Management's Discussion and Analysis of

Decisive Dividend Corporation

For the year ended December 31, 2021

Corporate Overview

Decisive Dividend Corporation ("Decisive" or the "Company") is an acquisition-oriented company focused on opportunities in manufacturing.

Decisive's purpose statement is:

- To be the sought-out choice for exiting legacy-minded business owners, who will be provided the opportunity to stay involved in Decisive;
- To support the long-term success of the businesses acquired, including through sharing resources with other Decisive companies; and
- To create sustainable and growing shareholder returns.

The Company intends to meet these objectives by:

- acquiring already profitable, well-established, high quality manufacturing companies that have a sustainable competitive advantage, a focus on non-discretionary products, steady cash flows, growth potential and established, strong leadership;
- continuing the business legacies of the vendors' of companies acquired by Decisive and remaining committed to the communities our businesses are located in;
- providing resources, support and oversight to ensure sound business operations through on-going active collaboration and monitoring while recognizing that the people running the business know it best; and
- implementing appropriate expansion strategies to pursue active organic growth of its operating subsidiaries.

The Company was incorporated under the *Business Corporations Act* (British Columbia) on October 2, 2012 and is listed on the TSX Venture Exchange, trading under the symbol "DE". The head office of the Company is located in Kelowna, British Columbia.

To date, the Company has completed the acquisition of five manufacturing companies. The principal wholly-owned operating subsidiaries of the Company are as follows:

- Valley Comfort Systems Inc. and its wholly-owned subsidiary Blaze King Industries Inc.; collectively referred to herein as "Blaze King"; acquired in February 2015.
- Unicast Inc. ("Unicast"); acquired in June 2016.
- Slimline Manufacturing Ltd. ("Slimline"); acquired in May 2018.
- Hawk Machine Works Ltd. ("Hawk"); acquired in June 2018.
- Northside Industries Inc. ("Northside"); acquired in August 2019.

Preface

This Management's Discussion and Analysis ("MD&A") focuses on key items from the audited consolidated financial statements of Decisive for the years ended December 31, 2021 and 2020. 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. This discussion should not be considered all-inclusive as it excludes changes that may occur in general economic, political and environmental conditions. Additionally, other matters may occur which could affect the Company in the future.

This MD&A should be read in conjunction with the Company's audited consolidated financial statements and the related notes for the years ended December 31, 2021 and 2020, as well as the Cautionary Statement Regarding Forward-Looking Information and Statements in this MD&A. This MD&A covers the

year ended December 31, 2021 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".

Additional information regarding the Company, including the Company's Annual Information Form, is available on SEDAR at www.sedar.com, or on the Company's website at www.decisivedividend.com.

This MD&A was prepared effective March 24, 2022.

Non-IFRS Financial Measures

In this MD&A, reference is made to "Adjusted EBITDA", which is not a recognized financial measure under IFRS, but is believed to be meaningful in the assessment of the Group's performance.

"**Adjusted EBITDA**" is defined as earnings before finance costs, income taxes, depreciation, amortization, foreign exchange gains or losses, other non-cash items such as gains or losses recognized on the fair value of contingent consideration items, asset impairment, share-based compensation, and restructuring costs, and other non-operating items such as acquisition costs.

Adjusted EBITDA is a financial performance measure that management believes is useful for investors to analyze the results of the Group's operating activities prior to consideration of how those activities are financed and the impact of non-operating charges related to planned or completed acquisitions, foreign exchange, taxation, depreciation, amortization, and impairment charges.

The most directly comparable financial measure is profit or loss. Set forth below are descriptions of the financial items that have been excluded from profit or loss to calculate Adjusted EBITDA and the material limitations associated with using these non-IFRS financial measures as compared to profit or loss:

- The amount of interest expense incurred, or interest income generated, may be useful for investors to consider and may result in current cash inflows or outflows. However, management does not consider the amount of interest expense or interest income to be a representative component of the day-to-day operating performance of the Group.
- Depreciation and amortization expense may be useful for investors to consider because it generally represents the wear and tear on the property and equipment used in the Group's operations. However, management does not believe these charges necessarily reflect the current and ongoing cash charges related to the Group's operating costs as they also include expenses related to the amortization of the fair value of intangible assets acquired in business combinations.
- Acquisition costs are non-operating expenses that can affect costs with respect to planned and completed acquisitions. While a necessary expense as part of an acquisition, the magnitude and timing of these items may vary significantly depending upon the acquisition. As such, management does not consider acquisition costs incurred to be a representative component of the day-to-day operating performance of the Group.
- Additionally, management does not consider foreign exchange gains or losses to be a representative component of the day-to-day operating performance of the Group.
- Manufacturing costs include non-cash charges to expense the fair value increment of acquired inventories sold in the period that were originally valued as part of the initial purchase in a business acquisition, inventory write downs, and allowances for inventory obsolescence. Management does not consider these non-cash charges to be a representative component of the day-to-day operating performance of the Group.
- Similarly, goodwill impairment losses and gains or losses recognized on fair value adjustments of contingent consideration liabilities are non-cash items that management does not consider to be a representative component of the day-to-day operating performance of the Group.

- 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 Group's directors, officers and employees. Management does not consider these non-cash charges to be a representative component of the day-to-day operating performance of the Group as the decisions that gave rise to these expenses were not made to increase revenue in a particular period, but were made for the Group's long-term benefit over multiple periods.

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

- Non-IFRS financial measures, such as Adjusted EBITDA, are not recognized financial measures under IFRS;
- The Company's method of calculating Non-IFRS financial measures, such as 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 its investors more meaningfully evaluate and compare future results of operations to previously reported results of operations.
- Non-IFRS financial measures, such as Adjusted EBITDA, should not be viewed as an alternative to measures that are recognized under IFRS such as profit or loss or cash from operating activities; and
- A reader should not place undue reliance on any Non-IFRS financial measures.

Reconciliations of Non-IFRS financial measures to their most relevant IFRS measures, are included in this MD&A under "Overall Performance – Financial Highlights", "Summary of Quarterly Results", and "Segment Overview and Performance".

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, if any, budgets, forecasts, 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; pandemic; competition; government regulation; environmental regulation; access to capital; market trends and innovation; climate risk; general uninsured losses; risk related to acquisitions; dependence on customers, distributors and strategic relationships; supply and cost of raw materials and purchased parts; operational performance and growth;

implementation of the growth strategy; product liability and warranty claims; litigation; reliance on technology and intellectual property risks; availability of future financing; interest rates and debt financing; income tax matters; foreign exchange; dividends; trading volatility of common shares; dilution risk; reliance on management and key personnel; employee and labour relations; conflicts of interest; 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 Group 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.

Overall Performance

Financial Highlights

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

FINANCIAL PERFORMANCE
(Stated in thousands of dollars, except per share amounts)

For the year ended December 31,	**2021**	2020	2019
Sales	**$ 62,491**	$ 48,457	$ 47,390
Gross profit	**21,376**	18,422	17,588
Gross profit %	**34%**	38%	37%
Adjusted EBITDA [1]	**8,657**	8,061	6,445
Per share basic	**0.73**	0.70	0.58
Profit (loss) before tax	**2,940**	(161)	992
Profit (loss)	**2,282**	(736)	759
Per share basic	**0.19**	(0.06)	0.07
Per share diluted	**0.18**	n/a	0.07
Dividends declared	**2,461**	1,037	4,041
Per share basic	**0.21**	0.09	0.36

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

FINANCIAL POSITION
(Stated in thousands of dollars)

As at December 31	**2021**	2020
Working capital	**$ 12,753**	$ 9,879
Property and equipment	**7,586**	7,535
Total assets	**60,297**	56,385
Long-term debt, excluding debt issuance costs	**23,052**	21,109
Equity	**22,222**	21,268
Share Information (000s)		
Common shares issued and outstanding	**12,093**	11,633

The non-IFRS measures referenced in the table above reconcile to the IFRS measures reported in the Company's consolidated financial statements as follows:

(Stated in thousands of dollars)

For the year ended December 31,	**2021**	2020	2019
Profit (loss) for the period	**$ 2,282**	$ (736)	$ 759
Add (deduct):			
Financing costs	**2,079**	2,189	1,451
Income tax expense	**658**	575	233
Amortization and depreciation	**3,666**	3,905	2,914
Acquisition costs	**115**	-	328
Goodwill impairment losses	**-**	1,368	-
Inventory fair value adjustments and write downs	**27**	586	191
Share-based compensation expense	**256**	442	208
Foreign exchange expense	**54**	424	393
Interest and other income	**(408)**	(621)	(8)
Gain on sale of equipment	**(72)**	(71)	(24)
Adjusted EBITDA	**8,657**	8,061	6,445

Discussion of Overall Performance

Annual Consolidated Financial Highlights

Sales for the year increased by 29% to $62.5 million from $48.5 million in 2020. The increase was a result of increases across each of the component manufacturing businesses and Blaze King. Blaze King's sales momentum continued in 2021 as they sold 28% more units than in 2020, which was a record year prior to 2021, and reflects the strong demand for their products. Unicast, Hawk and Northside also witnessed increased demand levels as underlying economic conditions and commodity prices improved through the year. Sales levels in these component manufacturing businesses increased considerably in 2021, after several periods of relatively low demand levels driven in part by the effects of the COVID-19 pandemic. Slimline sales in 2021 decreased 4% compared to 2020, based on decreases in wastewater evaporator sales, which more than offset increases in its agricultural sprayer and parts divisions.

The overall sales increase led to an overall gross profit increase of $3.0 million, or 16% in 2021 compared to 2020. Excluding subsidies, 2021 gross profit was 19% higher than in 2020. Year-over-year gross profit percentages decreased to 34% from 38%. The decline in gross profit percentages was driven by a change in sales mix relative to 2020, a lower exchange rate on United States dollar denominated sales, and supply chain and labour availability challenges, which resulted in material, freight, and labour cost increases.

The Group received $2.7 million in subsidies from the Canada Emergency Wage Subsidy ("CEWS"), Canada Emergency Rent Subsidy ("CERS") and paycheck protection programs in 2021 (2020 - $3.3 million). Of the subsidy amounts received, 57% (2020 - 53%) was included as a reduction in manufacturing costs and 43% (2020 - 47%) was included as a reduction in operating expenses.

Adjusted EBITDA for 2021 was $8.7 million, a $0.6 million, or 7%, increase compared to 2020. The overall increase in Adjusted EBITDA was primarily driven by the increase in sales and gross profit noted above. Excluding subsidies, 2021 Adjusted EBITDA was 26% higher than in 2020.

Other items affecting profit (loss) between 2021 and 2020 included a $1.4 million non-cash impairment loss recorded against Hawk's goodwill in Q1 2020 and the $0.4 million in foreign exchange losses in Q4 2020. The Q1 2020 goodwill impairment loss was triggered by the onset of the worldwide COVID-19 pandemic and significant decline in global oil prices, and the effect of these events on expected oil and

gas activity in Western Canada at that time. The Q4 2020 foreign exchange losses were a result of a $0.06 decrease in the value of the United States dollar, relative to the Canadian dollar in that quarter.

Consolidated net profit in 2021 was $2.3 million, or $0.19 per share, an increase of $3.0 million, or $0.25 per share, compared to 2020.

Outlook

A key aspect of Decisive's business model is diversification. The operations of the Company's operating subsidiaries are diversified in terms of the industries, customers, and geographies they serve. The value of this diversification was exhibited throughout 2021, as robust demand and margins for both Blaze King and Slimline's agricultural products afforded Hawk, Northside, and Unicast time for demand to return to the more normalized levels experienced in the second half of 2021. Each of the portfolio businesses are witnessing strong demand for their products, as evidenced by two consecutive quarters of record sales levels to end 2021, and to date in 2022 demand levels continue to be strong.

As demand levels accelerated through the last two quarters, each of the portfolio businesses began experiencing supply chain, freight and logistics, and labour availability challenges to varying degrees. These challenges especially impacted the component manufacturing segment businesses, as their customer demand increased rapidly during a period of global increases to input costs, freight and logistics costs and a shortage of skilled labour. Each of the businesses have worked to pass these cost increases on to their customers with some success, but the timing and magnitude of further pricing increases will vary.

Initial investments have been made toward increasing production capacity and improving operational efficiency, with $1.5 million of manufacturing equipment purchased in 2021, the majority of which was deployed at Blaze King. Further productivity and automation initiatives are being explored to help mitigate the effect of cost increases and labour shortages, meet the expected future demand levels of the Group's customers, and capitalize on future market expansion opportunities. These margin enhancing initiatives are especially important as the various subsidy programs offered by the governments of Canada and the United States have concluded. The Company's senior leadership is encouraged about the long-term business prospects of each of its subsidiaries and believes that the Group is well positioned for future growth. Further commentary surrounding the outlook for each of the businesses in the Group is provided in the MD&A under the headings "Finished Product Segment Industry Trends and Outlook" and "Component Manufacturing Segment Industry Trends and Outlook".

The debt refinancing completed in November 2021 has strengthened the balance sheet by increasing Decisive's liquidity and debt availability with lower overall borrowing costs and increased flexibility through less restrictive financial covenants and greater ability to fund both operations and acquisitions. Further details on this refinancing are provided in the MD&A under the heading "Liquidity and Capital Resources".

Management remains confident in its long-term strategic and operational plans. Management is also confident that its disciplined acquisition approach is the best path to generating shareholder value in the long term. Decisive continues to build its acquisition prospect pipeline by identifying and evaluating potential acquisitions which, if completed, will bolster its diversity and add strength and resilience to operations. However, there can be no assurance that target companies identified from time to time will meet Decisive's acquisition criteria or that Decisive will successfully acquire identified target companies that meet such criteria. In addition, competition for acquisition opportunities has increased given high levels of available capital which has resulted in increasing valuations for target companies. Further, the recent volatility in financial markets, may constrain capital availability in the near-term. Despite these challenges, management believes that the balance sheet strength and flexibility gained over the last year as well as investor interest in the Company's income producing business model has the Company well positioned to take advantage of potential opportunities as they arise.

Summary of Quarterly Results

The Group'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, as well as the timing of ground freeze and thaw in Western Canada and the effect thereof on the oil and gas industry. 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 and fourth quarters and Hawk's business historically experiences lower demand in the second quarter. Seasonality does not have a significant impact on the Unicast or Northside businesses. In each subsidiary, there are substantial fixed costs that do not meaningfully fluctuate with product demand in the short-term.

QUARTERLY PERFORMANCE

(Stated in thousands of dollars, except per share amounts)

	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Sales	$ **17,852**	$ 16,500	$ 14,194	$ 13,945
Gross profit	**5,843**	5,064	5,312	5,157
Gross profit %	**33%**	31%	37%	37%
Adjusted EBITDA [1]	**2,091**	1,837	2,564	2,165
Per share basic	**0.17**	0.15	0.22	0.18
Profit before tax	**985**	593	877	485
Profit	**918**	489	597	278
Per share basic	**0.08**	0.04	0.05	0.02
Per share diluted	**0.07**	0.04	0.05	0.02

	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Sales	14,815	11,823	8,874	12,945
Gross profit	4,365	5,098	4,279	4,680
Gross profit %	29%	43%	48%	36%
Adjusted EBITDA [1]	1,985	2,452	1,972	1,652
Per share basic	0.17	0.21	0.17	0.14
Profit (loss) before tax	(11)	636	135	(921)
Profit (loss)	(26)	375	3	(1,088)
Per share basic	-	0.03	-	(0.09)
Per share diluted	n/a	0.03	-	n/a

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

The non-IFRS measures referenced in the table above reconcile to the IFRS measures reported in the Company's consolidated financial statements as follows:

(Stated in thousands of dollars)

	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Profit for the period	$ **918**	$ 489	$ 597	$ 278
Add (deduct):				
Financing costs	**497**	531	530	521
Income tax expense	**67**	104	280	207
Amortization and depreciation	**976**	914	892	884
Acquisition costs	**115**	-	-	-
Inventory fair value adjustments and write downs	**27**	-	-	-
Share-based compensation expense	**16**	23	63	154
Foreign exchange expense (income)	**(66)**	(221)	207	134
Interest and other expense (income)	**(404)**	-	(5)	1
Gain on sale of equipment	**(55)**	(3)	-	(14)
Adjusted EBITDA	**2,091**	1,837	2,564	2,165

	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Profit (loss) for the period	$ (26)	$ 375	$ 3	$ (1,088)
Add (deduct):				
Financing costs	549	536	528	576
Income tax expense	17	261	131	166
Amortization and depreciation	990	953	991	971
Goodwill impairment losses	-	-	-	1,368
Inventory fair value adjustments and write downs	586	-	-	-
Share-based compensation expense	55	185	62	140
Foreign exchange expense (income)	421	208	260	(465)
Interest and other income	(607)	(2)	(3)	(9)
Gain on sale of equipment	-	(64)	-	(7)
Adjusted EBITDA	1,985	2,452	1,972	1,652

Discussion of Quarterly Performance

In addition to the effects of seasonality as described above, the variation in the Group's results on a quarterly basis are as follows:

Q4 2021 Consolidated Financial Highlights
Sales for the fourth quarter increased by 21% to $17.9 million from $14.8 million in Q4 2020. The overall increase was driven primarily by the component manufacturing segment businesses. The component manufacturing businesses each experienced a dramatic increase in customer demand relative to Q4 2020, which led to a 42% increase in sales for that segment. The finished product segment also experienced increased sales based on a 35% increase in the number of agricultural sprayers sold by Slimline. Demand levels for Blaze King also remained robust and overall sales were consistent with Q4 2020.

During the quarter, the businesses in the Group were not eligible to receive amounts under the CEWS or CERS programs. In Q4 2020, the Group received $0.7 million from the CEWS program, 65% of which was included as a reduction in manufacturing costs and 35% of which was included as a reduction in operating expenses.

Overall gross profit was $5.8 million in Q4 2021, an increase of $1.5 million, or 34%, relative to Q4 2020. Excluding government subsidies, Q4 2021 gross profit was $1.9 million, or 49% higher than Q4 2020. Gross profit percentages increased in Q4 2021 compared to Q4 2020. This was driven primarily by the $1.1 million decrease in aggregate inventory obsolescence and fair value provisions, bad debt, and other provisions relative to Q4 2020. A decrease in government subsidies, a lower exchange rate on United States dollar denominated sales, and supply chain and labour availability challenges, which resulted in material, freight, and labour cost increases, also impacted gross profit percentages in the quarter.

Overall operating expenses increased from $4.6 million in Q4 2020 to $5.4 million in Q4 2021. The increase was primarily a result of increased selling costs associated with the increase in overall sales, decreases in government subsidies, enhancements to the management team, and due diligence and advisory costs related to two specific acquisition opportunities that were ultimately not concluded.

Adjusted EBITDA for the fourth quarter of 2021 was $2.1 million, a $0.1 million increase compared to Q4 2020. The overall increase in Adjusted EBITDA was primarily driven by the increases in sales and gross profit relative to Q4 2020, partially offset by the decrease in government subsidies received in the respective periods. Excluding subsidies, Adjusted EBITDA was $0.8 million, or 60%, higher than Q4 2020.

In addition, a $0.2 million differential in adjustments to the estimated fair value of contingent consideration associated with the acquisition of Northside between 2021 and 2020, reduced year-over-year interest and other income.

Consolidated net profit in the quarter was $0.9 million, or $0.08 per share, an increase of $0.9 million, or $0.08 per share, compared to Q4 2020.

Q3 2021 Consolidated Financial Highlights

Sales for the third quarter increased to $16.5 million from $11.8 million in Q3 2020. The overall increase was driven by Blaze King and the component manufacturing segment businesses. The component manufacturing businesses each experienced a dramatic increase in customer demand relative to Q3 2020, which led to a 93% increase in sales for that segment. Demand levels for Blaze King also remained robust and unit sales increased 16% relative to Q3 2020. Slimline sales in the quarter decreased compared to Q3 2020, based on decreases in wastewater evaporator sales, which more than offset increases in its agricultural sprayer and parts divisions.

In Q3 2021, the Group received an aggregate of $0.5 million (Q3 2020 - $1.4 million) from the CEWS and CERS programs. Of the subsidy amounts received, 56% (Q3 2020 - 49%) was included as a reduction in manufacturing costs and 44% (Q3 2020 - 51%) was included as a reduction in operating expenses.

Overall gross profit of $5.1 million in the quarter was similar with the gross profit in Q3 2021. Excluding government subsidies, Q3 2021 gross profit was 8% higher than Q3 2020. Gross profit percentages decreased in Q3 2021 compared to Q3 2020. This was driven by a change in sales mix relative to Q3 2020, a decrease in government subsidies, a lower exchange rate on United States dollar denominated sales, and supply chain and labour availability challenges, which resulted in material, freight, and labour cost increases. The supply chain and labour availability challenges especially impacted the component manufacturing segment businesses, as their customer demand increased rapidly during a period of global increases to input costs and a shortage of skilled labour.

Overall operating expenses increased from $4.3 million in Q3 2020 to $4.7 million in Q3 2021. The increase was primarily a result of increased selling costs associated with the increase in overall sales and decreases in government subsidies.

Adjusted EBITDA for the third quarter of 2021 was $1.8 million, a $0.6 million decrease compared to Q3 2020. The overall decrease in Adjusted EBITDA was primarily driven by the decrease in government subsidies received in the respective periods. Excluding subsidies, Adjusted EBITDA was $0.3 million, or 24%, higher than Q3 2020.
Consolidated net profit in the quarter was $0.5 million, or $0.04 per share, an increase of $0.1 million, or $0.01 per share, compared to Q3 2020.

Q2 2021 Consolidated Financial Highlights

Sales for the second quarter increased to $14.2 million from $8.9 million in Q2 2020. The overall increase was driven by Blaze King and the component manufacturing segment businesses. The 79% increase in Blaze King sales reflects their improved market share, after new United States Environmental Protection Agency ("EPA") regulations took effect in May 2020, and increased demand for its products. The component manufacturing businesses each experienced a dramatic increase in customer demand relative to Q2 2020, when the onset of the COVID-19 pandemic limited sales in that quarter. Slimline sales in the quarter were consistent compared to Q2 2020, as increases in agricultural sprayer sales largely offset decreases in wastewater evaporator sales.

Overall gross profit was $5.3 million in Q2 2021, an increase of $1.0 million, or 24%, relative to Q2 2020, driven by the increase in overall sales. Gross profit percentages decreased in Q2 2021 compared to Q2 2020. This was driven by a change in sales mix relative to Q2 2020, a lower exchange rate on United States dollar denominated sales, and supply chain and labour availability challenges, which resulted in material, freight, and labour cost increases. The supply chain and labour availability challenges especially

impacted the component manufacturing segment businesses, as their customer demand increased rapidly during a period of global increases to input costs and a shortage of skilled labour.

In Q2 2021, the Group received an aggregate of $1.6 million (Q2 2020 - $1.3 million) from the CEWS and CERS programs. In addition, Blaze King's $0.2 million paycheck protection program loan was forgiven in Q2 2021. Of the subsidy amounts received, 56% (Q2 2020 - 50%) was included as a reduction in manufacturing costs and 44% (Q2 2020 - 50%) was included as a reduction in operating expenses.

Overall operating expenses increased from $3.9 million in Q2 2020 to $4.2 million in Q2 2021. The increase was primarily a result of increased selling costs associated with the increase in overall sales and increases in short-term incentive accruals in the finished product segment based on that segment's strong performance in the first half of the year.

Adjusted EBITDA for the second quarter of 2021 was $2.6 million, a $0.6 million increase compared to Q2 2020. The overall increase in Adjusted EBITDA was primarily driven by the increase in sales and gross profit noted above, as well as the impact of subsidies received in the respective periods.

Consolidated net profit in the quarter was $0.6 million, or $0.05 per share, an increase of $0.6 million, or $0.05 per share, compared to Q2 2020.

Q1 2021 Consolidated Financial Highlights
Sales for the first quarter of 2021 increased to $13.9 million from $12.9 million in Q1 2020. The overall increase was driven by Blaze King and reflects their increased market share after new EPA regulations took effect in May 2020. Q1 2021 sales for Blaze King increased 83% compared to Q1 2020, which more than offset the 34% decrease in Hawk sales relative to Q1 2020. Sales for the other subsidiaries in the quarter were more consistent compared to Q1 2020.

Overall gross profit was $5.2 million in Q1 2021, an increase of $0.5 million, or 10%, relative to Q1 2020, driven by the increase in overall sales.

In Q1 2021, the Group received an aggregate of $0.4 million from the CEWS and CERS programs, which partially mitigated the impact COVID-19 had on certain businesses in the Group. Of the CEWS and CERS amounts received, 63% was included as a reduction in manufacturing costs and 37% was included as a reduction in operating expenses.

Adjusted EBITDA for the first quarter of 2021 was $2.2 million, a $0.5 million increase compared to Q1 2020. The overall increase in Adjusted EBITDA was primarily driven by the increase in sales and gross profit noted above.
Other items affecting profit (loss) between the first quarters of 2021 and 2020 included a $1.4 million non-cash impairment loss recorded against Hawk's goodwill in Q1 2020. The Q1 2020 goodwill impairment loss was triggered by the onset of the worldwide COVID-19 pandemic and significant decline in global oil prices, and the effect of these events on expected oil and gas activity in Western Canada at that time. Foreign exchange gains and losses also impacted overall profit differences between Q1 2021 and Q1 2020. In Q1 2021, the Group recorded $0.1 million in foreign exchange losses for the quarter based on a $0.02 decrease in the value of the United States dollar, relative to the Canadian dollar in the quarter. The Q1 2020 foreign exchange gains of $0.5 million were a result of the $0.12 decrease in the value of the United States dollar, relative to the Canadian dollar, in the first three months of 2020.

Consolidated net profit in the quarter was $0.3 million, or $0.02 per share, an increase of $1.4 million, or $0.11 per share, compared to Q1 2020.

Segment Overview and Performance

Decisive's overall business is conducted through three operating segments comprised of finished product; component manufacturing; and head office. An overview of these segments and the businesses within each segment is set forth below.

Finished Product Segment Overview

The finished product segment manufactures and sells products that are purchased and used by end customers as designed. Within the finished product segment, there are two separate businesses: Blaze King and Slimline.

Blaze King

The Company acquired Blaze King in February 2015. The business of Blaze King is producing and selling high-quality, high-efficiency wood burning stoves, wood burning fireplace inserts, gas stoves, and gas fireplace inserts. All of its products are 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 wood burning stoves and inserts are recognized as some of the longest-burning and most efficient in the hearth market. Blaze King management believes that its products 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 a large network of retailers and distributors across Canada, the United States and New Zealand.

Slimline

The Company acquired Slimline in May 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 such as apples, cherries, grapes, almonds, walnuts, oranges and peaches. Slimline also designs, manufactures and sells EcoMister evaporator systems primarily used in the mining, oil and gas, and waste management industries. In addition to its two main product lines, Slimline manufactures custom products and sells various sprayer, evaporator, and other industrial parts. Slimline's sprayers and evaporators utilize common technology including pumps and turbines. Slimline sells its 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 primarily sold through its dealer network throughout Canada and the United States. Slimline's EcoMister evaporator division has been in operation since 1996. It produces an environmental and economical, patented, state of the art solution that meets specific customer needs in the elimination of wastewater. Slimline's evaporators are sold into markets throughout the world.

Finished Product Segment Performance

(Stated in thousands of dollars)

	For the three months ended		For the year ended	
December 31,	**2021**	2020	**2021**	2020
Sales	$ **9,090**	$ 8,639	$ **32,260**	$ 26,934
Gross profit	**3,656**	4,016	**14,051**	13,336
Gross profit %	**40%**	46%	**44%**	50%
Profit	**1,322**	1,809	**5,500**	5,088
Add (deduct):				
Financing costs	**54**	53	**175**	163
Income tax expense	**63**	265	**726**	986
Amortization and depreciation	**384**	358	**1,314**	1,390
Inventory fair value adjustments and write downs	**1**	1	**1**	1
Foreign exchange expense (income)	**(40)**	39	**(24)**	(24)
Interest and other income	**(4)**	(2)	**(11)**	(6)
Gain on sale of equipment	**(55)**	-	**(72)**	(7)
Adjusted EBITDA	**1,725**	2,523	**7,609**	7,591

IFRS measurement to non-IFRS measurement reconciliation presented in the table above.

Three Months Ended December 31, 2021

Overall sales for the segment in Q4 2021, increased by $0.5 million, or 5%, relative to Q4 2020. The increase was primarily a result of Slimline selling 35% more agricultural sprayers in Q4 2021 than it did in Q4 2020, based on increased demand in the quarter. Sales for Blaze King were consistent in the quarter compared to Q4 2020.

The businesses in this segment did not receive any government subsidies in Q4 2021. In Q4 2020 these businesses received $0.2 million from the CEWS program. Of the subsidy amounts received in Q4 2020, 43% was included as a reduction in manufacturing wages and 57% was included as a reduction in operating expenses.

Despite the increase in overall sales, the segment generated a $0.4 million, or 9%, decrease in gross profit in Q4 2021 compared to Q4 2020 as a result of lower gross profit percentages. The gross profit percentages decreases in Q4 2021 compared to Q4 2020, were driven by a decrease in CEWS, a lower exchange rate on United States dollar denominated sales, and supply chain challenges, which resulted in material, freight, and labour cost increases.

The decrease in gross profit, combined with the decrease in CEWS resulted in a $0.8 million, or 32%, decrease in segment Adjusted EBITDA to $1.7 million in Q4 2021. Excluding subsidies, segment Adjusted EBITDA decreased by $0.6 million, or 27%, in 2021 compared to 2020.

Year Ended December 31, 2021

Overall sales for the segment in 2021, increased by $5.3 million, or 20%, relative to 2020. The increase was primarily a result of a 28% increase in the number of Blaze King units sold, which reflects Blaze King's increased market share over the last year and the strong demand for their products. Sales for Slimline in 2021 decreased 4% relative to the same period in 2020, as decreases in wastewater evaporator sales more than offset sales increases in the agricultural sprayer and parts divisions.

Overall gross profit increased by $0.7 million, or 5%, in 2021, driven by the increase in Blaze King sales. The segment generated lower gross profit percentages in 2021 compared to 2020. This was driven primarily by lower exchange rates on United States dollar denominated sales, supply chain challenges, which resulted in material, freight, and labour cost increases, as well as the effect of selling fewer higher margin evaporators in Slimline in 2021 than in 2020.

The businesses in this segment received $0.8 million in subsidies from the CEWS, CERS and paycheck protection programs in 2021 (2020 - $1.2 million). Of the subsidy amounts received, 44% (2020 - 48%) was included as a reduction in manufacturing wages and 56% (2020 - 52%) was included as a reduction in operating expenses.

Segment Adjusted EBITDA in 2021 was $7.6 million, consistent with 2021. Excluding subsidies, segment Adjusted EBITDA increased by $0.4 million, or 6%, in 2021 compared to 2020.

Finished Product Segment Industry Trends and Outlook

Blaze King

New EPA regulations that took effect in May 2020, pushed the wood burning stove industry to meet new stringent emissions levels of under 2.0 grams of particulate emissions per hour. As of the date of this MD&A, all of Blaze King's products meet the requirements of the EPA 2020 Regulations, and 10 of 12 (83%) product lines offered by Blaze King are more than 50% lower than the new maximum 2.0 grams of particulate emissions per hour limit. Of note, Blaze King's top selling King and Princess model woodstoves are listed first and second in North America in terms of efficiency by the EPA. This represents a significant achievement for Blaze King after investing over $2 million in research and development over the preceding four years. This investment positioned Blaze King to increase its market share over the last year, as according to information published by the EPA, since October 2019, the total number of wood stove manufacturers has declined by 45% and the total number of certified wood stove models has declined by 66%.

There are also market opportunities for Blaze King's wood products outside of North America and Blaze King has expanded into the New Zealand market. The New Zealand wood stove market is subject to the Ultra-Low Emission Burners ("ULEB") test which stipulate a maximum of 0.5 grams of emissions per kilogram of wood burned. Blaze King currently has four models that have passed all testing requirements of the New Zealand ULEB emission standards. Blaze King management believes that its success in entering the New Zealand market could pave the way for future expansion into Europe, which is a much larger international market with what is expected to be similarly stringent emissions standards coming into force in the next few years.

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 continues its product development in gas fireplaces and inserts and anticipates new models to be ready for market in the next few years. Blaze King's distribution network in Eastern Canada, the Northeastern United States, and New Zealand is now established, and it is anticipated that this will lead to Blaze King increasing its market share in these areas.

To date, the market share and demand increases witnessed in the last two years have continued into 2022. In addition, the United States government's tax credit program to encourage consumers to replace older non-efficient wood stoves and fireplaces, will remain in place through 2023. The program allows the consumer to apply for a tax credit of up to 26% of the complete cost of a new wood stove, including installation, if it has an average efficiency of 75% or greater. This program should continue to buoy demand for Blaze King products sold in the United States as all are eligible for this tax credit. Of the 145 fireboxes currently approved for sale by the EPA, only 52 qualify for the tax credit. Blaze King owns 6, or 12%, of the 52 fireboxes eligible for this tax credit. Furthermore, recent increases in costs of heating alternatives such as natural gas, should also be positive for the demand of Blaze King's wood stoves and fireplaces.

Blaze King management is focused on increasing production capacity to continue satisfying its increased demand, and to capitalize on future market expansion opportunities. The significant investments made in 2021 in a new fiber laser and brake press are the first steps toward production capacity enhancement for Blaze King.

Slimline

Slimline has two primary product lines: agricultural sprayers and industrial wastewater evaporators; as well as a parts department to service both lines. The agriculture equipment market is in its maturity and the dealership groups are consolidating into larger corporate groups across its customer base. This consolidation provides an opportunity to direct sales to a larger dealership group and offer incentives on that basis, rather than standalones. The focus of Slimline previously was selling sprayers in the Pacific Northwest: current management has focused on serving the existing base in the Pacific Northwest while also focusing on aggressive expansion through a number of markets in North America, such as California, Florida, Georgia, South Carolina and New York, and targeting large grower operations. Slimline is also exploring South America and New Zealand as potential international expansion opportunities, which would help mitigate the effects of seasonality on its North American sprayer business. Slimline will continue to develop its current new technology to maximize its opportunities in several of these markets, such as multi-row and tower sprayers. In addition, opportunities to apply Slimline's sprayer technology to other areas such as dust suppression and de-icing are in the early stages of development.

The industrial evaporator market is also still in the relatively early stages of development, and Slimline is looking to partner with other service providers to deliver comprehensive remediation solutions to the waste management, oil and gas and mining industries. Slimline management believes there are considerable opportunities for its wastewater evaporators and expects evaporator sales to continue to increase in the next few years.

Component Manufacturing Segment Overview

The component manufacturing segment manufactures and sells products based on specifications determined by its customers for use in its customers' processes. Within the component manufacturing segment, there are three separate businesses: Unicast, Hawk and Northside.

Unicast

The Company acquired Unicast in June 2016. 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 quality wear parts that are more durable and last 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 has a growing dealer distribution base that includes distributors across Canada and the United States, with continuing growth in Latin America, Mexico, and the Middle East.

Hawk

The Company acquired Hawk in June 2018. 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. 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; hydraulic fracturing tools; ground and subsurface tools; rods and couplings; reconditioning services; and resale parts. Hawk is currently the only turnkey supplier for its main customer. Hawk routinely delivers product direct to end-users rather than customers' facilities for inspection as its historical failure rate is less than 0.005%.

Northside

The Company acquired Northside in August 2019. Northside was founded in 1967 and is a full-service provider of welding and fabrication solutions for a diverse number of industries. The primary focus of Northside is supplying products for the commercial vehicle and forestry sectors; however, Northside also has exposure to the agriculture, environmental, mining and oil and gas sectors, among others. Northside has produced an expansive range of products for its customers over the years including: truck and automotive components, fuel-hydraulic fluid tanks, j-brackets and straps, bumpers, truck chassis components, cab panels, tanks, architectural components, tool and battery boxes, steel under-decking and much more.

Component Manufacturing Segment Performance

(Stated in thousands of dollars)

	For the three months ended		For the year ended	
December 31,	**2021**	2020	**2021**	2020
Sales	$ **8,762**	$ 6,176	$ **30,231**	$ 21,523
Gross profit	**2,187**	349	**7,325**	5,086
Gross profit %	**25%**	6%	**24%**	24%
Profit (loss)	**278**	(1,508)	**561**	(2,450)
Add (deduct):				
Financing costs	**33**	45	**131**	142
Income tax expense (recovery)	**63**	(252)	**(77)**	(526)
Amortization and depreciation	**587**	627	**2,330**	2,493
Goodwill impairment losses	**-**	-	**-**	1,368
Inventory fair value adjustments and write downs	**26**	585	**26**	585
Foreign exchange expense (income)	**(26)**	382	**78**	448
Interest and other expense (income)	**-**	1	**4**	(7)
Gain on sale of equipment	**-**	-	**-**	(64)
Adjusted EBITDA	**961**	(120)	**3,053**	1,989

IFRS measurement to non-IFRS measurement reconciliation presented in the table above.

Three Months Ended December 31, 2021

Each of the three businesses in the component manufacturing segment contributed to the increase in segment sales in Q4 2021 relative to Q4 2020. Demand levels in these businesses has continued to increase as the negative effects that the COVID-19 pandemic had on their customers have reduced and underlying economic conditions and commodity prices have improved.

The 42% increase in sales was a key driver of the $1.8 million, or 527%, increase in segment gross profit and gross profit percentage increases for the three-month period ended December 31, 2021 compared to the same period in 2020. The increased sales levels allowed for greater coverage of fixed manufacturing costs, which resulted in higher gross profit percentages compared to Q4 2020. In addition, in Q4 2020, aggregate inventory obsolescence and fair value provisions, bad debt, and other provisions were $1.1 million higher than in Q4 2021.

The businesses in this segment did not receive any subsidies from the CEWS and CERS programs in the quarter (Q4 2020 - $0.5 million). Of the CEWS and CERS amounts received in Q4 2020, 72% was included as a reduction in manufacturing costs and 28% was included as a reduction in operating expenses.

Segment Adjusted EBITDA was $1.0 million in Q4 2021; an increase of $1.1 million compared to Q4 2020. The increase in segment Adjusted EBITDA was driven by the increased sales and gross profit generated in the quarter. Excluding subsidies, segment Adjusted EBITDA increased by $1.6 million in Q4 2021 compared to Q4 2020.

Year Ended December 31, 2021

For the year ended December 31, 2021, segment sales increased 41% as a result of an increase in sales in each of Unicast, Hawk and Northside. Demand levels in these businesses have increased considerably after several periods of relatively low demand levels driven in part by the effects of the COVID-19 pandemic.

Overall segment gross profit in 2021 increased by $2.2 million compared to the same period in 2020 based on the higher sales levels generated this year versus last. Gross profit percentages overall in 2021 were consistent with 2020, as increases in material, freight, and labour costs were offset by higher overall sales and/or pricing increases in the segment businesses. In addition, due to a higher proportion of Unicast sales occurring outside of the United States in 2021, steel tariffs were reduced to $0.6 million compared to $0.8 million in 2020. Though the year-over-year reduction in steel tariffs was positive, tariffs on Chinese steel products sold into the United States continue to negatively affect Unicast and overall segment gross profit.

In 2021, the businesses in this segment received $1.9 million from the CEWS and CERS programs (2020 - $2.1 million). Of the CEWS and CERS amounts received, 63% (2020 - 56%) was included as a reduction in manufacturing costs and 37% (2020 - 44%) was included as a reduction in operating expenses.

Segment Adjusted EBITDA in 2021 was $3.1 million; an increase of $1.1 million compared to 2020. The increase in segment Adjusted EBITDA was driven by the increase in year-over-year sales and gross profit. Excluding subsidies, segment Adjusted EBITDA increased by $1.3 million in 2021 compared to 2020.

Component Manufacturing Segment Industry Trends and Outlook

Unicast
The market for Unicast's wear parts is expected to remain relatively strong over the long-term. Increased infrastructure spending in recent years has caused continued upward demand on the cement industry, and that is expected to accelerate as new infrastructure spending initiatives are introduced as global governments announce post COVID-19 economic recovery plans. Additionally, commodity prices have remained relatively strong keeping mines active across North, Central and South America. Unicast has continued to introduce new products to grow its product line in response to customer demands. Unicast also continues to pursue new opportunities in Latin America, Mexico, Africa, and the Middle East. Demand for Unicast's products increased steadily through 2021, and early indications are that demand should continue to improve through 2022.

Due to the effects worldwide supply chain disruptions, delivery times from many Chinese ports continue to be delayed which could result in revenue timing disruptions and shipping cost increases in the coming quarters. Material prices also continue to increase, and while Unicast endeavors to pass these on to its customers there is the risk that its customers will not accept the level of increase needed to maintain historical margins. Unicast management continues 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 its supply from any one foundry (or group of foundries) to mitigate the risk of late deliveries and quality issues. Since being introduced in Q3 2018, tariffs on Chinese steel products entering the United States have negatively impacted gross margins for Unicast. Unicast has started to source some products from foundries in other countries and it has been driving more sales outside of the United States, both of which should continue to help mitigate the negative effect of the above noted steel tariffs on gross margin.

Hawk
Hawk's products are primarily sold to one customer, who in turn sells to numerous companies in the North American oil and gas exploration and production ("E&P") industry. Hawk's ability to generate revenues from its products primarily depends 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 that persisted prior to 2021 and have also utilized technologies to increase efficiency and improve well performance. Sustained declines in commodity prices lead North American E&P companies to reduce drilling and completion activity, which negatively impacts Hawk's business.

However, the oil and natural gas price rebounds over the last year positively impacted demand for Hawk in 2021. If current oil and natural gas price levels are sustained, oil and natural gas activity in 2022 should exceed activity levels from 2021 which would be positive with respect to demand for Hawk's products. Many E&P companies have signaled that they will increase spending in 2022 relative to 2021, which should positively impact demand for Hawk, however these companies have also indicated a focus on balancing drilling and completion expenditures with returning cash to shareholders. The current oil and natural gas supply shock, stemming from the sanctions imposed as a result of the conflict between Russia and Ukraine, may drive increased drilling and completion activity to support additional domestic and international demand for Canadian oil and natural gas supplies, which, in such event, would be expected to support increased demand for Hawk. Material prices have increased, and while Hawk endeavors to pass these on to its customers there is the risk that its customers will not accept the level of increase needed to maintain historical margins, though this risk may be mitigated by additional demand driven by the factors outlined above.

Northside
Currently, Northside's primary focus is supplying products for the commercial vehicle and forestry sectors and Northside has two main customers in these areas.

North American lumber prices spiked on the back of enhanced demand driven by the COVID-19 pandemic and high levels of construction activity. Though these prices began to stabilize in the second half of 2021, they have increased dramatically again in 2022 as demand continues to be strong. Northside has received indications that demand for forestry equipment continues to improve. As a result, demand for Northside's forestry equipment related products is expected to continue to increase in 2022 relative to 2021, although the impact of supply chain disruptions on Northside's customers may affect revenue timing.

Northside entered into a significant new contract with its main commercial vehicle customer in mid-2020. The five-year contract built on the work that was already being done for this customer and includes products that it requires for a new line of commercial vehicles. Demand for Northside's commercial vehicle products under this contract increased through 2021. Based on current production forecasts, the provision of these products is expected to continue to increase sales levels with this customer each year during the remaining term of the contract.

Continued increases to input costs, additional freight and logistics costs, and a shortage of skilled labour, negatively affected Northside margins in 2021. Northside endeavors to pass cost increases on to its customers, however, there are often delays with respect to the contractual mechanisms to do so, and where such mechanisms do not exist, there is risk that its customers will not accept the level of increase needed to maintain historical margins. Northside was successful in negotiating some pricing increases in the latter half of 2021. In addition, Northside is committed to improving production capacity and efficiency to help mitigate the effect of cost increases and meet the expected future demand levels of its customers. In 2021, Northside purchased and installed $0.2 million of equipment that improved the level of automation used in its production process, is currently implementing further productivity initiatives, and is exploring further automation opportunities.

Northside is also actively working to further diversify its business in terms of both the customers it serves and the products it manufactures. Opportunities to supply products it currently produces, like fuel tanks, to different industries are yielding positive results.

Head Office Segment Overview
The Canadian public company parent, Decisive Dividend Corporation, is considered a third and separate segment, as its function is as an investment holding and management company.

(Stated in thousands of dollars)	For the three months ended		For the year ended	
December 31,	**2021**	2020	**2021**	2020
Loss	$ **(682)**	$ (327)	$ **(3,779)**	$ (3,374)
Add (deduct):				
Financing costs	**410**	451	**1,773**	1,884
Income tax expense (recovery)	**(59)**	4	**9**	115
Amortization and depreciation	**5**	5	**22**	22
Acquisition costs	**115**	-	**115**	-
Share-based compensation expense	**16**	55	**256**	442
Interest and other income	**(400)**	(606)	**(401)**	(608)
Adjusted EBITDA	**(595)**	(418)	**(2,005)**	(1,519)

IFRS measurement to non-IFRS measurement reconciliation presented in the table above.

Three Months Ended December 31, 2021

During the three-month period ended December 31, 2021, Head Office expended $0.7 million on corporate activities (2020 - $0.3 million), an increase of $0.4 million.

The increase was primarily a result of enhancements to the Decisive management team since Q4 2020, as well as increased activity related to potential acquisition targets. In addition to increased travel and related costs associated with expanding its acquisition prospect pipeline, Decisive also incurred due diligence and advisory costs in Q4 2021 related to two specific acquisition opportunities, which are included in acquisition costs in the table above. Decisive was unsuccessful in one of these acquisition bids and determined not to proceed with the other based on risks uncovered through its due diligence that could not be adequately mitigated.

The remainder of the year-over-year change was driven by adjustments to the estimated fair value of the contingent consideration originally recorded in connection with the acquisition of Northside in 2019. The purchase price for Northside included $1.0 million of consideration contingent on Northside meeting certain earnings targets over the first three years post-acquisition. The estimated fair value of the above noted contingent consideration was reduced by $0.6 million in Q4 2020 and further reduced by $0.4 million in Q4 2021. These reductions were included in interest and other income in each respective year.

Year Ended December 31, 2021

For the year ended December 31, 2021, Head Office expended $3.8 million on corporate activities (2020 - $3.4 million), an increase of $0.4 million.

The increase was driven primarily by enhancements to the Decisive management team over the last year. In Q4 2020, a Corporate Development Manager was hired to assist in expanding the Company's acquisition prospect pipeline. In Q2 2021, as part of Decisive's leadership succession plan, the Company undertook a recruitment process which led to the appointment of Jeff Schellenberg as Chief Executive Officer. Prior to this appointment, the Chief Executive Officer position was held by the board Chair and did not receive cash compensation.

Increased activities associated with the Company's acquisition prospect pipeline and specific acquisition opportunities, also resulted in Head Office cost increases. A $0.1 million decrease in financing costs related to lower year-over-year debt levels and lower interest rates based on the debt refinancing completed in Q4 2021, partially offset the cost increases noted above. In addition, a $0.2 million differential in adjustments to the estimated fair value of contingent consideration associated with the acquisition of Northside between 2021 and 2020, reduced year-over-year interest and other income.

Liquidity and Capital Resources

The Company's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders.

The capital structure of the Group currently consists of equity and debt. The Company manages the capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to a normal course issuer bid ("NCIB"), adjust the amount of dividends paid to align the dividend policy with shareholder expectations, place new debt, refinance existing debt, or sell assets. Management reviews its capital management approach on a regular basis.

The Company is continuing to manage its financial position in accordance with its capital management objectives and in light of its current operating environment.

The industry trends outlined in the "Finished Product Segment Industry Trends and Outlook" and "Component Manufacturing Segment Industry Trends and Outlook", as well as the market risks described under "Risk Factors" in the Company's Annual Information Form and this MD&A can significantly affect the financial condition and liquidity of the Company.

Cash and Working Capital

As of the date of this MD&A, the Company had cash of $2.1 million, compared to cash of $2.1 million at December 31, 2021, and cash of $3.0 million at December 31, 2020.

As at December 31, 2021, the Company had net working capital of $12.8 million (December 31, 2020 - $9.9 million) as follows:

(Stated in thousands of dollars)		**December 31, 2021**		December 31, 2020		Change
Cash, net of bank indebtedness	$	**2,143**	$	2,999	$	(856)
Accounts receivable		**10,646**		7,338		3,308
Inventory		**10,106**		7,358		2,748
Prepaid expenses		**988**		871		117
Accounts payable		**(8,841)**		(6,721)		(2,120)
Dividends payable		**(302)**		-		(302)
Warranty provision		**(496)**		(341)		(155)
Prepaid deposits		**(363)**		(604)		241
Current portion of lease obligations		**(1,128)**		(966)		(162)
Current portion of long-term debt		**-**		(55)		55
Net working capital	$	**12,753**	$	9,879	$	2,874

Dividends

The Company's Board of Directors regularly examines the dividends paid to shareholders.

In April 2021, the Company reinstated its monthly dividend at $0.02 per share per month after a one-year pause, that was taken out of an abundance of caution, in response to the considerable economic uncertainty surrounding the onset of the worldwide COVID-19 pandemic.

On August 12, 2021, the Company announced that the Board of Directors had determined to increase its monthly dividend to $0.025 per share per month.

The following dividends were declared during the year ended December 31, 2021 and 2020:

	2021		2020	
Month	**Per share ($)**	**Dividend Amount ($)**	Per share ($)	Dividend Amount ($)
January	**$ -**	**$ -**	$ 0.030	$ 344
February	**-**	**-**	0.030	345
March	**-**	**-**	0.030	348
April	**0.020**	**237**	-	-
May	**0.020**	**238**	-	-
June	**0.020**	**239**	-	-
July	**0.020**	**240**	-	-
August	**0.025**	**300**	-	-
September	**0.025**	**301**	-	-
October	**0.025**	**302**	-	-
November	**0.025**	**302**	-	-
December	**0.025**	**302**	-	-
Total	**$ 0.205**	**$ 2,461**	$ 0.090	$ 1,037

The above dividends were paid on or about the 15th of the month following their declaration. Of the dividends paid in 2021, $1.9 million (2020 - $1.2 million) were settled in cash and $0.3 million (2020 - $0.2 million) were reinvested in additional common shares of the Company, pursuant to the dividend reinvestment and cash purchase plan "the DRIP".

Cumulative dividends, paid since Decisive's inception, for the year ended December 31, 2021, are as follows:

(Stated in thousands of dollars)	**December 31, 2021**
Cumulative dividends, beginning of year	**$ 12,656**
Dividends declared during the year	**2,461**
Cumulative dividends, end of year	**$ 15,117**

Subsequent to December 31, 2021, the Company undertook the following dividend actions:

- a dividend of $0.025 per share was declared on January 14, 2022, for shareholders of record on January 31, 2022, which was paid on February 15, 2022.
- a dividend of $0.025 per share was declared on February 15, 2022, for shareholders of record on February 28, 2022, which was paid on March 15, 2022.
- a dividend of $0.025 per share was declared on March 15, 2022, for shareholders of record on March 31, 2022, which is payable on April 15, 2022.

Long-Term Debt

(Stated in thousands of dollars)	Authorized	**March 24, 2021 Outstanding**	**December 31, 2021 Outstanding**	December 31, 2020 Outstanding
Revolving term operating facility (i)	8,000	$ **3,271**	$ **2,052**	$ -
Revolving term acquisition facility (ii)	7,000	**-**	**-**	-
Non-amortizing term loan (iii)	21,000	**21,000**	**21,000**	20,945
Paycheck protection program forgivable loan		**-**	**-**	164
Trumpf finance equipment loans	-	**-**	**-**	55
	36,000	**24,271**	**23,052**	21,164
Less: current portion		**-**	**-**	(55)
Long-term portion		**24,271**	**23,052**	21,109

The Company entered into a credit agreement with its senior lenders, Canadian Western Bank and CWB Maxium Financial Inc., a wholly-owned division of Canadian Western Bank (collectively "CWB"), in November 2021. The Company entered into the credit agreement with CWB to refinance the Company's pre-existing debt facilities with the Bank of Nova Scotia ("BNS") and Roynat Capital Inc., a subsidiary of BNS.

The new credit agreement with CWB, which provides for the credit facilities described in (i), (ii) and (iii) below, significantly reduces borrowing costs while increasing operating flexibility through less restrictive financial covenants, and access to $7.0 million in additional revolver borrowings for acquisition purposes.

(i) The revolving term operating facility bears interest at the lender's prime rate plus 1%. The Company's ability to access the revolving term operating facility is dependent on a borrowing base which is determined quarterly and measured against the Group's accounts receivable and inventory. Standby fees of 0.25% per annum are paid quarterly on the unused portion of the revolving term operating facility.

(ii) The revolving term acquisition facility bears interest at the lender's prime rate plus 3% and is available to the Company for acquisition purposes. Standby fees of 0.25% per annum are paid quarterly on the unused portion of the revolving term acquisition facility.

(iii) The non-amortizing term loan bears interest at a fixed rate of 6.25% with no required principal payments for the term of the loan.

There are no required principal payments on these three facilities for the committed three-year term of the credit agreement, which also provides for annual extension provisions. The credit facilities with the Company's senior lenders are collectively 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 defined in the credit agreement) as a group on a trailing twelve-month basis:

- Maximum total funded debt to adjusted EBITDA of 4.00:1
- Maximum total senior funded debt to adjusted EBITDA of 3.25:1
- Minimum fixed charge coverage ratio of 1.10:1

As at December 31, 2021, the Group was in compliance with these ratios.

The Company's pre-existing debt facilities consisted of an $8.0 million revolving term loan with BNS that had substantially similar terms to the revolving term operating facility described in (i) above and a $20.9 million non-amortizing term loan with Roynat Capital Inc. which bore interest at a fixed rate of 8.00%.

In 2020, Blaze King Industries Inc. received a $0.2 million paycheck protection program forgivable loan through the United States federal government's financial aid program. The loan was forgiven in Q2 2021.

Off-Balance Sheet Arrangements

The Group's does not have any off-balance sheet arrangements.

Disclosure of Outstanding Share Data

The following table sets forth the Company's share capital data as at March 24, 2021, December 31, 2021 and December 31, 2020. Each deferred share unit ("DSU") and restricted share unit ("RSU") entitled the holder thereof to one common share of the Company pending the satisfaction of certain vesting, settlement and/or redemption criteria. Each stock option entitled the holder thereof to purchase one common share of the Company.

	March 24, 2021	**December 31, 2021**	December 31, 2020
Common shares, basic	**12,204,807**	**12,093,113**	11,633,496
Deferred and restricted share units outstanding	**-**	**-**	107,740
Stock options outstanding	**1,020,500**	**950,500**	1,118,000
Common shares, fully diluted	**13,225,307**	**13,043,613**	12,859,236

In 2020 and 2021, the Company's equity incentive plan was re-approved by a majority of all shareholders but not by a majority of disinterested shareholders, which means that the 10% rolling stock option component of the plan remains in effect, but no further DSUs or RSUs may be issued, until such time as the Corporation obtains requisite shareholder approval under the policies of the TSX Venture Exchange. As a result, all 107,740 outstanding DSUs and RSUs were redeemed for common shares in January 2021, which resulted in $0.1 million in share-based compensation expense in Q1 2021.

In addition, an aggregate of 361,777 common shares were issued during the year ended December 31, 2021, through Decisive's employee share purchase plan, DRIP and the exercise of stock options. These share issuances generated cash proceeds of $0.6 million and reduced the amount of cash dividends paid by $0.3 million. In 2021, the Company also purchased and cancelled 9,900 common shares, pursuant to its NCIB, at a weighted average price of $3.91 per common share.

As at December 31, 2021, there were 105,513 shares in escrow (December 31, 2020 – 531,543) relating to the Company's completed acquisition of Northside (December 31, 2020 – Hawk, Slimline and Northside), to be released in August 2022.

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.

Key management compensation for the year ended December 31, 2021, included $0.78 million of salaries, benefits and director fees and $0.17 million of share-based compensation (2020 - $0.61 million of salaries and benefits and $0.32 million of share-based compensation).

During the year ended December 31, 2021, the Company incurred legal fees of $0.01 million (2020 - $0.02 million) with a law firm in which a director of the Company was a partner.

During the year ended December 31, 2021, the Company made lease obligation payments of $0.18 million (2020 - $0.18 million) towards property beneficially owned by a president of one of the Company's wholly-owned subsidiaries.

Accounting Policies

The Company's significant accounting policies are disclosed in Note 3 of Decisive's audited consolidated financial statements for the year ended December 31, 2021. During 2021, there were no changes in the accounting policies or methods of computation used relative to 2020.

Critical Accounting Estimates

The preparation of the Company's financial statements in conformity with IFRS requires management to make estimates based on assumptions about future events 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.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised.

Areas that require significant estimates and assumptions as the basis for determining the stated amounts include, but are not limited to, the following:

Business Combinations
Management uses valuation techniques when determining the fair values of certain assets and liabilities acquired in a business combination. The most significant assumptions and those requiring the most judgment involve the estimated fair values of intangible assets. Significant assumptions include, among others, the determination of projected revenues, cash flows, customer retention rates, discount rates and anticipated average income tax rates.

The Company's acquisitions have been accounted for using the acquisition method when control is transferred to the Group. The consideration paid in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. The consideration includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Any contingent consideration is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration are recognized in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

Depreciation and Amortization of Long-Lived Assets
The Company makes estimates about the expected useful lives of long-lived assets and the expected residual values of the assets based on the estimated current fair value of the assets. Changes to these estimates, which can be significant, could be caused by changes in the utilization of major manufacturing equipment and uncertainties relating to technological obsolescence. Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Generally, these adjustments are accounted for on a prospective basis, through depreciation and amortization expense.

Impairment of Non-Financial Assets and Goodwill
In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit ("CGU") based on discounted expected future cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Inventories
Management estimates the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Warranty Liabilities
The Company provides for warranty expenses by analyzing historical failure rates, warranty claims, current sales levels and current information available about returns based on warranty periods. Uncertainty relates to the timing and amount of actual warranty claims which can vary from the Company's estimation.

Expected credit losses
The Company provides for expected credit losses of its accounts receivable based on historical collection trends and experiences with customers. Uncertainty relates to the timing and amount of actual credit losses which can vary from the Company's estimation.

Share-based compensation
Compensation expense associated with stock options granted is based on various assumptions, using the Black-Scholes option-pricing model, to produce an estimate of fair value. This estimate may vary due to changes in the variables used in the model including interest rates, expected life, expected volatility, expected forfeitures and share prices. Estimating expected life and forfeitures requires judgement.

Financial Instruments

The Group's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, dividends payable, and long-term debt.

Fair Value Measurement and Disclosure of Financial Assets and Liabilities

Financial assets and liabilities recorded or disclosed at fair value in the consolidated statements of financial position are categorized based on the level of judgment associated with the inputs used to measure their fair value. The following fair value hierarchy reflects the significance of inputs of valuation techniques used in making fair value measurements and/or disclosures.

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 and/or disclosed 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 year.

Fair Value Disclosures

At December 31, 2021 and 2020, the carrying amounts of cash, accounts receivable, accounts payable and accrued liabilities, and dividends payable, approximate their fair value due to their short-term nature.

The Group's long-term debt, as described under heading "Long-Term Debt" earlier in this MD&A, was measured and recognized in the consolidated statement of financial position at fair value as a level 2 financial instrument. Management determined that the fair values of the Group's long-term debt was not materially different than their carrying amounts as they are based on market interest rates.

Financial Risk Management

The Group's primary business activities consist of the acquisition of corporations in the manufacturing sector. The Group's activities expose it to a variety of financial risks. The Group 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.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations when they become due. To mitigate this risk, the Group has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The contractual maturities of financial instruments are as follows:

(Stated in thousands of dollars)

December 31, 2021	**Carrying value**	**Total contractual cash flows**	**Within one year**	**Two to five years**	**More than five years**
Accounts payable	**$ 8,841**	**$ 8,841**	**$ 8,841**	**$ -**	**$ -**
Dividends payable	**302**	**302**	**302**	**-**	**-**
Long-term debt	**22,590**	**26,971**	**1,383**	**25,588**	**-**
Lease obligations	**2,661**	**2,850**	**1,230**	**1,620**	**-**
	$ 34,394	**$ 38,964**	**$ 11,756**	**$ 27,208**	**$ -**

December 31, 2020	Carrying value	Total contractual cash flows	Within one year	Two to five years	More than five years
Accounts payable	$ 6,721	$ 6,721	$ 6,321	$ 400	$ -
Long-term debt	20,997	23,723	1,731	21,992	-
Lease obligations	3,204	3,477	1,094	2,383	-
	$ 30,922	$ 33,921	$ 9,146	$ 24,775	$ -

Liquidity risk management involves maintaining sufficient cash or cash equivalents and availability of funding through an adequate amount of committed credit facilities. The Group's cash is held in business accounts which are available on demand for the Group's programs. The Company also attempts to maintain flexibility in funding by securing committed and available credit facilities. In 2021, the Company entered into a new credit agreement with its senior lenders that provides the Group access to a revolving term operating facility and a revolving term acquisition facility. The Group's ability to access the revolving term operating facility is dependent on a borrowing base which is determined quarterly and measured against the Group's accounts receivable and inventory. The Group continues to manage its financial position in accordance with its capital management objectives and in light of its current operating environment.

Credit Risk

Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Group by those counterparties, less any amounts owed to the counterparty by the Group where a legal right of set-off exists and also includes the fair values of contracts with individual counterparties which are recorded in the consolidated financial statements.

The Group's credit risk is predominantly limited to cash 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 December 31, 2021, the Company expects to recover the full amount of such assets, less any expected credit losses.

Cash and cash equivalents are only deposited with or held by major financial institutions where the Group conducts its business.

The following details the aging of the Group's trade accounts receivable and expected credit losses:

(Stated in thousands of dollars)

		December 31, 2021			December 31, 2020	
Not yet due	**$**	**8,534**	**85%**	$	4,873	67%
31-60 days overdue		**1,321**	**13%**		1,334	18%
61-90 days overdue		**56**	**1%**		459	6%
>90 days overdue		**85**	**1%**		653	9%
Trade accounts receivable		**9,996**	**100%**		7,319	100%
Less: expected credit losses		**(8)**			(247)	
Net trade accounts receivable	**$**	**9,988**		$	7,072	

The objective of managing counterparty credit risk is to minimize potential losses in financial assets. The Group assesses the quality of its counterparties, taking into account their creditworthiness and reputation, past performance and other factors. In certain cases, the Group obtains insurance to assist in managing its credit risk.

Currency Risk

The Group's functional currency for Blaze King Industries Inc. 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. As a result, the Group's earnings and total comprehensive income are in part impacted by fluctuations in the value of the USD in relation to the CAD.

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

(Stated in thousands of dollars)

As at December 31, 2021	Entities with a CAD functional currency CAD	Entities with a CAD functional currency USD	Entities with a USD functional currency CAD	Entities with a USD functional currency USD	Total
Cash	$ 948	$ 1,219	$ (243)	$ 219	**$ 2,143**
Accounts receivable	5,148	3,184	574	1,740	**10,646**
Accounts payable	(6,855)	(651)	(112)	(1,223)	**(8,841)**
Dividend payable	(302)	-	-	-	**(302)**
Inter-company amounts	5,038	-	(7,109)	2,071	**-**
Long-term debt	(22,590)	-	-	-	**(22,590)**
Net exposure	(18,613)	3,752	(6,890)	2,807	**(18,944)**
Effect of 5% strengthening of USD versus CAD:					
Profit (loss)	-	188	345	-	**533**
OCI	$ -	$ -	$ -	$ (140)	**$ (140)**

(Stated in thousands of dollars)

As at December 31, 2020	Entities with a CAD functional currency CAD	Entities with a CAD functional currency USD	Entities with a USD functional currency CAD	Entities with a USD functional currency USD	Total
Cash	$ 1,203	$ 1,341	$ (63)	$ 518	$ 2,999
Accounts receivable	2,984	2,191	400	1,763	7,338
Accounts payable	(5,261)	(395)	(790)	(275)	(6,721)
Inter-company amounts	5,605	-	(7,362)	1,757	-
Long-term debt	(20,942)	(55)	-	-	(20,997)
Net exposure	(16,411)	3,082	(7,815)	3,763	(17,381)
Effect of 5% strengthening of USD versus CAD:					
Profit (loss)	-	154	391	-	545
OCI	$ -	$ -	$ -	$ (188)	$ (188)

Interest Rate Risk

The Group is exposed to interest rate risk on its long-term debt, as described under the heading "Long-Term Debt" earlier in this MD&A, due to the interest rate on certain of its credit facilities being variable. Of the Group's interest-bearing debt at December 31, 2021, 9% was variable rate (2020 - 0%). 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:

(Stated in thousands of dollars)

Interest rate risk	**December 31, 2021**	December 31, 2020
Floating instruments	**$ 2,052**	$ -
Average balance	**421**	1,913
Impact on profit (loss) of a change in interest rates:		
-1%	**4**	19
+1%	**$ (4)**	$ (19)

Risk Factors

The Group is subject to a number of risk factors. These risk factors relate to the organizational structure of the Company and to the operations of its subsidiaries. The risk factors described below are significant risk factors that management of the Company believes to be material to the business and results of operations of the Group. When reviewing forward-looking statements and other information contained in this report, investors and others should carefully consider these risk factors, as well as other risk factors that may adversely affect future results of the Group. The Group operates in a very competitive and rapidly changing environment. New risk factors emerge from time-to-time and it is not possible for management of the Company to anticipate all risk factors or the impact that such factors may have on the business and financial performance of the Group. The Company assumes no obligation to update or revise these risk factors or other information contained in this report to reflect new events or circumstances, except as may be required by law.

The ongoing COVID-19 pandemic declared by the World Health Organization on March 11, 2020, continues to disrupt economic, social and political landscapes. Both the duration of the COVID-19 pandemic and the future extent of its impacts continue to remain uncertain with respect to broader global implications and on the Group's operations. Several restrictive measures have been taken and continue to be modified by governments and organizations around the world in an effort to mitigate the spread and slow the speed of transmission of COVID-19. These measures may impact the Group by disrupting its operations or the operations of its suppliers, distributors and/or customers.

There are a number of uncertainties relating to the COVID-19 pandemic that could potentially impact the Group and their financial performance, including discretionary spending, government restrictions, customer demand, supply chain and safety. The Corporation continues to actively monitor the COVID-19 situation and public health orders to ensure the most effective COVID-19 risk mitigation strategies.

The potential negative impacts of the COVID-19 pandemic on the Corporation's and any of its Subsidiaries' business, results from operations, financial condition, and human capital include but are not limited to:

External

- Weakened economic conditions and outlooks which may result in elevated unemployment levels and reduced disposable income could lead to a shift in customer demand for the Corporation's Subsidiaries' products and services.
- New laws, regulations and the implementation of restrictive measures to slow the spread of COVID-19, including future variants thereof, as recommended by various federal, provincial, state, and local governmental authorities could potentially have an impact on the Corporation and its operations.

Operational

- Disruptions in operations related to the inability of the Corporation's and its Subsidiaries' employees, subcontractors, or other stakeholders to work in a normal manner as a result of imposed COVID-19 restrictions, including quarantines or vaccination rules.
- Increased risk of customers and counterparties to contracts seeking relief from contractual obligations under applicable force majeure clauses which could lead to deferral and/or releases of such obligations.
- Potential disruptions to the Corporation's Subsidiaries' supply chain owing to COVID-19 could impact the Corporation's and its Subsidiaries' ability to continue operating as normal and/or reduce profitability if alternatives are more costly or cause inefficiencies, become unavailable, or have materially increased delivery times.

Financial

- Negative impacts on credit and capital markets could impact the Corporation's ability to secure required debt financing and/or raise equity on reasonable terms.
- Continued volatility in the public trading markets may have an unknown or abnormal impact on the future pricing of the Corporation's securities.

- Significant volatility in commodity pricing could result from increased costs or reduced supply related to COVID-19 economic conditions.
- Tighter credit conditions could be imposed by the Corporation's stakeholders to manage cash flows.

Human Capital

- Loss of key leadership, or the shortage of labour generally owing to the increasing number of individuals becoming infected with more transmissible COVID-19 variants, such as the Omicron variant, or having to observe quarantine requirements which prohibit them from performing their job functions on-site.
- The restrictive measures to slow the spread of the COVID-19 outbreak that have been implemented, or recommended, by various federal, provincial, state and local governmental authorities could have a direct impact on employees' continued ability to work.

Since COVID-19 related risks are discussed above, the impact of COVID-19 will not be discussed in conjunction with other identified risks set forth below.

The most significant risks to the Group are categorized by their source and described as follows:

External	Operational	Financial	Human Capital
• General Economic Conditions	• Risk Related to Acquisitions	• Availability of Future Financing	• Reliance on Management and Key Personnel
• Pandemics	• Dependence on Customers, Distributors and Strategic Relationships	• Interest Rates and Debt Financing	• Employees and Labour Relations
• Competition	• Supply and Cost of Raw Materials and Purchased Parts	• Income Tax Matters	• Conflicts of Interest
• Government Regulation	• Operational Performance and Growth	• Foreign Exchange	
• Environmental Regulation	• Implementation of the Growth Strategy	• Dividends	
• Access to Capital	• Product Liability and Warranty Claims	• Trading Volatility of Common Shares	
• Market Trends and Innovation	• Litigation	• Dilution Risk	
• Climate Risk	• Reliance on Technology, Intellectual Property, and Information Systems		
• General Uninsured Losses			

External Risks:

General Economic Conditions
The general global economic environment can impact the business and financial performance of the Group. The demand for the Group's products depends on the conditions of the respective industries in which they operate, which are influenced by numerous factors over which the Company has no control, including pandemics, oil and natural gas and other commodity prices, the weather and climate, macro-economic and geopolitical factors, regulatory changes and other economic conditions. A prolonged or more significant downturn in any economy where the Group operates could negatively impact the demand for the Group's products.

An example of this is the impact on Hawk of volatility in crude oil and natural gas prices, which accounts for much of the cyclical nature of the oilfield services business. Generally, there is a higher demand for Hawk's products when oil and gas prices are high and a lower demand for Hawk's products when oil and gas prices are low

Geopolitical instability (including military conflict and the accompanying international responses, including economic sanctions) can be disruptive to the world economy and result in additional volatility in commodity markets, international trade and financial markets, which could impact the Group. The recent escalated conflict between Russia and the Ukraine has resulted in sanctions imposed upon Russia by the United States, European Union, the United Kingdom, Canada, Australia, Japan, Switzerland, and other countries, which may impact world economic markets and have follow-on effects in particular industries. To date, the escalated conflicts have not impacted the ability of the Group to carry on business and there have been no significant delays or direct security issues affecting operations, offices, or personnel of the Group, and the enacted sanctions have not had a material adverse effect on the business of the Group. The outcome of the recent escalated conflict between Russian and Ukraine is uncertain at this time, however it has the potential to impact the peace and stability of the region and the world and could affect the global economy, including regions and markets in which the Group operates. Any subsequent supply shortages or volatile commodity prices could have an adverse impact on the world economy and the business of the Group. As geopolitical conflicts occur, re-occur or escalate, they could have a material adverse effect on business, financial condition or results of operations of the Group.

Pandemics
The spread of contagious disease could have a material adverse effect on the Group's business and financial performance by triggering global financial market shocks, causing shortages of employees to staff the Group's head office and facilities, interrupting supplies from third parties upon which the Group rely for its business operations, impacting the industries of customers, and disrupting or suspending the Group's business operations entirely in certain circumstances.

Competition
New competition or increased competition could have a significant impact on the Group's business, results from operations, and financial conditions.

The industries in which the Group operate are highly competitive and each of the Group competes with a substantial number of companies, some of which have greater technical and financial resources. There can be no assurance that such competitors will not substantially increase the resources devoted to the development and marketing of products and services that compete with those of the Group or that new or existing competitors will not enter the various markets in which the Group is active or that the Group wishes to enter. In certain aspects of its business, the Group also competes with a number of small and medium-sized companies, which, like the Group, have certain competitive advantages such as low overhead costs and specialized regional strengths.

There can be no assurance that competitors will not develop new and unknown technologies with which the Group may have difficulty competing. As well, without remaining cost competitive, there is also a risk that the Group may lose business to its competitors.

The competitive environment in the manufacturing industry has been impacted by customers seeking to take advantage of the low-cost environments that exist in certain countries. As a result, there is the possibility of increased competition from suppliers that have manufacturing operations in these countries. The loss of any significant production contract to competitors in low-cost countries could have an adverse effect on the profitability of the of the Group.

Government Regulation

Certain of the industries in which the Group operate are subject to, and significantly impacted by, governmental regulation. For example, the wood burning stove market in which Blaze King operates is highly regulated in North America and these regulations are subject to frequent change. There can be no assurance that the Group's business will not be adversely affected in the event of additional regulation in any of the industries or jurisdictions where the Group operate or sell its products.

Current international, multinational and/or bilateral trade agreements and tariffs in effect from time to time can significantly impact the Group's business and financial performance. Such trade agreements and tariffs can impact the demand, cost, and production of the Group's products.

Trade disputes between countries or among multiple countries can disrupt global and local supply chains, distort commodity pricing, impair the ability of the Group to make long-term investment decisions, create volatility in relative foreign exchange rates and contribute to stock market volatility. For example, tariffs introduced by the United States in 2018, which remain in place as at the date of this MD&A, have a direct impact on the business and financial performance of the Group, and in particular, Unicast. The continuation or increase of existing tariffs, the implementation of new tariffs, and/or the existence or escalation of trade disputes from time to time could have an adverse effect on the financial results and profitability of the Group.

Environmental Regulation

The past and present operation by the Group of manufacturing facilities and ownership and/or occupation of real property are subject to extensive and changing federal, provincial, state and local environmental laws and regulations, including those relating to discharges in air, water and land, the handling and disposal of solid and hazardous waste and the remediation of contamination associated with releases of hazardous substances. To date, compliance with environmental regulations has not had a material adverse effect on the capital expenditures, earnings or competitive position of the Group. There can be no assurance that compliance with current or more stringent laws or regulations which may be imposed on the Group in the future, stricter interpretation of existing laws or discoveries of contamination at the leased business locations of the Group which occurred prior to the Group's lease of such sites or the advent of environmental regulation will not require the Group to incur significant expenditures in the future, some of which may have a material adverse effect on the capital expenditures, earnings or competitive position of the Group.

Access to Capital

One of the objectives of the Company is to continue to acquire additional businesses or interests therein in order to expand and diversify the Company's investments. The ability to execute this objective is dependent on the Company's ability to raise funds in the capital markets. If the capital markets' desire for income producing investments, such as Decisive's common shares, were to significantly decrease, the Company would have difficulty in executing its acquisition objectives. The Company's current level of leverage is considered reasonable, which gives the Company the ability to undertake acquisitions, up to a given size, in the short-term without being dependent on the capital markets.

Market Trends and Innovation

The Group's market position is dependent on its ability to effectively anticipate consumer habits and expectations and develop new or modified products in a timely fashion to satisfy these expectations. If the Group is not able to develop new products that are attractive to customers, the Group risks losing those customers to competitors.

Climate Risk

The Group's results of operations could be impacted by fluctuations from weather and natural disasters. Severe weather conditions and natural disaster conditions can significantly disrupt service by impeding the movement of goods or consumer demand, which could have an adverse effect on the Group's business, results of operations and financial condition. In addition, increases in frequency, severity or duration of severe weather events, including changes in the global climate, could result in increases in raw materials costs, freight costs and delivery delays, any of which would increase the potential for loss of revenue and higher costs. For example, Blaze King is impacted by the length and severity of the winter season, which drives customer demand for heating appliances as well as alternative sources of fuels. Additionally, the Group's results are impacted by seasonality factors primarily driven by weather patterns in North America and worldwide, including the impact on heating and planting and harvesting seasons, as well as the timing of ground freeze and thaw in Western Canada and the effect thereof on the oil and gas industry. For example, the impact of weather conditions and patterns on the agriculture sector in North America and worldwide, has a direct impact on activities of the customers of Slimline.

General Uninsured Losses

The Group carries comprehensive general liability, fire, flood and extended coverage insurance with policy specifications, limits and deductibles customarily carried for similar businesses. There are, however, certain types of risks, generally of a catastrophic nature, such as wars, pandemic, and environmental contamination, which are either uninsurable or not insurable on an economically viable basis. Should an uninsured or underinsured loss occur, anticipated profits and cash flows could be negatively impacted.

Operational Risks:

Risk Related to Acquisitions

The Company regularly reviews potential acquisition opportunities to support its strategic objective to expand and diversify the Company's investments. The Company's ability to successfully grow or diversify through additional acquisitions will be dependent on several factors, including the identification of suitable acquisition targets in both new and existing markets, the negotiation of purchase agreements on satisfactory terms and prices, securing attractive financing arrangements, and, where applicable, the integration of newly acquired operations into the existing business.

In pursuing a strategy of acquiring other businesses or interests, the Company will face risks commonly encountered with growth through acquisitions. These risks include, but are not limited to, incurring higher capital expenditures and operating expenses than expected, entering new unfamiliar markets, incurring undiscovered liabilities at acquired businesses, disrupting ongoing business, diverting management resources, failing to maintain uniform standards, controls and policies, impairing relationships with employees, suppliers and customers as a result of changes of ownership, causing increased expenses for accounting and computer systems and incorrectly valuing acquired entities.

The Company may not adequately anticipate all the demands that its growth will impose on its personnel, procedures, and structures, including its financial and reporting control systems, data processing systems and management structure. Moreover, the Company's failure to retain qualified management personnel at any acquired business may increase the risk associated with integrating the businesses. If the Company cannot adequately anticipate and respond to these demands, it may fail to realize the expected operating performance and its resources will be focused on incorporating new operations into its structure rather than on areas that may be more profitable. In addition, although the Company conducts what it believes to be a prudent level of investigation regarding the operating condition of the businesses it purchases, in light of the circumstances of each transaction, an unavoidable level of risk remains regarding the actual operating condition of these businesses.

The Company conducts business, legal and financial due diligence investigations in connection with its acquisitions and the purchase and sale agreements pursuant to which the Company directly or indirectly acquires a business or interest will generally contain customary representations and warranties with respect to the applicable business and related indemnities from the vendors regarding corporate matters, taxes, litigation, environmental, operations, employee matters and financial statements, among other things. However, there can be no assurance the Company will uncover all risks associated with the investment through its due diligence investigations, that the representations and warranties given by such vendors will adequately protect against such risks or that the Company will recover any losses incurred in the event of a breach of a representation or warranty.

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

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

Dependence on Customers, Distributors and Strategic Relationships

The Group's business may be subject to customer concentration risk in that the financial performance is based substantially on business carried out with a main customer or a small group of customers. For example, Hawk's 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 main customer. Northside's financial performance during recent financial periods has been similarly substantially the result of business conducted with two main customers. There can be no assurance that these main customers will continue to conduct business with Hawk and Northside in a similar amount and on similar terms to the business conducted with these subsidiaries each year. In the event that the business prospects of these main customers deteriorate, or in the event that these main customers reduce the amount of business that they conduct with Hawk or Northside, or do not conduct business with Hawk or Northside on similar terms, there may be a material adverse effect on the business and financial performance of Hawk and/or Northside, as applicable. Although Hawk and Northside both have the objective of diversifying their respective customer bases and the industries that they serve, there can be no assurance that they will achieve such objectives. The other subsidiaries in the Group have a fairly broad customer base and do not solely depend on any one customer or group of customers.

Additionally, the future revenue growth of the Group will depend in large part upon its ability to successfully establish and maintain a network of suppliers and distributors for its subsidiaries as well as its ability to enter into strategic alliances. There can be no assurances that the Group will be able to successfully establish and maintain these relationships and if the Group is unable to do so, it may not be able to generate sufficient revenues to maintain profitability.

Supply and Cost of Raw Materials and Purchased Parts

The Group relies on a stable and consistent supply of materials and finished goods in carrying out its operations. Each of the subsidiaries in the Group secure supplies of raw materials and finished goods from various suppliers on an ongoing basis at negotiated prices (including, Chinese and/or other foreign suppliers). An interruption in the availability of, or in the ability to transport, these raw materials or finished goods, from pandemics, natural disasters, trade barriers inflicted on the countries where these suppliers are located, geopolitical factors in certain parts of the world, other factors not within the control of the Group or otherwise, or significant increases in the prices paid by the Group for them, could have a material adverse effect on the Group's business and financial performance.

The pricing of certain commodities used to produce certain of the Group's products, such as steel, titanium carbide and manganese, are still largely driven by overall market conditions and increases in the cost of these components could increase the Group's manufacturing costs and have a material adverse effect on the Group's business and financial performance.

The Group relies on a number of suppliers to provide products and materials. For the businesses to be successful, such suppliers must provide quality products and material, in substantial quantities, in compliance with regulatory requirements, at acceptable costs and on a timely basis. The Group's ability to obtain a sufficient selection or volume of supplies on a timely basis at competitive prices could suffer as a result of any deterioration or change in its supplier relationships or events that adversely affect its suppliers.

There can be no assurance the Group will be able to detect, prevent or fix all defects in products or materials provided by its suppliers. Failure to detect, prevent, or fix defects, or the occurrence of real or perceived quality or safety problems or material defects in the Group's current and future products, could result in a variety of consequences, including a greater number of product returns than expected from customers, litigation, product recalls, and credit, warranty, or other claims, among others, which could harm the Group's results of operation and financial conditions. Such events could hurt the Group's business image, which is critical to maintaining and expanding its business. Any negative publicity or lawsuits filed against the Group, related to the perceived quality and safety of its products could harm the Group's businesses and decrease demand for their products.

If one or more of the Group's significant suppliers were to sever their relationship or significantly alter the terms of its relationship, including due to changes in applicable trade or border policies, the Group may not be able to obtain replacement products in a timely manner, which could have a material adverse effect on its business, results of operations, and financial condition.

In addition, if any of the Group's suppliers fail to make timely shipments, do not meet its quality standards, or otherwise fail to deliver materials or a product in accordance with the Group's plans, there could be a material adverse effect on their results of operations.

Operational Performance and Growth
The Group's principal source of funds is cash generated from the Company's subsidiaries, which is expected to provide the Group with sufficient liquidity and capital resources to meet its current and future financial obligations at existing business levels, including meeting certain financial ratios with the Company's senior lenders. If additional capital and/or operating expenditures, dependent on increased cash flow or additional financing, arise in the future, lack of such funds could limit or delay the future growth of the Company's subsidiaries. Furthermore, underperformance of a Subsidiary could have an adverse effect by limiting or delaying future growth cash flow, while also potentially impacting the amount of cash available for dividends to the shareholders. The Group continues to manage its financial position in accordance with the Company's capital management objectives and in light of its current operating environment.

Implementation of the Growth Strategy
Historically high valuation multiples have dominated the acquisition market. Management of the Company continues to focus on strategic acquisitions and organic growth. Given the current environment, it continues to be imperative for the Company to maintain its acquisition discipline and not enter into transactions at multiples that exceed the Company's acquisition model.

The Company may not effectively select candidates for acquisition or successfully negotiate or finance such acquisitions. There can be no assurance the acquisitions will be completed on acceptable terms or that the newly acquired companies will be successfully integrated into the Group's operations. Additionally, the Group may experience increased production costs or problems, difficulty in obtaining financing and increased cost of borrowing as a result of such acquisitions. With the Group's intention to expand the sales focus into new geographic areas there may be exposure to political and economic risks not currently experienced in current geographic sales areas.

Product Liability and Warranty Claims

The Group may be subject to potential product liabilities connected with its operations, including liabilities and expenses associated with product defects. The Group may also be subject to personal injury claims for injuries resulting from use of its products.

Any liability for damages resulting from product malfunctions could be substantial and could materially adversely affect the Group's business, results of operations and financial performance. In addition, a well-publicized actual or perceived claim could adversely affect the market's general perception of the Group's products. This could result in a decline in demand for the Group's products, which would materially adversely affect the Group's business, results of operations and financial performance.

While the Group maintains product liability insurance, there can be no assurance that such insurance will continue to be available on commercially reasonable terms and that it will be sufficient to cover all claims.

Litigation

The Group may be subject to litigation from time to time and such litigation has the potential to materially adversely affect the business and/or financial performance of the Group.

Reliance on Technology, Intellectual Property, and Information Systems

The Group will depend upon improvements in technology to meet customer demands in respect of performance and cost, and to explore additional business opportunities. There can be no assurance that the Group will be successful in its efforts in this regard or that it will have the resources available to meet this demand.

The Group currently relies on intellectual property rights and other contractual or proprietary rights, including, without limitation, copyright, trade secrets, confidential procedures, contractual provisions, licenses and patents, to protect its proprietary technology and commercial advantages. The Group may have to engage in litigation in order to protect its patents or other intellectual property rights, or to determine the validity or scope of the proprietary rights of others. This type of litigation can be expensive and time consuming, regardless of whether the Group is successful. The Group may seek patents or other similar protections in respect of particular technology. There can be no assurances that any future patent applications will result in issued patents, or that, even if patents are issued, they will be of sufficient scope or strength to provide meaningful protection or any commercial advantage to the Group. The process of seeking patent protection can also be long and expensive. Competitors may develop technologies that are similar or superior to the technology of the Group or design around the patents owned by the Group, thereby adversely affecting the Group's competitive advantage in one or more of its businesses.

The Group's reliance on information technology to manage its business exposes the Group to potential risks related to cybersecurity attacks and unauthorized access to the Group's customers, suppliers, counterparties and employees sensitive or confidential information (which may include personally identifiable information and credit information) through hacking, viruses or otherwise (collectively "cybersecurity threats"). Through the normal course of business, the Group also collects, processes, and retains sensitive and confidential customer, supplier, counterparty and employee information.

Cybersecurity threats are continually growing and changing and require continuous monitoring and detection efforts to address. While the Group has security measures in place, its systems, assets and information could be vulnerable to cybersecurity attacks and other data security breaches that could cause system failures, disrupt operations, adversely affect safety, result in loss of service to customers and result in the release of sensitive or confidential information. Despite such security measures, there is no assurance that cybersecurity threats can be fully detected, prevented or mitigated. Should such threats materialize, the Group could suffer costs, losses and damages such as property damage, corruption of data, lower earnings, reduced cash flow, third party claims, fines and penalties; all or some of which may not be recoverable.

Financial Risks:

Availability of Future Financing
In order to execute its business plan, the Group may require a combination of additional debt and equity financing to support ongoing operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available when needed or on terms acceptable to the Group. The Group's inability to raise financing to support ongoing operations or to fund capital expenditures or acquisitions could limit the Group's growth and may have a material adverse effect upon the Group.

Interest Rates and Debt Financing
The Group has significant debt service obligations pursuant to the financing agreements relating to its long-term debt. The degree to which the Group is leveraged could have important consequences to the Group and/or the Company's shareholders, including:

- the ability of the Group to obtain additional financing for working capital, capital expenditures or acquisitions in the future may be limited;
- a substantial portion of cash flow from operations of the Company are, and will be, dedicated to servicing its indebtedness, thereby reducing funds available for future operations;
- certain borrowings of the Group are, or will be, at variable rates of interest, which will expose the Group to future fluctuations of interest rates; and
- the Group may be more vulnerable to economic downturns and may be limited in its ability to withstand competitive pressure.

The ability of the Group to make scheduled payments of the principal of or interest on, or to refinance, their respective indebtedness will depend on future operating performance and cash flow, which are subject to prevailing economic conditions, prevailing interest rate levels, and financial, competitive, business and other factors, many of which are beyond its control. There can be no assurance that the Company will be able to refinance its long-term debt on maturity on terms similar to existing terms, or at all.

The debt financing agreements relating to the Group's long-term debt contain restrictive covenants that limit the discretion of management with respect to certain business matters. These covenants may place significant restrictions on, among other things, the ability of the Group to incur additional indebtedness, to create liens or other encumbrances, to pay dividends, to redeem equity or debt or make certain other payments, investments, capital expenditures, loans and guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity. The financing agreements also contain a number of financial covenants that require the Group to meet certain financial ratios and financial condition tests. A failure to comply with the obligations and covenants under the financing agreements relating to the credit facility could result in an event of default under such agreements, as the case may be, which, if not cured or waived, could permit acceleration of indebtedness. If the indebtedness under such agreements were to be accelerated, there can be no assurance that the assets of the Group would be sufficient to repay that indebtedness in full.

Income Tax Matters
The business and operations of the Group are complex and the computation of income taxes payable involves many complex factors including the Group's interpretation of relevant tax legislation and regulations. While management believes that the provision for income tax is adequate and in accordance with IFRS and applicable legislation and regulations, tax filing positions are subject to review and adjustment by taxation authorities who may challenge the Group's interpretation of the applicable tax legislation and regulations. If any challenge to the Group's tax filing positions were to succeed, it could result in a reassessment of taxes or otherwise have a material adverse effect on the Group's tax position. Furthermore, federal or provincial or foreign tax legislation may be amended, or its interpretation changed (whether by legislative or judicial action or decision), retroactively or for the future, which could adversely affect the Group's tax position.

Foreign Exchange
A significant portion of the Group's products will be sold in markets outside of Canada, while most of its operating expenses and capital expenditures are denominated in Canadian dollars. Additionally, certain amounts of the raw materials and finished goods used by the Group in its business are denominated in foreign currency when they are sourced from outside of Canada. As a result, the Group will be exposed to fluctuations in the foreign exchange rates between the Canadian dollar and the currency in which a particular purchase or sale is transacted, which may result in foreign exchange losses that could affect earnings. The Group does not currently manage this exposure through the use of derivative contracts.

Dividends
One of Decisive's objectives is to pay a regular dividend to its shareholders over the long term. However, there can be no assurance that dividends will continue in the future at the same frequency, or in the same amounts, or at all. The actual amount of dividends declared and paid by the Company in respect of the common shares will depend upon numerous factors, including profitability, fluctuations in working capital, and the sustainability of margins and capital expenditures of the Group.

Trading Volatility of Common Shares
Management of the Company cannot predict at what price the Company's common shares will trade and there can be no assurance that an active trading market for its common shares will be sustained. The market price of the Company's common shares could be subject to significant fluctuations in response to variations in financial results, general trends in the industry and other factors, including extreme price and volume fluctuations which have been experienced by the securities markets from time to time.

Dilution Risk
The authorized share capital of the Company is comprised of an unlimited number of common shares. The Company may issue additional common shares, or securities which are convertible, exchangeable or exercisable into common shares, for consideration and on those terms and conditions as are established by the Company without the approval of shareholders of the Company. The Company intends to pursue further acquisitions which will likely require the issuance of additional common shares.

Human Capital Risk:

Reliance on Management and Key Personnel
The success of the Company is dependent on a number of key senior employees both at the Company's head-office level and at the subsidiary level. The loss of any one of these key employees may impair the Company's ability to operate at its optimum level of performance and could have an adverse effect on the Group's business, results from operations and financial condition. There can be no assurance that the Company will be able to retain its existing senior management, attract additional qualified executives or adequately fill new senior management positions or vacancies created by expansion or turnover at either the head office level or subsidiary level.

Employees and Labour Relations
The success of the Company's subsidiaries is dependent in large part upon their ability to attract and retain key management and employees. Recruiting and maintaining personnel in the industries in which the subsidiaries are involved is highly competitive and it cannot be guaranteed that these entities will be able to attract and retain the qualified personnel needed for their businesses. A failure to attract or retain qualified personnel could have an adverse effect on the Company's businesses, results from operations and financial condition.

Conflicts of Interest
The Group may be subject to various conflicts of interest due to the fact that its directors and management are or may be engaged in a wide range of other business activities. The Group may become involved in transactions that conflict with the interests of these other business activities. The directors and management of the Group and associates or affiliates may from time-to-time deal with persons, firms, institutions or organizations with which the Group may be dealing, or which may be seeking investments similar to those desired by the Company. The interests of these persons could conflict with those of the Group. In addition, from time to time, these persons may be competing with the Company for available investment opportunities. Any such conflicts will be resolved in accordance with the provisions of the *Business Corporations Act* (British Columbia) relating to conflicts of interest. Additionally, Decisive has a Code of Business Conduct and Ethics that provides guidance to, officers and employees on how to deal with potential conflicts of interest.

Internal Controls Over Financial Reporting

The Chief Executive Officer and Chief Financial Officer, in accordance with National Instrument 52-109 ("NI 52-109"), have both certified that they have reviewed the annual information form, the annual financial statements and this MD&A (the "Annual Filings") and that, based on their knowledge having exercised reasonable diligence, that (a) the Annual 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 Annual Filings; and (b) the annual financial statements together with the other financial information included in the Annual 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 Annual 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.