Financial Statements of

Decisive Dividend Corporation

For the six months ended June 30, 2019

Consolidated Statements of Financial Position

(Unaudited - Expressed in thousands of Canadian dollars)

	June 30, 2019	December 31, 2018
Assets		
Cash	**$ -**	$ 1,815
Accounts receivable	**7,633**	8,274
Inventory	**7,628**	7,064
Prepaid expenses and deposits	**490**	629
Total current assets	**15,751**	17,782
Right of use assets	**1,800**	-
Property and equipment	**4,871**	5,226
Intangible assets	**7,348**	7,882
Goodwill	**13,345**	13,439
Total assets	**$ 43,115**	$ 44,329
Liabilities		
Bank indebtedness	**$ 787**	$ -
Accounts payable and accrued liabilities	**3,344**	4,562
Dividends payable (note 7)	**333**	331
Warranty provision	**366**	410
Customer deposits	**359**	283
Current portion of lease obligations (note 5)	**593**	-
Current portion of long-term debt (note 4)	**1,673**	1,673
Total current liabilities	**7,455**	7,259
Lease obligations (note 5)	**1,235**	-
Long-term debt (note 4)	**10,661**	11,602
Deferred income taxes	**2,021**	2,051
Total liabilities	**21,372**	20,912
Equity		
Share capital (note 6)	**29,619**	28,844
Contributed surplus	**1,182**	1,557
Cumulative profit	**516**	480
Cumulative dividends (note 7)	**(9,570)**	(7,578)
	21,747	23,303
Accumulated other comprehensive income (loss)	**(4)**	114
Total equity	**21,743**	23,417
Total liabilities and equity	**$ 43,115**	$ 44,329

Commitments and contingencies (note 14)
Subsequent events (note 16)

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 (Loss) and Comprehensive Income (Loss)

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

	For the Three Months Ended		For the Six Months Ended	
June 30,	**2019**	2018	**2019**	2018
Sales (note 8)	**$ 11,137**	$ 5,302	**$ 21,002**	$ 10,763
Manufacturing costs (note 9)	**6,974**	3,010	**13,073**	6,206
Gross profit	**4,163**	2,292	**7,929**	4,557
Expenses				
Amortization and depreciation	**376**	105	**753**	288
Financing costs (note 10)	**211**	169	**420**	282
Occupancy costs	**179**	136	**345**	275
Professional fees	**84**	384	**178**	523
Salaries, wages and benefits	**1,839**	1,344	**3,754**	2,515
Selling, general and administration	**855**	602	**1,972**	1,335
	3,544	2,740	**7,422**	5,218
Operating income (loss)	**619**	(448)	**507**	(661)
Other items				
Interest income	**6**	-	**32**	2
Foreign exchange gains (losses)	**(106)**	126	**(323)**	595
	(100)	126	**(291)**	597
Profit (loss) before income taxes	**519**	(322)	**216**	(64)
Income taxes				
Current expense (recovery)	**214**	(30)	**214**	14
Deferred expense (recovery)	**25**	(30)	**(34)**	(89)
	239	(60)	**180**	(75)
Profit (loss)	**$ 280**	$ (262)	**$ 36**	$ 11
Other comprehensive income (loss):				
Foreign operation currency translation differences	**13**	(169)	**(118)**	(39)
Total comprehensive income (loss)	**$ 293**	$ (431)	**$ (82)**	$ (28)
Profit (loss) per share				
Basic	**0.03**	(0.04)	**-**	-
Diluted	**0.02**	n/a	**n/a**	n/a
Weighted average number of shares outstanding (000s):				
Basic	**10,949**	6,093	**10,923**	6,090
Diluted	**11,971**	6,708	**11,945**	6,706

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

Consolidated Statements of Changes in Equity

(Expressed in thousands of Canadian dollars)

	Share Capital			Deficit		Accumulated Other	
For the Six Months Ended June 30, 2019 and 2018	Number (000s)	Amount	Contributed Surplus	Cumulative Dividends	Cumulative Profit (Loss)	Comprehensive Loss	Total Equity
Balance, January 1, 2018	5,954	$ 10,575	$ 1,505	$ (4,348)	$ (70)	$ (301)	$ 7,361
Shares issued under ESPP (note 6)	17	69	14	-	-	-	83
Exercise of stock options (note 6)	41	175	(76)	-	-	-	99
Exercise of agent warrants (note 6)	49	253	(106)	-	-	-	147
Acquisition vendor shares released from escrow (note 6)	73	235	(235)	-	-	-	-
Share-based payment awards (note 6)	-	-	137	-	-	-	137
Shares issued to vendors on business acquisitions (note 6)	936	3,700	-	-	-	-	3,700
Shares issued for cash proceeds (note 6)	3,198	12,793	-	-	-	-	12,793
Share issuance costs (note 6)	-	(1,100)	-	-	-	-	(1,100)
Agent warrants issued as commission (note 6)	-	(47)	47	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	11	(39)	(28)
Dividends declared (note 7)	-	-	-	(1,253)	-	-	(1,253)
Balance, June 30, 2018	**10,268**	**$ 26,653**	**$ 1,286**	**$ (5,601)**	**$ (59)**	**$ (340)**	**$ 21,939**
Balance, January 1, 2019	10,878	28,844	1,557	(7,578)	480	114	23,417
Shares issued under ESPP (note 6)	45	190	19	-	-	-	209
Shares issued under DRIP (note 6)	16	61	-	-	-	-	61
Exercise of agent warrants (note 6)	13	55	(3)	-	-	-	52
Acquisition vendor shares released from escrow (note 6)	147	469	(469)	-	-	-	-
Share-based payment awards (note 6)	-	-	78	-	-	-	78
Total comprehensive loss for the period	-	-	-	-	36	(118)	(82)
Dividends declared (note 7)	-	-	-	(1,992)	-	-	(1,992)
Balance, June 30, 2019	**11,099**	**$ 29,619**	**$ 1,182**	**$ (9,570)**	**$ 516**	**$ (4)**	**$ 21,743**

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		For the Six Months Ended	
June 30,	**2019**	2018	**2019**	2018
Operating activities				
Profit (loss)	**$ 280**	$ (262)	**$ 36**	$ 11
Adjusted by:				
Amortization and depreciation	**664**	282	**1,271**	519
Financing costs	**211**	169	**420**	282
Share-based compensation	**53**	75	**97**	150
Foreign exchange (gain) loss	**106**	(126)	**323**	(595)
Income tax expense	**239**	(30)	**180**	14
	1,553	108	**2,327**	381
Changes in non-cash working capital (note 11)	**(2,049)**	(1,318)	**(660)**	(807)
	(496)	(1,210)	**1,667**	(426)
Income taxes paid	**(684)**	(520)	**(684)**	(520)
Cash provided by (used in) operating activities	**(1,180)**	(1,730)	**983**	(946)
Financing activities				
Proceeds from issuance of shares	**54**	11,926	**244**	12,008
Dividends paid	**(963)**	(568)	**(1,931)**	(1,125)
Proceeds from long-term debt	**-**	13,864	**-**	13,892
Repayment of long-term debt	**(417)**	(8,151)	**(834)**	(8,372)
Debt issuance costs	**-**	(40)	**(75)**	(40)
Lease payments	**(147)**	-	**(284)**	-
Interest paid	**(206)**	(142)	**(411)**	(255)
Cash provided by (used in) financing activities	**(1,679)**	16,889	**(3,291)**	16,108
Investing activities				
Purchase of Slimline Manufacturing Ltd.	**-**	(6,000)	**-**	(6,000)
Purchase of Hawk Machine Works Ltd.	**-**	(10,800)	**-**	(10,800)
Purchase of property and equipment	**(147)**	(95)	**(234)**	(233)
Cash used in investing activities	**(147)**	(16,895)	**(234)**	(17,033)
Decrease in cash during the period	**(3,006)**	(1,736)	**(2,542)**	(1,871)
Cash, beginning of period	**2,253**	1,064	**1,815**	1,184
Effect of movements in exchange rates	**(34)**	(10)	**(60)**	5
Cash acquired	**-**	513	**-**	513
Bank indebtedness, end of period	**$ (787)**	$ (169)	**$ (787)**	$ (169)

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

Notes to the Consolidated Financial Statements

For the Three and Six Months Ended June 30, 2019
(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 Inc. (“the Exchange”), trading under the symbol “DE”. The address of the Company’s head office is #201, 1674 Bertram Street, Kelowna, B.C. V1Y 9G4.

The Company is an acquisition-oriented corporation focused on opportunities in the manufacturing sector. The business plan of the Company is to invest in profitable, well-established companies with strong cash flows.

As at June 30, 2019, the principal wholly-owned operating subsidiaries of the Company are Valley Comfort Systems Inc. (“VCSI”), Blaze King Industries Inc. (“Blaze King USA”), Unicast Inc. (“Unicast”), Slimline Manufacturing Ltd., Slimline Manufacturing (2016) Ltd., and Hawk Machine Works Ltd. (“Hawk”). VCSI and Blaze King USA are referred to herein collectively as "Blaze King". Slimline Manufacturing Ltd. and Slimline Manufacturing (2016) Ltd. are referred to herein collectively as "Slimline".

Slimline was acquired on May 30, 2018 and Hawk was acquired on June 28, 2018.

These consolidated financial statements comprise the Company and its subsidiaries, collectively referred to as the “Group”.

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 Unicast’s business. In each subsidiary, there are substantial fixed costs that do not meaningfully fluctuate with product demand in the short-term. The Company strives to acquire subsidiaries that diversify the seasonality of the portfolio in order to mitigate the effect of seasonality of the interim results.

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 June 30, 2019 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 Board of Directors of the Company for issue on August 22, 2019.

b) *Judgments*

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. 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.

c) *Accounting estimates and assumptions*

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.

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 Group's 2018 audited financial statements, except for the adoption of IFRS 16 as described below.

Effective January 1, 2019, the Company adopted IFRS 16: *Leases*. IFRS 16 eliminated the previous dual accounting model for lessees, which distinguished between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, most operating leases become an on-balance sheet liability that attracts interest, together with a corresponding right-of-use asset, which is depreciated. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. The Company applied IFRS 16 using the modified retrospective method. Under this method, financial information is not restated and is reported under the accounting standards in effect for those comparative periods.

The Company recognized lease obligations of $2,112 related to its operating lease commitments which were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as at January 1, 2019. The associated right of use assets were measured at the lease obligation amounts, resulting in no adjustment to the opening balance of retained earnings. The Company applied the following practical expedients permitted under the new standard: (i) leases of low dollar value will continue to be expensed as incurred; and (ii) the Company did not apply any grandfathering practical expedients.

4. Long-term Debt

		June 30, 2019		December 31, 2018
Bank of Nova Scotia term loan paid through monthly instalments of $125 plus interest at the bank's prime rate plus 1.25% or bankers' acceptances plus 2.50%. The loan matures in May 2021, at which point the residual $9,225 is repayable in full net of financing costs.	**$**	**12,097**	$	12,847
Bank of Nova Scotia term equipment finance loan paid through monthly installments of US$1 including interest at 5.78%, maturing in January 2021.		**15**		21
Bank of Nova Scotia term equipment finance loan paid through quarterly installments of $19 including interest at 5.11%, maturing in August 2021.		**160**		193
Trumpf Finance term loan paid through monthly instalments of US$1 including interest at 2.15%. The loan matures in April 2021 and is secured by the related property and equipment.		**19**		24
Trumpf Finance term loan paid through monthly instalments of US$6 including interest at 4.15%. The loan matures in July 2021 and is secured by the related property and equipment.		**184**		234
		12,475		13,319
Less: current portion		**(1,673)**		(1,673)
Long-term portion		**10,802**		11,646
Less: debt issuance costs		**(141)**		(44)
Total long-term debt	**$**	**10,661**	$	11,602

- The Group has an operating loan facility with the Bank of Nova Scotia authorized up to $5,000, bearing interest at the lender's prime rate plus 0.75%. As at June 30, 2019, there was $380 drawn on the facility. The remaining $407 of bank indebtedness at June 30, 2019 related to payments made by the Company that had not yet been cashed by the payee.

- The Group has an equipment financing term revolving loan facility with the Bank of Nova Scotia authorized up to $1,000, bearing interest at the lender's base leasing rate, plus a spread to be determined at the time of the transaction.

- The Bank of Nova Scotia operating loan facility, equipment financing term revolving loan facility, and term loan outlined in the table above, 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 lending agreement) on a consolidated trailing 12-month basis, otherwise outstanding facilities are due on demand:

- Maximum total funded debt to adjusted EBITDA of 3.5:1
- Minimum fixed charge coverage ratio of 1.1:1 and 0.5:1 for the periods ended December 31, 2018 and June 30, 2019 respectively

As at June 30, 2019, the Group was in compliance with these ratios.

As at June 30, 2019, principal payments required over the next three years were estimated as follows:

For the years ending June 30,		
2020	$	1,673
2021		10,775
2022		27
		12,475
Less: current portion		(1,673)
Long-term portion	$	10,802

On August 16, 2019, the Company entered into a credit agreement with the Bank of Nova Scotia ("BNS") and Roynat Inc., a subsidiary of BNS, to refinance the Company's pre-existing BNS debt and fund the cash portion of the acquisition Northside Industries described in note 16. The existing BNS operating loan facility, equipment financing term revolving loan facility, and term loan outlined above, have been replaced with:

- A $10,000 revolving term loan bearing interest at the lender's prime rate plus 1% or bankers' acceptances plus 2.5%, and standby fees of 0.25% on the unused portion of the revolving term loan. The revolving term loan is for a committed three-year term.
- A $21,200 term loan, bearing interest at a fixed rate of 8% with no required principal payments for the three-year term of the loan.
- The financial covenants under the new financing arrangement will consist of a maximum total funded debt to adjusted EBITDA of 3.0:1 and a minimum fixed charge coverage ratio of 1.1:1.

5. Lease Obligations

The Group's lease obligations are associated with lease commitments for office and shop premises. The maturity dates of the lease obligations are between October 2020 and June 2023. Minimum lease payments required over the next four years are as follows:

For the years ending June 30,		
2020	$	667
2021		571
2022		431
2023		310
		1,979
Less: interest portion		(151)
Less: current portion		(593)
	$	1,235

The associated right of use assets were initially measured at the lease obligation amount of $2,112. During the six month period ended June 30, 2019, amortization of right of use assets of $307 was included in depreciation and amortization expense.

6. Share Capital

a) Shares issued and outstanding

	Shares (000s)		Amount
Balance as at January 1, 2018	5,954	$	10,575
Shares issued under ESPP	24		93
Exercise of stock options	78		344
Exercise of agent warrants	50		259
Acquisition vendor shares released from escrow	73		235
Shares issued to vendors on business acquisitions	961		3,799
Shares issued for cash proceeds	3,738		14,950
Share issuance costs	-		(1,357)
Agent warrants issued as commission	-		(54)
Balance as at, December 31, 2018	**10,878**		**28,844**
Shares issued under ESPP	45		190
Shares issued under DRIP	16		61
Exercise of agent warrants	13		55
Acquisition vendor shares released from escrow	147		469
Balance as at June 30, 2019	**11,099**	**$**	**29,619**

The Company had the following share capital transactions for the six months ended June 30, 2019:

(i) The Company issued 45,391 common shares pursuant to the employee share purchase plan (the "ESPP").

(ii) The Company issued 15,764 common shares pursuant to the dividend reinvestment and cash purchase plan (the "DRIP").

(iii) The Company issued 13,000 common shares on the exercise of agent warrants.

(iv) The Company released from escrow 146,666 common shares related to the Unicast acquisition that had been treated as share-based compensation, and so prior to release, these common shares were considered issued but not outstanding for accounting purposes.

Common shares that remain in escrow are as follows:

In (000s)	**June 30, 2019**	December 31, 2018
In relation to:		
Acquisition of Unicast	**-**	183
Acquisition of Slimline	**189**	283
Acquisition of Hawk	**678**	678
	867	1,144

b) Warrants

The Company has 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, 2018	54	$	3.00	$	2.16	0.46
Warrants issued	243		4.00		0.19	-
Warrants exercised	(50)		3.03		2.10	-
Warrants expired	(5)		3.00		2.16	-
Outstanding and exercisable, December 31, 2018	**242**	**$**	**4.00**	**$**	**0.22**	**1.01**
Warrants exercised	(13)		4.00		0.23	-
Outstanding and exercisable, June 30, 2019	**229**	**$**	**4.00**	**$**	**0.22**	**0.51**

c) Stock options

As at June 30, 2019, the Company had a stock option plan, which allowed the Company to issue options to the directors, officers, employees and consultants of the Company to purchase common shares of the Company at a stipulated price. The option grants could not exceed 10% of the issued and outstanding common shares of the Company. The Company measures these amounts at fair value at the grant date and compensation expense is recognized over the vesting period.

The Company has granted stock options to various officers, directors, and employees of the Company 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, 2018	507	$	2.92	$	1.91	7.89
Options issued	385		4.34		0.69	-
Options exercised	(78)		2.58		1.87	-
Outstanding and exercisable, December 31, 2018	**814**	**$**	**3.62**	**$**	**1.34**	**8.41**
Options expired	(20)		4.35		0.69	-
Outstanding and exercisable, June 30, 2019	**794**	**$**	**3.60**	**$**	**1.36**	**7.88**

Subsequent to the end of the quarter, Shareholders approved the adoption of an equity incentive plan. The equity incentive plan will enable the Company to grant deferred share units, restricted share units and stock options of the Company to Directors, officers and employees of the Company or any of its affiliates or designated service providers.

7. Dividends

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

The following dividends were declared and paid during the three and six months ended June 30, 2019 and the year ended December 31, 2018, other than the June 30, 2019 and December 31, 2018 dividends, which were paid subsequent to period end:

	2019				2018			
Month		**Per share ($)**		**Dividend Amount ($)**		**Per share ($)**		**Dividend Amount ($)**
January	$	0.03		331	$	0.03	$	186
February		0.03		331		0.03		186
March		0.03		332		0.03		186
April		0.03		332		0.03		187
May		0.03		333		0.03		195
June		0.03		333		0.03		312
July		-		-		0.03		329
August		-		-		0.03		329
September		-		-		0.03		329
October		-		-		0.03		330
November		-		-		0.03		330
December		-		-		0.03		331
Total	**$**	**0.18**	**$**	**1,992**	**$**	**0.36**	**$**	**3,230**

8. Sales

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

	For the three months ended				For the six months ended			
		June 30, 2019		June 30, 2018		**June 30, 2019**		June 30, 2018
Manufactured products	**$**	**10,406**	$	5,104	**$**	**19,954**	$	10,565
Retail products		**731**		198		**1,048**		198
	$	**11,137**	$	5,302	**$**	**21,002**	$	10,763

All of the retail sales occurred in Slimline.

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

	For the three months ended		For the six months ended	
	June 30, 2019	June 30, 2018	**June 30, 2019**	June 30, 2018
Agricultural products	**$ 2,280**	$ 510	**$ 4,728**	$ 510
Cast wear-part products	**2,659**	1,799	**4,604**	3,998
Hearth products	**3,712**	2,918	**6,778**	6,180
Industrial products	**408**	-	**408**	-
Machined products	**2,078**	75	**4,484**	75
	$ 11,137	$ 5,302	**$ 21,002**	$ 10,763

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

	For the three months ended		For the six months ended	
	June 30, 2019	June 30, 2018	**June 30, 2019**	June 30, 2018
Canada	**$ 5,028**	$ 1,448	**$ 9,446**	$ 3,093
United States	**5,511**	3,616	**9,799**	6,714
Other	**598**	238	**1,757**	956
	$ 11,137	$ 5,302	**$ 21,002**	$ 10,763

9. Manufacturing Costs

	For the three months ended		For the six months ended	
	June 30, 2019	June 30, 2018	**June 30, 2019**	June 30, 2018
Labour and materials	**$ 5,966**	$ 2,473	**$ 11,190**	$ 5,100
Freight and shipping	**667**	270	**1,332**	744
Depreciation	**288**	178	**518**	231
Fair value adjustment on acquisition	**-**	61	**-**	61
Warranty charges	**53**	28	**33**	70
	$ 6,974	$ 3,010	**$ 13,073**	$ 6,206

10. Financing Costs

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

	For the three months ended		For the six months ended	
	June 30 2019	June 30 2018	**June 30 2019**	June 30 2018
Interest and bank charges	**$ 44**	$ 28	**$ 79**	$ 52
Interest on lease obligations	**23**	-	**47**	-
Interest on long-term debt	**144**	141	**294**	230
	$ 211	$ 169	**$ 420**	$ 282

11. Working Capital

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

For the six months ended		June 30, 2019		June 30, 2018
Accounts receivable	$	516	$	541
Inventory		(564)		(106)
Prepaid expenses and deposits		138		48
Accounts payable and accrued liabilities		(782)		(1,262)
Customer deposits		76		(55)
Warranty provision		(44)		27
	$	(660)	$	(807)

12. Financial Instruments and Risk Management

The Group's financial instruments consist of cash, accounts receivable, bank indebtedness, 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, 2018.

At June 30, 2019, the carrying amounts of cash, accounts receivable, bank indebtedness, accounts payable and accrued liabilities, and dividends payable, approximate their fair value due to their short-term nature.

Management determined that the carrying amount of the Company's term loan with the Bank of Nova Scotia (note 4) approximates its fair value due to the variable interest rates applied to this facility, which approximate market interest rates.

The fair values of the Group's remaining long-term debt (note 4) are not materially different than their carrying amounts as they are based on current 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, 2018.

The contractual maturities of financial instruments are as follows:

June 30, 2019		Carrying value		Total contractual cash flows		Within one year		Two to five years		More than five years
Bank indebtedness	$	787	$	787	$	787	$	-	$	-
Accounts payable		3,344		3,344		3,344		-		-
Dividends payable		333		333		333		-		-
Long-term debt		12,334		13,507		2,229		11,278		-
Lease obligations		1,828		1,979		667		1,313		-
	$	18,626	$	19,950	$	7,360	$	12,591	$	-

December 31, 2018	Carrying value	Total contractual cash flows	Within one year	Two to five years	More than five years
Accounts payable	$ 4,562	$ 4,562	$ 4,562	$ -	$ -
Dividends payable	331	331	331	-	-
Long-term debt	13,275	14,659	2,269	12,390	-
Lease obligations	-	2,321	663	1,658	-
	$ 18,168	$ 21,873	$ 7,825	$ 14,048	$ -

The following details the aging of the Company's trade accounts receivable:

	June 30, 2019		December 31, 2018	
Current	**$ 4,270**	***57.0%***	$ 3,618	*45.7%*
31-60 days	**799**	***10.7%***	1,922	*24.3%*
61-90 days	**703**	***9.4%***	803	*10.1%*
>90 days	**1,718**	***22.9%***	1,577	*19.9%*
	$ 7,490	***100.0%***	$ 7,920	*100.0%*

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

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

	Entities with a CAD functional currency		**Entities with a USD functional currency**		
2019	**CAD**	**USD**	**CAD**	**USD**	**Total**
Cash (bank indebtedness)	$ (901)	$ 513	$ (761)	$ 362	**$ (787)**
Accounts receivable	3,169	1,300	419	2,745	**7,633**
Accounts payable	(2,311)	(254)	(20)	(759)	**(3,344)**
Dividend payable	(333)	-	-	-	**(333)**
Inter-company amounts	8,951	(1,396)	(7,555)	-	**-**
Long-term debt	(12,116)	(218)	-	-	**(12,334)**
Net exposure	(3,541)	(55)	(7,917)	2,348	**(9,165)**
Effect of 5% strengthening of USD vs. CAD:					
Profit (loss)	-	(3)	396	-	**393**
OCI	$ -	$ -	$ -	$ (117)	**$ (117)**

	Entities with a CAD functional currency		Entities with a USD functional currency		
2018	**CAD**	**USD**	**CAD**	**USD**	**Total**
Cash	$ 1,451	$ 761	$ (840)	$ 443	**$ 1,815**
Accounts receivable	2,369	2,515	549	2,841	**8,274**
Accounts payable	(2,547)	(815)	(272)	(928)	**(4,562)**
Dividend payable	(331)	-	-	-	**(331)**
Inter-company amounts	7,367	255	(7,622)	-	**-**
Long-term debt	(12,996)	(279)	-	-	**(13,275)**
Net exposure	(4,687)	2,437	(8,185)	2,356	**(8,079)**
Effect of 5% strengthening of USD vs. CAD:					
Profit (loss)	-	122	409	-	**531**
OCI	$ -	$ -	$ -	$ (118)	**$ (118)**

The calculations above are based on the Group's consolidated statement of financial position exposure at June 30, 2019 and December 31, 2018 respectively.

The Group is exposed to interest rate risk on its operating loan and demand loan credit facilities (note 4) due to the interest rate on these facilities being variable. Of the Group's interest-bearing debt at June 30, 2019, 97% was variable rate (December 31, 2018 - 96%). The Group does not enter into derivative contracts to manage this risk. The table below summarizes the quantitative data about the Group's exposure to interest rate risk:

Interest rate risk	**June 30, 2019**	December 31, 2018
Floating instruments	**$ 12,097**	$ 12,847
Average balance	**12,472**	10,624
Impact on profit (loss) of a change in interest rates:		
-1%	**125**	106
+1%	**$ (125)**	$ (106)

13. 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, bonuses and share-based compensation are included in salaries, wages and benefits expense. Key management compensation for the six month period ended June 30, 2019 included $360 of salary and benefits (June 30, 2018 - $107 of salary and benefits).

During the six month period ended June 30, 2019, the Company incurred legal fees of $15 (2018 - $18) with a law firm in which a director of the Company was a partner.

During the six month period ended June 30, 2019, the Company made lease obligation payments of $90 (2018 - $nil) to a president of one of the Company's wholly-owned subsidiaries.

14. Commitments and Contingencies

In January 2017, the Company announced that it had been made aware of a notice of motion filed with the Ontario Superior Court by Constance Weller, Gerald Weller, Adrianne Latimour and Tara Pengally, the plaintiffs in a civil claim (the "Claim") requesting an order granting the plaintiffs leave to amend their statement of claim to, among other things, add two of the Company's subsidiaries, Valley Comfort Systems Inc. and Blaze King Industries Canada Ltd. as defendants to the Claim.

Under the Claim, the four individual plaintiffs seek aggregate damages against the defendants of $11,000, plus aggregate punitive, aggravated or exemplary damages of $10,000, $200 in damages pursuant to the Family Law Act (Ontario) and prejudgment interest, costs and such other relief as the court deems just.

Management of the Company believes that the Claim against the named subsidiaries is without merit, and therefore has not accrued for the amounts claimed. In the event that court grants the motion allowing the statement of claim to be amended, each of the named subsidiaries will vigorously defend themselves against the Claim.

In the event that the requested motion is granted, and damages are ultimately awarded against the named subsidiaries, management of the Company believes damages of up to $10,000 would be insured, which is the limit on the insurance policy. The named subsidiaries have notified their insurance company of the notice of motion.

As part of normal ongoing operations, it is possible that the Company and its subsidiaries could become involved in litigation and claims from time-to-time. Other than the Claim noted above, Management is not presently aware of any litigation or claims where likelihood and quantum of liability can be reasonably estimated and which would materially affect the financial position or financial performance of the Company. Additionally, the Company may provide indemnifications, in the normal course of business, that are often standard contractual terms to counterparties in certain transactions, such as purchase and sale agreements or sales and service contracts. The terms of these indemnifications will vary based upon the contract and the nature of which prevents the Company from making a reasonable estimate of the maximum potential amounts that may be required to be paid. In the event that managements estimate of the future resolution of these and other matters, including tax matters, changes, the Company will recognize the effects of these changes in the financial statements on the date such changes occur.

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 two separate businesses: Blaze King 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 two separate businesses: Unicast and Hawk.
- 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 and six month periods ended June 30, 2019 and 2018 is as follows:

For the three months ended June 30, 2019	Finished Product	Component Manufacturing	Head Office	Total
Sales	$ 6,399	$ 4,738	$ -	$ 11,137
Manufacturing costs	3,885	3,089	-	6,974
Gross margin	2,514	1,649	-	4,163
Profit before taxes	737	317	(535)	519
Income tax expense (recovery)	197	1	41	239
Profit (loss)	540	316	(576)	280
Total comprehensive income (loss)	$ 564	$ 306	$ (577)	$ 293

For the three months ended June 30, 2018	Finished Product	Component Manufacturing	Head Office	Total
Sales	$ 3,429	$ 1,873	$ -	$ 5,302
Manufacturing costs	2,129	881	-	3,010
Gross margin	1,300	992	-	2,292
Profit before taxes	181	283	(786)	(322)
Income tax expense (recovery)	31	(81)	(10)	(60)
Profit (loss)	150	363	(775)	(262)
Total comprehensive income (loss)	$ 193	$ 151	$ (775)	$ (431)

For the six months ended June 30, 2019	Finished Product	Component Manufacturing	Head Office	Total
Sales	$ 11,913	$ 9,089	$ -	$ 21,002
Manufacturing costs	7,098	5,975	-	13,073
Gross margin	4,815	3,114	-	7,929
Profit before taxes	1,085	246	(1,115)	216
Income tax expense (recovery)	169	(55)	66	180
Profit (loss)	916	301	(1,181)	36
Total comprehensive income (loss)	$ 855	$ 244	$ (1,181)	$ (82)

For the six months ended June 30, 2018	Finished Product	Component Manufacturing	Head Office	Total
Sales	$ 6,690	$ 4,073	$ -	$ 10,763
Manufacturing costs	4,206	2,000	-	6,206
Gross margin	2,484	2,073	-	4,557
Profit before taxes	63	1,118	(1,245)	(64)
Income tax expense (recovery)	(18)	(46)	(11)	(75)
Profit (loss)	81	1,165	(1,235)	11
Total comprehensive income (loss)	$ 185	$ 1,022	$ (1,235)	$ (28)

The Group's reporting of segment financial condition as at June 30, 2019 and December 31, 2018 is as follows:

June 30, 2019	Finished Product	Component Manufacturing	Head Office	Total
Total current assets	$ 8,580	$ 8,138	$ (967)	$ 15,751
Total current liabilities	1,725	2,172	3,558	7,455
Total assets	18,480	23,704	931	43,115
Total liabilities	$ 3,962	$ 4,399	$ 13,011	$ 21,372

December 31, 2018	Finished Product	Component Manufacturing	Head Office	Total
Total current assets	$ 7,890	$ 9,646	$ 246	$ 17,782
Total current liabilities	2,039	2,914	2,306	7,259
Total assets	18,878	23,590	1,861	44,329
Total liabilities	$ 3,579	$ 4,264	$ 13,069	$ 20,912

For the six month period ended June 30, 2019, the Group's largest customer accounted for 19% of sales. Sales from this customer are included in the component manufacturing segment. Other than this customer, the Group is not dependent on any other single customer for a significant portion of their sales.

16. Events after the Reporting Period

Except as disclosed elsewhere in these financial statements, the following events occurred subsequent to June 30, 2019 and before these financial statements were authorized.

(i) Dividends declared:

- a dividend of $0.03 per share was declared on July 15, 2019 for shareholders of record on June 28, 2019 and was paid on August 15, 2019.
- a dividend of $0.03 per share was declared on August 15, 2019 for shareholders of record on August 30, 2019 and will be paid on September 13, 2019.

(ii) Acquisition of Northside Industries ("Northside"):

On August 16, 2019, the Company acquired all of the issued and outstanding shares of Northside, a privately held specialty manufacturing company for an aggregate purchase price of $12,238 plus up to an additional $4,000 contingent on Northside meeting certain earnings targets over the next three years. The purchase consideration was comprised of $11,038 in cash and 316,539 common shares of Decisive (representing $1,200 divided by $3.791, being the volume weighted average trading price of the common shares of Decisive for the ten trading day period ended August 15, 2019). The Company funded the cash portion of the consideration through a debt financing, as described in note 4.

The acquisition date fair value of the assets acquired and liabilities assumed in the transaction are currently being determined. The initial accounting for assets acquired and liabilities assumed in the business combination will be determined provisionally, whereby subsequent adjustments to the allocation can be recognized if they occur within twelve months of the acquisition date. After twelve months, adjustments are recognized through profit or loss. The adjustments made as a result of finalizing the provisional accounting are retrospectively recognized from the acquisition date.