Common Stock, (ii) the Company is not in a black out period (as defined in the Company's Insider Trading Policy), (iii) sales will not be commenced within 30 calendar days of adoption of this Standing Order, (iv) I am not subject to any legal, regulatory or contractual restriction or undertaking that would prevent the sales of Shares contemplated by this Standing Order, and (v) I am entering into this Standing Order in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1. The Company and I have structured this Agreement to comply with the affirmative defense to liability under Section 10(b) of the Securities Exchange Act of 1934, as amended, under Rule 10b5-1(c)(1) issued under such Act, and this Standing Order shall be interpreted to comply with such requirements.

IN WITNESS WHEREOF, the parties hereto have executed this Standing Order as of the last date indicated below.

Date:	***Perma-Pipe International Holdings, Inc.*** By:
Date:	GRANTEE

Exhibit 10.21

____ **PPIH NON-EMPLOYEE DIRECTOR COMPENSATION PROGRAM**

RESTRICTED STOCK UNIT GRANT

RESTRICTED STOCK UNIT AGREEMENT
UNDER THE
2021 OMNIBUS STOCK INCENTIVE PLAN

GRANTEE:

NO. OF RESTRICTED STOCK UNITS:

DOLLAR AMOUNT OF GRANT:

CLOSING PRICE ON GRANT DATE:

GRANT DATE:

This Agreement (the "***Agreement***") evidences the award of the number of restricted stock units (each, an "***RSU***," and collectively, the "***RSUs***"), each entitling the grantee to receive one share of Common Stock (a "***Share***") subject to a vesting schedule, that ***Perma-Pipe International Holdings, Inc.***, a Delaware corporation (the "***Company***"), has granted to the grantee set forth above ("***Grantee***" or "***you***"), effective as of the grant date set forth above (the "***Grant Date***"), pursuant to the 2021 Omnibus Stock Incentive Plan (the "***Plan***") and conditioned upon your agreement to the terms described below. All of the provisions of the Plan are expressly incorporated into this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. Terminology. Unless otherwise provided in this Agreement, capitalized words used herein are defined in the Glossary at the end of this Agreement, or, if no definition is provided in this Agreement or the Glossary, such capitalized words shall have the same definitions as in the Plan.

2. Vesting and Settlement of Restricted Stock Units.

(a) All of the RSUs are nonvested and forfeitable as of the Grant Date.

(b) All of the RSUs will vest and become nonforfeitable on the _____ anniversary of the Grant Date (the "***Vesting Date***"), so long as your Service is continuous from the Grant Date through the Vesting Date.

(c) Notwithstanding Section 2(b), one hundred percent of the RSUs will become vested and nonforfeitable as of immediately before and contingent upon the occurrence of a Change in Control, so long as your Service is continuous from the Grant Date, through the date of the Change in Control.

(d) If your Service ceases for any reason prior to the Vesting Date, then _________ all of the unvested RSUs will become nonforfeitable and vest on the Vesting Date.

(e) The number of RSUs indicated in Section 2(b) will be settled by payment of one Share per vested RSU on or within two and one-half months after the Vesting Date; provided that all of the then-vested RSUs will be settled by payment of one Share per vested RSU upon an earlier Change in Control.

3. Restrictions on Transfer.

(a) Your RSUs may not be sold, assigned, transferred, pledged, hypothecated or disposed of in any way (whether by operation of law or otherwise) (a "***Transfer***"), except by will or the laws of descent and distribution, and shall not be subject to execution, attachment or similar process. Any attempt to Transfer your RSUs that is in violation of this Section 3(a) shall be wholly ineffective and, if any such attempt is made, the Company may cause you to immediately forfeit any unvested RSUs without any payment or consideration by the Company. The Company is authorized to take appropriate measures to prevent any such Transfer, including, but not limited to, placing appropriate legends on any certificates that are issued with respect to the RSUs.

(b) You hereby represent and warrant to the Company as follows:

(i) You will hold any Shares received under this Agreement for your own account for investment only and not with a view to, or for resale in connection with, any "distribution" of the Shares within the meaning of the Securities Act.

(ii) You understand that the Company may, in its discretion, continue to impose restrictions on the Transfer of your Shares after they vest (including the placement of appropriate legends on stock certificates and the issue of stop transfer instructions to the Company's Transfer Agents) if, in the judgment of the Company, such restrictions are necessary or desirable to comply with the Securities Act, the securities laws of any State or any other law.

(iii) You are aware that your investment in the Company is a speculative investment that has limited liquidity and is subject to the risk of complete loss.

(c) Any attempt to Transfer the Shares received under this Agreement in contravention of the restrictions set forth in this Section 3 shall be null and void and without effect. The Company shall not be required to (i) Transfer on its books any Shares that have been Transferred in contravention of this Agreement or (ii) treat as the owner of the Shares, or otherwise accord voting, dividend, or liquidation rights to any transferee to whom the Shares have been Transferred in contravention of this Agreement.

4. Stockholder Rights. You are not considered the record owner of the Shares subject to the RSUs until such Shares are issued following vesting and you shall not be entitled to any of the rights of a shareholder of the Company including, without limitation, the right to vote such Shares and receive all dividends or other distributions paid with respect to such Shares, until such Shares are issued to you. Notwithstanding the foregoing, if any cash dividends or other distributions are paid with respect to the Shares before Shares are issued in settlement of RSUs, then dividend equivalents or other distribution equivalents will be credited with respect to your RSUs and will be subject to the same terms and conditions, and shall be paid at the time as, the RSUs to which they relate. For clarity, if you forfeit any RSUs, then you will also forfeit any dividend equivalents or other distribution equivalents credited with respect to dividends on the Shares subject to such RSUs.

5. Taxes.

(a) You hereby agree to make adequate provision for foreign, federal, state and local taxes required by law to be withheld, if any, which arise in connection with the grant, vesting or other event relating to the RSUs or the Shares. If taxes are required to be withheld, then the Company may require you to, immediately upon notification of the amount of withholding taxes due, if any, pay to the Company in cash or by check the amount necessary to satisfy any withholding obligations. The Company (and its Affiliates) shall also have the right to deduct from any compensation or any other payment of any kind due you (including withholding the issuance or delivery of Shares hereunder) the amount of any federal, state, local or foreign taxes required by law to be withheld as a result of the grant, vesting or other event with respect to the RSUs in whole or in part; provided, however, that the value of the Shares withheld or redeemed may not exceed the maximum statutory rate associated with the transaction to the extent necessary for the Company to avoid an accounting charge.

(b) You hereby acknowledge that you have been advised by the Company to seek independent tax advice from your own advisors regarding the tax consequences of this Award. You may not rely on the Company, its Affiliates, or any of their officers, directors or employees for tax or legal advice regarding this Award. You acknowledge that you have sought tax and legal advice from your own advisors regarding this Award or have voluntarily and knowingly foregone such consultation.

6. Adjustments for Corporate Transactions and Other Events.

(a) Stock Dividend, Stock Split and Reverse Stock Split. Upon a stock dividend of, or stock split or reverse stock split affecting, the Common Stock, the number of RSUs shall, without further action of the Administrator, be adjusted to reflect such event. The Administrator shall make adjustments, in its discretion, to address the treatment of fractional RSUs with respect to the Award as a result of the stock dividend, stock split or reverse stock split; provided that such adjustments do not result in the issuance of fractional Shares. Adjustments under this Section 6 will be made by the Administrator, whose determination as to what adjustments, if any, will be made and the extent thereof will be final, binding and conclusive.

(b) Non-Change in Control Transactions. Upon any change affecting the Common Stock, the Company or its capitalization, by reason of a spin-off, split-up, dividend, recapitalization, merger, consolidation or share exchange, other than any such change that is part of a transaction resulting in a Change in Control, the Administrator shall make any adjustments with respect to the Award as the Administrator determines to be appropriate and equitable. The Administrator's determination as to what adjustments, if any, will be made and the extent thereof will be final, binding and conclusive.

(c) Unusual or Nonrecurring Events. The Administrator shall make, in its discretion, adjustments in the terms and conditions of, and the criteria included in, the Award in recognition of unusual or nonrecurring events affecting the Company, or the financial statements of the Company or any Affiliate, or of changes in applicable laws, regulations, or accounting principles, whenever the Administrator determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

(d) Binding Nature of Agreement. The terms and conditions of this Agreement shall apply with equal force to any additional and/or substitute securities received by you in exchange for, or by virtue of your ownership of, the RSUs or the Shares, to the same extent as the RSUs or Shares with respect to which such additional and/or substitute securities are distributed, whether as a result of any spin-off, stock split-up, stock dividend, stock distribution, other reclassification of the Common Stock of the Company, or similar event, except as otherwise determined by the Administrator. If the RSUs or Shares are converted into or exchanged for, or stockholders of the Company receive by reason of any distribution in total or partial liquidation or pursuant to any merger of the Company or acquisition of its assets, securities of another entity, or other property (including cash), then the rights of the Company under this Agreement shall inure to the benefit of the Company's successor, and this Agreement shall apply to the securities or other property (including cash) received upon such conversion, exchange or distribution in the same manner and to the same extent as the RSUs or Shares.

7. Non-Guarantee of Service Relationship. Nothing in the Plan or this Agreement shall alter your service relationship with the Company (or an Affiliate), nor be construed as a contract of your service relationship between the Company (or an Affiliate) and you, or as a contractual right of you to continue in a service relationship with the Company (or an Affiliate) for any period of time, or as a limitation of the right of the Company (or an Affiliate) to discharge you at any time with or without cause or notice and whether or not such discharge results in the forfeiture of any RSUs or any other adverse effect on your interests under the Plan.

8. The Company's Rights. The existence of the RSUs shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Common Stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of the Company's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

9. Notices. All notices and other communications made or given pursuant to this Agreement shall be in writing and shall be sufficiently made or given if hand delivered or mailed by certified mail, addressed to you at the address contained in the records of the Company, or addressed to the Administrator, care of the Company for the attention of its Corporate Secretary at its principal executive office or, if the receiving party consents in advance, transmitted and received via telecopy or via such other electronic transmission mechanism as may be available to the parties.

10. Entire Agreement. This Agreement (together with the Plan contains the entire agreement between the parties with respect to the RSUs granted hereunder. Any oral or written agreements, representations, warranties, written inducements, or other communications made prior to the execution of this Agreement with respect to the RSUs granted hereunder shall be void and ineffective for all purposes. In the event a court of competent jurisdiction deems any provision hereof to be unreasonable, void, or unenforceable, such provision(s) shall be deemed severed from the remainder of the Agreement, which shall continue in all other respects to be valid and enforceable. It is the intent of the parties that any such provision(s) of this Agreement declared void, unreasonable, or unenforceable shall be deemed by a court of competent jurisdiction revised to the minimum amount necessary in order to be valid and enforceable.

11. Amendment. This Agreement may be amended from time to time by the Administrator in its discretion; provided, however, that this Agreement may not be modified in a manner that would have a material adverse effect on your rights with respect to the RSUs as determined in the discretion of the Administrator, except as otherwise provided in (a) Section 6 of this Agreement, (b) the Plan or (c) a written document signed by each of the parties hereto.

12. Conformity with Plan. This Agreement is intended to conform in all respects with, and is subject to all applicable provisions of, the Plan. Inconsistencies between this Agreement and the Plan shall be resolved in accordance with the terms of the Plan. In the event of any ambiguity in this Agreement or any matters as to which this Agreement is silent, the Plan shall govern. A copy of the Plan is provided to you with this Agreement.

13. Governing Law. The validity, construction and effect of this Agreement, and of any determinations or decisions made by the Administrator relating to this Agreement, and the rights of any and all persons having or claiming to have any interest under this Agreement, shall be determined exclusively in accordance with the laws of the State of Delaware, without regard to its provisions concerning the applicability of laws of other jurisdictions. As a condition of this Agreement, you agree that you will not bring any action arising under, as a result of, pursuant to or relating to, this Agreement in any court other than a federal or state court in the districts which include Niles, Illinois, and you hereby agree and submit to the personal jurisdiction of any federal court located in the district which includes Niles, Illinois or any state court in the district which includes Niles, Illinois. You further agree that you will not deny or attempt to defeat such personal jurisdiction or object to venue by motion or other request for leave from any such court.

14. Resolution of Disputes. Any dispute or disagreement which shall arise under, or as a result of, or pursuant to or relating to, this Agreement shall be determined by the Administrator in good faith in its absolute and uncontrolled discretion, and any such determination or any other determination by the Administrator under or pursuant to this Agreement and any interpretation by the Administrator of the terms of this Agreement, will be final, binding and conclusive on all persons affected thereby. You agree that before you may bring any legal action arising under, as a result of, pursuant to or relating to, this Agreement you will first exhaust your administrative remedies before the Administrator. You further agree that in the event that the Administrator does not resolve any dispute or disagreement arising under, as a result of, pursuant to or relating to, this Agreement to your satisfaction, no legal action may be commenced or maintained relating to this Agreement more than twenty-four (24) months after the Administrator’s decision.

15. Headings. The headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

16. Counterparts. This Agreement may be executed in multiple counterparts, each of which is deemed to be an original, but all of which taken together constitute one and the same Agreement and shall become effective when all counterparts have been executed by each of the parties hereto and delivered to the other. Facsimile and other electronic transmissions (including in portable document format) of any originally executed document (including this Agreement) shall be deemed to be the same as a delivered, executed original.

17. Electronic Delivery of Documents. By your signing this Agreement, you (i) consent to the electronic delivery of this Agreement, all information with respect to the Plan and the RSUs and any reports of the Company provided generally to the Company's stockholders; (ii) acknowledge that you may receive from the Company a paper copy of any documents delivered electronically at no cost to you by contacting the Company by telephone or in writing; (iii) further acknowledge that you may revoke your consent to the electronic delivery of documents at any time by notifying the Company of such revoked consent by telephone, postal service or electronic mail; and (iv) further acknowledge that you understand that you are not required to consent to electronic delivery of documents.

18. No Future Entitlement. By your signing this Agreement, you acknowledge and agree that: (i) the grant of these RSUs is a one-time benefit which does not create any contractual or other right to receive future grants of stock, or compensation in lieu of stock grants, even if stock grants have been granted repeatedly in the past; (ii) all determinations with respect to any such future grants, including, but not limited to, the times when stock grants shall be granted, the maximum number of Shares subject to each stock grant, and the times or conditions under which restrictions on such stock grants shall lapse, will be at the sole discretion of the Administrator; (iii) the vesting of RSUs ceases upon termination of service with the Company, or other cessation of eligibility for any reason, except as may otherwise be explicitly provided in this Agreement; (iv) the Company does not guarantee any future value of these RSUs or the Shares; and (v) no claim or entitlement to compensation or damages arises if these RSUs or the Shares do not increase in value and you irrevocably release the Company from any such claim that does arise.

19. Personal Data. For purposes of the implementation, administration and management of this Award or the effectuation of any acquisition, equity or debt financing, joint venture, merger, reorganization, consolidation, recapitalization, business combination, liquidation, dissolution, share exchange, sale of stock, sale of material assets or other similar corporate transaction involving the Company (a "***Corporate Transaction***"), you consent, by execution of this Agreement, to the collection, receipt, use, retention and transfer, in electronic or other form, of your personal data by and among the Company and its third party vendors or any potential party to a potential Corporate Transaction. You understand that personal data (including but not limited to, name, home address, telephone number, employee number, employment status, social security number, tax identification number, date of birth, nationality, job and payroll location, data for tax withholding purposes and Shares awarded, cancelled, vested and unvested) may be transferred to third parties assisting in the implementation, administration and management of the stock grant or the effectuation of a Corporate Transaction and you expressly authorize such transfer as well as the retention, use, and the subsequent transfer of the data by the recipient(s). You understand that these recipients may be located in your country or elsewhere, and that the recipient's country may have different data privacy laws and protections than your country. You understand that data will be held only as long as is necessary to implement, administer and manage the stock grant or effect a Corporate Transaction. You understand that you may, at any time, request a list with the names and addresses of any potential recipients of the personal data, view data, request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company's Secretary. You understand, however, that refusing or withdrawing your consent may affect your ability to accept a stock grant.

20. Consideration for Shares. To ensure compliance with applicable state corporate law, the Company may require you to furnish consideration in the form of cash or cash equivalents equal to the par value of the Shares issued to you hereunder, and you hereby authorize the Company to withhold such amount from remuneration otherwise due you from the Company.

21. Recoupment. The RSUs and the Shares are subject to recoupment in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder, any clawback policy adopted by the Company and any compensation recovery policy or practice otherwise required by applicable law.

GLOSSARY

(a)" ***Administrator***" means the Board of Directors of Perma-Pipe International Holdings, Inc. and/or the committee(s) or officer(s) appointed by the Board that have authority to administer the Plan.

(b)" ***Affiliate***" means any entity, whether now or hereafter existing, which controls, is controlled by, or is under common control with the Company (including but not limited to joint ventures, limited liability companies and partnerships). For this purpose, "control" shall mean ownership of 25% or more of the total combined voting power or value of all classes of stock or interests of the entity, or the power to direct the management and policies of the entity, by contract or otherwise.

(c) "***Company***" means Perma-Pipe International Holdings, Inc.

(d) "***Securities Act***" means the Securities Act of 1933, as amended.

(e)" ***Service***" means your Board of Directors service relationship with the Company and its Affiliates. Your Service will be considered to have ceased with the Company and its Affiliates if, immediately after a sale, merger or other corporate transaction, the trade, business or entity with which you have a service relationship is not Perma-Pipe International Holdings, Inc. or its successor, or an Affiliate of Perma-Pipe International Holdings, Inc. or its successor.

(f)" ***You***" or "***Your***" means the recipient of the RSUs as reflected in the first paragraph of this Agreement. Whenever the word "you" or "your" is used in any provision of this Agreement under circumstances where the provision should logically be construed, as determined by the Administrator, to apply to the estate, personal representative, or beneficiary to whom the RSUs may be transferred by will or by the laws of descent and distribution, the words "you" and "your" shall be deemed to include such person.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer as of the Grant Date.

Perma-Pipe International Holdings, Inc.
By:
Name:
Title:

The undersigned hereby acknowledges that he/she has carefully read this Agreement and agrees to be bound by all of the provisions set forth herein as of the Grant Date. The undersigned also consents to electronic delivery of all notices or other information with respect to the RSUs, the Shares or the Company.

GRANTEE

Exhibit 10.22

_____ PPIH

EMPLOYEE RESTRICTED STOCK UNIT GRANT

RESTRICTED STOCK UNIT AGREEMENT
UNDER THE
2021 OMNIBUS STOCK INCENTIVE PLAN

This Agreement (the "***Agreement***") evidences the award of restricted stock units (each, a "***Award Unit***," and collectively, the "***Award Units***"), entitling the grantee to receive one share of Common Stock (a "***Share***") on a future date, that ***Perma-Pipe International Holdings, Inc.***, a Delaware corporation (the "***Company***"), has granted to you effective as of________ (the "***Grant Date***"), pursuant to the 2021 Omnibus Stock Incentive Plan (the "***Plan***") and conditioned upon your agreement to the terms described below. This award is contingent on your acceptance of this Agreement within ninety (90) days after you receive notice of the award by signing where indicated below. If you do not accept this Agreement within ninety (90) days, this award will be void and you will not be entitled to any benefits under this Agreement. All of the provisions of the Plan are expressly incorporated into this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. Terminology. Unless otherwise provided in this Agreement, capitalized words used herein are defined in the Glossary at the end of this Agreement, or, if no definition is provided in this Agreement or the Glossary, such capitalized words shall have the same definitions as in the Plan.

2. Vesting.

(a) All of the Award Units are nonvested and forfeitable as of the Grant Date.

(b) So long as your Service is continuous from the Grant Date through the applicable date upon which vesting is scheduled to occur,

- Award Units will vest and become nonforfeitable on: _____; _____, ______, _____, and _____.

(c) Notwithstanding Section 2(b), one hundred percent of the Award Units will become vested and nonforfeitable as of immediately before and contingent upon the occurrence of a Change in Control, so long as your Service is continuous from the Grant Date, through the date of the Change in Control.

(d) If your Service ceases by reason of your permanent disability (as defined in Section 22(e)(3) of the Code) or death, then for one year after the date you become permanently disabled or your death, the Award Units will continue to vest and become nonforfeitable as set forth in Section 2(b) as though your Service was continuous through the one year anniversary of your date of disability or death, as applicable, and any Units that do not vest in accordance with this subsection shall be forfeited; provided, however, if the Company (or an Affiliate) reasonably determines following your termination due to death or disability that you could have been terminated for Cause had all the facts been known to the Company (or an Affiliate) at the time of your death or disability, as applicable, then you shall forfeit all rights with respect to any unvested Award Units.

(e) Except as otherwise specified in this Section 2, unless otherwise determined by the Administrator in its sole discretion, none of the Award Units will become vested and nonforfeitable after your Service ceases.

3. Settlement of Units. The Company shall deliver to you (or a designated broker) a whole number of Shares equal to the number of Units (if any) that vest pursuant to this Agreement, subject to withholding of any taxes (as provided in Section 7 below). Such delivery shall take place as soon as administratively practicable following the vesting date, but in no event more than thirty (30) days after the applicable vesting date.

4. Effect of Termination of Employment or Service. If your Service ceases for any reason except as otherwise specified in Section 2, all Award Units that are not then vested and nonforfeitable will be immediately forfeited by you.

5. Restrictions on Transfer.

(a) Your Award Units may not be sold, assigned, transferred, pledged, hypothecated or disposed of in any way (whether by operation of law or otherwise), except by will or the laws of descent and distribution, and shall not be subject to execution, attachment or similar process.

(b) You hereby represent and warrant to the Company as follows:

(i) You will hold any Shares transferred to you upon the vesting of the Award Units for your own account for investment only and not with a view to, or for resale in connection with, any "distribution" of the Shares within the meaning of the Securities Act.

(ii) You understand that the Company may, in its discretion, impose restrictions on the sale, pledge or other transfer of the Shares transferred to you upon the vesting of the Award Units (including the placement of appropriate legends on stock certificates and the issue of stop transfer instructions to the Company's Transfer Agents) if, in the judgment of the Company, such restrictions are necessary or desirable to comply with the Securities Act, the securities laws of any State or any other law.

(iii) You are aware that your investment in the Company is a speculative investment that has limited liquidity and is subject to the risk of complete loss.

(c) Any attempt to dispose of the Award Units or Shares received upon settlement of the Award Units in contravention of the restrictions set forth in this Section 5 shall be null and void and without effect. The Company shall not be required to (i) transfer on its books any Shares that have been sold or transferred in contravention of this Agreement or (ii) treat as the owner of the Shares, or otherwise accord voting, dividend, or liquidation rights to any transferee to whom the Shares have been transferred in contravention of this Agreement.

6. Stockholder Rights and Dividend Equivalents. You shall not have any rights of a stockholder with respect to the Shares underlying the Award Units (including, without limitation, any voting rights or any right to dividends), until the Shares have been issued hereunder. If, however, a cash dividend record date occurs after the Grant Date and prior to the settlement date, then on the date that such dividend is paid to Company stockholders, you shall be credited with "dividend equivalents" in an amount equal to the dividends that would have been paid to you if you had owned a number of Shares equal to the number of Award Units that are outstanding hereunder as of such record date. Such dividend equivalents will accrue and be paid to you in cash at the same time and to the same extent that the related Award Units vest. If you forfeit any Award Units, then you will also forfeit any related accrued dividend equivalents.

7. Tax Withholding.

(a) You hereby agree to make adequate provision for foreign, federal, state and local taxes required by law to be withheld, if any, which arise in connection with the grant, vesting, or settlement, of the Award Units. By accepting this Agreement, you are also electing, unless you expressly indicate otherwise by informing the Company in writing prior to your acceptance, to satisfy your tax withholding obligations by delivering proceeds from the sale of Shares that are issued under this Agreement on the market pursuant to the Irrevocable Standing Order Election attached as Exhibit A to this Agreement. By accepting this Agreement, you are representing that you meet all of the requirements set forth in the Irrevocable Standing Order Election attached as Exhibit A to this Agreement. If you expressly indicate by informing the Company in writing that you do not desire to satisfy your tax withholding obligations through the sale of Shares pursuant to Exhibit A prior to your acceptance of this Agreement, or if such sales cannot occur or do not occur in a timely manner pursuant to Exhibit A, then you shall, immediately upon notification of the amount of withholding taxes due, if any, pay to the Company in cash or by check the amount necessary to satisfy any withholding obligations. The Company (and its Affiliates) shall also have the right to deduct from any compensation or any other payment of any kind due you (including withholding the issuance or delivery of Shares hereunder) the amount of any federal, state, local or foreign taxes required by law to be withheld as a result of the grant, vesting or settlement of the Award Units in whole or in part; provided, however, that the value of the Shares withheld or redeemed may not exceed the maximum statutory rate associated with the transaction to the extent necessary for the Company to avoid an accounting charge. If you do not pay the amount necessary to satisfy any withholding obligations when requested, the Company may refuse to issue any Shares under this Agreement.

(b) You hereby acknowledge that you have been advised by the Company to seek independent tax advice from your own advisors regarding the tax consequences of this Award. You may not rely on the Company, its Affiliates, or any of their officers, directors or employees for tax or legal advice regarding this Award. You acknowledge that you have sought tax and legal advice from your own advisors regarding this Award or have voluntarily and knowingly foregone such consultation.

8. Adjustments for Corporate Transactions and Other Events.

(a) Stock Dividend, Stock Split and Reverse Stock Split. Upon a stock dividend of, or stock split or reverse stock split affecting, the Common Stock, the number of outstanding Award Units shall, without further action of the Administrator, be adjusted to reflect such event. The Administrator shall make adjustments, in its discretion, to address the treatment of fractional Shares with respect to the Award Units as a result of the stock dividend, stock split or reverse stock split; provided that such adjustments do not result in the issuance of fractional Shares. Adjustments under this Section 8 will be made by the Administrator, whose determination as to what adjustments, if any, will be made and the extent thereof will be final, binding and conclusive.

(b) Non-Change in Control Transactions. Upon any change affecting the Common Stock, the Company or its capitalization, by reason of a spin-off, split-up, dividend, recapitalization, merger, consolidation or share exchange, other than any such change that is part of a transaction resulting in a Change in Control, the Administrator shall make any adjustments with respect to the Award Units as the Administrator determines to be appropriate and equitable. The Administrator's determination as to what adjustments, if any, will be made and the extent thereof will be final, binding and conclusive.

(c) Unusual or Nonrecurring Events. The Administrator shall make, in its discretion, adjustments in the terms and conditions of, and the criteria included in, Award Units in recognition of unusual or nonrecurring events affecting the Company, or the financial statements of the Company or any Affiliate, or of changes in applicable laws, regulations, or accounting principles, whenever the Administrator determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan; provided that no such adjustment shall be made in contravention of Section 409A of the Code ("Code Section 409A") with respect to any Award that constitutes a deferred compensation arrangement within the meaning of Code Section 409A.

(d) Binding Nature of Agreement. The terms and conditions of this Agreement shall apply with equal force to any additional and/or substitute securities received by you in exchange for, or by virtue of your ownership of, the Award Units, to the same extent as the Award Units with respect to which such additional and/or substitute securities are distributed, whether as a result of any spin-off, stock split-up, stock dividend, stock distribution, other reclassification of the Common Stock of the Company, or similar event, except as otherwise determined by the Administrator. If the Award Units are converted into or exchanged for, or stockholders of the Company receive by reason of any distribution in total or partial liquidation or pursuant to any merger of the Company or acquisition of its assets, securities of another entity, or other property (including cash), then the rights of the Company under this Agreement shall inure to the benefit of the Company's successor, and this Agreement shall apply to the securities or other property (including cash) received upon such conversion, exchange or distribution in the same manner and to the same extent as the Award Units.

9. Non-Guarantee of Employment or Service Relationship. Nothing in the Plan or this Agreement shall alter your at-will or other employment status or other service relationship with the Company (or an Affiliate), nor be construed as a contract of employment or service relationship between the Company (or an Affiliate) and you, or as a contractual right of you to continue in the employ of, or in a service relationship with, the Company (or an Affiliate) for any period of time, or as a limitation of the right of the Company (or an Affiliate) to discharge you at any time with or without cause or notice and whether or not such discharge results in the forfeiture of any Award Units or any other adverse effect on your interests under the Plan.

10. The Company's Rights. The existence of the Award Units shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Common Stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of the Company's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

11. Notices. All notices and other communications made or given pursuant to this Agreement shall be in writing and shall be sufficiently made or given if hand delivered or mailed by certified mail, addressed to you at the address contained in the records of the Company, or addressed to the Administrator, care of the Company for the attention of its Corporate Secretary at its principal executive office or, if the receiving party consents in advance, transmitted and received via telecopy or via such other electronic transmission mechanism as may be available to the parties.

12. Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the Award Units granted hereunder. Any oral or written agreements, representations, warranties, written inducements, or other communications made prior to the execution of this Agreement with respect to the Award Units granted hereunder shall be void and ineffective for all purposes. In the event a court of competent jurisdiction deems any provision hereof to be unreasonable, void, or unenforceable, such provision(s) shall be deemed severed from the remainder of the Agreement, which shall continue in all other respects to be valid and enforceable. It is the intent of the parties that any such provision(s) of this Agreement declared void, unreasonable, or unenforceable shall be deemed by a court of competent jurisdiction revised to the minimum amount necessary in order to be valid and enforceable.

13. Amendment. This Agreement may be amended from time to time by the Administrator in its discretion; provided, however, that this Agreement may not be modified in a manner that would have a material adverse effect on your rights with respect to the Award Units as determined in the discretion of the Administrator, except as otherwise provided in (a) Section 8 of this Agreement, (b) the Plan or (c) a written document signed by each of the parties hereto.

14. Conformity with Plan. This Agreement is intended to conform in all respects with, and is subject to all applicable provisions of, the Plan. Inconsistencies between this Agreement and the Plan shall be resolved in accordance with the terms of the Plan. In the event of any ambiguity in this Agreement or any matters as to which this Agreement is silent, the Plan shall govern. A copy of the Plan is provided to you with this Agreement.

15. Governing Law. The validity, construction and effect of this Agreement, and of any determinations or decisions made by the Administrator relating to this Agreement, and the rights of any and all persons having or claiming to have any interest under this Agreement, shall be determined exclusively in accordance with the laws of the State of Delaware, without regard to its provisions concerning the applicability of laws of other jurisdictions. As a condition of this Agreement, you agree that you will not bring any action arising under, as a result of, pursuant to or relating to, this Agreement in any court other than a federal or state court in the districts which include Niles, Illinois, and you hereby agree and submit to the personal jurisdiction of any federal court located in the district which includes Niles, Illinois or any state court in the district which includes Niles, Illinois. You further agree that you will not deny or attempt to defeat such personal jurisdiction or object to venue by motion or other request for leave from any such court.

16. Resolution of Disputes. Any dispute or disagreement which shall arise under, or as a result of, or pursuant to or relating to, this Agreement shall be determined by the Administrator in good faith in its absolute and uncontrolled discretion, and any such determination or any other determination by the Administrator under or pursuant to this Agreement and any interpretation by the Administrator of the terms of this Agreement, will be final, binding and conclusive on all persons affected thereby. You agree that before you may bring any legal action arising under, as a result of, pursuant to or relating to, this Agreement you will first exhaust your administrative remedies before the Administrator. You further agree that in the event that the Administrator does not resolve any dispute or disagreement arising under, as a result of, pursuant to or relating to, this Agreement to your satisfaction, no legal action may be commenced or maintained relating to this Agreement more than twenty-four (24) months after the Administrator's decision.

17. Headings. The headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

18. Counterparts. This Agreement may be executed in multiple counterparts, each of which is deemed to be an original, but all of which taken together constitute one and the same Agreement and shall become effective when all counterparts have been executed by each of the parties hereto and delivered to the other. Facsimile and other electronic transmissions (including in portable document format) of any originally executed document (including this Agreement) shall be deemed to be the same as a delivered, executed original.

19. Electronic Delivery of Documents. By your signing this Agreement, you (i) consent to the electronic delivery of this Agreement, all information with respect to the Plan and the Award Units and any reports of the Company provided generally to the Company's stockholders; (ii) acknowledge that you may receive from the Company a paper copy of any documents delivered electronically at no cost to you by contacting the Company by telephone or in writing; (iii) further acknowledge that you may revoke your consent to the electronic delivery of documents at any time by notifying the Company of such revoked consent by telephone, postal service or electronic mail; and (iv) further acknowledge that you understand that you are not required to consent to electronic delivery of documents.

20. No Future Entitlement. By your signing this Agreement, you acknowledge and agree that: (i) the grant of these Award Units is a one-time benefit which does not create any contractual or other right to receive future grants of stock, or compensation in lieu of stock grants, even if stock grants have been granted repeatedly in the past; (ii) all determinations with respect to any such future grants, including, but not limited to, the times when stock grants shall be granted, the maximum number of Shares subject to each stock grant, and the times or conditions under which restrictions on such stock grants shall lapse, will be at the sole discretion of the Administrator; (iii) the value of this stock grant is an extraordinary item of compensation which is outside the scope of your employment contract, if any; (iv) the value of this stock grant is not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any termination, severance, resignation, redundancy, end of service payments or similar payments, or bonuses, long-service awards, pension or retirement benefits; (v) the vesting of these Award Units ceases upon termination of employment with the Company or transfer of employment from the Company, or other cessation of eligibility for any reason, except as may otherwise be explicitly provided in this Agreement; (vi) the Company does not guarantee any future value of these Award Units; and (vii) no claim or entitlement to compensation or damages arises if these Award Units do not increase in value and you irrevocably release the Company from any such claim that does arise.

21. Personal Data. For purposes of the implementation, administration and management of this Award or the effectuation of any acquisition, equity or debt financing, joint venture, merger, reorganization, consolidation, recapitalization, business combination, liquidation, dissolution, share exchange, sale of stock, sale of material assets or other similar corporate transaction involving the Company (a "***Corporate Transaction***"), you consent, by execution of this Agreement, to the collection, receipt, use, retention and transfer, in electronic or other form, of your personal data by and among the Company and its third party vendors or any potential party to a potential Corporate Transaction. You understand that personal data (including but not limited to, name, home address, telephone number, employee number, employment status, social security number, tax identification number, date of birth, nationality, job and payroll location, data for tax withholding purposes and Shares awarded, cancelled, vested and unvested) may be transferred to third parties assisting in the implementation, administration and management of the stock grant or the effectuation of a Corporate Transaction and you expressly authorize such transfer as well as the retention, use, and the subsequent transfer of the data by the recipient(s). You understand that these recipients may be located in your country or elsewhere, and that the recipient's country may have different data privacy laws and protections than your country. You understand that data will be held only as long as is necessary to implement, administer and manage the stock grant or effect a Corporate Transaction. You understand that you may, at any time, request a list with the names and addresses of any potential recipients of the personal data, view data, request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company's Secretary. You understand, however, that refusing or withdrawing your consent may affect your ability to accept a stock grant.

22. Consideration for Shares. To ensure compliance with applicable state corporate law, the Company may require you to furnish consideration in the form of cash or cash equivalents equal to the par value of the Shares issued to you upon settlement of the Award Units, and you hereby authorize the Company to withhold such amount from remuneration otherwise due you from the Company.

23. Recoupment. The Award Units (and any compensation paid or Shares issued upon settlement of the Award Units) are subject to recoupment in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder, any clawback policy adopted by the Company and any compensation recovery policy or practice otherwise required by applicable law.

GLOSSARY

(a)“ ***Administrator***” means the Board of Directors of Perma-Pipe International Holdings, Inc. and/or the committee(s) or officer(s) appointed by the Board that have authority to administer the Plan.

(b)“ ***Affiliate***” means any entity, whether now or hereafter existing, which controls, is controlled by, or is under common control with the Company (including but not limited to joint ventures, limited liability companies and partnerships). For this purpose, “control” shall mean ownership of 25% or more of the total combined voting power or value of all classes of stock or interests of the entity, or the power to direct the management and policies of the entity, by contract or otherwise.

(c)“ ***Cause***” means termination in whole or substantial part, for gross negligence or willful misconduct in the execution of your duties, for conviction of, or entry of a plea of guilty or *nolo contendere* to, any felony or any act of fraud, embezzlement, misappropriation, or a crime involving moral turpitude, or for commission of any act which causes or may reasonably be expected to cause substantial damage to the Company

(d)“ ***Company***” means Perma-Pipe International Holdings, Inc.

(e) “***Securities Act***” means the Securities Act of 1933, as amended.

(f)“ ***Service***” means your employment or other service relationship with the Company and its Affiliates. Your Service will be considered to have ceased with the Company and its Affiliates if, immediately after a sale, merger or other corporate transaction, the trade, business or entity with which you are employed or otherwise have a service relationship is not Perma-Pipe International Holdings, Inc. or its successor, or an Affiliate of Perma-Pipe International Holdings, Inc. or its successor.

(g)“ ***You***”; “***Your***”; “**Employee**”**,** means the recipient of the Award Units as reflected in the first paragraph of this Agreement. Whenever the word “Employee”, “you” or “your” is used in any provision of this Agreement under circumstances where the provision should logically be construed, as determined by the Administrator, to apply to the estate, personal representative, or beneficiary to whom the Award Units may be transferred by will or by the laws of descent and distribution, the words “Employee”, “you” and “your” shall be deemed to include such person.

Exhibit A

Standing Order Election

By accepting the Agreement to which this Exhibit A is attached, you are agreeing to this Irrevocable Standing Order Election (this "***Standing Order***"), which sets forth your election to satisfy any withholding taxes due in connection with each and every vesting date for the Award Units by applying proceeds from a market sale of Company securities issuable as a result of such vesting date. **I understand that, if I do not wish to satisfy any such taxes by applying proceeds from a market sale of such Company securities, then I must, prior to accepting the Agreement to which this Exhibit A is attached, expressly indicate that fact to the Company, and the Company will require that I pay my withholding obligations by cash or check, or the Company will deduct the amount of any withholding obligations from other payments due to me.**

IMPORTANT NOTES:

- You may not enter into this Standing Order by accepting the Agreement to which this Exhibit A is attached if you are in possession of material non-public information. If you are in possession of material non-public information, then you must wait to accept the Agreement until such time as you no longer possess material non-public information.
- No sales may be made pursuant to this Standing Order for 30 calendar days following your acceptance of the Agreement to which this Exhibit A is attached. To ensure that you can satisfy your withholding obligations by selling Shares in the market, you should return this form to the Company as soon as possible, but in no event later than 30 days before the first vesting date of your Award Units listed in the Agreement.

By accepting the Agreement to which this Exhibit A is attached, I understand that I am agreeing to the following provisions:

1. I am authorizing the Company and any broker the Company designates (the "***Broker***") to take the actions described in this Paragraph 1. I authorize the Company to transfer the Shares issued to me upon settlement of the Award Units to the Broker to be held in an account for my benefit (the "***Brokerage Account***"), and I irrevocably authorize the Broker to sell, at the market price and on the date the Shares are issued by the Company (or, if all or a portion of the sale cannot be completed on such date because of insufficient demand or a market disruption, then on the next following business day on which the sale can be made) the number of Shares necessary to obtain proceeds sufficient to satisfy the amount of any withholding obligations associated with my Award Units indicated by the Company to the Broker. I understand and agree that the number of Shares that the Broker will sell will be based on the Company's estimate (or Broker's estimate if it provides such service) of the Shares required to satisfy the withholding obligations, using the closing price of a Share of the Company's common stock on the trading day immediately prior to vesting date (or such other date as any withholding obligations become due). I agree to execute and deliver such documents, instruments and certificates as may reasonably be required in connection with the sale of the Shares pursuant to this Standing Order.

2. I agree that the proceeds received from the sale of Shares pursuant to Paragraph 1 will be used to satisfy any withholding obligations associated with my Award Units and, accordingly, I hereby authorize the Broker to pay such proceeds to the Company for such purpose. I understand that, to the extent that the proceeds obtained by such sale exceed the amount necessary to satisfy the withholding obligations, such excess proceeds shall be deposited into the Brokerage Account and, if a shortfall occurs, the Broker may sell additional Shares held in my Brokerage Account, the Company may deduct any remaining withholding obligations from any compensation or other payment of any kind due to me, or the Company may require that I pay any remaining withholding obligations to by cash or check. I further understand that any Shares that are issuable to me as a result of the vesting of my Award Units that are not sold to satisfy withholding obligations will be deposited into the Brokerage Account.

3. I have reviewed with my own tax advisors the federal, state, local and foreign tax consequences of this grant and the actions contemplated by the Agreement and this Standing Order. I am relying solely on such advisors and not on any statements or representations of the Company or any of its agents. I understand that I (and not the Company) will be responsible for my own tax liability that may arise as a result of this Standing Order.

4. I represent to the Company that, as of the date hereof, (i) I am not aware of any material nonpublic information about the Company or its Common Stock, (ii) the Company is not in a black out period (as defined in the Company's Insider Trading Policy), (iii) sales will not be commenced within 30 calendar days of adoption of this Standing Order, (iv) I am not subject to any legal, regulatory or contractual restriction or undertaking that would prevent the sales of Shares contemplated by this Standing Order, and (v) I am entering into this Standing Order in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1. The Company and I have structured this Agreement to comply with the affirmative defense to liability under Section 10(b) of the Securities Exchange Act of 1934, as amended, under Rule 10b5-1(c)(1) issued under such Act, and this Standing Order shall be interpreted to comply with such requirements.

Exhibit 21

SUBSIDIARIES OF REGISTRANT

MFRI Holdings (B.V.I) Ltd (British Virgin Islands)

Midwesco Filter Resources, Inc. (Delaware corporation)

MM Niles, Inc. (Delaware corporation)

Perma-Pipe, Inc. (Delaware corporation)

Perma-Pipe Canada, Inc. (Delaware corporation)

Perma-Pipe Canada, LTD. (Canada)

Perma-Pipe India Pvt. Ltd. (India)

Perma-Pipe International Co. LLC (Delaware corporation)

Perma-Pipe Middle East FZC (United Arab Emirates)

Perma-Pipe Egypt for Metal Fabrication and Insulation Industries (Perma-Pipe Egypt) S.A.E. (Egypt)

Perma-Pipe Oil Field Services LLC (United Arab Emirates)

Perma-Pipe Saudi Arabia, LLC (Kingdom of Saudi Arabia)

Perma-Pipe QA Limited Liability Company (LLC) (Qatar)

Perma-Pipe Middle East LLC (United Arab Emirates)

EXHIBIT 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated April 19, 2022, with respect to the consolidated financial statements and the related financial statement schedule included in the Annual Report of Perma-Pipe International Holdings, Inc. and subsidiaries on Form 10-K for the year ended January 31, 2022. We consent to the incorporation by reference of said report in the Registration Statements of Perma-Pipe International Holdings, Inc. on Forms S-3 (File No. 333-230895, effective May 14, 2019) and on Forms S-8 (File No. 333-130517, effective December 20, 2005; File No. 333-182144, effective June 15, 2012; File No. 333-186055, effective January 16, 2013; File No. 333-190241, effective July 30, 2013; File No. 333-224642, effective May 3, 2018 and File No. 333-256981, effective June 10, 2021).

/s/ GRANT THORNTON LLP

Houston, Texas
April 19, 2022

Exhibit 24

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each of the undersigned, being a director or officer, or both, of **Perma-Pipe International Holdings, Inc.,** a Delaware corporation (the "Company"), does hereby constitute and appoint DAVID J. MANSFIELD and/or D. BRYAN NORWOOD, with full power to each of them to act alone, as the true and lawful attorneys and agents of the undersigned, with full power of substitution and resubstitution to each of said attorneys to execute, file or deliver any and all instruments and to do all acts and things which said attorneys and agents, or any of them, deem advisable to enable the Company to comply with the Securities Exchange Act of 1934, as amended, and any requirements or regulations of the Securities and Exchange Commission in respect thereof, in connection with the Company's filing of an annual report on Form 10-K for the Company's fiscal year 2021, including specifically, but without limitation of the general authority hereby granted, the power and authority to sign his or her name as a director or officer, or both, of the Company, as indicated below opposite his or her signature, to the Form 10-K, and any amendment thereto; and each of the undersigned does hereby fully ratify and confirm all that said attorneys and agents, or any of them, or the substitute of any of them, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, each of the undersigned has executed this Power of Attorney as of this 19th day of April, 2022.

/s/ David J. Mansfield
David J. Mansfield, Director, President and Chief Executive Officer (Principal Executive Officer)

/s/ D. Bryan Norwood
D. Bryan Norwood, Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)

/s/ David S. Barrie
David S. Barrie, Director, Chairman of the Board of Directors

/s/ Robert McNally
Robert McNally, Director

/s/ David B. Brown
David B. Brown, Director

/s/ Jerome T. Walker
Jerome T. Walker, Director

/s/ Cynthia Boiter
Cynthia Boiter, Director

Exhibit 31.1

CERTIFICATION

I, David J. Mansfield, certify that:

1. I have reviewed this annual report on Form 10-K of Perma-Pipe International Holdings, 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: April 19, 2022

/s/ David J. Mansfield
David J. Mansfield
Director, President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, D. Bryan Norwood, certify that:

1. I have reviewed this annual report on Form 10-K of Perma-Pipe International Holdings, 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: April 19, 2022

/s/ D. Bryan Norwood
D. Bryan Norwood
Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32

Certification of Principal Executive Officers
Pursuant to 18 U.S.C. 1350
(Section 906 of the Sarbanes-Oxley Act of 2002)

The undersigned in their capacities as Chief Executive Officer and Chief Financial Officer of Perma-Pipe International Holdings, Inc. (the “Registrant'), certify that, to the best of their knowledge, based upon a review of the Annual Report on Form 10-K for the period ended **January 31, 2022** of the Registrant, (the “Report”):

(1) The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ David J. Mansfield
David J. Mansfield
Director, President and Chief Executive Officer
(Principal Executive Officer)
April 19, 2022

/s/ D. Bryan Norwood
D. Bryan Norwood
Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)
April 19, 2022

A signed original of this written statement required by Section 906 has been provided by Perma-Pipe International Holdings, Inc. and will be retained by Perma-Pipe International Holdings, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

DIRECTORS & OFFICERS

DIRECTORS

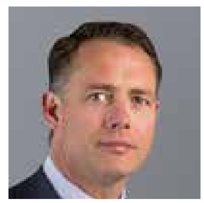
David S. Barrie
Independent Director &
Chairman Of The Board Of
Directors Principal
Barrie International, LLC

David B. Brown
Independent Director
Chief Financial Officer
Authentix, Inc.

David J. Mansfield
Director
PERMA-PIPE
International Holdings, Inc.

Jerome T. Walker
Independent Director
Chief Executive Officer
Caribbean Distributed Energy, LLC

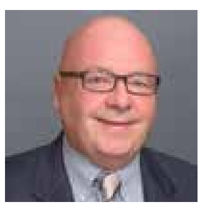
Cynthia A. Boiter
Independent Director EVP &
President, Chemical Division
Milliken & Co.



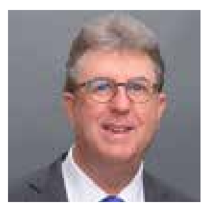
Robert J. McNally
Independent Director

PERMA-PIPE INTERNATIONAL HOLDINGS, INC. OFFICERS

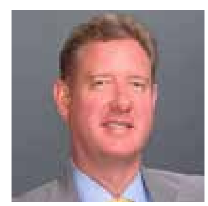
David J. Mansfield
President &
Chief Executive Officer



Wayne M. Bosch
Vice President &
Chief Human Resources Officer



D. Bryan Norwood
Vice President &
Chief Financial Officer



Grant W. Dewbre
Chief Operating Officer

OPERATIONS MANAGEMENT

Will Leong
Vice President &
General Manager
PermAlert

Saleh Sagr
Senior Vice President,
Middle East North Africa

Annual Meeting

June 22, 2022
10:00 a.m. Central Time
www.virtualshareholdermeeting.com/PPIH2022

Independent Registered Public Accountants
Grant Thornton LLP
700 Milam Street, Suite 300
Houston, TX 77002

Transfer Agent
Broadridge
P.O. Box 1342
Brentwood, NY 11717

GLOBAL LOCATIONS

CORPORATE HEADQUARTERS

PERMA-PIPE International Holdings, Inc.
6410 West Howard Street
Niles, Illinois 60714 United States
281-598-6222

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+966-13-812-9500

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+002-01202269110

PERMA-PIPE India Pvt. Ltd.
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+91-22-4003-6007

MANUFACTURING FACILITIES

PERMA-PIPE, Inc.
1310 Quarles Drive
Lebanon, Tennessee 37087 United States

5008-11 Curtis Lane
New Iberia, Louisiana 70560 United States

PERMA-PIPE Canada, Ltd.
5233 39th Street
Camrose, Alberta T4V 4R5 Canada

PERMA-PIPE Middle East (FZC)
Fujairah Free Zone 2, P.O. Box 4988
Fujairah, United Arab Emirates

PERMA-PIPE Saudi Arabia, LLC
Plot #F-21/1 Dammam Industrial City 2
P.O. Box 31198
Al Khobar 31952, Kingdom of Saudi Arabia

PERMA-PIPE Egypt S.A.E.
Bayad El Arab Industrial Area
Beni Suef, Egypt

PERMA-PIPE India Pvt. Ltd.
Godown 11 & 12, Survey #197
Village Mithi Rohar, Taluka-Gandhidham
District-Kutch Gujarat, India 370240

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