Financial Statements of

Decisive Dividend Corporation

For the three months ended March 31, 2023

Consolidated Statements of Financial Position

(Unaudited - Expressed in thousands of Canadian dollars)

	March 31, 2023	December 31, 2022
Assets		
Cash	**$ 2,041**	$ 4,734
Accounts receivable	**17,549**	16,380
Inventory	**16,372**	14,940
Prepaid expenses and deposits	**1,878**	2,433
Total current assets	**37,840**	38,487
Property and equipment	**12,332**	12,299
Intangible assets	**20,701**	21,174
Goodwill	**26,568**	26,474
Total assets	**$ 97,441**	$ 98,434
Liabilities		
Accounts payable and accrued liabilities	**$ 14,982**	$ 17,909
Dividends payable (note 8)	**528**	447
Warranty provision	**589**	579
Customer deposits	**1,238**	344
Current portion of lease obligations (note 5)	**1,305**	1,279
Total current liabilities	**18,642**	20,558
Lease obligations (note 5)	**4,758**	5,059
Long-term debt (note 6)	**32,105**	32,669
Deferred income taxes	**5,882**	6,018
Total liabilities	**61,387**	64,304
Equity		
Share capital (note 7)	**45,051**	44,094
Contributed surplus	**1,194**	1,028
Cumulative profit	**8,835**	6,869
Cumulative dividends (note 8)	**(21,112)**	(19,686)
	33,968	32,305
Accumulated other comprehensive income	**2,086**	1,825
Total equity	**36,054**	34,130
Total liabilities and equity	**$ 97,441**	$ 98,434

Approved on behalf of the Board of Directors:

"James Paterson" Director *"Michael Conway"* Director

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Consolidated Statements of Profit and Comprehensive Income

(Unaudited - Expressed in thousands of Canadian dollars, except per share amounts)

For the Three Months Ended March 31,	2023	2022
Sales (note 9)	**$ 30,854**	$ 18,689
Manufacturing costs (note 10)	**19,732**	12,491
Gross profit	**11,122**	6,198
Expenses		
Amortization and depreciation	**932**	540
Financing costs (note 11)	**755**	455
Occupancy costs	**476**	314
Professional fees	**396**	207
Salaries, wages and benefits	**4,171**	2,594
Selling, general and administration	**1,837**	1,184
	8,567	5,294
Operating profit	**2,555**	904
Other items		
Interest and other income	**18**	4
Foreign exchange gains (losses)	**42**	(94)
Gain on sale of equipment	**69**	-
	129	(90)
Profit before income taxes	**2,684**	814
Income taxes		
Current expense	**906**	323
Deferred recovery	**(188)**	(21)
	718	302
Profit	**$ 1,966**	$ 512
Other comprehensive income (loss)		
Foreign operation currency translation differences	**261**	(27)
Total comprehensive income	**$ 2,227**	$ 485
Profit per share		
Basic	**0.13**	0.04
Diluted	**0.12**	0.04
Weighted average number of shares outstanding (000s):		
Basic	**14,988**	12,151
Diluted	**16,473**	12,802

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Consolidated Statements of Changes in Equity

(Unaudited - Expressed in thousands of Canadian dollars)

	Share Capital			Deficit		Accumulated Other	
For the Three Months Ended March 31, 2023 and 2022	Number (000s)	Amount	Contributed Surplus	Cumulative Dividends	Cumulative Profit	Comprehensive Income	Total Equity
Balance, January 1, 2022	12,093	$ 32,818	$ 1,282	$ (15,117)	$ 2,785	$ 454	$ 22,222
Shares issued under ESPP	50	204	13	-	-	-	217
Shares issued under DRIP	31	122	-	-	-	-	122
Exercise of stock options	35	170	(66)	-	-	-	104
Share-based payment awards	-	-	57	-	-	-	57
Shares purchased and cancelled under NCIB	(4)	(15)	-	-	-	-	(15)
Total comprehensive income for the period	-	-	-	-	512	(27)	485
Dividends declared	-	-	-	(912)	-	-	(912)
Balance, March 31, 2022	12,205	$ 33,299	$ 1,286	$ (16,029)	$ 3,297	$ 427	$ 22,280
Balance, January 1, 2023	14,888	44,094	1,028	(19,686)	6,869	1,825	34,130
Shares issued under ESPP (note 7)	76	430	20	-	-	-	450
Shares issued under DRIP (note 7)	71	369	-	-	-	-	369
Exercise of stock options (note 7)	56	158	(72)	-	-	-	86
Share-based payment awards (note 7)	-	-	218	-	-	-	218
Total comprehensive income for the period	-	-	-	-	1,966	261	2,227
Dividends declared (note 8)	-	-	-	(1,426)	-	-	(1,426)
Balance, March 31, 2023	**15,091**	**$ 45,051**	**$ 1,194**	**$ (21,112)**	**$ 8,835**	**$ 2,086**	**$ 36,054**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Consolidated Statements of Cash Flows

(Unaudited - Expressed in thousands of Canadian dollars)

For the Three Months Ended March 31,	2023	2022
Operating activities		
Profit	**$ 1,966**	$ 512
Adjusted by:		
Amortization and depreciation	**1,320**	876
Financing costs	**755**	455
Share-based compensation	**239**	70
Foreign exchange (gains) losses	**(42)**	94
Gain on sale of equipment	**(69)**	-
Income tax expense	**718**	302
	4,887	2,309
Changes in non-cash working capital (note 12)	**(3,598)**	(1,472)
	1,289	837
Income taxes paid	**(1,322)**	(1,042)
Cash used in operating activities	**(33)**	(205)
Financing activities		
Proceeds from issuance of shares	**520**	295
Dividends paid (note 8)	**(979)**	(789)
Proceeds from long-term debt (note 6)	**-**	300
Repayment of long-term debt (note 6)	**(607)**	-
Lease payments	**(316)**	(287)
Interest paid	**(711)**	(414)
Cash used in financing activities	**(2,093)**	(895)
Investing activities		
Purchase of property and equipment	**(721)**	(228)
Proceeds from sale of property and equipment	**81**	-
Cash used in investing activities	**(640)**	(228)
Decrease in cash during the period	**(2,766)**	(1,328)
Cash, beginning of period	**4,734**	2,143
Effect of movements in exchange rates	**73**	2
Cash, end of period	**$ 2,041**	$ 817

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Notes to the Consolidated Financial Statements

For the Three Months Ended March 31, 2023 and 2022
(Unaudited - Expressed in thousands of Canadian dollars, except per share amounts)

1. Nature and Operations

Decisive Dividend Corporation (the "Company") was incorporated under the British Columbia Business Corporations Act on October 2, 2012 and is listed on the TSX Venture Exchange, trading under the symbol "DE". The address of the Company's head office is #260 – 1855 Kirschner Road, Kelowna, B.C. V1Y 4N7.

Decisive Dividend Corporation is an acquisition-oriented company, focused on opportunities in manufacturing. The Company's purpose is to be the sought-out choice for exiting legacy-minded business owners, while supporting the long-term success of the businesses acquired, and through that, creating sustainable and growing shareholder returns. The Company uses a disciplined acquisition strategy to identify 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.

The principal wholly-owned operating subsidiaries of the Company, as at March 31, 2023, are managed through two reportable segments and were acquired as follows:

Finished Product Segment

- Valley Comfort Systems Inc. and its wholly-owned subsidiary Blaze King Industries Inc. ("Blaze King USA"), collectively referred to herein as "Blaze King"; acquired in February 2015.
- Slimline Manufacturing Ltd. ("Slimline"); acquired in May 2018.
- Marketing Impact Limited ("Marketing Impact"); acquired in April 2022.
- ACR Heat Products Limited ("ACR"); acquired in October 2022.

Component Manufacturing Segment

- Unicast Inc. ("Unicast"); acquired in June 2016.
- Hawk Machine Works Ltd. ("Hawk"); acquired in June 2018.
- Northside Industries Inc. ("Northside"); acquired in August 2019.

These consolidated financial statements comprise the Company and its subsidiaries, collectively referred to as the "Group". The consolidated financial statements include the results of acquired subsidiaries from their dates of acquisition.

Subsequent to March 31, 2023, and before these financial statements were authorized, the Company acquired four legal entities as follows: Capital I Industries Inc. and its sister company, Irving Machine Inc. (together, "Capital I"), Micon Industries Ltd. ("Micon") and Procore International Radiators Ltd. ("Procore"). These financial statements do not include any assets, liabilities, revenue, expenses or cash flows related to Capital I, Micon, or Procore or their respective acquisitions. Further details of these acquisitions are included in note 4.

The Group's interim results are impacted by seasonality factors primarily driven by weather patterns, including the impact thereof on heating, 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 and ACR's businesses 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, Northside, or Marketing Impact businesses. In each subsidiary, there are substantial fixed costs that do not meaningfully fluctuate with product demand in the short-term.

2. Basis of Preparation and Statement of Compliance

a) Statement of compliance

These interim condensed consolidated financial statements (the “interim financial statements”) for the period ended March 31, 2023 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting.

These interim financial statements were approved by the Audit Committee of the Company for issue on May 10, 2023.

b) Judgments, accounting estimates and assumptions

The preparation of financial statements requires management to make judgments that affect the application of accounting policies and reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period.

The preparation of 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.

Actual results could differ from those estimates.

There were no changes to the Group’s critical accounting estimates and judgments from those described in the most recent annual financial statements.

3. Significant Accounting Policies

The significant accounting policies and methods of computation used in the preparation of these interim condensed consolidated financial statements are the same as those disclosed in Note 3 to the Company’s 2022 audited consolidated financial statements.

4. Acquisitions

Subsequent to March 31, 2023, and before these financial statements were authorized, the Company acquired three businesses as described in a), b), and c) below. The initial accounting for these acquisitions is not complete and is pending final assessments of working capital and the determination of the fair value of identifiable assets acquired and liabilities assumed as of the acquisition dates.

a) Capital I

On April 5, 2023, the Company acquired all of the shares of Capital I Industries Inc. and its sister company, Irving Machine Inc. (together, “Capital I”). Capital I, which is located in Tisdale, Saskatchewan, designs, manufactures and distributes road maintenance and construction equipment. Capital I’s products include dozer blades, snow blades and wings, slopers, gravel reclaimers, gravel groomers, lifts, mulchers and mowers, that are used in the construction and maintenance of gravel roads.

The Capital I purchase agreement contains negotiated representations, warranties, indemnities and closing conditions. The initial components of the consideration paid to acquire Capital I (which will be subject to customary post-closing adjustments) are as follows:

Cash	$	7,516
Common shares		848
Long term debt assumed		589
	$	8,953

The purchase price included a payment of cash and the issuance of common shares to the vendors, plus up to an additional $4,500 contingent on Capital I meeting certain earnings targets over the next three years.

The cash portion of the consideration was initially funded through the Company's revolving term acquisition facility (Note 6) which was subsequently partially repaid through the net proceeds of an equity offering that closed on April 13, 2023 (Note 7). The share portion of the consideration was funded through the issuance of 123,962 common shares to the vendors of Capital I.

b) Micon

On April 5, 2023, the Company acquired all of the shares of Micon Industries Ltd. Micon, which is located in in Merritt, British Columbia, designs, manufactures and distributes high-quality radiator seals and grommets for heavy duty equipment.

The Micon purchase agreement contains negotiated representations, warranties, indemnities and closing conditions. The initial components of the consideration paid to acquire Micon (which will be subject to customary post-closing adjustments) are as follows:

Cash	$	3,035
Common shares		379
	$	3,414

The purchase price included a payment of cash and the issuance of common shares to the vendors, The cash portion of the consideration was initially funded through the Company's revolving term acquisition facility (Note 6) which was subsequently partially repaid through the net proceeds of an equity offering that closed on April 13, 2023 (Note 7). The share portion of the consideration was funded through the issuance of 55,434 common shares to the vendors of Micon.

c) Procore

On April 5, 2023, the Company acquired all of the shares of Procore International Radiators Ltd. Procore, which is located in in Merritt, British Columbia, designs, manufactures and distributes radiators for heavy duty equipment used in the mining, oil and gas and road construction industries.

The Procore purchase agreement contains negotiated representations, warranties, indemnities and closing conditions. The initial components of the consideration paid to acquire Procore (which will be subject to customary post-closing adjustments) are as follows:

Cash	$	4,418
Common shares		610
	$	5,028

The purchase price included a payment of cash and the issuance of common shares to the vendors, The cash portion of the consideration was initially funded through the Company's revolving term acquisition facility (Note 6) which was subsequently partially repaid through the net proceeds of an equity offering that closed on April 13, 2023 (Note 7). The share portion of the consideration was funded through the issuance of 89,181 common shares to the vendors of Procore.

5. Lease Obligations

The Group's right of use assets and associated lease obligations are related to lease commitments for office and shop premises. The maturity dates of the lease obligations are between October 2024 and September 2032. As at March 31, 2023, minimum lease payments required over the next five years were as follows:

For the twelve month periods ending March 31,		**2023**
2024	**$**	**1,548**
2025		**1,400**
2026		**1,043**
2027		**851**
2028		**943**
thereafter		**1,114**
		6,899
Less: interest portion		**(836)**
Less: current portion		**(1,305)**
	$	**4,758**

6. Long-term Debt

	Interest Rate	Maturity Date		Authorized		**March 31, 2023 Outstanding**		December 31, 2022 Outstanding
Revolving term operating facility	P+1.00%	Sep-25	$	10,000	**$**	**4,381**	$	4,988
Revolving term acquisition facility	P+3.00%	Sep-25		15,000		**-**		-
Non-amortizing term loan	6.90%	Sep-25		28,000		**28,000**		28,000
				53,000		**32,381**		32,988
Less: debt issuance costs						**(276)**		(319)
Total long-term debt					**$**	**32,105**	$	32,669

"P" in the table above denotes prime rate

The Company has a credit agreement in place with its senior lenders, Canadian Western Bank and CWB Maxium Financial Inc., a wholly-owned division of Canadian Western Bank. The credit agreement with its senior lenders provides for the revolving term operating facility, revolving term acquisition facility and non-amortizing term loan outlined in the table above. There are no required principal payments on these three facilities for the committed three-year term of this credit agreement, which also provides for annual extension provisions.

The Company's ability to access the revolving term operating facility is dependent on a borrowing base which is measured against the Group's accounts receivable and inventory. The revolving term acquisition facility 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 facilities.

The credit facilities with the Company's senior lenders are collectively secured by a general security agreement, assignment of insurance, and unlimited corporate cross guarantees. Additionally, the Group has agreed to maintain the following ratios (as defined in the credit agreement) on a consolidated trailing twelve-month basis, otherwise outstanding facilities are due on demand:

- 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 March 31, 2023, the Company was in compliance with these ratios.

Subsequent to March 31, 2023, and before these financial statements were authorized, the Company used a drawdown on its revolving term acquisition facility to partially fund the acquisitions described in note 4. The amount drawn was subsequently partially repaid through the net proceeds of an equity offering that closed on April 13, 2023 (Note 7). As of May 10, 2023, there was $3,000 drawn on the revolving term acquisition facility.

7. Share Capital

a) Shares issued and outstanding

	Shares (000s)		Amount
Balance as at, January 1, 2023	14,888	$	44,094
Shares issued under ESPP	76		430
Shares issued under DRIP	71		369
Exercise of stock options	56		158
Balance as at March 31, 2023	**15,091**	**$**	**45,051**

The Company had the following share capital transactions for the three months ended March 31, 2023:

(i) The Company issued 76,323 common shares pursuant to the employee share purchase plan (the “ESPP”).

(ii) The Company issued 71,352 common shares pursuant to the dividend reinvestment and cash purchase plan (the “DRIP”)

(iii) The Company issued 56,066 common shares on the exercise of stock options.

(iv) Subsequent to March 31, 2023, and before these financial statements were authorized, as part of the consideration paid for the acquisitions described in Note 4, on April 5, 2023, the Company issued an aggregate 268,577 common shares to the vendors of Capital I, Micon, and Procore at a price of $6.84 per share. The common shares issued to the vendors of Capital I, Micon, and Procore are held in escrow and are scheduled to be released at one-third per year in April 2024, 2025, and 2026 respectively.

(v) Subsequent to March 31, 2023, and before these financial statements were authorized, on April 13, 2023, the Company closed a bought deal equity offering, with a syndicate of underwriters, of 1,964,488 common shares at a price of $5.91 per share. In addition, for each common share subscribed for under the bought deal equity offering, the subscriber also received a one-half common share purchase warrant. Each whole common share purchase warrant entitles the holder thereof to purchase one common share at a price of $7.09 for a period of 24 months following the closing of the bought deal equity offering.

Common shares that remained in escrow as at March 31, 2023 are as follows:

In (000s)	**March 31, 2023**	December 31, 2022
In relation to the acquisition of:		
Marketing Impact	**235**	235
ACR	**167**	167
	402	402

b) Warrants

The Company had the following warrants outstanding and exercisable:

Warrants	Number of warrants (000s)		Weighted average exercise price ($)		Weighted average grant date fair value ($)	Weighted average years remaining
Outstanding and exercisable, January 1, 2023	924	$	4.94	$	0.29	1.75
Outstanding and exercisable, March 31, 2023	**924**	**$**	**4.94**	**$**	**0.29**	**1.50**

c) Equity Incentives

The Company has an equity incentive plan for the purpose of developing the interest of directors, officers and employees in the growth and development of the Company and its subsidiaries, by providing them with the opportunity, through equity awards, to obtain an increased effective interest in the Company.

The equity incentive plan enables the Company to grant deferred share units ("DSUs"), restricted share units ("RSUs") and stock options to the directors, officers, and employees of the Company or any of its affiliates. Under the plan, the aggregate of all stock option, DSU, and RSU grants cannot exceed 10% of the issued and outstanding common shares of the Company.

The Company had granted stock options to various directors, officers, and employees of the Group as follows:

Stock Options	Number of options (000s)		Weighted average exercise price ($)		Weighted average grant date fair value ($)	Weighted average years remaining
Outstanding and exercisable, January 1, 2023	660	$	3.81	$	0.84	6.49
Options exercised	(125)		3.44		0.57	-
Options expired	(11)		3.49		0.62	-
Outstanding and exercisable, March 31, 2023	**524**	**$**	**3.90**	**$**	**0.91**	**5.83**

In 2023, the Company recorded $6 of share-based compensation expense related to stock options. This share-based compensation expense represents the estimated fair value of stock options granted, amortized over the options' vesting periods.

The Company had granted DSUs to directors of the Company as follows:

Deferred Share Units	Number of DSUs (000s)	Number of DSUs exercisable (000s)		Weighted average grant date fair value ($)	Weighted average years remaining
Outstanding, January 1, 2023	-	-	$	-	-
DSUs issued	42	-		5.01	-
DSUs from reinvested dividends	1	-		5.01	-
Outstanding, March 31, 2023	**43**	**-**	**$**	**5.01**	**-**

The DSUs granted in 2023 had a fair market value of $5.01 per DSU which resulted in $212 of share-based compensation expense.

Subsequent to March 31, 2023, and before these financial statements were authorized, the Company granted 66,599 RSUs at a fair market value of $6.62 per RSU and 7,500 stock options at an exercise price of $6.54 per stock option to various officers and employees of the Group.

8. Dividends

The Company's Board of Directors regularly examines the dividends paid to shareholders. The following dividends were declared during the periods ended March 31, 2023 and December 31, 2022:

	2023				2022			
Month		**Per share ($)**		**Dividend Amount ($)**		Per share ($)		Dividend Amount ($)
January	$	**0.030**	$	**448**	$	0.025	$	303
February		**0.030**		**450**		0.025		304
March		**0.035**		**528**		0.025		305
April		**-**		**-**		0.030		377
May		**-**		**-**		0.030		377
June		**-**		**-**		0.030		378
July		**-**		**-**		0.030		379
August		**-**		**-**		0.030		379
September		**-**		**-**		0.030		436
October		**-**		**-**		0.030		441
November		**-**		**-**		0.030		443
December		**-**		**-**		0.030		447
Total	$	**0.095**	$	**1,426**	$	0.345	$	4,569

The above dividends were paid on or about the 15th of the month following their declaration. Of the dividends paid during the three months ended March 31, 2023, $979 (2022 - $789) were settled in cash and $366 (2022 - $120) were reinvested in additional common shares of the Company, pursuant to the DRIP.

Subsequent to March 31, 2023, and before these financial statements were authorized, the Company undertook the following dividend actions:

- A dividend of $0.035 per share was declared on April 14, 2023, for shareholders of record on April 28, 2023, which is payable on May 15, 2023.

9. Sales

The following is a breakdown of revenue from the sale of retail and manufactured products:

For the three months ended March 31,		**2023**		2022
Manufactured products	**$**	**30,441**	$	18,185
Retail products		**413**		504
	$	**30,854**	$	18,689

All of the retail sales occurred in Slimline.

The following is a breakdown of sales by type of product:

For the three months ended March 31,		2023		2022
Agricultural products	**$**	**2,080**	$	2,684
Cast wear-part products		**4,039**		2,117
Hearth products		**11,333**		6,363
Industrial products		**4,941**		4,322
Machined products		**4,560**		3,203
Merchandising products		**3,901**		-
	$	**30,854**	$	18,689

The following is the geographic breakdown of revenue based on the location of the customer:

For the three months ended March 31,		2023		2022
Canada	**$**	**12,905**	$	7,891
United States		**12,628**		9,803
Other		**5,321**		995
	$	**30,854**	$	18,689

10. Manufacturing Costs

Details of the items included in manufacturing costs are as follows:

For the three months ended March 31,		2023		2022
Labour and materials	**$**	**17,570**	$	11,151
Freight and shipping		**1,733**		951
Depreciation		**388**		336
Inventory write-downs and obsolescence allowance		**-**		-
Warranty		**41**		53
	$	**19,732**	$	12,491

11. Financing Costs

Details of the items included in financing costs are as follows:

For the three months ended March 31,		2023		2022
Interest and bank charges	**$**	**103**	$	93
Interest on lease obligations		**52**		30
Interest on long-term debt		**600**		332
	$	**755**	$	455

12. Supplemental Cash Flow Information

The changes in non-cash operating working capital items are as follows:

For the three months ended March 31,		**2023**		2022
Accounts receivable	**$**	**(1,168)**	$	319
Inventory		**(1,431)**		(1,622)
Prepaid expenses and deposits		**554**		(93)
Accounts payable and accrued liabilities		**(2,456)**		(345)
Customer deposits		**893**		259
Warranty provision		**10**		10
	$	**(3,598)**	$	(1,472)

13. Financial Instruments and Risk Management

The Group's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, dividends payable, and long-term debt. There were no changes in the classification or in the fair value measurement basis of the Group's financial instruments since December 31, 2022.

At March 31, 2023, 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.

Management determined that the fair value of the Group's long-term debt (note 6) was not materially different than their carrying amounts as they are based on market interest rates.

There were no changes in the Company's assessment of risks from the use of financial instruments or in the financial risk management policies of the Company since December 31, 2022.

The contractual maturities of financial instruments are as follows:

March 31, 2023		**Carrying value**		**Total contractual cash flows**		**Within one year**		**Two to five years**		**More than five years**
Accounts payable	**$**	**14,982**	**$**	14,982	$	11,524	$	3,458	$	-
Dividends payable		**528**		528		528		-		-
Long-term debt		**32,105**		38,054		2,269		35,785		-
Lease obligations		**6,063**		6,898		1,548		4,236		1,114
	$	**53,678**	**$**	60,462	$	15,869	$	43,479	$	1,114

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. The Company's credit agreement with its senior lenders provides the Group access to a revolving term operating facility and a revolving term acquisition facility (note 6). The Group's ability to access the revolving term operating facility is dependent on a borrowing base which is 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.

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

		March 31, 2023	
Not yet due	**$**	**13,118**	**77%**
31-60 days overdue		**3,261**	**19%**
61-90 days overdue		**623**	**3%**
>90 days overdue		**89**	**1%**
Trade accounts receivable		**17,091**	**100%**
Less: expected credit losses		**(139)**	
Net trade accounts receivable	**$**	**16,952**	

The functional currency for Blaze King USA and Unicast is the United States dollar ("USD"), the functional currency for ACR is the British pound sterling ("GBP"), while all other entities in the Group have a Canadian dollar ("CAD") functional currency. The Company's reporting currency is the Canadian dollar; therefore, the Group's profit or loss and total comprehensive income are in part impacted by fluctuations in the value of each foreign currency ("FC") in which it transacts in relation to the CAD.

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

	Entities with a CAD functional currency		Entities with a USD functional currency		Entities with a GBP functional currency		
As at March 31, 2023	**CAD**	**USD**	**CAD**	**USD**	**CAD**	**GBP**	**Total**
Cash	$ (1,026)	$ 476	$ 981	$ 141	$ -	$ 1,469	**$ 2,041**
Accounts receivable	8,866	4,298	462	2,339	-	1,584	**17,549**
Accounts payable	(12,013)	(845)	(17)	(492)	-	(1,615)	**(14,982)**
Dividend payable	(528)	-	-	-	-	-	**(528)**
Inter-company amounts	6,773	-	(8,976)	2,213	(10)	-	**-**
Long-term debt	(32,105)	-	-	-	-	-	**(32,105)**
Net exposure	(30,033)	3,929	(7,550)	4,201	(10)	1,438	**(28,025)**
Effect of 5% strengthening of FC versus CAD:							
Profit (loss)	-	196	378	-	-	-	**574**
OCI	$ -	$ -	$ -	$ (210)	$ -	$ (72)	**$ (282)**

The Group is at times exposed to interest rate risk on its long-term debt (note 6) due to the interest rate on certain of its credit facilities being variable. Of the Group's interest-bearing debt outstanding at March 31, 2023, 14% was variable rate. The Group does not enter into derivative contracts to manage this risk. The table below summarizes the quantitative data about the Group's exposure to interest rate risk:

Interest rate risk		**March 31, 2023**
Floating instruments	**$**	**4,381**
Average balance		**5,194**
Impact on profit (loss) of a change in interest rates:		
-1%		**52**
+1%	**$**	**(52)**

14. 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 Company, are those personnel having the authority and responsibility for planning, directing, and controlling the Company.

Salaries and benefits, directors fees and share-based compensation are included in salaries, wages and benefits expense. Key management compensation for the three month period ended March 31, 2023 included $426 of salaries, benefits and directors fees (2022 - $398) and $215 of share-based compensation expense (2022 - $53).

15. Segmented Information

The Group's reporting is prepared on a consolidated basis as determined by the requirements of the Chief Executive Officer as the chief operating decision maker for the Group. The Company's reportable segments, as determined by management, sell similar product types to similar types of customers and share similar processes and distribution methods. The reportable segments are as follows:

- The finished product segment, which manufactures and sells products that are purchased and used by end customers as designed. Within the finished product segment are four separate businesses: ACR, Blaze King, Marketing Impact and Slimline.
- The component manufacturing segment, which manufactures and sells products based on specifications determined by its customers for use in its customers' processes. Within the component manufacturing segment are three separate businesses: Hawk, Northside and Unicast.
- In addition, the Canadian public company parent ("Head Office") is considered a third and separate segment, as its function is as an investment holding and management company.

The Group's reporting of segment performance for the three months ended March 31, 2023 and 2022 is as follows:

For the three months ended March 31, 2023	**Finished Product**	**Component Manufacturing**	**Head Office**	**Total**
Sales	$ 17,394	$ 13,460	$ -	$ **30,854**
Manufacturing costs	10,699	9,033	-	**19,732**
Gross profit	6,695	4,427	-	**11,122**
Profit (loss) before taxes	2,461	2,126	(1,903)	**2,684**
Income tax expense (recovery)	308	432	(22)	**718**
Profit (loss)	2,153	1,694	(1,881)	**1,966**
Total comprehensive income (loss)	$ 2,460	$ 1,648	$ (1,881)	$ **2,227**

For the three months ended March 31, 2022	Finished Product	Component Manufacturing	Head Office	Total
Sales	$ 9,236	$ 9,453	$ -	$ 18,689
Manufacturing costs	5,441	7,050	-	12,491
Gross profit	3,795	2,403	-	6,198
Profit (loss) before taxes	1,488	548	(1,222)	814
Income tax expense	176	28	98	302
Profit (loss)	1,312	520	(1,320)	512
Total comprehensive income (loss)	$ 1,273	$ 532	$ (1,320)	$ 485

The Group's reporting of segment financial condition as at March 31, 2023 and December 31, 2022 is as follows:

March 31, 2023	**Finished Product**	**Component Manufacturing**	**Head Office**	**Total**
Total current assets	$ 23,525	$ 14,208	$ 107	$ **37,840**
Total current liabilities	8,269	5,801	4,572	**18,642**
Total assets	45,550	40,537	11,354	**97,441**
Total liabilities	$ 15,764	$ 8,800	$ 36,823	$ **61,387**

December 31, 2022	Finished Product	Component Manufacturing	Head Office	Total
Total current assets	$ 25,183	$ 11,996	$ 1,308	$ 38,487
Total current liabilities	10,036	5,846	4,676	20,558
Total assets	47,349	38,516	12,569	98,434
Total liabilities	$ 17,732	$ 9,061	$ 37,511	$ 64,304

For the three months ended March 31, 2023, the Group was not dependent on any customer for more than 10% of its sales. For the three months ended March 31, 2022, the Group's largest two customers accounted for 27% of sales. Sales from these customers are included in the component manufacturing segment. Other than these two customers, the Group was not dependent on any other customer for more than 10% of its sales in 2022.