Financial Statements of

Decisive Dividend Corporation

For the nine months ended September 30, 2020

Consolidated Statements of Financial Position

(Unaudited - Expressed in thousands of Canadian dollars)

	September 30, 2020	December 31, 2019
Assets		
Cash	**$ 605**	$ 435
Accounts receivable	**7,432**	8,343
Inventory	**8,319**	8,327
Prepaid expenses and deposits	**1,030**	799
Total current assets	**17,386**	17,904
Property and equipment	**8,052**	8,464
Intangible assets	**11,921**	12,906
Goodwill (note 4)	**18,814**	20,117
Total assets	**$ 56,173**	$ 59,391
Liabilities		
Accounts payable and accrued liabilities	**$ 6,028**	$ 5,478
Dividends payable (note 8)	**-**	344
Warranty provision	**320**	287
Customer deposits	**208**	93
Current portion of lease obligations (note 5)	**956**	851
Current portion of long-term debt (note 6)	**83**	97
Total current liabilities	**7,595**	7,150
Lease obligations (note 5)	**2,494**	2,360
Long-term debt (note 6)	**21,220**	24,408
Deferred income taxes	**3,467**	3,608
Total liabilities	**34,776**	37,526
Equity		
Share capital (note 7)	**31,545**	30,978
Contributed surplus	**1,553**	1,270
Cumulative profit	**531**	1,239
Cumulative dividends (note 8)	**(12,656)**	(11,619)
	20,973	21,868
Accumulated other comprehensive income (loss)	**424**	(3)
Total equity	**21,397**	21,865
Total liabilities and equity	**$ 56,173**	$ 59,391

Commitments and contingencies (note 15)

Approved on behalf of the Board of Directors:

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

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

Consolidated Statements of Profit (Loss) and Comprehensive Income (Loss)

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

	For the Three Months Ended		For the Nine Months Ended	
September 30,	**2020**	2019	**2020**	2019
Sales (note 9)	**$ 11,823**	$ 12,122	**$ 33,643**	$ 33,124
Manufacturing costs (note 10)	**6,725**	7,352	**19,585**	20,425
Gross profit	**5,098**	4,770	**14,058**	12,699
Expenses				
Amortization and depreciation	**567**	447	**1,695**	1,199
Financing costs (note 11)	**536**	461	**1,640**	881
Occupancy costs	**198**	180	**648**	525
Professional fees	**85**	415	**359**	593
Salaries, wages and benefits	**2,076**	1,917	**6,085**	5,671
Selling, general and administration	**858**	976	**2,496**	2,948
	4,320	4,396	**12,923**	11,817
Operating profit	**778**	374	**1,135**	882
Other items				
Interest income	**2**	3	**13**	34
Foreign exchange gains (losses)	**(208)**	47	**(1)**	(276)
Goodwill impairment losses (note 4)	**-**	-	**(1,368)**	-
Gain on sale of equipment	**64**	23	**71**	23
	(142)	73	**(1,285)**	(219)
Profit (loss) before income taxes	**636**	447	**(150)**	663
Income taxes				
Current expense	**267**	249	**726**	464
Deferred recovery	**(6)**	(70)	**(168)**	(104)
	261	179	**558**	360
Profit (loss)	**$ 375**	$ 268	**$ (708)**	$ 303
Other comprehensive income (loss)				
Foreign operation currency translation differences	**(80)**	30	**427**	(88)
Total comprehensive income (loss)	**$ 295**	$ 298	**$ (281)**	$ 215
Profit (loss) per share				
Basic	**0.03**	0.02	**(0.06)**	0.03
Diluted	**0.03**	0.02	**n/a**	0.03
Weighted average number of shares outstanding (000s):				
Basic	**11,623**	11,262	**11,581**	11,037
Diluted	**11,725**	12,351	**11,673**	12,065

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

Consolidated Statements of Changes in Equity

(Expressed in thousands of Canadian dollars)

For the Nine Months Ended September 30, 2020 and 2019	Share Capital Number (000s)	Share Capital Amount	Contributed Surplus	Deficit Cumulative Dividends	Deficit Cumulative Profit (loss)	Accumulated Other Comprehensive Income (loss)	Total Equity
Balance, January 1, 2019	10,878	$ 28,844	$ 1,557	$ (7,578)	$ 481	$ 114	$ 23,418
Shares issued under ESPP (note 7)	50	212	13	-	-	-	225
Shares issued under DRIP (note 7)	29	109	-	-	-	-	109
Exercise of agent warrants (note 7)	13	55	(3)	-	-	-	52
Acquisition vendor shares released from escrow (note 7)	147	469	(469)	-	-	-	-
Share-based payment awards (note 7)	-	-	126	-	-	-	126
Shares issued to vendors on business acquisitions (note 7)	317	1,200	-	-	-	-	1,200
Total comprehensive income for the period	-	-	-	-	302	(88)	214
Dividends declared (note 8)	-	-	-	(3,011)	-	-	(3,011)
Balance, September 30, 2019	**11,434**	**$ 30,889**	**$ 1,224**	**$ (10,589)**	**$ 783**	**$ 26**	**$ 22,333**
Balance, January 1, 2020	11,458	30,978	1,270	(11,619)	1,239	(3)	21,865
Shares issued under ESPP (note 7)	73	262	(10)	-	-	-	252
Shares issued under DRIP (note 7)	81	201	-	-	-	-	201
Exercise of stock options (note 7)	21	104	(40)	-	-	-	64
Share-based payment awards (note 7)	-	-	333	-	-	-	333
Total comprehensive loss for the period	-	-	-	-	(708)	427	(281)
Dividends declared (note 8)	-	-	-	(1,037)	-	-	(1,037)
Balance, September 30, 2020	**11,633**	**$ 31,545**	**$ 1,553**	**$ (12,656)**	**$ 531**	**$ 424**	**$ 21,397**

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

Consolidated Statements of Cash Flows

(Unaudited - Expressed in thousands of Canadian dollars)

	For the Three Months Ended		For the Nine Months Ended	
September 30,	**2020**	2019	**2020**	2019
		(note 12)		(note 12)
Operating activities				
Profit (loss)	**$ 375**	$ 268	**$ (708)**	$ 303
Adjusted by:				
Amortization and depreciation	**953**	725	**2,915**	1,995
Goodwill impairment losses	**-**	-	**1,368**	-
Financing costs	**536**	461	**1,640**	881
Share-based compensation	**185**	64	**386**	161
Foreign exchange (gains) losses	**208**	(47)	**1**	276
Gain on sale of equipment	**(64)**	(23)	**(71)**	(23)
Income tax expense	**261**	180	**558**	360
	2,454	1,628	**6,089**	3,953
Changes in non-cash working capital (note 12)	**(607)**	(2,059)	**1,397**	(2,719)
	1,847	(431)	**7,486**	1,234
Income taxes paid	**(561)**	(54)	**(485)**	(738)
Cash provided by (used in) operating activities	**1,286**	(485)	**7,001**	496
Financing activities				
Proceeds from issuance of shares	**-**	1	**274**	246
Dividends paid (note 8)	**-**	(963)	**(1,191)**	(2,894)
Proceeds from long-term debt	**65**	26,532	**240**	26,532
Repayment of long-term debt	**(25)**	(12,386)	**(3,516)**	(13,220)
Debt issuance costs	**-**	(224)	**(3)**	(299)
Lease payments	**(227)**	(252)	**(652)**	(536)
Interest paid	**(511)**	(334)	**(1,566)**	(745)
Cash provided by (used in) financing activities	**(698)**	12,374	**(6,414)**	9,084
Investing activities				
Purchase of Northside (note 12)	**-**	(10,401)	**-**	(10,401)
Purchase of property and equipment	**(332)**	(114)	**(606)**	(348)
Proceeds from sale of property and equipment	**165**	44	**172**	44
Cash used in investing activities	**(167)**	(10,471)	**(434)**	(10,705)
Increase (decrease) in cash during the period	**421**	1,418	**153**	(1,125)
Cash (bank indebtedness), beginning of period	**206**	(787)	**435**	1,815
Effect of movements in exchange rates	**(22)**	13	**17**	(46)
Cash, end of period	**$ 605**	$ 644	**$ 605**	$ 644

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

Notes to the Consolidated Financial Statements

For the Three and Nine Months Ended September 30, 2020 and 2019
(Unaudited - Expressed in thousands of Canadian dollars, except per share amounts)

1. Nature and Operations

Decisive Dividend Corporation (the "Company") was incorporated under the British Columbia Business Corporations Act on October 2, 2012 and is listed on the TSX Venture Exchange Inc. ("the Exchange"), trading under the symbol "DE". The address of the Company's head office is #201, 1674 Bertram Street, Kelowna, B.C. V1Y 9G4.

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

The principal wholly-owned operating subsidiaries of the Company, as at September 30, 2020, are managed through two reportable segments and were acquired as follows:

Finished Product Segment

- Valley Comfort Systems Inc. and its wholly-owned subsidiary Blaze King Industries Inc. ("Blaze King USA"), collectively referred to herein as "Blaze King"; acquired in February 2015.
- Slimline Manufacturing Ltd. ("Slimline"); acquired in May 2018.

Component Manufacturing Segment

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

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

The Group's interim results are impacted by seasonality factors primarily driven by weather patterns in North America, including the impact on heating and planting and harvesting seasons, as well as the timing of ground freeze and thaw in Western Canada and the effect thereof on the oil and gas industry. Blaze King's business historically experiences lower demand in the first and second quarters of the calendar year, Slimline's business historically experiences lower demand in the third and fourth quarters and Hawk's business historically experiences lower demand in the second quarter. Seasonality does not have a significant impact on Unicast's or Northside's businesses. In each subsidiary, there are substantial fixed costs that do not meaningfully fluctuate with product demand in the short-term. The Company strives to acquire subsidiaries that diversify the seasonality of the portfolio in order to mitigate the effect of seasonality of the interim results.

2. Basis of Preparation and Statement of Compliance

a) *Statement of compliance*

These interim condensed consolidated financial statements (the "interim financial statements") for the period ended September 30, 2020 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting.

These interim financial statements were approved by the Audit Committee of the Company for issue on November 2, 2020.

b) *Judgments*

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

c) *Accounting estimates and assumptions*

The preparation of financial statements in conformity with IFRS requires management to make estimates based on assumptions about future events that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

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

3. Significant Accounting Policies

The significant accounting policies and methods of computation used in the preparation of these interim condensed consolidated financial statements are the same as those disclosed in Note 4 to the Company's 2019 audited consolidated financial statements.

4. Goodwill

Balance, January 1, 2019	$	13,439
Acquired through business combinations		6,795
Effect of movements in exchange rates		(117)
Balance, December 31, 2019	**$**	**20,117**
Impairment losses		(1,368)
Effect of movements in exchange rates		65
Balance, September 30, 2020	**$**	**18,814**

Based on the effects of COVID-19 and a significant decline in oil prices, impairment indicators for the Company's non-financial assets and goodwill existed as at March 31, 2020. As a result, the Company tested its non-financial assets and goodwill for impairment at March 31, 2020. There were no additional impairment indicators at June 30, 2020 or September 30, 2020, and therefore impairment testing was not performed as of those period end dates. For the purpose of the March 31, 2020 impairment testing, goodwill and intangible assets with indefinite lives acquired through business combinations were allocated to the Group's cash generating units ("CGUs") as follows:

September 30, 2020		Brand		Goodwill		Total
Blaze King	$	894	$	1,633	$	**2,527**
Unicast		190		2,310		**2,500**
Slimline		670		1,326		**1,996**
Hawk		-		6,750		**6,750**
Northside		-		6,795		**6,795**
	$	1,754	$	18,814	$	**20,568**

The value-in-use impairment tests performed at March 31, 2020 were based on the Company's internal forecasts and represent management's best estimates at a specific point in time, and as a result are subject to measurement uncertainty. In arriving at its estimated future cash flows, the Company considered past experience, economic trends and industry trends. The Company projected revenue, gross profit and cash flows for a period of five years and applied perpetual long-term growth rates of 1% to 2% thereafter, depending on the CGU. Additionally, while the ultimate duration of currently imposed tariffs on Chinese steel products sold into the U.S. and their effect on Unicast was unknown, management had assumed that these tariffs will be lifted within the projected five-year period. The Company assumed pre-tax discount rates of 20% to 21% depending on the CGU, in order to calculate the present value of its projected cash flows. Determination of the discount rates included separate analyses of the cost of equity and debt, and considered a risk premium based on an assessment of risks related to the projected cash flows of the Company in general and each specific CGU.

The March 31, 2020 impairment tests performed resulted in a $1,368 impairment loss being recorded against the goodwill allocated to the Hawk CGU. The impairment loss was primarily a result of the negative effect of the above noted oil price decline and its effect on expected oil and gas activity in Western Canada.

The Company performed a sensitivity analysis on the growth rates and discount rates by +/- 1%. All else being equal, a 1% increase in the discount rate would have led to further impairment losses of $715 on the Hawk CGU and impairment losses of $598 on the Unicast CGU. All else being equal, a 1% decrease in the discount rate would have reduced impairment losses by $816 on the Hawk CGU. All else being equal, a 1% decrease in the growth rates would have led to further impairment losses of $144 on the Hawk CGU and impairment losses of $126 on the Unicast CGU. All else being equal, a 1% increase in the growth rates would have reduced impairment losses by $115 on the Hawk CGU. Also, if the above noted tariffs remained in place one year longer than projected, it would result in impairment losses of $285 on the Unicast CGU. There was no material impact of the sensitivity analyses on the recoverable amounts of the Group's other CGUs.

5. Lease Obligations

The Group's right of use assets and associated lease obligations are related to lease commitments for office and shop premises. The maturity dates of the lease obligations are between January 2021 and October 2025. Minimum lease payments required over the next five years are as follows:

For the twelve month periods ending June 30,		
2021	$	1,093
2022		1,126
2023		843
2024		552
2025		148
		3,762
Less: interest portion		(312)
Less: current portion		(956)
	$	2,494

6. Long-term Debt

	Monthly Principal Payment	Interest Rate	Maturity Date	Authorized	**September 30, 2020 Outstanding**	December 31, 2019 Outstanding
Revolving term loan (a)	$ -	(a)	Aug-22	$ 8,000	**$ 295**	$ 3,670
Non-amortizing term loan (b)	-	8.0%	Aug-22	21,200	**20,945**	20,945
Forgivable loan (c)	-	Nil%	May-21	171	**171**	-
Equipment finance loans (d)	7	2.2%-4.2%	Apr-21-Jul-21	83	**83**	153
					21,494	24,768
Less: current portion					**(83)**	(97)
Long-term portion					**21,411**	24,671
Less: debt issuance costs					**(191)**	(263)
Total long-term debt					**$ 21,220**	$ 24,408

The Company has a credit agreement in place with its senior lenders, the Bank of Nova Scotia ("BNS") and Roynat Capital Inc., a subsidiary of BNS, which provides for the credit facilities described in (a) and (b) below.

a) The revolving term loan with BNS is for a committed three-year term and all drawn amounts are due in August 2022. Borrowings under the revolving term loan may be made by way of prime rate advances and/or bankers' acceptances. The Company's ability to access the revolving term loan is dependent on a borrowing base which is determined quarterly and measured against the Group's accounts receivable and inventory. The revolving term loan bears interest at the lender's prime rate plus 1% or bankers' acceptances plus 2.5%. Standby fees of 0.25% per annum are paid quarterly on the unused portion of the revolving term loan.

b) The non-amortizing term loan with Roynat Capital Inc. is for a committed three-year term and all drawn amounts are due in August 2022. The term loan bears interest at a fixed rate of 8% and there are no required principal payments for the term of the loan.

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

- Maximum total funded debt to adjusted EBITDA of 3.0:1
- Minimum fixed charge coverage ratio of 1.1:1

As at September 30, 2020, the Group was in compliance with these ratios.

In July 2020, the Company amended the credit agreement in place with its senior lenders. The amendment, among other things, reduced the size of the revolving term loan from $10,000 to $8,000, restricted the Company's ability to make dividend payments during any covenant relief period, and amended certain financial covenant thresholds to provide the Company with increased financial flexibility through the remainder of 2020. With the amendment, the maximum total funded debt to adjusted EBITDA financial covenant ratios were revised as follows:

- For the period ended September 30, 2020, the ratio was revised to 4.75:1
- For the period ending December 31, 2020, the ratio was revised to 4.50:1
- Thereafter the ratio returns to 3.0:1

As noted above, despite obtaining covenant relief to ensure financial flexibility, the Group was onside the covenants as originally contemplated in the credit agreement for the period ended September 30, 2020.

c) In May 2020, Blaze King USA received a paycheck protection program forgivable loan through the United States federal government's financial aid program. The loan is forgivable if used to subsidize salaries and wages and occupancy costs.

d) The Group also has equipment finance loans with Trumpf Finance, which are secured by the related equipment.

As at September 30, 2020, principal payments required over the next two years on the Company's long-term debt were estimated as follows:

For the twelve month periods ending September 30,		
2021	$	83
2022		21,240
		21,323
Forgivable loan		171
	$	21,494

7. Share Capital

a) Shares issued and outstanding

	Shares (000s)		Amount
Balance as at January 1, 2019	10,878	$	28,844
Shares issued under ESPP	50		212
Shares issued under DRIP	53		198
Exercise of agent warrants	13		55
Acquisition vendor shares released from escrow	147		469
Shares issued to vendors on business acquisitions	317		1,200
Balance as at, December 31, 2019	**11,458**		**30,978**
Shares issued under ESPP	73		262
Shares issued under DRIP	81		201
Exercise of stock options	21		104
Balance as at September 30, 2020	**11,633**	**$**	**31,545**

The Company had the following share capital transactions for the nine months ended September 30, 2020:

(i) The Company issued 73,216 common shares pursuant to the employee share purchase plan (the "ESPP").

(ii) The Company issued 81,667 common shares pursuant to the dividend reinvestment and cash purchase plan (the "DRIP").

(iii) The Company issued 21,000 common shares on the exercise of stock options.

Common shares that remain in escrow are as follows:

In (000s)	**September 30, 2020**	December 31, 2019
In relation to the acquisition of:		
Slimline	**94**	189
Hawk	**226**	452
Northside	**211**	317
	531	958

b) Warrants

The Company had the following warrants outstanding and exercisable:

Warrants	Number of warrants (000s)		Weighted average exercise price ($)		Weighted average grant date fair value ($)	Weighted average years remaining
Outstanding and exercisable, January 1, 2019	242	$	4.00	$	0.22	1.01
Warrants exercised	(13)		4.00		0.22	-
Warrants expired	(192)		4.00		0.22	-
Outstanding and exercisable, December 31, 2019	**37**	**$**	**4.00**	**$**	**0.21**	**0.01**
Warrants expired	(37)		4.00		0.21	-
Outstanding and exercisable, September 30, 2020	**-**	**$**	**-**	**$**	**-**	**-**

c) Equity Incentives

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

The equity incentive plan enables the Company to grant deferred share units ("DSUs"), restricted share units ("RSUs") and stock options to the directors, officers, and employees of the Company or any of its affiliates. Under the plan, the aggregate of all stock option grants cannot exceed 10% of the issued and outstanding common shares of the Company, while limits on DSU and RSU grants require disinterested shareholder approval. In July 2020, the equity incentive plan was re-approved by a majority of all shareholders but not by a majority of disinterested shareholders, which means that the 10% rolling stock option component of the plan remains in effect, but no further DSUs or RSUs may be issued. The DSUs and RSUs previously issued under the 2019 shareholder approved equity incentive plan remain outstanding.

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

Stock Options	Number of options (000s)		Weighted average exercise price ($)		Weighted average grant date fair value ($)	Weighted average years remaining
Outstanding and exercisable, January 1, 2019	814	$	3.62	$	1.34	8.41
Options issued	120		3.85		0.48	-
Options expired	(45)		4.35		0.69	-
Outstanding and exercisable, December 31, 2019	**889**	**$**	**3.62**	**$**	**1.25**	**7.60**
Options issued	260		1.55		0.54	-
Options exercised	(21)		3.00		1.93	-
Options expired	(10)		2.00		1.78	-
Outstanding and exercisable, September 30, 2020	**1,118**	**$**	**3.16**	**$**	**1.07**	**8.88**

In 2020, the Company recorded $140 of share-based compensation expense related to stock options issued. This share-based compensation expense represents the estimated fair value of the stock options granted, using the Black-Scholes option–pricing model with the following assumptions: dividend yields of 0% to 9.9%; expected volatility of 35% to 46%; risk-free interest rates of 0.5% to 1.2%; forfeiture rates of 0%; market prices of $1.38 and $3.65, and weighted average lives of five years. The options vested immediately on grant.

The Company has granted RSUs to directors and officers of the Company as follows:

Restricted Share Units	**Number of RSUs (000s)**	**Number of RSUs exercisable (000s)**		**Weighted average grant date fair value ($)**	**Weighted average years remaining**
Outstanding, January 1, 2019	-	-	$	-	-
RSUs issued	55	-		3.83	-
RSUs from reinvested dividends	1	-		3.83	-
Outstanding, December 31, 2019	**56**	**-**	**$**	**3.83**	**1.81**
RSUs issued	23	-		3.68	-
RSUs from reinvested dividends	2	-		3.80	-
RSUs forfeited	(5)	-		3.83	-
Outstanding, September 30, 2020	**76**	**-**	**$**	**3.78**	**1.16**

Additional RSUs are awarded in lieu of dividends, when declared, based on the number of RSUs outstanding and are measured at the same fair value as the initial grant.

In 2020, the Company recorded $100 of share-based compensation expense related to RSUs. This share-based compensation expense represents the portion of the fair value of the RSUs charged to profit and loss based on the time to vest elapsed in the period. The RSUs vest two years after the date of grant.

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

Deferred Share Units	**Number of DSUs (000s)**	**Number of DSUs exercisable (000s)**		**Weighted average grant date fair value ($)**	**Weighted average years remaining**
Outstanding, January 1, 2019	-	-	$	-	-
Outstanding, December 31, 2019	**-**	**-**	**$**	**-**	**-**
DSUs issued	25	-		3.68	-
DSUs from reinvested dividends	1	-		3.68	-
Outstanding, September 30, 2020	**26**	**-**	**$**	**3.68**	**NA**

Additional DSUs are awarded in lieu of dividends, when declared, based on the number of DSUs outstanding and are measured at the same fair value as the initial grant.

In 2020, the Company recorded $93 of share-based compensation expense related to DSUs. This share-based compensation expense represents the portion of the fair value of the DSUs granted. The DSUs vested immediately on grant.

8. Dividends

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

The following dividends were declared during the nine months ended September 30, 2020 and the year ended December 31, 2019:

	2020		2019	
Month	**Per share ($)**	**Dividend Amount ($)**	**Per share ($)**	**Dividend Amount ($)**
January	$ 0.03	$ 344	$ 0.03	$ 331
February	0.03	345	0.03	331
March	0.03	348	0.03	332
April	-	-	0.03	332
May	-	-	0.03	333
June	-	-	0.03	333
July	-	-	0.03	333
August	-	-	0.03	343
September	-	-	0.03	343
October	-	-	0.03	343
November	-	-	0.03	343
December	-	-	0.03	344
Total	**$ 0.09**	**$ 1,037**	**$ 0.36**	**$ 4,041**

The above dividends were paid on or about the 15th of the month following their declaration. Of the dividends paid in 2020, $1,191 (2019 - $2,894) were settled in cash and $189 (2019 - $105) were reinvested in additional common shares of the Company, pursuant to the DRIP.

On March 31, 2020, the Board of Directors of the Corporation made the decision to suspend monthly dividend payments, after payment of the March 31, 2020 declared dividend on April 15, 2020, in response to the considerable economic uncertainty surrounding the worldwide COVID-19 pandemic and the significant decline in global oil prices.

9. Sales

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

	For the three months ended		For the nine months ended	
	September 30, 2020	September 30, 2019	**September 30, 2020**	September 30, 2019
Manufactured products	**$ 11,529**	$ 11,806	**$ 32,400**	$ 31,760
Retail products	**294**	316	**1,243**	1,364
	$ 11,823	$ 12,122	**$ 33,643**	$ 33,124

All of the retail sales occurred in Slimline.

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

	For the three months ended		For the nine months ended	
	September 30, 2020	September 30, 2019	**September 30, 2020**	September 30, 2019
Agricultural products	**$ 614**	$ 1,140	**$ 3,862**	$ 5,868
Cast wear-part products	**1,935**	2,170	**5,502**	6,775
Hearth products	**5,609**	3,474	**11,377**	10,252
Industrial products	**2,911**	1,529	**7,897**	1,937
Machined products	**754**	3,809	**5,005**	8,292
	$ 11,823	$ 12,122	**$ 33,643**	$ 33,124

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

	For the three months ended		For the nine months ended	
	September 30, 2020	September 30, 2019	**September 30, 2020**	September 30, 2019
Canada	**$ 3,810**	$ 6,731	**$ 14,352**	$ 16,177
United States	**7,023**	4,867	**17,567**	14,666
Other	**990**	524	**1,724**	2,281
	$ 11,823	$ 12,122	**$ 33,643**	$ 33,124

10. Manufacturing Costs

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

	For the three months ended		For the nine months ended	
	September 30, 2020	September 30, 2019	**September 30, 2020**	September 30, 2019
Labour and materials	**$ 5,771**	$ 6,501	**$ 16,803**	$ 17,690
Freight and shipping	**438**	610	**1,344**	1,943
Depreciation	**386**	278	**1,220**	796
Warranty charges	**130**	(37)	**218**	(4)
	$ 6,725	$ 7,352	**$ 19,585**	$ 20,425

In 2020, the Group received $2,661 from the Canada Emergency Wage Subsidy program. The wage subsidy amounts were recorded against the underlying wage costs. Of the amounts received, $1,319 was netted against the related labour costs included in the table above and $1,342 was netted against salaries, wages and benefits.

11. Financing Costs

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

	For the three months ended		For the nine months ended	
	September 30 2020	September 30 2019	**September 30 2020**	September 30 2019
Interest and bank charges	**$ 95**	$ 115	**$ 194**	$ 194
Interest on lease obligations	**30**	35	**97**	82
Interest on long-term debt	**411**	311	**1,349**	605
	$ 536	$ 461	**$ 1,640**	$ 881

12. Supplemental Cash Flow Information

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

	For the three months ended		For the nine months ended	
	September 30, 2020	September 30, 2019	**September 30, 2020**	September 30, 2019
Accounts receivable	**$ (1,858)**	(1,159)	**$ 910**	$ (643)
Inventory	**514**	(896)	**9**	(1,460)
Prepaid expenses and deposits	**(459)**	(316)	**(232)**	(178)
Accounts payable and accrued liabilities	**1,311**	328	**559**	(454)
Customer deposits	**(124)**	3	**117**	79
Warranty provision	**9**	(19)	**34**	(63)
	$ (607)	$ (2,059)	**$ 1,397**	$ (2,719)

Comparative cash flow information has been revised to net cash acquired and cash consideration paid as part of the acquisition of Northside.

13. Financial Instruments and Risk Management

The Group’s financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, dividends payable, and long-term debt. There were no changes in the classification or in the fair value measurement basis of the Group’s financial instruments since December 31, 2019.

At September 30, 2020, the carrying amounts of cash, accounts receivable, accounts payable and accrued liabilities, and dividends payable, approximate their fair value due to their short-term nature.

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

There were no changes in the Company’s assessment of risks from the use of financial instruments or in the financial risk management policies of the Company since December 31, 2019.

The contractual maturities of financial instruments are as follows:

September 30, 2020	**Carrying value**	**Total contractual cash flows**	**Within one year**	**Two to five years**	**More than five years**
Accounts payable	$ 6,028	$ 6,028	$ 5,022	$ 1,006	$ -
Long-term debt	21,303	23,221	1,770	21,451	-
Lease obligations	3,450	3,762	1,093	2,669	-
	$ 30,781	$ 33,011	$ 7,885	$ 25,126	$ -

December 31, 2019	Carrying value	Total contractual cash flows	Within one year	Two to five years	More than five years
Accounts payable	$ 5,478	$ 6,484	$ 5,478	$ 1,006	$ -
Dividends payable	344	344	344	-	-
Long-term debt	24,505	29,185	1,959	27,226	-
Lease obligations	3,211	3,537	984	2,553	-
	$ 33,538	$ 39,550	$ 8,765	$ 30,785	$ -

On March 11, 2020, the World Health Organization expanded its classification of COVID-19 to a worldwide pandemic and federal, state, provincial and municipal governments in North America began legislating measures to combat the spread of the virus. The global response to COVID-19 continues to evolve rapidly and has already had a significant impact on financial markets and the global economy. In addition, within this same time frame, global oil prices declined significantly.

The Group has and expects to continue to experience some negative impacts from the COVID-19 pandemic and the significant decline in global oil prices. The continuing impact on the Group will depend on a number of factors, including the extent and duration of the impact of these events on the overall economy, as well as their impact on the Group's customers and the industries in which they operate.

The Group's credit agreement with its senior lenders imposes certain external minimum capital requirements including, but not limited to, maximum debt to EBITDA ratios and minimum fixed charge coverage ratios (note 6). Additionally, the Group's ability to access the revolving term loan is dependent on a borrowing base which is determined quarterly and measured against the Group's accounts receivable and inventory. As noted above, the Group has and expects to continue to experience some negative impacts from the worldwide COVID-19 pandemic and the significant decline in global oil prices. These events have created uncertainty in forecasted results for 2020 which, depending on the extent and duration of these impacts, could impair the Company's ability to meet certain debt covenants. A potential covenant breach could result in the Company's senior lenders having the right to demand repayment on short notice until such time as the covenants have been satisfied or renegotiated. As described in note 6, the Company amended certain financial covenant thresholds to provide the Company with increased financial flexibility in this regard, through the remainder of 2020.

The Group is actively managing liquidity and has implemented measures to reduce costs wherever possible, suspended all non-essential capital expenditures, suspended dividend payments, and is pursuing all available government subsidy programs. Management is satisfied that these steps are currently adequate to enable the Group to continue operating for the foreseeable future. However, given the significant uncertainty regarding the ultimate impact that the COVID-19 pandemic and the significant decline in global oil prices will have on the overall economy and the Group's operations, further actions may be necessary.

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

	September 30, 2020		December 31, 2019	
Current	**$ 4,520**	**62%**	$ 4,008	49%
31-60 days	**945**	**13%**	1,958	24%
61-90 days	**638**	**9%**	1,007	12%
>90 days	**1,153**	**16%**	1,249	15%
Trade accounts receivable	**7,256**	**100%**	8,222	100%
Less: expected credit losses	**(145)**		(88)	
Net trade accounts receivable	**$ 7,111**		$ 8,134	

Of the amount of receivables outstanding for more than 90 days since being invoiced at September 30, 2020, 26% was collected subsequent to the end of the quarter, to the date of these financial statements.

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

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

	Entities with a CAD functional currency		**Entities with a USD functional currency**		
2020	**CAD**	**USD**	**CAD**	**USD**	**Total**
Cash	$ (515)	$ 593	$ 308	$ 219	**$ 605**
Accounts receivable	3,580	2,234	131	1,487	**7,432**
Accounts payable	(5,230)	(376)	(101)	(321)	**(6,028)**
Inter-company amounts	9,965	(2,692)	(7,273)	-	**-**
Long-term debt	(21,220)	(83)	-	-	**(21,303)**
Net exposure	(13,420)	(324)	(6,935)	1,385	**(19,294)**
Effect of 5% strengthening of USD versus CAD:					
Profit (loss)	-	(16)	347	-	**331**
OCI	$ -	$ -	$ -	$ (69)	**$ (69)**

	Entities with a CAD functional currency		Entities with a USD functional currency		
2019	CAD	USD	CAD	USD	Total
Cash	$ 463	$ 580	$ (607)	$ (1)	**$ 435**
Accounts receivable	3,997	1,785	282	2,279	**8,343**
Accounts payable	(4,641)	(579)	(211)	(47)	**(5,478)**
Dividend payable	(344)	-	-	-	**(344)**
Inter-company amounts	9,554	(2,080)	(7,474)	-	**-**
Long-term debt	(24,352)	(153)	-	-	**(24,505)**
Net exposure	(15,323)	(447)	(8,010)	2,231	**(21,549)**
Effect of 5% strengthening of USD versus CAD:					
Profit (loss)	-	(22)	401	-	**379**
OCI	$ -	$ -	$ -	$ (112)	**$ (112)**

The calculations above are based on the Group's consolidated statement of financial position exposure at September 30, 2020 and December 31, 2019 respectively.

The Group is exposed to interest rate risk on its long-term debt (note 6) due to the interest rate on certain of its credit facilities being variable. Of the Group's interest-bearing debt at September 30, 2020, 2% was variable rate (December 31, 2019 - 15%). The Group does not enter into derivative contracts to manage this risk. The table below summarizes the quantitative data about the Group's exposure to interest rate risk:

Interest rate risk		**September 30, 2020**		December 31, 2019
Floating instruments	**$**	**295**	$	3,670
Average balance		**1,789**		9,562
Impact on profit (loss) of a change in interest rates:				
-1%		**18**		96
+1%	**$**	**(18)**	$	(96)

14. Related Party Transactions

The Group's related parties consist of directors, officers and key management or companies associated with them. Key management, including directors and officers of the Company, are those personnel having the authority and responsibility for planning, directing, and controlling the Company.

Salaries and benefits, directors fees and share-based compensation are included in salaries, wages and benefits expense. Key management compensation for the nine month period ended September 30, 2020 included $464 of salary and benefits (2019 - $515) and $281 of share based compensation expense (2019 - $5).

During the nine month period ended September 30, 2020, the Company incurred legal fees of $15 (2019 - $22) with a law firm in which a director of the Company was a partner.

During the nine month period ended September 30, 2020, the Company made lease obligation payments of $135 (2019 - $135) to a president of one of the Company's wholly-owned subsidiaries.

15. Commitments and Contingencies

In January 2017, the Company announced that it had been made aware of a notice of motion filed with the Ontario Superior Court by Constance Weller, Gerald Weller, Adrianne Latimour and Tara Pengally, the plaintiffs in a civil claim (the "Claim") requesting an order granting the plaintiffs leave to amend their statement of claim to, among other things, add two of the Company's subsidiaries, Valley Comfort Systems Inc. and Blaze King Industries Canada Ltd. as defendants to the Claim. Under the Claim, the four individual plaintiffs sought aggregate damages against the defendants of $11,000, plus aggregate punitive, aggravated or exemplary damages of $10,000, $200 in damages pursuant to the Family Law Act (Ontario) and prejudgment interest, costs and such other relief as the court deemed just. In August 2020, the Company was advised by its insurer that the claim had been settled without any liability or payment by the named subsidiaries or the insurer.

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

16. Segmented Information

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

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

The Group's reporting of segment performance for the three and nine month periods ended September 30, 2020 and 2019 is as follows:

For the three months ended September 30, 2020	**Finished Product**	**Component Manufacturing**	**Head Office**	**Total**
Sales	$ 7,434	$ 4,389	$ -	$ **11,823**
Manufacturing costs	3,516	3,209	-	**6,725**
Gross profit	3,918	1,180	-	**5,098**
Profit (loss) before taxes	1,779	(176)	(967)	**636**
Income tax expense (recovery)	322	(90)	29	**261**
Profit (loss)	1,457	(86)	(996)	**375**
Total comprehensive income (loss)	$ 1,391	$ (100)	$ (996)	$ **295**

For the three months ended September 30, 2019	**Finished Product**	**Component Manufacturing**	**Head Office**	**Total**
Sales	$ 4,614	$ 7,508	$ -	$ 12,122
Manufacturing costs	2,629	4,723	-	7,352
Gross profit	1,985	2,785	-	4,770
Profit (loss) before taxes	139	1,398	(1,090)	447
Income tax expense (recovery)	(42)	286	(65)	179
Profit (loss)	182	1,111	(1,025)	268
Total comprehensive income (loss)	$ 206	$ 1,117	$ (1,025)	$ 298

For the nine months ended September 30, 2020	**Finished Product**	**Component Manufacturing**	**Head Office**	**Total**
Sales	$ 18,296	$ 15,347	$ -	$ **33,643**
Manufacturing costs	8,974	10,611	-	**19,585**
Gross profit	9,322	4,736	-	**14,058**
Profit (loss) before taxes	4,001	(1,215)	(2,936)	**(150)**
Income tax expense (recovery)	722	(275)	111	**558**
Profit (loss)	3,279	(940)	(3,047)	**(708)**
Total comprehensive income (loss)	$ 3,422	$ (656)	$ (3,047)	$ **(281)**

For the nine months ended September 30, 2019	Finished Product	Component Manufacturing	Head Office	Total
Sales	$ 16,528	$ 16,596	$ -	$ 33,124
Manufacturing costs	9,727	10,698	-	20,425
Gross profit	6,801	5,898	-	12,699
Profit (loss) before taxes	1,224	1,645	(2,206)	663
Income tax expense	126	232	2	360
Profit (loss)	1,098	1,413	(2,208)	303
Total comprehensive income (loss)	$ 1,062	$ 1,361	$ (2,208)	$ 215

The Group's reporting of segment financial condition as at September 30, 2020 and December 31, 2019 is as follows:

September 30, 2020	Finished Product	Component Manufacturing	Head Office	Total
Total current assets	$ 11,282	$ 5,886	$ 218	$ **17,386**
Total current liabilities	3,396	2,889	1,310	**7,595**
Total assets	21,482	34,433	258	**56,173**
Total liabilities	$ 5,461	$ 7,248	$ 22,067	$ **34,776**

December 31, 2019	Finished Product	Component Manufacturing	Head Office	Total
Total current assets	$ 8,946	$ 8,836	$ 122	$ 17,904
Total current liabilities	2,453	2,949	1,748	7,150
Total assets	19,513	39,701	177	59,391
Total liabilities	$ 4,199	$ 7,602	$ 25,725	$ 37,526

For the nine months ended September 30, 2020, the Group's largest customer accounted for 13% (2019 - 22%) of sales. Sales from this customer are included in the component manufacturing segment. Other than this customer, the Group is not dependent on any other single customer for more than 10% of its sales.