Management's Discussion and Analysis of

Decisive Dividend Corporation

For the six months ended June 30, 2024

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.

The principal wholly-owned operating subsidiaries of the Company 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.; 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.
- Capital I Industries Inc. and its sister company, Irving Machine Inc.; collectively referred to herein as "Capital I"; acquired in April 2023.
- Innovative Heating Technologies Inc. ("IHT"); acquired in July 2023.

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.
- Micon Industries Ltd. ("Micon"); acquired in April 2023.
- Procore International Radiators Ltd. ("Procore"); acquired in April 2023.
- Techbelt Limited ("Techbelt"); acquired in April 2024.

Preface

This Management's Discussion and Analysis ("MD&A") focuses on key items from the unaudited interim condensed consolidated financial statements of Decisive for the three and six months ended June 30, 2024 and 2023. The condensed consolidated financial statements of the Company have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. 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 unaudited interim condensed consolidated financial statements and the related notes for the period ended June 30, 2024, the annual audited consolidated financial statements and the related notes for the year ended December 31, 2023, the annual MD&A for the year ended December 31, 2023, and the unaudited interim condensed consolidated financial statements for the period ended June 30, 2023. This MD&A covers the six months ended June 30, 2024 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".

This MD&A was prepared effective August 8, 2024.

Certain statements in this MD&A constitute forward-looking information and forward-looking statements, as such this MD&A should be read in conjunction with the Cautionary Statement Regarding Forward-Looking Information and Statements included later in this MD&A.

In this MD&A, reference is made to "Adjusted EBITDA", "Free Cash Flow", "Growth Capital Expenditures", "Maintenance Capital Expenditures", "Dividend Payout Ratio" and "Return on Invested Capital", which are financial measures that are not recognized financial measures under International Financial Reporting Standards issued by the International Accounting Standards Board ("IFRS Accounting Standards") but are believed to be meaningful in the assessment of the Group's performance. The Company's method of calculating Non-IFRS financial measures may differ from that of other corporations or entities and therefore may not be directly comparable to measures utilized by other corporations or entities. A reader should not place undue reliance on any Non-IFRS financial measures. Detailed descriptions of these financial measures are included later in this MD&A under the heading "Non-IFRS Financial Measures" and reconciliations to their most comparable IFRS Accounting Standards measure are included throughout the MD&A where applicable.

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

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)

June 30,	For the three months ended **2024**	2023	For the six months ended **2024**	2023
Sales	**$ 28,699**	$ 30,706	**$ 58,049**	$ 61,559
Gross profit	**10,001**	11,499	**21,236**	22,620
Gross profit %	**35%**	37%	**37%**	37%
Adjusted EBITDA [1]	**3,416**	5,266	**7,381**	10,159
Per share basic	**0.18**	0.31	**0.38**	0.63
Profit (loss) before tax	**(1,053)**	1,911	**(708)**	4,595
Profit (loss)	**(994)**	1,201	**(808)**	3,167
Per share basic	**(0.05)**	0.07	**(0.04)**	0.20
Per share diluted	**n/a**	0.06	**n/a**	0.18
Free cash flow [1]	**1,392**	3,080	**3,289**	6,058
Per share basic	**0.07**	0.18	**0.17**	0.38
Free cash flow less maintenance capital [1]	**1,228**	2,729	**2,792**	5,218
Per share basic	**0.06**	0.16	**0.15**	0.33
Dividends declared	**2,621**	1,829	**5,103**	3,255
Per share basic	**0.14**	0.11	**0.27**	0.20
Dividend payout ratio [1]			**81%**	59%

[1] – As defined under the heading "Non-IFRS Financial Measures" later in this MD&A.

The non-IFRS measures referenced in the table above reconcile to the IFRS Accounting Standards measures reported in the Company's consolidated financial statements as follows, except for dividend payout ratio which is analyzed on a trailing twelve-month basis to reduce the impact of seasonality on the analysis, the reconciliation of which is included later in this MD&A under the heading "Dividends and Dividend Payout Ratios":

Adjusted EBITDA

(Stated in thousands of dollars)

June 30,	For the three months ended **2024**	2023	For the six months ended **2024**	2023
Profit (loss) for the period	**$ (994)**	$ 1,201	**$ (808)**	$ 3,167
Add (deduct):				
Financing costs	**1,454**	881	**2,670**	1,636
Income tax expense (recovery)	**(59)**	710	**100**	1,428
Amortization and depreciation	**2,419**	1,771	**4,576**	3,091
Acquisition and restructuring costs	**508**	578	**694**	602
Inventory fair value adjustments and write downs	**3**	-	**3**	-
Share-based compensation expense	**241**	115	**552**	354
Foreign exchange losses (gains)	**(112)**	18	**(343)**	(24)
Interest and other income	**(13)**	(8)	**(29)**	(26)
Gain on sale of equipment	**(31)**	-	**(34)**	(69)
Adjusted EBITDA	**3,416**	5,266	**7,381**	10,159

Free Cash Flow and Free Cash Flow Less Maintenance Capital

(Stated in thousands of dollars)	For the three months ended		For the six months ended	
June 30,	**2024**	2023	**2024**	2023
Cash provided by operating activities	$ **227**	$ 6,995	$ **(213)**	$ 6,964
Add (deduct):				
Changes in non-cash working capital	**1,228**	(2,311)	**4,741**	1,286
Income taxes paid	**1,466**	11	**2,188**	1,333
Current income tax expense	**(67)**	(929)	**(468)**	(1,836)
Acquisition and restructuring costs	**508**	578	**694**	602
Interest paid	**(1,389)**	(836)	**(2,581)**	(1,547)
Lease payments	**(524)**	(373)	**(958)**	(689)
Required principal repayments on debt	**(57)**	(55)	**(114)**	(55)
Free cash flow	$ **1,392**	$ 3,080	**3,289**	6,058
Maintenance capital expenditures	**(164)**	(351)	**(497)**	(840)
Free cash flow less maintenance capital	**1,228**	2,729	**2,792**	5,218

The financial position of the Group for the periods indicated below is, as follows:

FINANCIAL POSITION *(Stated in thousands of dollars)*	**June 30, 2024**	December 31, 2023
Working capital	**$ 25,238**	$ 21,686
Property and equipment	**30,444**	23,776
Total assets	**163,826**	152,567
Long-term debt, excluding debt issuance costs	**59,602**	45,282
Equity	**56,188**	57,751
Share Information (000s)		
Common shares issued and outstanding	**19,411**	18,911

Discussion of Overall Performance

Q2 Consolidated Financial Highlights

Sales for the second quarter decreased by 7% to $28.7 million from $30.7 million in Q2 2023, driven primarily by a decrease in hearth product sales. Q2 marks the traditional slower seasonal demand period for the hearth businesses, Blaze King and ACR. In 2023, Q2 hearth sales were insulated by higher order backlogs that had built up through 2022 and 2023. Lower aggregate demand backlogs, coupled with lower energy prices during the first half of 2024 relative to the same period in 2023, general macro-economic pressures and warmer weather, resulted in a 49% decline in hearth product sales in Q2 2024 compared to Q2 2023. The decline in hearth sales was the primary reason for the aggregate 19% revenue decline experienced in the seven businesses owned prior to 2023, partially offset by Q2 2024 sales increases at Marketing Impact and Slimline of 27% and 18% respectively compared to Q2 2023. The sales generated by the three businesses acquired post Q2 2023 (IHT, APM and Techbelt) positively impacted overall sales in Q2 2024 compared to Q2 2023. However, IHT sales in the quarter were below pre-acquisition averages as a result of customers electing to delay capital projects in light of continuing challenging pork industry conditions and overall economic uncertainty. The March 2024 acquisition of

APM drove a 31% increase in Hawk sales in Q2 2024 relative to Q2 2023. After its acquisition in April 2024, Techbelt's positive sales trajectory continued in Q2 2024 with sales ahead of pre-acquisition averages.

The decrease in overall sales, resulted in a $1.5 million, or 13%, decrease in consolidated gross profit in Q2 2024, compared to Q2 2023. The decrease was driven primarily by the negative impact of fixed overhead costs on lower overall sales which also contributed to a decrease in gross profit percentages, which declined by 2 percentage points to 35% compared to 37% in Q2 2023.

Overall operating expenses increased from $9.6 million in Q2 2023 to $11.2 million in Q2 2024. The increase was primarily a result of the overall increase in scale due to the three acquisitions completed post Q2 2023, as well as increased financing costs related to the debt funded portion of those acquisitions.

Adjusted EBITDA for the second quarter of 2024 was $3.4 million, a $1.9 million, or 35%, decrease compared to Q2 2023. Consolidated net loss in the quarter was ($1.0) million, or $0.05 per share, a decrease of $2.2 million, $0.12 lower on a per share basis, compared to Q2 2023. The overall decreases in Adjusted EBITDA and net profit were primarily driven by the decrease in sales described above and the increase in the scale of the organization and the associated operating expenses relative to Q2 2023.

Year-to-Date Consolidated Financial Highlights

Sales for the first half of 2024 decreased by 6% to $58.0 million from $61.6 million in the first half of 2023, driven primarily by a decrease in hearth product sales. In the first half of 2023, hearth sales were insulated by higher order backlogs that had built up through 2022 and 2023. Lower 2024 aggregate demand backlogs, reduced overall consumer spending, warmer weather and lower energy prices resulted in a 46% decline in hearth product sales in the first half of 2024 compared to the first half of 2023. Conversely, demand levels in the commercial vehicle industry have continued to be strong and Northside sales increased 8% in the first half of 2024 compared to the first half of 2023. The sales generated by the six businesses acquired in 2023 and 2024 (Capital I, Micon, Procore, IHT, APM and Techbelt) partially offset the aggregate 22% revenue decline experienced in the seven businesses owned prior to 2023, 76% of which relates to the hearth products businesses. Capital I continues to contribute meaningfully to overall results, although sales levels in the first half of 2024 were lower than pre-acquisition averages due to a pause in project work that was previously being completed for an oil and gas customer, unrelated to its core business. IHT sales were also below pre-acquisition averages as customers deferred capital projects based on their cash flows which have been negatively impacted in recent quarters due to challenging pork industry conditions and overall economic uncertainty.

The decrease in overall sales resulted in a $1.4 million, or 6%, decrease in consolidated gross profit compared to the first six months of 2023, as gross profit percentages were consistent in the first half of 2024 compared to the same period in 2023.

Overall operating expenses increased from $18.1 million in the first half of 2023 to $22.4 million in Q2 2024. The increase was primarily a result of the overall increase in scale due to the six acquisitions completed in 2023 and 2024, as well as increased financing costs related to the debt funded portion of those acquisitions.

Adjusted EBITDA for the first half of 2024 was $7.4 million, a $2.8 million, or 27%, decrease compared to the first half of 2023. Consolidated net loss in the first half of the year was ($0.8) million, or $0.04 per share, a decrease of $4.0 million, $0.24 lower on a per share basis, compared to the first half of 2023. The overall decreases in Adjusted EBITDA and net profit were primarily driven by the decrease in sales described above and the increase in the scale of the organization and the associated operating expenses relative to the first half of 2023.

Decisive and its subsidiaries are taking a number of steps to position themselves to continue to deliver long term organic growth as well as further growth through acquisitions, as described later in this MD&A under the heading "Outlook".

2024 Acquisitions

On March 14, 2024, the Company acquired, through Hawk, the assets of Alberta Production Machining Ltd. ("APM"). The assets of APM are operated out of a leased facility in Edmonton, Alberta, and provides Hawk with increased machining capabilities and access to additional equipment and people to service the strong demand from its growing customer base.

On April 10, 2024, the Company added to its growing portfolio of wear parts businesses through the acquisition of 100% ownership of Techbelt, a manufacturer of polytetrafluoroethylene ("PTFE") conveyor belts, PTFE tapes, and PTFE materials.

These businesses are further described later in this MD&A under the heading "Component Manufacturing Segment Overview".

The acquisitions of APM and Techbelt are anticipated to have a positive financial impact on Decisive as they are expected to result in an increase in sales, gross profit, profit, and Adjusted EBITDA. The table below sets forth the pro forma combined financial information of Decisive and the applicable pre-acquisition periods for the 2024 acquisitions:

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

For the trailing twelve month period ended June 30, 2024	Decisive*	Add pre-acquisition periods for acquired businesses**	Pro forma
Sales	$ 131,371	$ 4,350	$ 135,721
Gross profit	51,378	1,751	53,129
Gross profit %	39%	40%	39%
Profit (loss)	4,358	659	5,017
Per share basic	0.23		0.26
Adjusted EBITDA [1]	22,425	1,029	23,454
Per share basic	1.17		1.22

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

* – based on Decisive's unaudited financial information reported for the trailing twelve-month period ended June 30, 2024.

** – based on the unaudited financial information of Techbelt for the pre-acquisition period from July 1, 2023 to April 9, 2024.

(Stated in thousands of dollars)

For the trailing twelve month period ended June 30, 2024	Decisive*	Add pre-acquisition periods for acquired businesses**	Pro forma
Profit (loss)	$ 4,358	$ 659	$ 5,017
Add (deduct):			
Financing costs	4,830	48	4,878
Income tax expense (recovery)	2,089	251	2,340
Amortization and depreciation	9,381	94	9,475
Acquisition and restructuring costs	1,093	-	1,093
Inventory fair value adjustments and write downs	31	-	31
Share-based compensation expense	942	-	942
Foreign exchange losses (gains)	(224)	14	(210)
Interest and other income	(14)	(37)	(51)
Gain on sale of equipment	(61)	-	(61)
Adjusted EBITDA	22,425	1,029	23,454

The components of the consideration paid to acquire these businesses are as follows:

(stated in thousands of dollars)	APM	Techbelt	Total
Cash (net of cash acquired)	$ 2,789	$ 5,028	$ 7,817
Common shares	-	603	603
Contingent consideration	-	484	484
	$ 2,789	$ 6,115	$ 8,904

The cash portion of the consideration in each of these acquisitions was funded using the Company's syndicated credit facility. The share portion of the consideration was funded through the issuance of 57,879 common shares of Decisive to the vendors of Techbelt.

Additionally, the vendors of Techbelt can be paid up to an additional £2.2 million contingent on Techbelt meeting certain earnings targets over the three years following the acquisition date.

Upon completion of these acquisitions, and the receipt of outstanding in-the-money warrant proceeds expected in the next nine months before their respective expiries (as described later in this MD&A under the heading "Disclosure of Outstanding Share Data"), Decisive's cumulative acquisition funding mix for the 13 acquisitions it has completed to date will be 52% debt and 48% equity.

The preliminary allocation of the purchase price to the acquisition date fair value of the assets acquired, and liabilities assumed on these acquisitions is as follows:

(stated in thousands of dollars)	APM	Techbelt	Total
Working capital, excluding cash	$ 11	$ 367	$ 378
Property and equipment	3,289	643	3,932
Intangible assets	-	2,038	2,038
Goodwill	-	3,967	3,967
Lease obligation	(511)	(306)	(817)
Deferred income taxes	-	(594)	(594)
	$ 2,789	$ 6,115	$ 8,904

Further particulars regarding Techbelt, including certain (unaudited) historical financial information, are set forth in Decisive's material change report dated April 11, 2024, a copy of which is available on SEDAR+ at www.sedarplus.ca.

Outlook

The first half of 2024 was challenging from an operational perspective, after a year of record operating performance for Decisive in 2023. Softening economic activity, as a result of the high interest rate environment, increased geopolitical instability, and ongoing inflation, though at a declining rate, has impacted demand for certain businesses, relative to what was experienced over the previous two years. In addition, Q2 marks a seasonal slow period for Blaze King, ACR and Hawk. However, during the quarter and to the date of this MD&A, several positive developments occurred that are expected to bolster results in the second half of the year as follows:

Finished Product Segment

- Blaze King began the process of renewing its wood stove compliance certificates under new testing methodologies enacted by the EPA, positioning Blaze King with a potential competitive advantage entering the Q3 and Q4 heating season. In addition, Blaze King and ACR continue to pursue regulatory approval of a new product design that utilizes Blaze King's combustion technology styled and sized for sale into the United Kingdom and European market.
- Slimline has been actively demonstrating the fuel, chemical and labour efficiency of its sprayer product to new customers. In addition, Slimline received a significant order for its larger scale wastewater evaporator for delivery in the second half of 2024.
- Marketing Impact order levels in Q2 2024 exceeded Q2 2023 orders by nearly 50%, which will positively impact Marketing Impact results in the second half of the year.
- Capital I secured a significant purchase order from a long-standing oil and gas customer, sales from which were muted in the first half of 2024.
- IHT currently has a large number of trials ongoing with potential customers to demonstrate the ability of its products to support profitability, which have historically had a very high probability of converting to future product sales.

Component Manufacturing Segment

- Unicast orders in Q2 2024 exceeded Q2 2023 orders by 80% which will positively impact Unicast results in the second half of the year. Micon and Procore leveraging existing customer relationships to pursue work in new geographic markets.
- Hawk positioned well for expected seasonal increase in sales in Q3 and Q4 with March 2024 acquisition of APM.
- Sales under Northside's contract with a new commercial vehicle customer are expected to commence by the start of Q4 2024.
- Techbelt utilizing facilities of other Group businesses in North America to support increased access to the North American market.

These developments highlight positive outcomes from the steps Decisive and subsidiary management have taken to work through current challenges and to position each of the businesses to deliver long term organic growth. In addition, cost control initiatives have been undertaken throughout the business and range from staffing right-sizing initiatives to reductions or deferrals of operating and capital expenditures. Further commentary surrounding the above initiatives and 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".

Based on all of these factors, Decisive management expects near-term trailing twelve-month payout ratios to be in excess of its target range of Free Cash Flow Less Maintenance Capital, as it was in Q2 2024. Based on the operational initiatives underway across the Group, Decisive is positioned to sustain current dividend levels, while focusing on driving sales and controlling costs to, first, return the current dividend level within its target payout ratio range and, then, return to growth in its per share financial

metrics, supporting dividend growth. Profitability growth of the Group and enhanced per share financial metrics are the standard of performance and Group profitability growth will be a condition precedent to any future dividend growth, to ensure a balance of growth and sustainability of the dividend, which is a priority for all investors.

The work being done by Decisive's subsidiary leaders, a group which has been significantly strengthened over the past few years, to upgrade teams, strategies and processes to support longer term growth objectives in the businesses, has been proven to generate positive operational results in businesses that are further down the path of working through these types of change. For the subsidiaries that are at earlier stages of this realignment process, short-term results can be challenged while these changes are taking effect, all of which is part of the process of positioning these businesses for long-term success. Shortening the timeline from when a business is acquired to when it begins achieving organic growth is a key initiative of Decisive. Developing the approaches, systems and processes to achieve this, along with the quality of the leaders that have been brought in to run subsidiary businesses and head office personnel to provide support to these businesses, should position Decisive for long-term success in a manner that will continue to support long-term per share financial metric enhancement and growing and sustainable dividends.

Through execution of its growth strategy, the Company has assembled a diversified portfolio of 12 manufacturing businesses that produce and distribute differentiated products to a wide range of addressable markets. The growth strategy advanced significantly over the last two years with eight acquisitions completed in a 24-month span, up to the date of the most recent acquisition in April 2024, which demonstrates the Company's ongoing commitment to its shareholders to continue to grow the business through acquisition.

Decisive is continuing to build and execute on a strong pipeline of acquisition opportunities, and new opportunities are consistently being added to the Company's acquisition prospect pipeline. This reflects the fact that the western world is in the middle of the largest period of inter-generational transfer of wealth in history, where many businesses are assessing alternatives as to how the business can be carried forward into the future, including seeking out new owners. This trend is and will continue to provide opportunities for Decisive, with its legacy-maintaining business model and access to capital being key differentiators in a competitive acquisition marketplace. Given the current macro-economic challenges being faced by a wide range of businesses, Decisive will be selective in the types of business it will pursue in the near-term.

Decisive's ability to access both debt and equity financing through its relationships with its lenders, shareholders, and various investment banks, as demonstrated by the completion of eight acquisitions in 24-months funded through its debt facilities and two successful equity raises, is a critical element of Decisive's business model and a key differentiating advantage of the business in the minds of vendors. In March 2024, the Company syndicated its credit facility with four top tier lending partners, increasing its total available debt by $107 million to $175 million. Decisive is currently operating at a 2.6 times debt to Adjusted EBITDA ratio after debt funding two acquisitions in 2024. Demonstrated progress around the operational initiatives the Group is pursuing supports capital availability, in both the Company's syndicated credit facility and the equity markets, as well as the cost of this capital, which will allow Decisive to take advantage of potential opportunities for further growth, both through investing in subsidiary businesses for long term organic growth as well as further acquisitions, as they arise.

As a result of all these factors, management remains confident in the long-term fundamentals of Decisive's business model.

Summary of Quarterly Results

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, including the cost of energy. Blaze King and ACR's businesses historically experience 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 businesses of Decisive's other subsidiaries. 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)

	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Sales	$ **28,699**	$ 29,350	$ 35,668	$ 37,654
Gross profit	**10,001**	11,235	13,796	16,346
Gross profit %	**35%**	38%	39%	43%
Adjusted EBITDA [1]	**3,416**	3,965	7,181	7,863
Per share basic	**0.18**	0.21	0.38	0.43
Profit (loss) before tax	**(1,053)**	346	3,160	3,995
Profit (loss)	**(994)**	187	2,424	2,741
Per share basic	**(0.05)**	0.01	0.13	0.15
Per share diluted	**n/a**	0.01	0.12	0.14
	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Sales	30,706	30,854	30,778	25,932
Gross profit	11,499	11,122	9,988	8,912
Gross profit %	37%	36%	32%	34%
Adjusted EBITDA [1]	5,266	4,894	4,018	3,999
Per share basic	0.31	0.33	0.27	0.32
Profit before tax	1,911	2,684	983	2,644
Profit	1,201	1,966	659	2,029
Per share basic	0.07	0.13	0.04	0.16
Per share diluted	0.06	0.12	0.04	0.15

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

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

(Stated in thousands of dollars)

	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Profit (loss) for the period	$ **(994)**	$ 187	$ 2,424	$ 2,741
Add (deduct):				
Financing costs	**1,454**	1,217	1,083	1,076
Income tax expense (recovery)	**(59)**	159	736	1,253
Amortization and depreciation	**2,419**	2,157	2,574	2,231
Acquisition and restructuring costs	**508**	187	1	397
Inventory fair value adjustments and write downs	**3**	-	28	-
Share-based compensation expense	**241**	310	108	283
Foreign exchange losses (gains)	**(112)**	(232)	220	(100)
Interest and other expense (income)	**(13)**	(17)	(5)	21
Gain on sale of equipment	**(31)**	(3)	12	(39)
Adjusted EBITDA	**3,416**	3,965	7,181	7,863

(Stated in thousands of dollars)

	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Profit for the period	$ 1,201	$ 1,966	$ 659	$ 2,029
Add (deduct):				
Financing costs	881	755	740	672
Income tax expense	710	718	324	615
Amortization and depreciation	1,771	1,320	1,663	1,204
Acquisition and restructuring costs	578	25	440	61
Inventory fair value adjustments and write downs	-	-	22	-
Share-based compensation expense	115	239	19	26
Foreign exchange losses (gains)	18	(42)	176	(598)
Interest and other income	(8)	(18)	(7)	(5)
Gain on sale of equipment	-	(69)	(18)	(5)
Adjusted EBITDA	5,266	4,894	4,018	3,999

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:

Q2 2024 Consolidated Financial Highlights
For the discussion of Q2 results see "Overall Performance" earlier in this MD&A.

Q1 2024 Consolidated Financial Highlights
Sales for the first quarter decreased by 5% to $29.4 million from $30.9 million in Q1 2023, driven primarily by a decrease in hearth product sales. Blaze King and ACR entered 2024 with 90% lower order backlogs than existed in 2023. Although these large backlogs positively impacted 2023 results, the lower aggregate demand backlog, coupled with lower energy prices during Q1 2024 relative to Q1 2023 and warmer weather that occurred in late Q1, during the start of the traditional slower seasonal demand periods for these businesses, resulted in a 43% decline in hearth product sales in Q1 2024 compared to Q1 2023. Conversely, demand levels in the commercial vehicle industry have continued to be strong and Northside sales increased 19% in Q1 2024 compared to Q1 2023. The sales generated by the four businesses acquired in 2023 (Capital I, Micon, Procore and IHT) partially offset the aggregate 24% revenue decline experienced in the seven businesses owned prior to 2023, 66% of which relates to the hearth products businesses. Q1 2024 sales for Micon and Procore were consistent with pre-acquisition averages. Capital I sales levels in Q1 2024 were lower than pre-acquisition averages due to a decrease in project work that was previously being completed for an oil and gas customer, unrelated to its core business. IHT sales were also below pre-acquisition averages during the quarter as a result of customers electing to delay capital projects in light of challenging pork industry conditions and overall economic uncertainty.

Despite the decrease in overall sales, consolidated gross profit increased by $0.1 million, or 1%, to $11.2 million in Q1 2024, compared to Q1 2023. The increase was driven by the increase in gross profit percentages, which improved by 2 percentage points to 38% compared to 36% in Q1 2023. Both segments contributed to the margin increase that were a result of product mix changes, pricing increases, and other margin enhancing activities, as well as the contribution from the four high margin businesses acquired in 2023.

Overall operating expenses increased from $8.6 million in Q1 2023 to $11.1 million in Q1 2024. The increase was primarily a result of the overall increase in scale due to the four acquisitions completed in 2023, as well as increased financing costs related to the debt funded portion of those acquisitions.

Adjusted EBITDA decreased 19% to $4.0 million in Q1 2024 compared to Q1 2023. Consolidated net profit in the quarter was $0.2 million, a decrease of $1.8 million compared to Q1 2023. The overall decreases in Adjusted EBITDA and net profit were primarily driven by the decrease in sales described above and the increase in the scale of the organization and the associated operating expenses relative to Q1 2023.

Q4 2023 Consolidated Financial Highlights
Sales for the fourth quarter increased by 16% to $35.7 million from $30.8 million in Q4 2022. The overall increase was driven by a 17% increase in the finished product segment and a 22% increase in the component manufacturing segment. Hawk and Northside were the key drivers of this growth as Hawk sales increased 30% compared to Q4 2022 and Northside sales increased 20% relative to Q4 2022 with both businesses facing robust demand. Blaze King and ACR worked through order backlogs during the quarter, although warm weather in the United Kingdom and a delay in receiving regulatory approval for the launch of a new product line impacted ACR's seasonal increase in sales of its wood stove products. As a result, overall hearth product sales declined in Q4 2023 compared to Q4 2022. Fourth quarter sales for Unicast, Slimline, and Marketing Impact declined relative to Q4 2022, as lower demand resulting from economic uncertainty impacted Unicast product sales and Slimline sprayer sales. For Marketing Impact, however, Q4 2023 sales were higher than any other quarter in 2023. The sales generated by the four businesses acquired in 2023 (Capital I, Micon, Procore and IHT) contributed meaningfully to the consolidated sales increases. Q4 2023 sales for Capital I, Micon and Procore were consistent with pre-acquisition averages. IHT sales moved below pre-acquisition averages during the quarter as a result of a facility move and customers electing to delay capital projects in light of economic uncertainty.

Overall gross profit was $13.8 million in Q4 2023, an increase of $3.8 million, or 38%, relative to Q4 2022, driven by the increase in overall sales. Gross profit percentages in Q4 2023 increased by 7 percentage points to 39% compared to 32% in Q4 2022. Both segments contributed to the margin increase that were a result of product mix changes, pricing increases and other margin enhancing activities, as well as the contribution from the four high margin business acquired in 2023.

Overall operating expenses increased from $8.9 million in Q4 2022 to $10.4 million in Q4 2023. The increase was primarily a result of the overall increase in scale due to the four acquisitions completed in 2023 and the associated acquisition costs, as well as increased financing costs. The three roles added to the head office team in Q3 2023 (VP Manufacturing, VP People & Culture, and AVP Finance) also impacted overall operating expenses in the quarter.

The above noted increases in sales and gross profit, were the primary drivers of the $3.2 million, or 79%, increase in Adjusted EBITDA and $1.8 million increase in net profit relative to Q4 2022.

Q3 2023 Consolidated Financial Highlights
Sales for the third quarter increased by 45% to $37.7 million from $25.9 million in Q3 2022. The overall increase was driven by a 58% increase in the finished product segment and a 37% increase in the component manufacturing segment. The sales generated by ACR, which was acquired in October 2022, as well as the sales generated in the three businesses acquired in April 2023 (Capital I, Micon and Procore) and the first sales reported for IHT, which was acquired in July 2023, contributed meaningfully to the consolidated sales increases. Blaze King and Unicast both achieved strong sales during the quarter, consistent with sales levels in Q3 2022. Marketing Impact sales decreased 19% relative to the higher sales realized in Q3 2022, however quarterly sales levels remained in-line with pre-acquisition averages. Slimline sales increased 22% on the back of a significant sale within its wastewater evaporator business that contributed $3.5 million in sales in the quarter. Hawk sales increased 25% compared to Q3 2022 and Northside sales increased 55% relative to Q3 2022 with both businesses facing robust demand.

Overall gross profit was $16.3 million in Q3 2023, an increase of $7.4 million, or 83%, relative to Q3 2022, driven by the increase in overall sales. Gross profit percentages in Q3 2023 increased by 9 percentage points compared to Q3 2022. Both segments contributed to the margin increase that were a result of product mix changes, including the high margin wastewater evaporator sales in Slimline in Q3 2023, pricing increases and other margin enhancing activities, as well as the contribution from the five high margin business acquired since Q3 2022.

Overall operating expenses increased from $6.9 million in Q3 2022 to $12.5 million in Q3 2023. The increase was primarily a result of the overall increase in scale due to the five acquisitions completed between September 30, 2022 and September 30, 2023 and the associated acquisition costs, as well as increased financing costs. The head office team also increased in the quarter with the addition of three

roles (VP Manufacturing, VP People & Culture, and AVP Finance), each of which augment the ability of Decisive to support existing subsidiaries in achieving organic growth and complete acquisitions.

The above noted increases in sales and gross profit, were the primary drivers of the $3.9 million, or 97%, increase in Adjusted EBITDA and $0.7 million increase in net profit compared to Q3 2022.

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 six separate businesses: Blaze King, Slimline, Marketing Impact, ACR, Capital I and IHT.

Blaze King
The business of Blaze King is producing and selling high-quality, high-efficiency wood burning stoves, wood burning fireplace inserts, gas stoves, gas fireplaces, 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.

ACR
ACR produces and sells woodburning, multifuel, and gas stoves and sells them primarily in the United Kingdom. It also produces electric stoves, electric fireplaces and outdoor pizza ovens. ACR was founded in 2004, has a well-established brand in the United Kingdom marketplace and is known for its high-quality and attractively designed products. ACR utilizes third party partners to manufacture its products making ACR scalable and versatile. It then distributes these products at accessible price points that drive a strong value proposition for its customers. Further, with its Eco-design Ready models, ACR is compliant with the emissions standards in place in the United Kingdom and across Europe.

Slimline
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 fan assemblies. Slimline sells its sprayers under the name "Turbo Mist" which includes a heavy-duty series, a standard series, a cherry blower, and multiple attachments for different crop types. 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 solution that meets specific customer needs in the elimination of wastewater. Slimline's evaporators are sold into markets throughout the world.

Marketing Impact
Marketing Impact designs, manufactures, and distributes a comprehensive range of merchandising products, systems and solutions for retail customers including grocery stores, convenience stores, and pharmacies. Its catalogue of over 4,000 products includes: product pusher systems, loss prevention solutions, merchandising bins and accessories, shelf management systems, and sign holder systems, among others. Marketing Impact also designs and manufactures displays for consumer-packaged goods customers. Since commencing operations in 1986, Marketing Impact has had a strong reputation for customer service, responsiveness, and innovation amongst its robust list of blue-chip, well-diversified retail customers across North America. Its design team is a leading innovator of merchandising systems and consumer-packaged goods displays as evidenced by the more than 15 patents issued or pending in Marketing Impact's portfolio.

Capital I
Capital I, located in Tisdale, Saskatchewan, has been designing, manufacturing and distributing high-quality road maintenance and construction equipment since 1993. Capital I's innovative products include dozer blades, snow blades and wings, gravel reclaimers, road groomers, quick attach lifts, road mulchers and mowers, that are used in the construction and maintenance of gravel roads. Capital I's products are tailored to fit numerous makes and models of heavy equipment used in road maintenance which allows them to service a diverse customer base ranging from OEMs, dealers and municipalities. In addition, Capital I fabricates and/or distributes mining equipment, oil and gas parts, agricultural parts and hydraulic cylinders.

IHT
IHT, located outside of Winnipeg, Manitoba, is a well-established manufacturer and developer of high efficiency heating mats and lighting solutions for hog production. IHT was founded in 1995 and offers a diverse range of reliable and energy-efficient equipment, with a strong emphasis on research and development of new innovative technologies. The current focus of the business is centered on heat mats, lighting products and related equipment for hog producers. Management believes that the key competitive advantages for these products are durability, anti-microbial characteristics, energy efficiency, optimal heat distribution, and safety and hazard prevention, all of which promote animal welfare and cost savings for their customers. IHT's products are sold around the world both directly and through strategic distributors.

Finished Product Segment Performance

(Stated in thousands of dollars)

	For the three months ended		For the six months ended	
June 30,	**2024**	2023	**2024**	2023
Sales	$ **15,596**	$ 17,963	$ **31,941**	$ 35,357
Gross profit	**5,915**	7,063	**12,310**	13,758
Gross profit %	**38%**	39%	**39%**	39%
Profit	**690**	2,001	**1,462**	4,154
Add (deduct):				
Financing costs	**190**	105	**353**	196
Income tax expense (recovery)	**(159)**	311	**(296)**	619
Amortization and depreciation	**1,345**	991	**2,677**	1,697
Inventory fair value adjustments and write downs	**3**	-	**3**	-
Foreign exchange expense (income)	**(24)**	24	**(110)**	19
Interest and other income	**(15)**	(7)	**(28)**	(23)
Gain on sale of equipment	**(31)**	-	**(34)**	-
Adjusted EBITDA	**1,999**	3,425	**4,027**	6,662

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

Three Months Ended June 30, 2024

Overall sales for the segment in Q2 2024, decreased by $2.4 million, or 13%, relative to Q2 2023. The decrease was driven primarily by decreased sales in Blaze King and ACR, partially offset by the sales generated by IHT, which was acquired in July 2023. IHT sales were below pre-acquisition averages during the quarter as a result of customers electing to delay capital projects in light of continuing challenging pork industry conditions and overall economic uncertainty. Q2 marks the traditional slower seasonal demand period for the hearth businesses, Blaze King and ACR. In 2023, Q2 hearth sales were insulated by higher order backlogs that had built up through 2022 and 2023. Lower 2024 aggregate demand backlogs, reduced overall consumer spending, warmer weather and lower energy prices during the first half of 2024 relative to the first half of 2023, resulted in a 49% decrease in hearth product sales in Q2 2024 compared to Q2 2023. Conversely, Q2 2024 sales at Marketing Impact and Slimline increased by 27% and 18% respectively in Q2 2024, compared to Q2 2023. Improvements in production capacity and sales conversion that have been affected by the leadership transitions in both of these businesses in recent quarters directly contributed to these increases.

The decrease in overall sales resulted in a $1.1 million, or 16%, decrease in gross profit in Q2 2024 compared to Q2 2023. Segment gross profit percentage decreased to 38% in Q2 2024 compared to 39% in Q2 2023 due to the impact of fixed overhead costs with the decrease in overall sales.

Overall segment Adjusted EBITDA was $2.0 million in Q2 2024; a decrease of $1.4 million, or 42%, compared to Q2 2023, driven primarily by the decrease in Blaze King and ACR sales described above, and the impact of decreased sales on the fixed costs that do not meaningfully fluctuate with product demand in those businesses.

Six Months Ended June 30, 2024

Overall sales for the segment in the first half of 2024 decreased by $3.4 million, or 10%, relative to the first half of 2023. The decrease was driven primarily by a decline in hearth product sales, partially offset by the sales generated in the two businesses acquired in 2023: Capital I and IHT. Capital I continues to contribute meaningfully to overall segment results, although sales levels in the first half of the year were lower than pre-acquisition averages due to a pause in project work that was previously being completed for an oil and gas customer, unrelated to its core business. IHT sales were also below pre-acquisition averages as customers deferred capital projects based on their cash flows which have been negatively impacted in recent quarters due to challenging pork industry conditions and overall economic uncertainty. In the first half of 2023, hearth sales were insulated by higher order backlogs that had built up through 2022 and 2023. Lower 2024 aggregate demand backlogs, lower energy prices to date in 2024, high inventory levels in retailer showrooms on reduced consumer spending, and warmer weather, resulted in a 46% decrease in hearth product sales in the first half of 2024 compared to the first half of 2023. H1 2024 sales at Marketing Impact and Slimline were both relatively consistent compared to H1 2023.

Overall gross profit decreased by $1.5 million, or 11%, in 2024 relative to 2023, driven by the overall decrease in sales. Segment gross profit percentage decreased to 38% in 2024 compared to 39% in 2023, based on the impact of decreased sales on the fixed costs that do not meaningfully fluctuate with product demand.

Overall segment Adjusted EBITDA was $4.0 million in the first half of 2024; a decrease of $2.6 million, or 40%, compared to the first half of 2023. The decrease was driven by the decreases in overall sales and gross profit described above as well as the impact of the increase in the scale of the segment from the acquisitions completed in 2023 and the associated operating expenses relative to the same period in 2023.

Finished Product Segment Industry Trends and Outlook

Blaze King and ACR

- All Blaze King products meet stringent United States Environmental Protection Agency ("EPA") regulations in effect for wood burning appliances in North America. Recent changes to EPA testing methodologies has caused confusion and uncertainty amongst retailers in the hearth industry. As a result, Blaze King elected to pre-emptively retest and recertify all if its products to allay retailer concerns of EPA certificates expiring on inventory held. To the date of this MD&A, Blaze King has received three certificate renewals from the EPA and expects the remaining three certificate renewals to be received before the end of Q3 2024. This should provide Blaze King customers with five years of security and consistency with respect to the changing regulatory environment. Blaze King's top selling King and Princess model woodstoves continue to be listed first and second in North America in terms of efficiency by the EPA, achieving even stronger efficiency ratings under the recent tests. This positions Blaze King to capitalize on consumer demand, which is expected to increase during the Q3 and Q4 heating season relative to the first half of 2024, with products that lead the industry in efficiency and which are certified for the next five years.

- Investments made with respect to EPA 2020 readiness positioned Blaze King to increase its market share. Blaze King management believes that its market share should continue to improve over the coming years as competitor EPA certifications expire, which could lead to near-term competitive pressures as competitors incentivize retailers to sell products that may not be re-certifiable under the new testing methodologies. Blaze King and ACR are continuing their efforts to position themselves as regulatory compliance leaders in current and prospective markets, as evidenced by the pre-emptive EPA retesting completed and underway.

- United States government's tax credit program, effective until 2032, should continue to drive outsized demand relative to the market as Blaze King products make up 9% of eligible wood stoves. Consumers can apply for a tax credit of up to $2,000 to replace older non-efficient wood stoves and fireplaces.

- Blaze King and ACR are in pursuit of regulatory approval of a new product design that utilizes Blaze King's combustion technology styled and sized for sale into the United Kingdom and European market, which also could be sold in the North American market, supported by the extensive dealer networks both businesses have in their respective markets. Testing in the United Kingdom is underway for this new product. Both companies are pursuing other new product designs as well to broaden the range of products they offer. ACR is expecting to launch a new range of electric products for the United Kingdom market in late Q4 2024 while Blaze King has developed and expects to begin testing a new fireplace product aimed more at the new construction market in early Q4 2024.

- Winter weather conditions, the costs of heating alternatives such as natural gas, timelines for receiving regulatory approval for new product line launches, consumer demand, including the impact of prolonged higher interest rates, and geopolitical uncertainty have an impact on demand for wood stoves and fireplaces in North America, the United Kingdom and Europe. Both Blaze King and ACR are actively pursuing market share increases through their respective distribution channels, including through pursuing profitable new retailers, and the introduction of new product designs to address these potential impacts. Blaze King management has been focused on building appropriate levels of inventory to satisfy demand expected through the second half of the year. Investments in growth capital were made over the last three years to increase production capacity and efficiency. Blaze King management has reduced its labour force and will continue to maintain the levels required based on customer demand.

Slimline

- Slimline's agriculture sprayers have strong brand equity and market penetration in British Columbia and in the Pacific Northwest and the fuel, chemical and labour efficiency improvements Slimline's customers experience in utilizing its sprayer products position Slimline to capitalize on the wider industry movement toward precision agriculture. Further, Slimline is continuing to develop products that further enhance these efficiencies.

- Leadership is focused on communicating its efficiency relative to competing products through wide ranging product demonstrations while also enhancing its service quality to the existing customer base while expanding its market share in the Pacific Northwest and other large agricultural markets in North America, such as California, Florida, Georgia, South Carolina and New York. This focus has positioned Slimline for the 2025 agricultural sprayer buying season, as agricultural sprayer orders were considerably lower to date in 2024 and in 2023 relative to 2022.

- The current high interest rate environment and general economic uncertainty has negatively impacted 2024 sprayer sales and may continue to have a negative effect through the remainder of the year.

- Opportunities for Slimline's wastewater evaporator products to provide alternative wastewater remediation solutions in the mining, oil and gas and waste management industries.

- The development of a larger scale evaporator for use in larger scale tailings ponds led to a substantial order that was fulfilled in Q3 2023. Further opportunities for the larger scale evaporator are being pursued, demonstrated by increased evaporator sales in Q2 2024 relative to Q2 2023 and additional orders received in Q3 2024. Slimline is also positioning itself to work with a well-known university to provide research that helps support the benefits of its evaporative technology.

- The benefits of its evaporative technology are also being demonstrated through customer product trials. The information gained from these trials has led to numerous product improvements which are expected to increase performance substantially and provide Slimline's wastewater evaporators with further competitive advantages.

Marketing Impact

- Services a wide range of top-tier retail and consumer packaged goods customers that are in non-cyclical industries selling non-discretionary products. Grocery stores, convenience stores, and pharmacies, as well as the consumer-packaged goods that are shelved by these outlets, have all experienced strong demand trends over the last few years and that is expected to continue in the long-term.

- Demand from these customers softened in 2023 and early 2024 but improved in Q2 2024 which, when coupled with operational productivity improvements resulted in higher sales relative to Q2 2023. Further, Q2 2024 order levels exceeded Q2 2023 orders by nearly 50% which will positively impact Marketing Impact results in the second half of the year as well. Marketing Impact is uniquely positioned as a North American manufacturer and supplier of merchandising products, systems, solutions and displays for these customer groups. Its product pusher and anti-theft systems can demonstrate a strong return on investment to its customer base as they support labour savings and reduced shrinkage for its customers.

- Well established with its customer base in Eastern Canada. Given its market position and the quality of its products, management believes there are opportunities for growth in Western Canada, Quebec and the United States. In the United States, the grocery and pharmacy industries are more fragmented than in Canada, which provides for a wider potential customer sales base.

- Transition of leadership from the founders limited growth in the business in 2023. Marc Gosselin was hired as the President of Marketing Impact in March 2024, marking a major advancement in the leadership transition process, positioning the business to pursue growth in a methodical fashion while improving operational efficiency.

Capital I

- Produces innovative products designed for optimizing maintenance of gravel roads that can demonstrate a strong return on investment for its customers through reduced use of consumables, improved visibility and safety of drivers given the proprietary method of product attachment to grader units, while improving performance as a result of the unique design attributes of its products relative to its competitors.
- Significant opportunities for growth in adjacent markets exist in British Columbia, Alberta, Ontario and the United States. The sales team is being expanded to target these markets.
- The current high interest rate environment and general economic uncertainty has and may continue to cause Capital I customers to defer capital expenditures and instead focus on maintenance which could reduce demand for Capital I products in the near-term.
- A pause in project work that was previously being completed for an oil and gas customer impacted Capital I results in the first half of 2024, as that customer worked through a sales process. The customer's sales process concluded in Q3 2024 and they are now part of a much larger entity. Orders from this customer have started to recommence and sales are expected to be positively impacted later in Q3 and Q4 2024.

IHT

- The energy efficiency of IHT's products results in significant cost savings for pork producers relative to other technologies used in the industry.
- Similarly, its products optimize heating conditions, and improve safety and hazard prevention, all of which enhance animal welfare and additional cost savings for its customers.
- Feed costs and market pricing have challenged the North American pork market over the last year, and, while feed costs and pricing improved early in 2024, pork pricing has softened as the year has progressed. IHT's products can help pork producers reduce their energy usage and realize cost savings, supporting profitability. IHT currently has a large number of trials ongoing with potential customers to demonstrate the ability of its products to support profitability, which have historically had a very high probability of converting to future product sales. However, the current high interest rate environment and general economic uncertainty has and may continue to impact timing of when these trials turn into larger scale sales. Conversion of trials to sales is the clear focus of management, who has been actively supporting its customers to complete grant and rebate applications, which its products are eligible for, in order to facilitate the conversion decision.
- IHT management has reduced its labour force while also positioning itself to have inventory available to capitalize on trial conversions and will continue to maintain the staffing levels required based on customer demand.
- IHT has expanded its product offering to include cooling mats which it is launching with customers in the near term. In addition, its capability with respect to fiberglass reinforced plastics and the additional capacity afforded to IHT by the move to a new larger facility, with new more efficient equipment will allow IHT to both meet its expected demand levels over the coming years and expand its product offering.
- Opportunities for growth in other pork producing countries in South and Central America, Asia and Europe also exist for IHT, which it is pursuing through the development of distributor relationships in these markets.

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 six separate businesses: Unicast, Hawk, Northside, Micon, Procore, and Techbelt.

Unicast
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 designed to have fewer issues regarding installation and maintenance by using novel alloys, precision engineering, three-dimensional scanning technology, robust quality control processes, and comprehensive collaboration agreements involving academia and industry partners. 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, the Middle East, Asia, and Europe.

Hawk
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 routinely delivers product direct to end-users rather than customers' facilities for inspection as a result of its low historical failure rates.

Northside
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, tool and battery boxes, steel under-decking and much more.

Micon
Micon, founded in 1990, designs, manufactures and distributes high-quality radiator seals and grommets for heavy duty equipment. Its products are designed to help reduce downtime associated with cooling system failures of the equipment used in the demanding mining and road construction industries. Micon utilizes strategic distribution hubs and distribution partners to reduce time to fulfill orders to its worldwide base of customers.

Procore
Procore, founded in 2006, designs, manufactures and distributes high-performance radiators for heavy duty equipment. Procore radiators are designed for the cooling systems found in the heavy-duty equipment used in the mining, oil and gas and road construction industries. Procore manufactures a full line of folded core radiators as well as a growing list of AMOCS Radiators to fit into Caterpillar™ type equipment. Procore's innovative designs reduce expensive downtime for its customers, and it utilizes strategic distribution hubs and distribution partners to reduce time to fulfill orders to its worldwide base of customers.

Techbelt

Techbelt, founded in 2002, is a manufacturer of polytetrafluoroethylene ("PTFE") conveyor belts, PTFE tapes, and PTFE materials which are used in a wide range of end markets including food and beverage, packaging, textiles, agriculture, and fast-moving consumer goods. Techbelt management believes that its key competitive advantages are its ability to provide technical solutions for customers and its rapid turnaround for delivery of a broad range of products at high specification for markets with compliance and regulatory requirements.

Component Manufacturing Segment Performance

(Stated in thousands of dollars)

	For the three months ended		For the six months ended	
June 30,	**2024**	2023	**2024**	2023
Sales	$ **13,342**	$ 12,987	$ **26,972**	$ 26,514
Gross profit	**4,086**	4,436	**8,926**	8,862
Gross profit %	**31%**	34%	**33%**	33%
Profit	**1,095**	1,603	**3,089**	3,297
Add (deduct):				
Financing costs	**57**	30	**90**	57
Income tax expense	**77**	363	**346**	794
Amortization and depreciation	**1,053**	766	**1,857**	1,366
Acquisition and restructuring costs	**67**	-	**141**	-
Foreign exchange income	**(61)**	(6)	**(206)**	(43)
Interest and other expense (income)	**2**	(1)	**(1)**	(3)
Gain on sale of equipment	**-**	-	**-**	(69)
Adjusted EBITDA	**2,290**	2,755	**5,316**	5,399

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

Three Months Ended June 30, 2024

Overall segment sales in Q2 2024 increased by $0.4 million, or 3%, relative to Q2 2023, driven by the sales generated in Techbelt, which was acquired in April 2024, and the increase in Hawk sales driven by the APM assets it acquired March 2024, partially offset by sales decreases in Unicast. Unicast sales decreased as economic and geopolitical uncertainty resulted in reduced order activity leading into Q2 2024. Techbelt sales were in-line with pre-acquisition averages. The sales generated by Northside, Micon and Procore in Q2 2024 were consistent with Q2 2023 as demand levels in the industries these businesses service continued to be strong.

Segment gross profit decreased by $0.4 million, or 8%, for the three-month period ended June 30, 2024, compared to the same period in 2023. The decrease was primarily driven by the impact of Hawk's fixed overhead costs on the seasonal slowdown oilfield manufacturing businesses experience during Q2 in the Western Canadian Sedimentary Basin. This also impacted the decrease in segment gross profit percentages, which declined by 3 percentage points to 31% in Q2 2024 compared to 34% in Q2 2023.

Segment Adjusted EBITDA was $2.2 million in Q2 2024; a decrease of $0.5 million, or 19%, compared to Q2 2023. The decrease in segment Adjusted EBITDA was driven primarily by the decreased gross profit generated in the quarter.

Six Months Ended June 30, 2024

Overall segment sales in the first half of 2024 increased by $0.5 million, or 2%, relative to the same period in 2023, driven by sales increases in Northside as well as the sales generated in the businesses acquired in 2023 and 2024: Micon, Procore, and Techbelt, partially offset by sales decreases in Unicast. The sales generated by these three acquired businesses were consistent with pre-acquisition averages and Hawk sales increased 10% relative to the first half of 2023, driven by the APM assets it acquired in March 2024. Northside sales increased 8% relative to the first half of 2023 as demand levels in the

commercial vehicle industry have continued to be strong. Unicast sales decreased as economic and geopolitical uncertainty resulted in reduced order activity leading into 2024.

Segment gross profit and gross profit percentages were both relatively consistent in the first half of 2024, compared to the same period in 2023.

Segment Adjusted EBITDA was $5.3 million in the first half of 2024; a decrease of $0.1 million, or 3%, compared to the first half of 2023. The decrease in segment Adjusted EBITDA was driven by the impact of the increase in the scale of the segment from the acquisitions completed in 2023 and 2024, and the associated operating expenses relative to the first half of 2023.

Component Manufacturing Segment Industry Trends and Outlook

Unicast, Micon and Procore

- Long-term demand expectations for cement, aggregate and mining industries continue to be strong based on infrastructure spending initiatives that have been introduced by governments globally and strong construction activity outlook. Recent investment in new equipment which is still under warranty can impact the after-market wear-parts businesses as OEM replacement parts are purchased to maintain warranty coverage. In addition, some customers are electing to defer maintenance on machinery or delay capital projects due to general macro-economic pressures, including the high interest rate environment, and near-term geopolitical uncertainty has also impacted order activity at Unicast.
- While overall order levels were lower in the first half of 2024 relative to the first half of 2023, Q2 2024 orders exceeded Q2 2023 orders by 80% which will positively impact Unicast results in the second half of the year. Unicast management is actively managing its cost structure based on order activity.
- Unicast's diverter valve products, primarily servicing the cement industry, have been a source of strength in its sales in 2024 and Unicast is focused on continuing to build its market share with customers that use this differentiated, high-margin product.
- Opportunity for market share increases through cross selling amongst complementary customer bases and geographies served between Unicast, Micon and Procore. Micon and Procore leveraging existing customer relationships to pursue work in new geographic markets. Further geographic expansion opportunities in Latin America, Australia, Africa, Asia, Europe, and the Middle East.
- Unicast is working with a well-known university to provide research into technology aimed at extending the wear life of certain of its products which should give Unicast a competitive advantage with respect to these wear products.
- Unicast has entered into a lease on a new expanded facility to improve operational efficiency and allow it to carry more inventory of key products to reduce lead-time and stimulate real-time orders from its customers.
- Unicast continues to diversify its supply chain with over 30% of the products delivered in 2023 coming from suppliers outside of China. Unicast can produce over 90% of its wear parts from suppliers outside of China, which greatly mitigates geopolitical and supply chain risk for its business.

Techbelt

- Has a long-standing reputation for technical problem solving, customer service, and innovation and expects to leverage its core competencies to achieve organic growth.
- Pursuing geographic and product development opportunities through expansion of the sales team to target additional markets.
- Utilizing Group facilities to support access to North American market to drive organic growth.

Hawk

- Hawk's customer base is currently tied closely to the North American oil and gas industry and, within this sector, considerable customer base diversification has occurred over the last two years which has lessened the reliance on its main customer considerably.
- Current oil price levels continue to be supportive of strong activity levels in the oil and gas industry, which should be positive with respect to demand for Hawk's products , though Canadian drilling activity is highly seasonal.
- Investments in growth capital were made over the last two years to expand its machining capabilities and improve automation and efficiency.
- In March 2024, Hawk acquired the assets of APM, providing it with increased machining capabilities and access to additional equipment and people to service the strong demand from its growing customer base , which supported the 31% year-over-year revenue growth experienced by Hawk in Q2 2024 relative to Q2 2023.
- Hawk management is working at improving operational efficiency in both its new Edmonton, Alberta location, including exploring automation opportunities, and its main facility in Linden, Alberta.

Northside

- Northside's increased sales through 2023 and into 2024 have been primarily driven by demand in the commercial vehicle sector. Demand for commercial vehicle products increased significantly through 2023 and into 2024, and based on current production forecasts, the provision of these products is expected to continue to support strong demand levels for commercial vehicle products for the remainder of the year.
- In Q4 2023, Northside extended the term of its long-term contract with a major commercial vehicle customer through to the end of 2026 and also entered into a new contract with another major commercial vehicle customer. The new contract diversifies Northside's customer base and includes shared investment in property and equipment with this customer to produce specific products for them. Northside's new facility is expected to be fully operational by the start of Q4 2024, when sales of the key products under this new contract are expected to commence, however sales of some ancillary products to this new customer are expected to commence sooner.
- North American lumber prices declined in the last several quarters, as rising interest rates reduced demand for lumber. Demand for forestry equipment has moderated as a result and limited demand for Northside's products connected to this sector in 2023 and to date in 2024. Any improvements in the forestry industry could lead to increased sales of forestry related products in the future.

- Northside is committed to improving production capacity and efficiency and successfully entered into a strategic partnership to produce certain lower margin products in a lower cost jurisdiction in 2023 to help mitigate the effect of cost increases over the previous few years and meet the expected future demand levels of its customers while also increasing production capacity.
- Production capacity improvements were used to produce fireboxes for Blaze King in the second half of 2023, as Blaze King worked through its large backlog. Although production of Blaze King fireboxes at Northside has been suspended at this time, Northside now has the capability to provide Blaze King with surge production when needed. These efficiencies are also allowing Northside to pursue other value-add manufacturing opportunities for different customers and into new markets.
- Additional capacity and efficiency enhancing investments, including through improved automation, are targeted for 2024, with initial deposits on a new laser and brake press made in Q4 2023 and delivery of this equipment expected before the end of the year.

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 six months ended	
June 30,	**2024**	2023	**2024**	2023
Loss	$ **(2,779)**	$ (2,403)	$ **(5,359)**	$ (4,284)
Add (deduct):				
Financing costs	**1,207**	746	**2,227**	1,383
Income tax expense	**23**	36	**50**	15
Amortization and depreciation	**21**	14	**42**	28
Acquisition and restructuring costs	**441**	578	**553**	602
Share-based compensation expense	**241**	115	**552**	354
Foreign exchange income	**(27)**	-	**(27)**	-
Adjusted EBITDA	**(873)**	(914)	**(1,962)**	(1,902)

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

<u>Three Months Ended June 30, 2024</u>
During the three-month period ended June 30, 2024, Head Office expended $2.8 million on corporate activities, an increase of $0.4 million relative to Q2 2023. The increase was primarily a result of the $0.5 increase in financing costs in the quarter due to the increase in long-term debt used to fund the four acquisitions completed post-Q1 in 2023, which was partially offset by the $0.1 million decrease in acquisition and restructuring costs in Q2 2024, versus Q2 2023.

<u>Six Months Ended June 30, 2024</u>
For the six months ended June 30, 2024, Head Office expended $5.4 million on corporate activities, an increase of $1.1 million relative to 2023. The increase was primarily a result of a $0.8 million increase in financing costs in 2024 due to the increase in long-term debt used to fund the four acquisitions completed post-Q1 in 2023. In addition, share-based compensation was $0.2 million higher in 2024, versus the same period in 2023, primarily as a result of the increase in fair value of the deferred share units and restricted share units issued in 2024.

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. 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 considering 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 its Annual 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 $3.2 million, compared to cash of $2.0 million at June 30, 2024, and cash of $4.1 million at December 31, 2023.

As at June 30, 2024, the Company had net working capital of $25.2 million (December 31, 2023 - $21.7 million) as follows:

(Stated in thousands of dollars)	**June 30, 2024**	December 31, 2023
Cash	$ **2,026**	$ 4,050
Accounts receivable	**21,158**	22,647
Inventory	**26,359**	24,351
Prepaid expenses and deposits	**2,340**	1,399
Accounts payable and accrued liabilities	**(22,099)**	(26,107)
Dividends payable	**(873)**	(756)
Warranty provision	**(500)**	(700)
Customer deposits	**(487)**	(1,281)
Current portion of lease obligations	**(2,453)**	(1,693)
Current portion of long-term debt	**(233)**	(224)
Net working capital	$ **25,238**	$ 21,686

Capital Expenditures

(Stated in thousands of dollars)	For the three months ended		For the six months ended	
June 30,	**2024**	2023	**2024**	2023
Purchase of property and equipment	$ **1,493**	$ 932	$ **2,051**	$ 1,653
Proceeds from sale of property and equipment	**(31)**	-	**(51)**	(81)
	1,462	932	**2,000**	1,572
Growth capital expenditures	**1,298**	581	**1,503**	732
Maintenance capital expenditures	**164**	351	**497**	840
	$ **1,462**	$ 932	$ **2,000**	$ 1,572

Growth capital expenditures in 2024 were primarily directed toward a new brake press at Blaze King, new facilities at Northside and Unicast, as well as product and market development expenditures.

Free Cash Flow

(Stated in thousands of dollars)

June 30,	For the three months ended **2024**	2023	For the six months ended **2024**	2023
Cash provided by operating activities	$ **227**	$ 6,995	$ **(213)**	$ 6,964
Add (deduct):				
Changes in non-cash working capital	**1,228**	(2,311)	**4,741**	1,286
Income taxes paid	**1,466**	11	**2,188**	1,333
Current income tax expense	**(67)**	(929)	**(468)**	(1,836)
Acquisition and restructuring costs	**508**	578	**694**	602
Interest paid	**(1,389)**	(836)	**(2,581)**	(1,547)
Lease payments	**(524)**	(373)	**(958)**	(689)
Required principal repayments on debt	**(57)**	(55)	**(114)**	(55)
Free cash flow	$ **1,392**	$ 3,080	**3,289**	6,058

The decrease in Free Cash Flow in 2024, was primarily a result of the decrease in Adjusted EBITDA, net of current income tax expense, and the increase in interest paid relative to 2023.

Dividends and Dividend Payout Ratios

The Company's Board of Directors regularly examines the dividends paid to shareholders. The following dividends were declared during the six months ended June 30, 2024, and throughout 2023:

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

	2024		2023	
Month	**Per share ($)**	**Dividend Amount ($)**	Per share ($)	Dividend Amount ($)
January	$ **0.040**	$ **758**	$ 0.030	$ 448
February	**0.045**	**860**	0.030	450
March	**0.045**	**864**	0.035	528
April	**0.045**	**875**	0.035	608
May	**0.045**	**873**	0.035	610
June	**0.045**	**873**	0.035	611
July	**-**	**-**	0.040	712
August	**-**	**-**	0.040	746
September	**-**	**-**	0.040	752
October	**-**	**-**	0.040	755
November	**-**	**-**	0.040	755
December	**-**	**-**	0.040	757
Total	$ **0.265**	$ **5,103**	$ 0.440	$ 7,732

The above dividends were paid on or about the 15th of the month following their declaration. Of the dividends paid in 2024, $3.8 million were settled in cash and $1.2 million were reinvested in additional common shares of the Company, pursuant to the dividend reinvestment and cash purchase plan "the DRIP".

On February 15, 2024, the Company announced an increase in its monthly dividend to $0.045 per share effective for the March 2024 dividend payment, which represents annualized dividends of $0.54 per common share.

The Company utilizes Free Cash Flow Less Maintenance Capital to analyze the percentage of cash generated from operations returned to shareholders as dividends. This is analyzed on a trailing twelve-month basis in order to reduce the impact of seasonality on the analysis. Cash outflows associated with acquisitions, including acquisition costs, and growth capital expenditures are not included in this payout ratio as they are expected to generate incremental cash inflows in the future. The Company's dividend payout ratio increased in the trailing twelve-month period ended June 30, 2024 compared to the same period in 2023. The increase was primarily impacted by the increase in interest paid and the increase in dividends declared in the respective periods.

(Stated in thousands of dollars) For the trailing twelve month period ended June 30,	**2024**	2023
Cash provided by operating activities	**$ 8,613**	$ 14,099
Add (deduct):		
Changes in non-cash working capital	**7,571**	1,679
Income taxes paid	**5,161**	1,333
Current income tax expense	**(2,906)**	(2,816)
Acquisition and restructuring costs	**1,093**	1,102
Interest paid	**(4,684)**	(2,873)
Lease payments	**(1,761)**	(1,323)
Required principal repayments on debt	**(230)**	(55)
Free cash flow	**12,857**	11,146
Maintenance capital expenditures	**(1,000)**	(1,276)
Free cash flow less maintenance capital	**11,857**	9,870
Dividends declared	**9,580**	5,780
Dividend payout ratio	**81%**	59%

Cumulative dividends, paid since Decisive's inception, for the six months ended June 30, 2024, are as follows:

(Stated in thousands of dollars)	**June 30, 2024**
Cumulative dividends, beginning of period	**$ 27,418**
Dividends declared during the period	**5,103**
Cumulative dividends, end of period	**$ 32,521**

Subsequent to June 30, 2024, to the date of this MD&A, the Company undertook the following dividend actions:

- A dividend of $0.045 per share was declared on July 15, 2024, for shareholders of record on July 31, 2024, which is payable on August 15, 2024.

Long-Term Debt

(Stated in thousands of dollars)		Authorized and Available		**August 8, 2024 Outstanding**		**June 30, 2024 Outstanding**		December 31, 2023 Outstanding
Syndicated credit facility	$	100,000	$	**60,985**	$	**59,507**	$	-
Previous credit agreement		-		**-**		**-**		45,091
Equipment loans		293		**293**		**328**		415
Total debt	$	100,293	$	**61,278**	$	**59,835**	$	45,506
Less: cash				**(3,186)**		**(2,026)**		(4,050)
Total debt, net of cash			$	**58,092**	$	**57,809**	$	41,456

In March 2024, the Company entered into a syndicated credit facility providing for a committed $100 million senior secured revolving term loan and a $75 million accordion, which the Company can request as an increase, in whole or in part, to the total amount available under the syndicated credit facility. The syndicate lenders include National Bank of Canada, CWB Maxium Financial (a wholly owned division of Canadian Western Bank), Royal Bank of Canada and Fédération des caisses Desjardins du Québec, with National Bank of Canada acting as administrative agent on behalf of the syndicate.

The syndicated credit facility increased the Company's overall debt capacity from $68 million to $175 million, providing Decisive with considerable additional liquidity to fund growth in its existing operations as well as through acquisition opportunities, at borrowing costs currently lower than the effective interest rates under its previous credit agreement.

Both of the acquisitions described in this MD&A under the heading "2024 Acquisitions", were completed utilizing the syndicated credit facility.

Comparative details of the syndicated credit facility and the previous credit agreement with Canadian Western Bank and CWB Maxium Financial are as follows:

Syndicated Credit Facility

(Stated in thousands of dollars)	Interest Rate	Effective Interest Rate		Revised Authorized Debt
Senior secured revolving term loan	see below	7.6%	$	100,000
Accordion facility	see below	-		75,000
Total senior debt			$	175,000

Previous Credit Agreement

(Stated in thousands of dollars)	Interest Rate	Effective Interest Rate		Previous Authorized Debt
Revolving term acquisition facility	P+2.5%	9.7%	$	25,000
Revolving term operating facility	P+1.0%	8.2%		15,000
Non-amortizing term facility	6.9%	6.9%		28,000
Total senior debt		8.2%	$	68,000

"P" in the table above denotes prime rate

The syndicated credit facility consists of a single senior secured revolving term loan, compared to the three separate loan tranches outlined in the table above. There are no required principal payments for the committed three-year term of the syndicated credit facility, which also provides for annual extension provisions, and all drawn amounts will mature in March 2027.

Borrowings under the syndicated credit facility may be made by way of Canadian prime rate, U.S. base rate, Canadian overnight repo rate average ("CORRA") or U.S. Federal reserve secured overnight financing rate ("SOFR") advances. The syndicated credit facility bears interest at the Canadian prime rate or U.S. base rate plus 0.75% to 2.25%, or at CORRA or SOFR plus 2.00% to 3.50%. These interest rate ranges are dependent on certain financial ratios of the Company. In addition, standby fees ranging from 0.40% to 0.70% per annum are paid quarterly on the unused portion of the syndicated credit facility depending on certain financial ratios of the Company. There are no fees paid on the accordion until amounts are made available.

The syndicated credit facility is secured by a general security agreement, assignment of insurance, and unlimited corporate cross 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 debt to Adjusted EBITDA of 3.25:1
- Minimum fixed charge coverage ratio of 1.50:1

As at June 30, 2024, the Group was in compliance with these ratios.

Off-Balance Sheet Arrangements

The Group 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 August 8, 2023, June 30, 2024, and December 31, 2023. Each deferred share unit and restricted share unit entitled the holder thereof to one common share of the Company pending the satisfaction of certain vesting, settlement and/or redemption criteria. Each warrant and stock option entitled the holder thereof to purchase one common share of the Company pending the satisfaction of certain vesting criteria.

	August 8, 2024	**June 30, 2024**	December 31, 2023
Common shares, basic	**19,485,984**	**19,410,559**	18,910,603
Warrants outstanding	**850,728**	**860,728**	968,082
Deferred share units outstanding	**97,914**	**97,914**	44,440
Restricted share units outstanding	**126,691**	**126,691**	69,789
Stock options outstanding	**249,002**	**249,002**	400,002
Common shares, fully diluted	**20,810,319**	**20,744,894**	20,392,916

An aggregate of 342,623 common shares were issued during the six months ended June 30, 2024, through Decisive's employee share purchase plan, DRIP and the exercise of stock options and restricted share units. These share issuances generated cash proceeds of $0.9 million and reduced the amount of cash dividends paid by $1.2 million. In Q2 2024, Decisive purchased and cancelled 7,900 common shares at a weighted average price of $7.02 per common share under its NCIB.

In addition, 107,354 common shares were issued during the six months ended June 30, 2024 on the exercise of warrants which generated $0.8 million in cash proceeds. Of the warrants that remain outstanding as of the date of this MD&A, 67,203 exercisable at a price of $4.94 per warrant expire in September 2024, and 783,525 exercisable at a price of $7.09 per warrant expire in April 2025. These outstanding warrants represent total cash proceeds of $5.9 million to the Company within the next twelve months, if exercised.

As part of the consideration paid for the acquisitions described earlier in this MD&A under the heading "2024 Acquisitions", the Company issued 57,879 common shares to the vendors of Techbelt at a price of $10.41 per share.

As at August 8, 2024, there were 636,298 shares in escrow relating to the Company's completed acquisitions, as follows:

- Marketing Impact – 78,431 to be released in April 2025.
- ACR – 111,193 to be released half per year in October 2024 and 2025 respectively.
- Capital I – 82,641 to be released half per year in April 2025 and 2026 respectively.
- Micon – 36,956 to be released half per year in April 2025 and 2026 respectively.
- Procore – 59,454 to be released half per year in April 2025 and 2026 respectively
- IHT – 209,743 to be released half per year in July 2025 and 2026 respectively.
- Techbelt – 57,879 to be released one-third per year in April 2025, 2026, and 2027 respectively.

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 six months ended June 30, 2024, included $0.8 million of salaries, benefits and director fees (2023 - $0.9 million) and $0.3 million of share-based compensation (2023 - $0.3 million).

Accounting Policies

The Company's material accounting policies are disclosed in Note 3 of Decisive's audited consolidated financial statements for the year ended December 31, 2023. During 2024, there have not been any changes in the accounting policies or methods of computation used.

Critical Accounting Estimates

This MD&A is based on the Company's consolidated financial statements. The preparation of the consolidated financial statements requires that certain estimates and judgements be made with respect to the reported amounts of revenues and expenses and the carrying amounts of assets and liabilities. These estimates are based on historical experience and management's judgement. Anticipating future events involves uncertainty and consequently the estimates used by management in the preparation of the consolidated financial statements may change as future events unfold, additional experience is acquired or the Company's operating environment changes. The estimates and judgements considered to be the most significant in the preparation of the consolidated financial statements were described in the Company's 2023 Annual MD&A under the heading "Critical Accounting Estimates". There were no significant changes to the methodologies employed in applying these estimates and judgements in the first six months of 2024.

Financial Instruments and Financial Risk Management

Fair Value Measurement and Disclosures

The basis for fair value measurements and/or disclosures were described in the Company's 2023 Annual MD&A under the heading "Financial Instruments". There were no changes in the classification or in the fair value measurement basis of the Group's financial instruments since December 31, 2023.

At June 30, 2024, 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 Company's long-term debt was not materially different than their carrying amounts as they are based on market interest rates.

Financial Risk Management

The Company's primary business activities consist of the acquisition of businesses in the manufacturing sector. The Company examines the various financial risks to which the Group 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. 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, 2023.

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 Group's cash is held in business accounts which are available on demand for the Group's programs. The contractual maturities of financial instruments are as follows:

(Stated in thousands of dollars)

June 30, 2024	Carrying value	Total contractual cash flows	Within one year	Two to five years	More than five years
Accounts payable	**$ 22,099**	**$** 22,099	$ 12,170	$ 9,929	$ -
Dividends payable	**873**	873	873	-	-
Long-term debt	**58,976**	73,402	4,764	68,638	-
Lease obligations	**14,437**	16,888	3,058	10,052	3,778
	$ 96,385	**$** 113,262	$ 20,865	$ 88,619	$ 3,778

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 has a credit facility in place with its senior lenders that provides the Group access to a revolving term loan and an available accordion facility, as described under the heading "Long-term Debt" earlier in this MD&A. The Group continues to manage its financial position in accordance with its capital management objectives and in light of its current operating environment.

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 June 30, 2024, the Company expected 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)

	June 30, 2024	
Not yet due	**$ 11,514**	**56%**
31-60 days overdue	**3,997**	**19%**
61-90 days overdue	**1,053**	**5%**
>90 days overdue	**4,142**	**20%**
Trade accounts receivable	**20,706**	**100%**
Less: expected credit losses	**(211)**	
Net trade accounts receivable	**$ 20,495**	

The Company expects to recover the full amount of its trade receivables, less any expected credit losses. Subsequent to June 30, 2024, to the date of this MD&A, the Group collected 80% of the amounts over 90 days overdue.

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.

The functional currency for Blaze King Industries Inc. and Unicast is the US 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. As a result, 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:

(Stated in thousands of dollars)

	Entities with a CAD functional currency		Entities with a USD functional currency		Entities with a GBP functional currency		
As at June 30, 2024	**CAD**	**USD**	**CAD**	**USD**	**CAD**	**GBP**	**Total**
Cash	$ 85	$ 532	$ (248)	$ 165	$ -	$ 1,492	**$ 2,026**
Accounts receivable	14,664	3,898	54	1,407	-	1,135	**21,158**
Accounts payable	(16,682)	(3,734)	(164)	(442)	-	(1,076)	**(22,098)**
Dividend payable	(873)	-	-	-	-	-	**(873)**
Inter-company amounts	7,750	-	(6,239)	3,399	(4,910)	-	**-**
Long-term debt	(52,368)	(6,608)	-	-	-	-	**(58,976)**
Net exposure	(47,424)	(5,912)	(6,597)	4,529	(4,910)	1,551	**(58,763)**
Effect of 5% strengthening of FC versus CAD:							
Profit (loss)	-	(296)	330	-	245	-	**279**
OCI	$ -	$ -	$ -	$ (226)	$ -	$ (78)	**$ (304)**

The Company is at times 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 Company's interest-bearing debt outstanding at June 30, 2024, 99% was variable rate. The Company does not enter into derivative contracts to manage this risk.

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

(Stated in thousands of dollars)

Interest rate risk	**June 30, 2024**
Floating instruments	**$ 59,507**
Average balance	**36,484**
Impact on profit (loss) of a change in interest rates:	
-1%	**365**
+1%	**$ (365)**

Risk Factors

The Company and its subsidiaries are 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. There were no changes to the principal risk factors from those reported in the Company's Annual MD&A for the year ended December 31, 2023.

Non-IFRS Financial Measures

"Adjusted EBITDA", "Free Cash Flow", "Growth Capital Expenditures", "Maintenance Capital Expenditures", "Dividend Payout Ratio" and "Return on Invested Capital" are not recognized financial measures under IFRS Accounting Standards but are believed to be meaningful in the assessment of the Group's performance as defined below.

"**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.

Adjusted EBITDA per share is also presented, which is calculated by dividing Adjusted EBITDA, as defined above, by the weighted average number of shares outstanding during the period.

"**Free Cash Flow**" is defined as cash provided by operating activities, as defined by IFRS Accounting Standards, adjusted for changes in non-cash working capital, timing considerations between current income tax expense and income taxes paid, interest payments, required principal payments on long-term debt and right of use lease liabilities, and any unusual non-operating one-time items such as acquisition and restructuring costs (as described above).

Free Cash Flow is a financial performance measure used by management to analyze the cash generated from operations before the impact of changes in working capital items or other unusual items and after giving effect to expected income taxes thereon, as well as required interest and principal payments on long-term debt and right of use lease liabilities.

The most directly comparable financial measure is cash provided by operating activities. Adjustments made to cash provided by operating activities in the calculation of Free Cash Flow include other IFRS Accounting Standards measures, including changes in non-cash working capital, current income tax expense, income taxes paid, interest paid, and principal payments on long-term debt and right of use lease liabilities.

Free Cash Flow per share is also presented, which is calculated by dividing Free Cash Flow, as defined above, by the weighted average number of shares outstanding during the period.

"**Free Cash Flow Less Maintenance Capital**" is defined as Free Cash Flow, as defined above, less Maintenance Capital Expenditures, as defined below. Free Cash Flow Less Maintenance Capital is a financial performance measure used by management to analyze the cash generated from operations before the impact of changes in working capital items or other unusual items and after giving effect to expected income taxes thereon, as well as required interest and principal payments on long-term debt and right of use lease liabilities, and capital expenditures required to sustain the current operations of the Company.

The Company presents Free Cash Flow Less Maintenance Capital Expenditures per share, which is calculated by dividing Free Cash Flow Less Maintenance Capital, as defined above, by the weighted average number of shares outstanding during the period.

"**Growth and Maintenance Capital Expenditures**" maintenance capital expenditures are defined as capital expenditures required to maintain the operations of the Group at the current level and are net of proceeds from the sale of property and equipment. Growth capital expenditures are defined as capital expenditures that are expected to generate incremental cash inflows and are not considered by management in determining the cash flows required to sustain the current operations of the Company. While there are no comparable IFRS Accounting Standards measures for Maintenance Capital Expenditures or Growth Capital Expenditures, the total of Maintenance Capital Expenditures and Growth Capital Expenditures is equivalent to the total purchases of property and equipment, net of proceeds from the sale of property and equipment, on the Company's statement of cash flows.

"**Dividend Payout Ratio**" the Company presents a dividend payout ratio, which is calculated by dividing dividends declared by the Company by Free Cash Flow Less Maintenance Capital, as defined above. The Dividend Payout Ratio is a financial ratio used by management to analyze the percentage of cash generated from operations, before the impact of changes in working capital items or other unusual items and after giving effect to expected income taxes thereon, as well as required interest and principal payments on long-term debt and right of use lease liabilities, and capital expenditures required to sustain the current operations of the Company, returned to shareholders as dividends.

"**Return on Invested Capital**" the Company references a return on invested capital ratio, which is calculated by dividing Free Cash Flow Less Maintenance Capital, as defined above, by the associated capital cost of the applicable investment. Specifically, the Return on Invested Capital for the aggregate investments completed by the Company to the end of a given period would be measured as follows: cumulative Free Cash Flow Less Maintenance Capital (as defined above) divided by the sum of: 1) the aggregate consideration paid for completed acquisitions (net of cash acquired); 2) aggregate acquisition costs (as described above); and 3) aggregate Growth Capital Expenditures (as defined above). The Return on Invested Capital Ratio is a financial ratio used by management to analyze the returns of competing investment opportunities.

While the above Non-IFRS financial measures are 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, Free Cash Flow, Growth Capital Expenditures, Maintenance Capital Expenditures and Dividend Payout Ratio, are not recognized financial measures under IFRS Accounting Standards;
- The Company's method of calculating Non-IFRS financial measures 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 should not be viewed as an alternative to measures that are recognized under IFRS Accounting Standards such as profit or loss or cash provided by 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 Accounting Standards measures, are included in this MD&A under "Overall Performance – Financial Highlights", "Summary of Quarterly Results", and "Segment Overview and Performance".

Cautionary Statement Regarding Forward Looking Information and Statements

Certain statements in this MD&A constitute forward-looking information and forward-looking statements. All statements other than statements of historical fact contained in this report are forward-looking statements. Forward-looking information includes, 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, as well as information relating to the future prospects of the Company and its operating subsidiaries, 2024 demand levels, demand from customers, the timing of product sales and/or deliveries under existing customer contracts or significant orders received from customers, potential future acquisitions, and ongoing or planned initiatives to enhance margins and increase market share. Readers can identify many of these forward-looking statements by looking for words such as "believes", "expects", "could", "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 risk 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 risk factors include, but are not limited to: (i) operational risks, including risks 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, intellectual property, and information systems; (ii) financial risks, including risks relating to the availability of future financing; interest rates and debt financing; income tax matters; foreign exchange; dividends; trading volatility of common shares; dilution risk; (iii) external risks, including risks relating to general economic conditions; pandemics; competition; government regulation; environmental regulation; access to capital; market trends and innovation; climate risk; general uninsured losses; and (iv) human capital risks, including reliance on management and key personnel; employee and labour relations; and conflicts of interest.

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.

Internal Controls Over Financial Reporting

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

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