Management's Discussion and Analysis

Decisive Dividend Corporation

For the three and six months ended June 30, 2018

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited interim condensed consolidated financial statements for the six-month period ended June 30, 2018 and the audited financial statements for the year ended December 31, 2017 and the notes contained therein, of Decisive Dividend Corporation ("the Company"). This MD&A covers the six-month period ended June 30, 2018 and the subsequent period up to the date of filing. In this MD&A, the Company and its subsidiaries, collectively, are referred to as the "Group".

Non-IFRS Measures

In this MD&A, reference is made to the measures "EBITDA" and "Adjusted EBITDA", which is believed to be meaningful in the assessment of the Company's performance.

- "**EBITDA**" is defined as earnings before interest, income taxes, depreciation and amortization.

- "**Adjusted EBITDA**" is defined as earnings before interest, income taxes, depreciation, amortization, other non-cash items such as gains or losses recognized on the fair value of contingent consideration items, asset impairment and restructuring costs, and any unusual non-operating one-time items such as acquisition costs.

Set forth below are descriptions of the financial items that have been excluded from net income or loss to calculate "EBITDA" and "Adjusted EBITDA" and the material limitations associated with using this non-IFRS financial measure as compared to profit or loss:

Exclusions re: EBITDA and Adjusted EBITDA

- Finance costs (income) includes interest expense and unrealized foreign exchange gains and losses. The amount of interest expense we incur or interest income we generate may be useful for investors to consider and may result in current cash inflows or outflows. However, we do not consider the amount of interest expense or interest income to be a representative component of the day-to-day operating performance of the Company. Additionally, we also do not consider unrealized foreign exchange gains and losses to be representative component of the day-to-day operating performance of the Company.
- Income tax expense may be useful for investors to consider because it generally represents the taxes which may be payable for the period and the change in deferred income taxes may reduce the amount of funds otherwise available for use in the future. However, we do not consider the amount of income tax expense to be a representative component of the day-to-day operating performance of the Company.
- Depreciation and amortization expense may be useful for investors to consider because it generally represents the wear and tear on our property and equipment used in our operations. However, we do not believe these charges necessarily reflect the current and ongoing cash charges related to our operating costs.

Exclusions re: Adjusted EBITDA

- The Company does not consider one-time or non-recurring costs incurred to be a representative component of the day-today operating performance of the Company. Acquisition costs are non-operating items that have affected costs in each quarter, with respect to planned and completed acquisitions. While a necessary expense as part of acquisitions, the magnitude and timing of these items may vary significantly depending upon the acquisition. As such, we do not consider acquisition costs incurred to be a representative component of the day-to-day operating performance of the Company.
- Cost of manufacturing includes non-cash charges to expense the fair value increment of Unicast inventories sold in the period that were originally acquired as part of the initial purchase. As at December 31, 2017, the entire amount of the fair value increment has been expensed.

- Share-based compensation may be useful for investors to consider because it is an estimate of the non-cash component of compensation received by the Company's directors, officers, employees and consultants. Share-based compensation has been excluded from the Company's operating expenses because the decisions that gave rise to these expenses were not made to increase revenue in a particular period, but were made for the Company's long-term benefit over multiple periods. Strategic decisions, such as the issuance of share-based awards to further the Company's long-term strategic objectives, impact the Company's earnings under IFRS, and may likely affect multiple periods' results.

While EBITDA and Adjusted EBITDA are used by management of the Company to assess the historical financial performance of the performance of the Company and its businesses, as applicable, readers are cautioned that:

- Non-IFRS financial measures, such as EBITDA and Adjusted EBITDA, are not recognized financial measures under IFRS;

- the Company's method of calculating Non-IFRS financial measures, such as EBITDA and Adjusted EBITDA, may differ from that of other corporations or entities and therefore may not be directly comparable to measures utilized by other corporations or entities;

- in the future, the Company may disclose different non-IFRS financial measures in order to help our investors more meaningfully evaluate and compare our future results of operations to our previously reported results of operations.

- Non-IFRS financial measures, such as EBITDA and Adjusted EBITDA, should not be viewed as an alternative to measures that are recognized under IFRS such as net income or cash from operating activities; and

- a reader should not place undue reliance on any Non-IFRS financial measures.

For a reconciliation of a Non-IFRS financial measure to its most relevant IFRS measure, see "Overall Performance – Financial Highlights" in this report.

Forward Looking Statements

Certain statements in this report constitute forward-looking information and forward-looking statements. All statements other than statements of historical fact contained in this report are forward-looking statements, including, without limitation, statements regarding the future financial position, operations, business strategy, future acquisitions, and the potential impact of completed acquisitions on the operations, financial condition, capital resources and business of the Company and its subsidiaries, the Company's policy with respect to the amount and/or frequency of dividends, budgets, litigation, projected costs and plans and objectives of or involving the Company and/or its subsidiaries. Readers can identify many of these forward-looking statements by looking for words such as "believes", "expects", "will", "may", "intends", "projects", "anticipates", "plans", "estimates", "continues" and similar words or the negative and grammatical variations thereof.

Forward-looking statements are necessarily based upon a number of expectations or assumptions that, while considered reasonable by management at the time the statements are made, are inherently subject to significant business, economic and competitive risks, uncertainties and contingencies, many of which are beyond the Company's control and many of which are subject to change. Readers are cautioned to not place undue reliance on forward-looking statements which only speak as to the date they are made. Although management believes that the expectations and assumptions underlying such forward-looking statements are reasonable, there can be no assurance that such expectations or assumptions will prove to be correct. A number of factors could cause actual future results, performance, achievements and developments of the Company to differ materially from anticipated results, performance, achievements and developments expressed or implied by such forward-looking statements. Such factors include, but are not limited to risks relating to: general economic conditions; government regulation; environmental regulation;

operational performance and growth; acquisition risk; dependence on distributors and strategic relationships; ability to develop new products; weather and climate; supply and cost of raw materials and purchased parts; foreign exchange exposure; implementation of growth strategy; competition; reliance on management and key personnel; financing risk; litigation; product liability and warranty claims; credit facility; income tax matters; dividends; reliance on technology; market trends and innovation; employee and labour relations; conflicts of interest; trading volatility of the Company's shares; information technology; potential failure to achieve synergies and customer concentration risk.

Assumptions about the performance of the businesses of the Company are considered in setting the business plan and financial targets for the Company and its businesses. Key assumptions include assumptions relating to the demand for products and services of the businesses of the Company and relating to the Canadian and other markets in which the businesses are active. **Should one or more of the risks materialize or the assumptions prove incorrect, actual results, performance or achievements of the Corporation and its Subsidiaries may vary materially from those described in forward-looking statements.**

All forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. Except as required by law, the Company disclaims any obligation to update any forward-looking information or forward-looking statements to reflect future events or results or otherwise.

The audited financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). 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.

The accompanying interim financial statements include the accounts of the Company and its wholly owned subsidiaries. All inter-company balances and transactions have been eliminated on consolidation.

This MD&A was prepared effective August 17, 2018.

Corporate Overview

Decisive Dividend Corporation (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on October 2, 2012 and is listed on the TSX Venture Exchange (the "Exchange"), trading under the symbol "DE". The Company is an acquisition-oriented corporation focused on opportunities in manufacturing. The business plan of the Company is to acquire or invest in profitable, well-established manufacturing companies with strong cash flows. To date, the Company has completed the acquisition of four manufacturing companies, as described below.

As at June 30, 2018, the principal wholly-owned operating subsidiaries of the Company are Valley Comfort Systems Inc. ("VCSI"), Blaze King Industries ("Blaze King USA"), Unicast Inc. ("Unicast"), Slimline Manufacturing Ltd. ("Slimline"), acquired May 30, 2018, and Hawk Machine Works Ltd. ("Hawk"), acquired June 28, 2018. VCSI and Blaze King USA are referred to herein collectively as "Blaze King".

The objectives of the Company are:

(i) To provide shareholders with stable and growing dividends;
(ii) To maximize share value through on-going active monitoring of its operating subsidiaries; and
(iii) To continue to acquire additional companies or businesses or interests therein, in order to expand and diversify the Company's investments.

The address of the Company's Head Office is #201, 1674 Bertram Street, Kelowna, B.C. V1Y 9G4.

Overall Performance

Financial Highlights

The financial results of the Group for the periods indicated below are, as follows:

FINANCIAL PERFORMANCE			per share				per share	
		2018	**basic**	**diluted**		2017	basic	diluted
For the three months ended June 30:								
Total revenue	**$**	**5,301,725**			$	4,903,048		
Gross margin		**2,291,496**				2,229,333		
Adjusted EBITDA[1]		**463,076**				587,987		
Profit (loss) before tax		**(321,995)**	**(0.09)**	**(0.08)**		(55,764)	(0.01)	(0.01)
Profit (loss)		**(261,595)**	**(0.08)**	**(0.07)**		(64,570)	(0.01)	(0.01)
Dividends declared		**694,264**				552,246		
For the six months ended June 30:								
Total revenue	**$**	**10,763,417**			$	9,960,711		
Gross margin		**4,557,317**				4,650,463		
Adjusted EBITDA[1]		**803,018**				1,185,776		
Profit (loss) before tax		**(64,386)**	**(0.04)**	**(0.04)**		(212,284)	(0.04)	(0.03)
Profit (loss)		**11,014**	**(0.03)**	**(0.03)**		(249,250)	(0.04)	(0.04)
Dividends declared		**1,252,673**				1,040,527		

[1] – see IFRS measurement to non-IFRS measurement reconciliation table below

IFRS measurement to non-IFRS measurement reconciliation:

		For the six months ended								For the three months ended						
		June 30, 2018	**per share basic**	**per share diluted**		June 30, 2017	per share basic	per share diluted		**June 30, 2018**	**per share basic**	**per share diluted**		June 30, 2017	per share basic	per share diluted
Profit (Loss) for the period	**$**	**11,014**	**(0.00)**	**(0.00)**	$	(249,250)	(0.04)	(0.04)	**$**	**(261,595)**	**(0.05)**	**(0.05)**	$	(64,300)	(0.01)	(0.01)
Add (deduct):																
Financing costs (income)		**(312,139)**				438,507				**43,182**				244,000		
Income tax expense (recovery)		**(75,400)**				36,966				**(60,400)**				8,536		
Amortization and depreciation		**519,042**				530,131				**282,154**				264,773		
EBITDA		**142,517**	**0.02**	**0.02**		756,354	0.13	0.11		**3,341**	**(0.00)**	**(0.00)**		453,009	0.08	0.07
Add (deduct):																
Acquisition costs		**451,142**				-				**324,433**				-		
Fair value adjustment of inventory on acquisition of businesses		**60,667**				186,638				**60,667**				38,120		
Share-based compensation expense		**150,391**				254,221				**74,978**				105,703		
Interest revenue		**(1,699)**				(9,296)				**(343)**				(6,704)		
Gain on sale of equipment		**-**				(2,141)				**-**				(2,141)		
Adjusted EBITDA	**$**	**803,018**	**0.13**	**0.12**	$	1,185,776	0.21	0.18	**$**	**463,076**	**0.08**	**0.07**	$	587,987	0.10	0.09

See "Business Overview" and "Outlook" sections below for a discussion of the expected impact of the two acquisitions completed in May and June, respectively.

FINANCIAL POSITION		**June 30, 2018**		December 31, 2017
Working capital	**$**	**8,625,172**	$	5,014,033
Capital assets		**5,555,148**		1,626,785
Total assets		**43,142,413**		21,319,538
Loans and borrowings		**14,050,042**		8,400,853
Equity		**21,939,040**		7,361,455
Share Information		**June 30, 2018**		December 31, 2017
Common shares issued		**10,415,374**		6,174,376
Common shares issued and outstanding		**10,268,708**		5,954,377

Discussion of Overall Performance

<u>Six-Month Consolidated Financial Highlights</u>

The revenue for the six-month period ended June 30, 2018 for the Company was $10.8m, an increase of 8.1% over the same period in the prior year. Results for the six-month period ended June 30, 2018 also include operating results from Slimline and Hawk for the one month and one day since their respective acquisition dates. Adjusting for the two new acquisitions, consolidated revenues have increased 2.9% over the prior year. Over the same period, gross margin percentage has decreased from 42.9% to 42.4%.

Revenues at Blaze King increased 9.5% whereas revenues at Unicast decreased 7.3% over the prior period. Gross margin at Blaze King remained steady at 38.5%, down slightly from 38.7% in the prior year; and gross margin at Unicast increased from 48.4% to 51.6%.

The decline in gross margin for the Group has been driven by results to date at Blaze King and Slimline: the Company's interim results are impacted by seasonality factors primarily driven by weather patterns in North America, including the impact on heating and planting and harvesting seasons. Blaze King's business historically experiences lower demand in the first and second quarters of the calendar year, Slimline's business historically experiences lower demand in the third quarter and Hawk's business historically experiences lower demand in the second quarter. In each subsidiary, there are substantial fixed costs that do not meaningfully fluctuate with product demand in the short-term.

Operating expenses increased from $4.1m for the six-month period ending June 30, 2017 to $4.9m for the six-month period ending June 30, 2018, an increase of 21.6%. The primary drivers of the increase are increased professional fees, the majority related to the two acquisitions and an equity raise in the quarter of $494,223, salaries, wages and benefits of $269,700 and increased selling, general and administrative costs of $168,300, offset by foreign exchange gains. Total acquisition-related costs for the six-month period were $451,142.

Financing costs (income) are disclosed in Note 11 of the June 30, 2018 unaudited interim condensed consolidated financial statements (the "interim financial statements"). Financing costs comprise interest expense and foreign exchange gains and losses. The (net) finance income in the six-month periods ended June 30, 2018 has been driven by the $523,817 foreign exchange gain: the foreign exchange gain is related to the translation of Unicast results for the period from their functional currency (US dollar) to the Group's presentation currency (Canadian dollar). The Group's exposure to foreign currency is described in Note 13 to the June 30, 2018 interim financial statements.

Adjusted EBITDA for the period was $803,018, a $382,758, or 32.3%, decrease from the same period in the prior year of $1,185,776. Adjusted EBITDA decreased due to lower margins and higher selling costs year over year experienced by Unicast and Blaze King.

Q2 Consolidated Financial Highlights

Q2 revenue was $5.3m, an 8.1% increase over Q2-17. The revenue increase was entirely driven by the Slimline and Hawk acquisitions. Adjusting for the acquisitions, revenue has decreased 2.3% over the same quarter in 2017. Similarly, the increase in gross margin on dollar-basis was driven by the addition of the Slimline and Hawk results. On a same-business basis, gross margin is consistent with Q2-17 at $2.2m, while gross margin has increased from 45.5% to 45.9%. As noted in Q1-18, the increase in margin is as a result of having fully amortized the inventory fair value adjustment on the Unicast acquisition in its 2017 results. Adjusting for this non-cash adjustment, gross margin has declined from 49.3% to 45.9% in Q2-17.

Operating expenses have increased from $2.1m to $2.6m over the same quarter in the prior year. The primary drivers of the increase are increased professional fees related to the acquisitions and equity raise in the quarter of $539,600, salaries, wages and benefits of $157,100 and increased selling, general and administrative costs of $29,600. Notable, the two new acquisitions account for approximately $103,000 of the increased operating expenses for the quarter, which are primarily salaries, wages and benefits and selling, general and administrative costs.

Adjusted EBITDA for the quarter was $463,076, a $124,911, or 21.2%, decrease from the same period in the prior year of $587,987.

Business Overview

The Company currently has five segments comprised of head office and four operating divisions: Blaze King; Unicast, Slimline and Hawk. It is the intention of the Company to acquire additional businesses in the manufacturing sector as opportunities present themselves. An overview of the businesses of the four operating divisions of the Company is set forth below.

Blaze King

On February 27, 2015, the Company acquired PGR Ventures Inc. which carries on business through its wholly-owned subsidiary, Valley Comfort Systems Inc. and its wholly-owned subsidiary, Blaze King Industries Inc. This transaction served as the Company's “qualifying transaction” for the purposes of the Exchange. PGR Ventures Inc., Valley Comfort Systems Inc. and Blaze King Industries Inc. are herein collectively referred to as “Blaze King”.

The business of Blaze King is producing and selling high-quality, high-efficiency wood burning stoves, all manufactured in its premises in Penticton, British Columbia and Walla Walla, Washington. Blaze King has been operating since 1977, and its hearth products are sold worldwide. Blaze King's stoves are recognized as some of the longest-burning, most high efficiency stoves in the hearth market. Blaze King management believes that Blaze King's stoves have developed a strong reputation for quality. These factors have helped build the Blaze King brand and reputation, which drives sales through dealer and customer loyalty. Blaze King has a growing distribution base that includes distributors across Canada and the United States.

Unicast

On June 23, 2016, the Company completed its second business acquisition when it acquired Unicast Inc. (“Unicast”). The purchase consideration included 293,332 shares that are only issuable contingent upon the continued employment of two shareholders for a period of three years through June 2019 (the “Employment Period”). As at June 30, 2018, 183,332 of these shares remain in escrow.

The business of Unicast is producing and distributing wear parts and valves for the mining, aggregate and cement industries. Wear parts are consumable parts for machinery that wear out when crushing rock, which is done extensively in the mining, aggregate and cement industries. Unicast has been in operation since 1994.

Unicast is focused on providing wear parts that are more durable and last much longer than the products of its competitors. Unicast's products are also designed to have fewer issues regarding installation and maintenance. Unicast management believes that these are Unicast's primary competitive advantages over its competitors.

Unicast offers its customers volume discount options, as well as a corporate discount program. Unicast offers a "Make and Hold Finance Program" wherein a customer only pays for product as it is used. The program guarantees on-site part supply, bulk shipping and a volume discount. Additionally, Unicast has a growing dealer distribution base that includes distributors across Canada and the United States, with planned growth in Latin America and Asia.

Slimline

On May 30, 2018, the Company completed its third business acquisition when it acquired Slimline Manufacturing Ltd. and its wholly-owned subsidiary, Slimline Manufacturing (2016) Ltd. (collectively, "Slimline"). The purchase consideration included a combination of cash and common shares, and additionally, includes a contingent consideration component should certain financial targets be met for the twelve-month period ended July 31, 2018.

Slimline and predecessor companies have been manufacturing and selling air blast sprayers since 1948. The air blast sprayers are used primarily in the agricultural industry to apply treatments to crops. Slimline also manufactures and sells wastewater evaporators primarily used in the mining and oil industries. In addition to its two main product lines, Slimline manufactures custom products and sells various sprayer and evaporator parts. Slimline's sprayers and evaporators utilize common technology including pumps and turbines.

Slimline sells these sprayers under the name "Turbo Mist" which includes a heavy-duty series, a standard series, a cherry blower, a multi-row air blast sprayer and a rotomister sprayer used to combat insect plagues. Slimline's sprayers are sold through its dealer network comprised of 10 dealers situated in Canada and 34 dealers situated in the United States.

Slimline's evaporator division has been in operation since 1996. It produces a patented, portable, industrial product lineup which has been developed to meet specific customer needs in the wastewater treatment marketplace. Key industries which use evaporators to handle wastewater treatment include conventional oil production, oil sands production, shale oil production, food processing, and mining. Slimline's evaporators are sold into markets throughout the world.

Hawk

On June 28, 2018, the Company completed its fourth business acquisition when it acquired Hawk Machine Works Ltd. ("Hawk"). The purchase consideration included a combination of cash and common shares.

Hawk was founded in 1998 and is positioned in the computer numerical control (CNC) machining/fabrication market as a complete turnkey solution for customized machining products. Hawk is a supplier for value-add CNC machining specializing in down-hole fracking tools. Hawk routinely executes purchase orders requiring mass production capability, assembly, and testing of machined products.

Over the last five years, customers of Hawk have primarily been market participants in the down hole tool sector of the oil and gas industry, power utility generation, appliance, and other original equipment manufacturers. Products and services include: general machining; fracking tools; ground and subsurface tools; rods and couplings; reconditioning services; and resale parts.

Hawk's primary focus is on servicing producers of multi-stage fracking sleeves for the oil and gas industry. Hawk is currently the only turnkey supplier for its main customer: Hawk's historical failure rate is less than 0.005%. Hawk routinely delivers product direct to end-users rather than customers' facilities for inspection.

In this MD&A, the Company and its subsidiaries, collectively, are referred to as the “Group”.

Industry Trends

North American Hearth Industry

Design trends for the hearth industry continue to evolve, and consumer tastes vary from region to region in regional markets: rural markets continue to favor traditional designs while urban areas tend to favor modern designs. Eastern North American markets place more emphasis on cast iron surfaces while western North American markets prefer steel finishes. Regional variances can also be seen in fuel choices: gas remains the most desirable fuel in urban areas as a plentiful supply is available, whereas wood remains the fuel choice in rural areas.

Blaze King offers a wide variety of designs. Whether it is cast iron or steel including painted or enamel color finishes, modern or a traditional design, gas or wood, freestanding or insert, Blaze King has a model that will meet most regional variances.

Mining, Aggregate, and Cement Wear Parts Industry

Industry trends in the mining, aggregate and cement plant wear-parts industry (in which Unicast operates) include a shift towards different alloys and metals and away from traditional manganese and steel fabrication. Demand for titanium carbide wear parts and ceramic imbedded wear parts is continuing to grow due to the increases in wear life attributed to these new innovations. Unicast is improving its market position in both of these areas by adding more titanium carbide products to its current product line and introducing new ceramic embedded products as they are designed and tested.

North American Agricultural Industry

Technological developments in agriculture have been influential in driving changes in the farm sector. Innovations in animal and crop genetics, chemicals, equipment, and farm organization have enabled continuing output growth without adding much to inputs. As a result, even as the amount of land and labor used in farming declined, total farm output more than doubled between 1948 and 2015. As the Agriculture industry continues to focus on efficiency and productivity, producers will continue to embrace revolutionary strategies for producing food, increasing productivity, and making sustainability a priority. The major advancement in spray application technology over the next few years will be in the area of matching the sprayer characteristics to the target canopy. This will be accomplished by using a system of sensors that detect the height, shape, and density of the tree and adjust the sprayer, air jet(s), spray droplet size, and spray application rate to match the target tree. Slimline is working to adapt to these changing conditions in the industry.

North American Oil and Gas Industry

Hawk’s products are primarily sold to one customer in the North American exploration and production (“E&P”) companies. Our ability to generate revenues from our products depend upon oil and natural gas drilling and production activity in North America, which in turn is directly related to oil and natural gas prices.

Over the past several years, North American E&P companies have been able to reduce their cost structures in response to lower oil and natural gas prices and have also utilized technologies to increase efficiency and improve well performance. Sustained declines in commodity prices, combined with potential increases in the cost of drilling and completing wells resulting from high utilization in certain oilfield services categories could lead North American E&P companies to reduce drilling and completion activity, which could negatively impact our business.

In recent years, E&P companies have drilled longer horizontal wells and completed more hydraulic fracturing stages per well to maximize the volume of hydrocarbon recoveries per well. This trend towards more complex wells has resulted in selling more sleeves per well on average, which increases the revenue opportunity per well completion. Additionally, E&P companies have become increasingly focused on well productivity through optimization of completion designs and we believe this trend may further the adoption of pinpoint stimulation, and in turn, increase the opportunity for machining of products if operators observe benefits and long-term production results from the application of pinpoint stimulation.

Risks and Uncertainties

There were no changes to the principal risks and uncertainties from those reported in the Group's MD&A for the year ended December 31, 2017.

Summary of Quarterly Results

	For the three months ended June 30, 2018 ($)	For the three months ended March 31, 2018 ($)	For the three months ended December 31, 2017 ($)	For the three months ended September 30, 2017 ($)
Revenue	**5,301,725**	5,461,692	7,543,971	5,946,883
Profit (loss) before taxes	**(321,995)**	257,609	427,865	366,046
Income tax recovery (expense)	**(60,400)**	15,000	123,085	(158,909)
Profit (loss)	**(261,595)**	272,609	550,950	207,137
Total comprehensive income (loss)	**(430,278)**	402,579	121,390	55,535
Total assets	**43,142,413**	20,866,566	21,319,538	21,585,102
Common shares issued and outstanding	**10,268,708**	5,996,871	5,954,377	5,922,166
Weighted average shares outstanding - basic	**6,092,748**	5,976,910	5,874,169	5,853,832
Weighted average shares outstanding - diluted	**6,707,894**	6,371,028	5,874,169	5,853,832
Profit (loss) per share - basic	**(0.04)**	0.05	0.09	0.04
Profit (loss) per share - diluted	**(0.04)**	0.04	0.09	0.04

	For the three months ended June 30, 2017 ($)	For the three months ended March 31, 2017 ($)	For the three months ended December 31, 2016 ($)	For the three months ended September 30, 2016 ($)
Revenue	**4,903,048**	5,057,663	7,546,559	5,124,150
Profit (loss) before taxes	**(56,034)**	(156,520)	1,177,144	13,360
Income tax recovery (expense)	**8,536**	(28,430)	(169,895)	105,610
Profit (loss)	**(47,498)**	(184,950)	1,007,249	118,970
Total comprehensive income (loss)	**(149,678)**	(58,252)	1,140,963	138,916
Total assets	**21,319,538**	22,351,227	22,214,218	21,468,364
Common shares issued and outstanding	**5,916,060**	5,842,727	5,763,163	5,755,131
Weighted average shares outstanding - basic	**6,092,748**	5,976,910	5,874,169	5,853,832
Weighted average shares outstanding - diluted	**6,707,894**	6,371,028	5,874,169	5,853,832
Profit (loss) per share - basic	**(0.01)**	(0.03)	0.18	0.02
Profit (loss) per share - diluted	**(0.01)**	(0.03)	0.18	0.02

For a discussion of the factors that have caused variations in results over the two most recently completed financial quarters of the Company, see "Discussion of Operations" below.

Discussion of Operations

Blaze King

Six Months Ended June 30, 2018

During the six-month period ended June 30, 2018, Blaze King recorded revenues of $6,180,128 (2017 - $5,645,995). The 9.5% increase in sales over the same period in the prior year is a continuation of the sales strength seen in the fourth quarter of 2017. Blaze King has experienced continued success with its early buy program as dealers and distributors took advantage of sales and shipping incentives.

During the six-month period ended June 30, 2018, Blaze King realized gross margins of $2,381,715 or 38.5% ($2,182,783 or 38.7% in 2017). Gross margin is largely consistent with the prior period as the Company has offset price increases in raw materials with increased sales prices.

As noted above, Blaze King's business is highly seasonal, with the first and second quarters being the weakest of the year. Traditionally, Blaze King has experienced between 35% – 40% of its sales in the first two quarters of the year, and 60% – 65% of its sales in the last two quarters of the year. Blaze King has substantial fixed costs that do not meaningfully fluctuate with product demand in the short-term. This pattern is expected to continue through 2018.

Three Months Ended June 30, 2018

During the three-month period ended June 30, 2018, Blaze King recorded revenues of $2,918,163 (2017 - $2,640,932). The 10.5% increase in sales over the same period in the prior year is a continuation of the sales strength seen in the first quarter of 2018. Blaze King has experienced continued success with its early buy program as dealers and distributors took advantage of sales and shipping incentives.

During the three-month period ended June 30, 2018, Blaze King realized gross margins of $1,196,662 or 41.0% ($965,900 or 36.6% in 2017). The increase in gross margin over the prior period is as a result of higher selling prices implemented in fiscal 2018 to offset raw material price increases. Additionally, gross margin can fluctuate as a result of the early-buy program wherein dealers and distributors can choose between receiving a sales discount, or extended payment terms.

Unicast

Six Months Ended June 30, 2018

In the six-month period ended June 30, 2018, Unicast recorded $3,998,242 ($4,314,716 in 2017) of sales revenue and had costs of manufacturing of $1,947,665 ($2,225,316 in 2017), which resulted in a gross margin of $2,050,577, or 51.3% ($2,089,400 or 48.4% in 2017). Gross margins for Unicast have increased over the same period in 2017 due to the initial acquisition fair value charge on Unicast inventory being fully expensed in fiscal 2017 (2017 - $148,518): adjusting for this non-cash charge, gross margin for the six-months ended June 30, 2017 was 52.8%. The 1.5% decrease in gross margin over the prior year, after adjusting for non-cash charges, is primarily as a result of sales-product mix.

Three Months Ended June 30, 2018

In the three-month period ended June 30, 2018, Unicast recorded $1,798,515 ($2,262,116 in 2017) of sales revenue and had costs of manufacturing of $828,706 ($998,683 in 2017), which resulted in a gross margin of $969,809, or 53.9% ($1,263,433 or 55.9% in 2017). The decrease in gross margin over the prior period is as a result of the change in sales-product mix.

Slimline

Three and Six Months Ended June 30, 2018

As noted above, the Slimline transaction was completed on May 30, 2018, and accordingly, only one month of results have been included in the six-month period ended June 30, 2018. Slimline recognized revenues of $510,422 and gross margin of $102,638, or 20.1%.

As noted above, Slimline's business is highly seasonal, with the first and fourth quarters being the strongest of the year, and the third quarter being the weakest. Slimline has substantial fixed costs that do not meaningfully fluctuate with product demand in the short-term. This pattern is expected to continue through 2018.

Hawk

Three and Six Months Ended June 30, 2018

The Hawk acquisition was closed effective June 28, 2018 and accordingly, there were no significant results included in the consolidated results for the six months ended June 30, 2018.

Decisive Dividend Corporation ("Head Office")

Six Months Ended June 30, 2018

During the six-month period ended June 30, 2018, Head Office expended $1,245,323 on corporate activities ($648,008 in 2017), an increase of $597,315, or 92.2%. The most significant expenses during this period were: financing costs of $245,783 ($75,632 in 2017); accounting, audit and legal fees of $494,223 ($41,774 in 2017); and share-based compensation expense of $150,391 relating to the Employee Share Purchase Plan and Contingent Shares issued to Unicast vendors ($254,221 in 2017). The increase in financing costs is as a result of the new debt arrangements entered into in 2017: interest on debt relating to the Unicast acquisition was previously recognized in Unicast, but now is recognized at Head Office, resulting in an interest expense reduction in Unicast of 177,494 in 2018. The increase in accounting, audit and legal fees of $452,449 is due to the increased acquisition-related activities in the quarter, including completing the Slimline and Hawk transactions as well as the equity raise: total acquisition-related costs for the six-month period were $451,142.

Three Months Ended June 30, 2018

During the three-month period ended June 30, 2018, Head Office expended $785,188 on corporate activities ($342,237 in 2017), an increase of $442,951, or 129.4%. The most significant expenses during this period were: financing costs of $156,303 ($45,318 in 2017); accounting, audit and legal fees of $318,402 ($34,339 in 2017); and share-based compensation expense of $74,978 relating to the Employee Share Purchase Plan and Contingent Shares issued to Unicast vendors ($127,111 in 2017). The increase in financing costs is as a result of the new debt arrangements entered into in 2017: interest on debt relating to the Unicast acquisition was previously recognized in Unicast, but now is recognized at Head Office, resulting in an interest expense reduction in Unicast of $130,511 in 2018. The increase in accounting, audit and legal fees of $284,063 is due to the increased acquisition-related activities in the quarter, including completing the Slimline and Hawk transactions as well as the equity raise: total acquisition-related costs for the three-month period were $324,433.

Liquidity and Capital Resources

As at June 30, 2018, the Company had a net cash deficit position of $169,205 (December 31, 2017 - net cash of $1,183,610) and net working capital of $8,625,172 (December 31, 2017 - $5,014,033). Working capital at June 30, 2018 includes acquired working capital of $5,032,584.

		June 30, 2018		December 31, 2017		Change
Cash and cash equivalents	$	**(169,205)**	$	1,183,610	$	(1,352,815)
Accounts receivable		**7,431,143**		4,134,775		3,296,368
Inventory		**7,968,825**		4,514,302		3,454,523
Prepaid expenses		**482,780**		307,576		175,204
Accounts payable		**(4,800,744)**		(3,610,375)		(1,190,369)
Dividends payable		**(312,460)**		(185,230)		(127,230)
Warranty provision		**(366,866)**		(339,466)		(27,400)
Prepaid deposits		**(8,301)**		(63,159)		54,858
Current portion of long-term debt		**(1,600,000)**		(928,000)		(672,000)
Net working capital	$	**8,625,172**	**$**	5,014,033	$	3,611,139

Dividends Declared and Paid

The Company's dividend policy is to pay cash dividends on or about the 15th of each month to shareholders of record on the last business day of the previous month. The Company's Board of Directors regularly examines the dividends paid to shareholders.

Cumulative dividends for the six-month period ended June 30, 2018 and 2017 are as follows:

		June 30, 2018		June 30, 2017
Cumulative dividends, beginning of period	**$**	**4,347,698**	$	2,200,522
Dividends during the period		**1,252,673**		1,040,526
Cumulative dividends, end of period	**$**	**5,600,371**	$	3,241,048

The amounts and record dates of the dividends for the six-month period ended June 30, 2018 and 2017 are as follows:

	2018			2017		
Month		**Per share ($)**	**Dividend Amount ($)**		**Per share ($)**	**Dividend Amount ($)**
January	$	0.03	185,951	$	0.025	$ 151,668
February		0.03	185,951		0.025	152,531
March		0.03	186,506		0.03	184,081
April		0.03	186,530		0.03	184,082
May		0.03	195,274		0.03	184,082
June		0.03	312,461		0.03	184,082
Total	**$**	**0.18**	**$ 1,252,673**	**$**	**0.17**	**$ 1,040,526**

Subsequent to June 30, 2018 and before the filing of this MD&A, the Company undertook the following dividend actions:

- a dividend of $0.03 per share was declared on July 13, 2018 for shareholders of record on July 31, 2018 and was paid on August 15, 2018; and
- a dividend of $0.03 per share was declared on August 15, 2018 for shareholders of record on August 31, 2018 and will be paid on September 14, 2018.

Short-Term Debt Facilities

The Group has an unused operating loan facility authorized up to $5,000,000, bearing interest at the lender's prime rate plus 0.75% (June 30, 2017 – authorized facility of $4,000,000 which was unused).

The operating loan facility and the debt are secured by a general security agreement, assignment of insurance, and guarantees. In addition, the Company and its subsidiaries have agreed to maintain the following ratios as a group:

- Maximum total funded debt to EBITDA of 3.50:1
- Minimum Fixed Charge Coverage ratio of 1.10:1

As at June 30, 2018, the Group was in compliance with these ratios.

Long-Term Debt

		June 30, 2018		December 31, 2017
Bank of Nova Scotia demand loan repaid during the period	**$**	**-**	$	8,145,833
Bank of Nova Scotia demand loan paid through monthly instalments of $124,887 monthly plus interest at the bank's prime rate plus 1.25% interest. The loan matures in May 2021, at which point the residual $9,850,000 is repayable in full net of financing costs		**13,595,946**		-
Bank of Nova Scotia term equipment finance loan repayable at US$815 monthly including interest at 5.78% maturing in January 2021		**24,421**		-
Trumpf Finance term loan paid through monthly instalments of US$662 monthly including interest at 2.15% interest. The loan matures in April 2021 and is secured by property and equipment		**28,728**		-
Trumpf Finance term loan paid through monthly instalments of US$5,865 monthly including interest at 4.15% interest. The loan matures in July 2021 and is secured by property and equipment		**268,442**		292,454
		13,917,537		8,438,287
Less: current portion		**(1,600,000)**		(928,000)
Long-term portion		**12,317,537**		7,510,287
Less: debt issuance costs		**(36,700)**		(37,434)
Total long-term debt	**$**	**12,280,837**	$	7,472,853

Principal payments required over the next four years are estimated as follows:

2018 *(remainder)*	$	680,000
2019		1,600,000
2020		1,600,000
2021		10,037,537
		13,917,537
Less: current portion *(12 months)*		(1,600,000)
Long-term portion	$	12,317,537

Off-Balance Sheet Arrangements

The Group has no off-balance sheet arrangements.

Related Party Transactions

The Group's related parties consist of directors, officers and key management or companies associated with them.

Key management, including directors and officers of the Group, are those personnel having the authority and responsibility for planning, directing, and controlling the Group.

Salaries and benefits, bonuses and share-based payments are included in compensation expenses. Key management compensation for the six-month period ended June 30, 2018 included $106,716 of salary and benefits (June 30, 2017 - $93,596). Currently, the Chief Executive Officer and Chief Operating Officer positions are unpaid.

Since the inception of the Company, no cash compensation has been distributed to directors in their capacity as directors.

Changes in Accounting Policies

The significant accounting policies and methods of computation used in the preparation of these interim condensed consolidated financial statements are the same as those disclosed in Note 3 to the Group's 2017 audited financial statements, except as described below under IFRS 9 and IFRS 15.

(i) IFRS 9: *Financial Instruments*

Effective January 1, 2018, the Group adopted IFRS 9: Financial Instruments. IFRS 9 superseded IAS 39: Financial Instruments: Recognition and Measurement. The standard includes requirements for recognition, measurement, impairment and derecognition of financial assets and liabilities, as well as general hedge accounting. The Group adopted IFRS 9 on a retrospective basis without restatement of comparative financial information. The adoption of IFRS 9 has had no impact on the Group's interim financial statements or opening retained earnings.

Under IFRS 9 the Group measures financial assets at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows;
- and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Under IFRS 9 the Group measures financial liabilities initially at fair value and subsequently at amortized cost.

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. Under IFRS 9, credit losses are recognized earlier than under IAS 39. The Group has elected to measure loss allowances for trade receivables at an amount equal to lifetime ELCs, which are the ELCs expected to result from all possible default events over the life of a financial instrument. There was no material effect on the carrying value of the Group's financial assets under IFRS 9 related to this new requirement.

(ii) IFRS 15: *Revenue from Contracts with Customers*

Effective January 1, 2018, the Group adopted IFRS 15: *Revenue from Contracts with Customers*. IFRS 15 superseded IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS 15, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement. The standard establishes a framework based on transfer of control for determining how much and when revenue is recognized and includes expanded disclosure requirements for annual financial statements. Adoption of IFRS 15 has had no impact on the Group's interim financial statements or on opening retained earnings and did not result in a restatement of comparative figures. The Group did not use practical expedients in its adoption of IFRS 15.

Internal Controls Over Financial Reporting

The Chief Executive Officer and Chief Financial Officer of the Company, in accordance with National Instrument 52-109 ("NI 52-109"), have both certified that they have reviewed the most recent interim financial report and this MD&A (the "Interim Filings") of the Company and that, based on their knowledge having exercised reasonable diligence: (a) the Interim Filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made with respect to the period covered by the Interim Filings; and (b) the interim financial report together with the other financial information included in the Interim Filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company as of the date of and for the periods presented in the Interim Filings.

Investors should be aware that there are inherent limitations on the ability of the certifying officers to cost effectively design and implement Disclosure Controls and Procedures and Internal Controls over Financial Reporting (as those terms are used in NI 52-109). This may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risk Factors

The Company and its subsidiaries ("Subsidiary" or "Subsidiaries") are subject to a number of risks. These risks relate to the organizational structure of the Company and to the operations of the Subsidiary entities. There were no changes, other than those noted below, to the principal risks and uncertainties from those reported in the Group's MD&A for the year ended December 31, 2017,.

Risk Relating to Acquisitions

With respect to Slimline and Hawk, there can be no assurance that the operating performance and financial results of those companies after they have been acquired by the Corporation will reflect the past operating performance or financial results of such companies.

In addition, while the Corporation seeks to identify and exploit potential synergies among its various Operating Subsidiaries, there can be no assurance that the Corporation will successfully identify potential synergies or exploit such synergies for the benefit of the Corporation.

The Hawk Business is subject to customer concentration risk in that the financial performance of Hawk during recent financial periods was substantially the result of business conducted with a primary customer. Based upon the Corporation's due diligence, management of the Corporation believes that the primary customer will continue to conduct business with Hawk following the completion of the Hawk acquisition in a similar amount and on similar terms to the business conducted with Hawk prior to the completion of the Hawk Acquisition. However, there can be no assurance that this will be the case. In the event that Hawk's primary customer reduces the amount of business that it conducts with Hawk, or does not conduct business with Hawk on similar terms, there would be a material adverse effect on the financial performance of the Hawk. Although Hawk has the objective of diversifying its customer base and the industries that it serves, there can be no assurance that Hawk will achieve such objective.

Proposed Transactions

The Company does not have any asset or business acquisitions or dispositions that management believes are probable to proceed at this time.

Financial Instruments and Other Instruments

Fair Value Measurement of Financial Assets and Liabilities and Disclosure

The Group has established a fair value hierarchy that reflects the significance of inputs of valuation techniques used in making fair value measurements as follows:

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

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Group's financial assets and financial liabilities including long-term debt are measured at fair value by level within the fair value hierarchy described above. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The Group's policy is to recognize transfers in and out of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfer. There were no such transfers during the current period.

Fair Value Disclosures

At June 30, 2018 and June 30, 2017, long-term debt is measured and recognized in the consolidated statement of financial position at fair value as a level 2 financial instrument. Management determined that the fair value of the debt due to its interest rate at approximately market lending rates, approximates the fair value.

The carrying values of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities, approximate their fair value due to their short-term nature.

Financial Risk Management

The Group's primary business activities consist of the acquisition of corporations in the manufacturing sector. The business plan of the Company is to invest in profitable, well-established companies with strong cash flows to create a portfolio of diversified and strong returns. The Company examines the various financial risks to which it is exposed and assesses the impact and likelihood of occurrence. These risks may include liquidity risk, credit risk, currency risk, and interest rate risk. The Company's risk management program strives to evaluate the unpredictability of financial and commodity markets and its objective is to minimize the potential adverse effects of such risks on the Group's financial performance, where financially feasible to do so. When deemed material, these risks may be monitored by the Group's corporate finance group and they are regularly discussed with the Company's board of directors or one of its committees.

The contractual maturities of financial instruments are as follows:

2018		Carrying value		Total contractual cash flows		Less than 1 year		1 - 5 years		More than 5 years
Accounts payable	$	4,800,744	$	4,800,744	$	4,800,744	$	-	$	-
Dividends payable		312,460		312,460		312,460		-		-
Long-term debt		13,880,837		15,581,288		2,222,529		13,358,759		-
Leases		2,272,511		2,272,511		604,184		1,344,367		323,960
	$	21,266,552	$	22,967,003	$	7,939,918	$	14,706,126	$	323,960

2017		Carrying value		Total contractual cash flows		Less than 1 year		1 - 5 years		More than 5 years
Accounts payable	$	3,610,375	$	3,610,375	$	3,610,375	$	-	$	-
Dividends payable		185,230		185,230		185,230		-		-
Long-term debt		8,400,853		9,280,743		1,286,344		7,994,399		-
Leases		853,771		853,771		273,685		580,086		-
	$	13,050,229	$	13,930,119	$	5,355,634	$	8,574,485	$	-

The Group's credit risk is predominantly limited to cash and cash equivalent balances held in financial institutions, and the recovery of the Group's accounts receivable. The maximum exposure to the credit risk is equal to the carrying value of such financial assets. At June 30, 2018, the Company expects to recover the full amount of such assets, less any allowance for doubtful accounts in accounts receivable.

As at June 30, 2018, the Group had the following trade accounts receivable ageing:

	June 30, 2018			December 31, 2017		
Current	**$**	**4,356,120**	***69.8%***	$	2,022,261	*59.3%*
31-60 days		**671,643**	***10.8%***		813,701	*23.9%*
61-90 days		**257,416**	***4.1%***		192,595	*5.6%*
>90 days		**959,157**	***15.4%***		380,810	*11.2%*
	$	**6,244,336**	***100.0%***	$	3,409,367	*100.0%*

The Group's functional currency for Blaze King USA and Unicast is the US dollar ("USD"), while all other entities in the group have a Canadian dollar functional currency ("CAD"), and the reporting currency is the Canadian dollar, therefore the Group's earnings and total comprehensive income are in part impacted by fluctuations in the value of USD in relation to CAD.

The table below summarizes the quantitative data about the Group's exposure to currency risk:

	Entities with a CAD functional currency		Entities with a USD functional currency		
2018	**CAD**	**USD**	**CAD**	**USD**	**Total**
Cash	$ 44,101	$ 95,220	$ (389,005)	$ 80,479	**$ (169,205)**
Accounts receivable	3,816,988	213,366	-	3,400,789	**7,431,143**
Accounts payable	(2,755,889)	-	(423,259)	(1,621,596)	**(4,800,744)**
Dividend payable	(312,460)	-	-	-	**(312,460)**
Long-term debt	(5,808,472)	(297,170)	(7,775,195)	-	**(13,880,837)**
Net exposure	(5,015,732)	11,416	(8,587,459)	1,859,672	**(11,732,103)**
5% strengthening USD vs. CAD:					
Impact on profit (loss)		$ 571	$ 429,373		**$ 429,944**

	Entities with a CAD functional currency		Entities with a USD functional currency		
2017	**CAD**	**USD**	**CAD**	**USD**	**Total**
Cash	$ 86,245	$ 933,783	$ (262,923)	$ 426,505	**$ 1,183,610**
Accounts receivable	758,746	-	717,803	2,658,226	**4,134,775**
Accounts payable	(1,378,994)	-	(390,321)	(1,841,060)	**(3,610,375)**
Dividend payable	(185,230)	-	-	-	**(185,230)**
Long-term debt	(456,243)	(292,454)	(7,652,156)	-	**(8,400,853)**
Net exposure	(1,175,476)	641,329	(7,587,597)	1,243,671	**(6,878,073)**
5% strengthening USD vs. CAD:					
Impact on profit (loss)		$ 32,066	$ 379,380		**$ 411,446**

The calculations above are based on the Group's statement of financial position exposure at June 30, 2018.

The Group is exposed to interest rate risk on its credit facility and long-term debt due to the interest rate on these facilities being variable. The Group does not enter into derivative contracts to manage this risk.

The table below summarizes the quantitative data about the Group's exposure to interest rate risk:

Interest rate risk	**June 30, 2018**	December 31, 2017
Floating instruments	**$ 13,880,837**	$ 8,400,853
Average balance	**11,140,845**	8,646,707
Impact on profit (loss) of a change in interest rates:		
-1%	**111,400**	86,500
+1%	**$ (111,400)**	$ (86,500)

Disclosure of Outstanding Share Data

The following table sets forth the Company's share capital data as at August 16, 2018, June 30, 2018 and December 31, 2017. Each stock option and each agents' warrant entitle the holder thereof to purchase one common share of the Company.

	August 16, 2018	**June 30, 2018**	**December 31, 2017**
Common shares, basic	10,970,730	10,268,708	5,954,377
Contingent common shares	146,666	146,666	219,999
Common shares issued	11,117,396	10,415,374	6,174,376
Stock options outstanding	449,000	465,000	506,000
Agents' warrants outstanding	243,478	206,473	53,863
Common shares, fully diluted	11,809,874	11,086,847	6,734,239

Please refer to the financial statements of the Group for a detailed listing of all share issuances for the three and six-month periods ended June 30, 2018.

Escrowed Shares

As at June 30, 2018, there were 1,119,457 shares in escrow (December 31, 2017 – 274,998) relating to the Company's acquisitions, as follows:

- Unicast – 183,332 to be released on June 23, 2019
- Slimline – 257,733 to be released at one-third per year until May 30, 2021
- Hawk – 678,392 to be released at one-third per year until June 28, 2021

Subsequent Events

See "Dividends Declared and Paid" above.

Subsequent to June 30, 2018 and before these financial statements were authorized, the Group announced a second and final closing of their public offering. The Group issued and sold 539,355 common shares at a price of $4.00 per share for aggregate gross proceeds of $2,157,420.

Outlook

Acquisition Strategy

The Company has continued to execute on its acquisition strategy in recent months. During the six-months ended June 30, 2018, the Company entered into and completed two acquisitions: Slimline and Hawk – see note 4 in the financial statements for details of the acquisitions. These transactions serve to further diversify the Company, significantly expand our manufacturing customer base, and strategically strengthen our and product offerings.

As disclosed in note 4 to the financial statements, as a result of the completion of the Slimline and Hawk acquisitions, had the business combination been effective from January 1, 2018, the Company would have recognized additional profits of approximately $2.7 million to June 30, 2018. We anticipate the financial results of the acquisitions to December 31, 2018 to be consistent with expectations.

Market Conditions – Blaze King

Blaze King saw continued demand in the first six months of 2018 and recognized approximately 9.5% more in sales year-over-year.

Blaze King finalized the certification process for its BX24 Boxer freestanding woodstove in Q3 of 2017. This modern looking stove, featuring a large 'wide screen' glass door and wood storage, is now in production and began shipping to customers in February of 2018. The second offering in the Blaze King gas line up, the Clarity 2118 Gas fireplace, passed the testing and approval process and shipments began at the end of Q2 2018.

Blaze King has a number of projects currently being developed in its R&D facilities in both Walla Walla, Washington and Penticton, British Columbia. At the Hearth Products Association show in March of 2018, Blaze King displayed prototypes of the new Clarity 31 gas insert and the new Clarity 4416 linear gas fireplace. These new products will further deepen the gas offering from Blaze King. These new products are part of an overall growth strategy to go beyond the core wood business. Blaze King also displayed a new Sirocco 13 wood fireplace insert prototype. This firebox will help fill a previously untapped market niche for Blaze King.

Management of Blaze King believes that the Blaze King brand has significant opportunities for growth in both the wood and gas sectors of the hearth industry. Blaze King's distribution network in eastern Canada and the northeastern United States is now established and it is anticipated by management that this will lead to Blaze King increasing its market share in these areas.

There are also market opportunities for Blaze King's wood products in Europe, New Zealand and Australia. Consumers in these markets have inquired in the past as to the availability of Blaze King's products in their respective markets. A major driver of these inquiries is Blaze King's long and efficient burn times with low emission levels. The exceptional performance of Blaze Kings wood products is created by its unique controlled combustion technology. In Q4 of 2017, after two years of rigorous in-house testing, the Sirocco 30 unit passed the ULEB (Ultra-Low Emission Burners) test in Christchurch, New Zealand. Standards were set at a maximum of 0.5 grams of emissions per kilogram of wood burned, and the Sirocco came in at 0.36 grams of emissions per kilogram. Final approvals were received and the first orders shipped in December 2017. This marks a significant step forward for potential sales increases in a previously untapped market. In Q2 of 2018 Blaze King passed the ULEB certification for its Chinook 30 model with product launch planned for Q3 2018. Further product launches are anticipated 2018 and 2019.

Market Conditions – Unicast

Effective January 1st, 2018, Devin Mintz took over as President of Unicast. Also in January, Unicast added Ron Birnie-Browne to the team as Vice President of Sales and Engineering. With these appointments, Unicast will look to expand into new non-traditional oil and gas markets, as well as accessing new markets and opportunities for Unicast products in the Middle East.

The market for Unicast's wear parts continues to be buoyant as the economy continues to grow in the United States, Canada, and other markets that Unicast serves. Increased infrastructure spending has caused continued upward demand on the cement industry. Additionally, commodity prices have strengthened and new mines are opening across North America and Central and South America. Unicast has continued to introduce new products to grow its product line in response to customer demands.

Unicast is also seeing increasing demand from non-traditional markets such as the Middle East and Latin America. The Company is currently bidding on a new opportunity in the Middle East, which represents a significant new market for Unicast and an area for potential growth.

Suppliers in China have been impacted by the pollution controls and inspections implemented by the Chinese government. Consistent with many companies that utilize factories in China, emissions inspections and shutdowns have resulted in late deliveries to customers. We continue to manage supplier risk through the use of secondary vendors to meet demand with sufficient time to prevent any major delays. Unicast management also continues to balance the proportion of our supply from any one foundry (or group of foundries) to manage the downside risk of late deliveries and poor quality.

Unicast is currently developing and testing two new metallurgical products that could be incorporated into various product lines. The products are currently undergoing field testing with select customers, with results expected by late 2018.

Unicast management is currently reviewing the impact of the new US tariffs on aluminum and steel imports. Initial work performed by management indicates that their current products manufactured in China and sold to their customers in the US will be subject to the 25% tariff. The cost of this tariff, along with the increased cost seen on the supply side for raw materials, will be largely passed onto customers in a price increase.

Market Conditions – Slimline

Effective May 31, 2018, the financial results of Slimline have been consolidated into DDC's financial statements. Upon the closing of the transaction, a new President, John McMillan took over the day-to-day operations of Slimline to transition key relationships and knowledge from founder Kim Blagborne.

Slimline has two primary product lines: agricultural sprayers and industrial evaporators. The agriculture equipment market is in its maturity and the dealership groups are consolidating into larger corporate groups across our customer base. This consolidation provides an opportunity to direct sales to a larger dealership group and offer incentives on that basis, rather than standalones. Additionally, the focus of old Slimline was selling sprayers in the Pacific Northwest: new management will be looking to serve the existing base in the Pacific Northwest but is also focused on aggressive expansion through a number of markets in North America and a focus on large grower operations. There are great opportunities in tree nut farms, wineries, stone fruits and citrus fruits. We will need to continue to develop our current new technology to maximize our opportunities in several of these markets, such as multi row sprayers for the specific fruit varieties.

The industrial evaporator market is currently in its infancy, and we are looking to partner with other service providers to deliver comprehensive remediation solutions to the oil and gas and mining industries. Management is developing a new go-to-market strategy and building on previous success and sales into the Oil & Gas, Mining, Solid and Waste Water, Food and Beverage, Power Generation and Chemical processing industries. The initial focus will be North American centric, but anticipate adding resources to meet the needs of the global application and customer base for the product.

Market Conditions – Hawk

Effective June 29, 2018, the financial results of Hawk have been consolidated into DDC's financial statements. As noted above, North American E&P companies have been able to reduce their cost structures in response to lower oil and natural gas prices and have also utilized technologies to increase efficiency and improve well performance. In recent years, E&P companies have drilled longer horizontal wells and completed more hydraulic fracturing stages per well to maximize the volume of hydrocarbon recoveries per well. This trend towards more complex wells has resulted in selling more sleeves per well on average, which increases the revenue opportunity per well completion.

Hawk management will be focusing on meeting the needs and exceeding the expectations of the current customer base including their one main customer, as well as diversifying the Company's overall risk profile.

Conclusion

Company management continues to maintain a positive outlook for the Group. Management believes that the Group is well positioned for future growth, and is continually looking for further acquisitions to bolster diversity, which adds strength and resilience to operations. Management believes that continuing to follow a balanced and disciplined acquisition approach is the best path to generating shareholder value.

Management remains confident in its strategic and operational plans and in its seasoned leadership. Decisive is committed to enhancing customer service in both subsidiaries and growing the sales teams to accommodate a plan of steady growth. The Company continues to develop and expand its network of referral sources that regularly present it with potential acquisitions. Company management also independently assesses certain markets and regions to identify potential targets. While the pipeline of potential acquisitions brought to the Company is considered strong, Decisive is disciplined in the investment choices it makes as acquisitions must adhere to Decisive's investment parameters. Therefore, there can be no assurance target companies meeting management's standards will be identified.

Further Information

Additional information about the Company is available at the Canadian disclosure website www.sedar.com, or on the Company's website at www.decisivedividend.com.