

THE ATTACHED UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FORM AN INTEGRAL PART OF THIS MANAGEMENT DISCUSSION AND ANALYSIS AND ARE HEREBY INCLUDED BY REFERENCE

### **Management Discussion and Analysis as of February 26, 2014**

*Certain statements in this report may constitute forward-looking statements that are subject to risks and uncertainties. A number of important factors could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. Consequently, readers should not place any undue reliance on such forward-looking statements. In addition, these forward-looking statements relate to the date on which they were made. See notes to the financial statements regarding going concern, commitments, contingencies, legal matters, and other matters, which could materially affect the Company's future business, results of operations, financial position and liquidity.*

*This Management Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim financial statements for the period ended December 31, 2013 and the audited financial statements for the period from incorporation to December 31, 2012 and the notes contained therein, of Decisive Dividend Corporation (the "Company"). This MD&A covers the period ended December 31 and the subsequent period up to the date of filing.*

*The unaudited condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). The unaudited condensed interim financial statements follow the same accounting policies and methods of application as our most recent audited financial statements and do not include all of the information required for full audited financial statements. All amounts are expressed in Canadian dollars unless otherwise noted. Readers are encouraged to read the Company's public information filings on SEDAR at [www.sedar.com](http://www.sedar.com).*

#### **Corporate Overview**

Decisive Dividend Corporation (the "Company") was incorporated under the British Columbia Business Corporations Act on October 2, 2012. The Company is classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the "TSXV" or "Exchange") Corporate Finance Manual ("CPC Policy"). The principal business of the Company is to identify and evaluate assets or businesses with a view to potentially acquiring them or an interest therein by completing a purchase transaction, by exercising of an option or by any concomitant transaction. The purpose of such an acquisition is to satisfy the related conditions of a Qualifying Transaction under the CPC Policy.

The Company's shares commenced trading on the TSX Venture Exchange under the trading symbol "DE.P" on September 23, 2013.

On September 19, 2013, the Company completed its IPO for the issuance of 1,500,000 common shares at a price of \$1.00 per common share for gross proceeds of \$1,500,000. The agents to the offering have received a commission of 8% of total proceeds resulting in a total commission of \$120,000. In addition, the agents were paid a corporate finance fee of \$12,500 and were reimbursed for their disbursements in the amount of \$3,468. Legal costs associated with the financing incurred were \$35,323. As a result the total cash costs related to the offering were \$171,296. In addition, the agents were granted 120,000 agents' options, at a price of \$1.00 per common share, which may be exercised for a period of 24 months from the date of listing of the common shares on the TSXV.

On December 18, 2012, the Company granted stock options to directors and officers of the Company to purchase 41,300 common shares at \$1.00 per share, and on April 25<sup>th</sup>, 2013 a further 11,800 stock

options were issued to two new directors, under the same terms. On September 24, 2013, a further 130,000 options were issued to nine directors under the same terms as the prior two tranches of options, and on November 13, 2013, a further 10,000 options were issued to a director under the same terms as the prior three tranches of options. The options may not be exercised until the Company has completed its Qualifying Transaction.

### Overall Performance

The Company has no active business at this time. The ability of the Company to continue to operate as a going concern is dependent on its ability to ultimately operate its business at a profit. To date, the Company has not generated any revenues from operations and may require additional funds to meet its obligations and the costs of its operations. As a result, further losses are anticipated prior to the generation of any profits. As at December 31, 2013, the Company had an accumulated deficit of \$201,799.

### Trend Analysis

The business of the Company entails significant risks.

Until the completion of a Qualifying Transaction ("QT"), operations of the Company will be limited to the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business. The completion of any such transaction will be subject to compliance with applicable TSX-V rules.

The Company's future capital requirements will depend on many factors, including its ability to complete a QT, competition and global market conditions. The Company's potential recurring operating losses and working capital needs may require that it obtain additional capital to operate its business. Such outside capital will include the sale of additional common shares.

There can be no assurance that capital will be available as necessary to meet these continuing development costs or, if the capital is available, that it will be on terms acceptable to the Company. The issuances of additional equity securities by the Company may result in a significant dilution in the equity interests of its current shareholders.

### Selected Financial Data

	For the year ended December 31, 2013 (\$)	Period from incorporation to December 31, 2012 (\$)
Total revenue - interest	5,210	-
Net loss	(187,111)	(14,688)
Total assets	1,571,749	285,312
Common shares issued	2,090,000	590,000
Weighted average shares outstanding	996,849	163,889
Net loss per share - basic and diluted	(0.19)	(0.09)

## **Results of Operations**

The Company was only recently incorporated and therefore, has no historical, comparative reference points for operating losses. The initial losses cover the period of formation and the regulatory process relating to the Initial Public Offering ("IPO").

## **Fluctuations in Results**

### *Year ended December 31, 2013*

During the year ended December 31, 2013 the Company expended \$70,415 on corporate activities. The majority of expenditures were related to costs incurred regarding the IPO which was completed on September 19, 2013.

During the period the most significant expenses were stock-based compensation costs of \$121,906, accounting and audit fees of \$18,385, TSX listing fees of \$15,200, filing fees of \$11,785, transfer agent fees of \$4,169, and directors' and officers' insurance fees of \$3,750.

### *Period from incorporation to December 31, 2012*

During the period the Company incurred costs relating to allowing for it to proceed with the IPO. The most significant expenses were audit fees of \$10,000, the corporate finance fee of \$6,250 to the IPO Agent, and the advance payment of \$7,500 to the Agent for anticipated reimbursement of its expenses, including the Agent's legal fees. The Company also incurred \$3,644 in travel costs in the period.

## **Liquidity and Capital Resources**

As at December 31, 2013 the Company had accumulated losses totaling \$201,799. The Company had working capital of \$1,543,811 at December 31, 2013 compared with \$280,312 as at December 31, 2012. The continuation of the Company is dependent upon the successful completion of the Company's QT, continued financial support of shareholders, its ability to raise capital through the issuance of its securities, as well as obtaining long-term financing. As at December 31, 2013 the Company had cash of \$1,564,114.

## **Additional Disclosure for Venture Issuers Without Significant Revenue**

The business of the Company entails significant risks, and an investment in the securities of the Company should be considered highly speculative. An investment in the securities of the Company should only be undertaken by persons who have sufficient financial resources to enable them to assume such risks. The following is a general description of all material risks, which can adversely affect the business and in turn the financial results, ultimately affecting the value of an investment the Company.

The Company has no significant revenues. The Company has limited funds.

There is no assurance that the Company can access additional capital.

There is no assurance that the Company will be successful in locating a QT, and once located completing a QT.

Certain of the Company's directors and officers serve as directors and/or officers of other public and private companies and devote a portion of their time to manage other business interests. This may result in certain conflicts of interest.

The Company has a history of operating losses and may have operating losses and a negative cash flow in the future.

Investment in the Company is highly speculative due to the proposed nature of the Company's business and its present stage of development. The Company was only recently incorporated and has no active business or assets other than cash. The Company does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends.

There can be no assurance that an active and liquid market for the Company's Common Shares will develop and an investor may find it difficult to resell the Common Shares. Until completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction.

#### **Off-Balance Sheet Arrangements**

There are no off-balance sheet arrangements.

#### **Related Party Transactions**

On December 18, 2012, the Company granted stock options to directors and officers of the Company to purchase 41,300 common shares at \$1.00 per share, and on April 25<sup>th</sup>, 2013 a further 11,800 stock options were issued to two new directors, under the same terms. On September 24, 2013, a further 130,000 options were issued to nine directors under the same terms as the prior two tranches of options, and on November 13, 2013, a further 10,000 options were issued to a director under the same terms as the prior three tranches of options. The options may not be exercised until the Company has completed its Qualifying Transaction unless the option holder agrees in writing to place any shares obtained into escrow until such time as the Qualifying Transaction. All optionees have agreed in writing to place any shares obtained through exercise of their options into escrow until such time as the Qualifying Transaction. The total compensation expense recognized in relation to these options for the year ended December 31, 2013 was \$121,906.

During the year ended December 31, 2013 the Company incurred share issuance costs of \$12,750 (2012 – nil) with a law firm in which two directors of the Company are either a partner or an employee. This amount was incurred in the normal course of operations and was measured at the exchange amount, which is the amount of the consideration established and agreed to by the related parties. As these costs pertain to a financing that closed on September 19<sup>th</sup>, 2013, they have been offset against share capital.

During the year ended December 31, 2013 the Company incurred costs of \$2,500 (2012 – nil) related to the development of their corporate website by a relative of a director.

During the year ended December 31, 2013, the Company incurred rent and office costs of \$3,000 (2012 – nil) to a company controlled by a director of the Company. The agreement is on a month to month basis.

#### **Critical Accounting Estimates**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Actual results may differ from those estimates. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates on the resulting effects of the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

All of the Company's significant accounting policies and estimates are included in Note 3 of its financial statements for the year ended December 31, 2013.

## **Future Changes in Accounting Policies**

### **Recent accounting pronouncements**

a) Accounting standards issued and effective January 1, 2014

IFRS 10, *Consolidated Financial Statements*, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This standard:

- Requires a parent entity (an entity that controls one or more other entities) to present consolidated financial statements
- Defines the principle of control, and establishes control as the basis for consolidation;
- Sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee; and
- Sets out the accounting requirements for the preparation of consolidated financial statements

IFRS 10 supersedes IAS 27 and SIC-12, *Consolidation – Special Purpose Entities*.

IFRS 11, *Joint Arrangements*, establishes the core principle that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement.

IFRS 12, *Disclosure of Interests with Other Entities*, requires the disclosure of information that enables users of consolidated financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

IFRS 13, *Fair Value Measurement*, defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except for the following:

- Share-based payment transactions within the scope of IFRS 2, *Share-based Payment*;
- Leasing transactions within the scope of IAS 17, *Leases*;

- Measurements that have some similarities to fair value but that are not fair value, such as net realizable value in IAS 2, *Inventories*, or value in use in IAS 36, *Impairment of Assets*.

b) Accounting standards issued and effective January 1, 2015

IFRS 9, *Financial Instruments*, replaces the current standard IAS 39, *Financial Instruments: Recognition and Measurement*, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value.

### Share Capital Data

The following table sets forth the Company's share capital data as at December 31, 2013.

	<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Options Outstanding</b>	<b>Common Shares on Exercise</b>
Common Shares				2,090,000
Stock Options	December 18, 2017	\$1.00	41,300	41,300
	April 25, 2018	\$1.00	11,800	11,800
	September 24, 2018	\$1.00	130,000	130,000
	November 13, 2018	\$1.00	10,000	10,000
Agents' options	September 19, 2015	\$1.00	120,000	120,000

### Escrow Shares

According to TSX Venture Exchange policies, all Seed Shares issued at a price lower than the price of the IPO shares and all securities acquired by non-arm's length parties to the Company, and all securities acquired by a Control Person will be held in escrow and will be released over a period of three years from acceptance of the Company's Qualifying Transaction. Additionally, all common shares acquired on exercise of stock options, granted to directors and officers prior to the completion of a Qualifying Transaction must also be deposited in escrow until the final exchange bulletin is issued.

At December 31, 2013, there are 947,500 shares subject to the escrow provisions.

### Further Information

Additional information about the Company is available at the Canadian disclosure website [www.sedar.com](http://www.sedar.com), or on the company's website at [www.decisivedividend.com](http://www.decisivedividend.com).