Management's Discussion and Analysis of

Decisive Dividend Corporation

For the nine months ended September 30, 2022

Corporate Overview

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

Decisive's purpose statement is:

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

The Company intends to meet these objectives by:

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

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

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

- Valley Comfort Systems Inc. and its wholly-owned subsidiary Blaze King Industries Inc.; collectively referred to herein as "Blaze King"; acquired in February 2015.
- Unicast Inc. ("Unicast"); acquired in June 2016.
- Slimline Manufacturing Ltd. ("Slimline"); acquired in May 2018.
- Hawk Machine Works Ltd. ("Hawk"); acquired in June 2018.
- Northside Industries Inc. ("Northside"); acquired in August 2019.
- Marketing Impact Limited ("Marketing Impact"); acquired in April 2022.
- ACR Heat Products Limited ("ACR"); acquired in October 2022.

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 nine months ended September 30, 2022 and 2021. 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 September 30, 2022, the annual audited consolidated financial statements and the related notes for the year ended December 31, 2021, the annual MD&A for the year ended December 31, 2021, the unaudited interim condensed consolidated financial statements for the period ended September 30, 2021, as well as the Cautionary Statement Regarding Forward-Looking Information and Statements in this MD&A. This MD&A covers the nine months ended September 30, 2022 and the subsequent period up to the date of filing. In this MD&A, the Company and its subsidiaries, collectively, are referred to as the "Group".

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

This MD&A was prepared effective November 2, 2022.

Non-IFRS Financial Measures

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

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

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

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

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

- Manufacturing costs include non-cash charges to expense the fair value increment of acquired inventories sold in the period that were originally valued as part of the initial purchase in a business acquisition, inventory write downs, and allowances for inventory obsolescence. Management does not consider these non-cash charges to be a representative component of the day-to-day operating performance of the Group.
- Similarly, goodwill impairment losses and gains or losses recognized on fair value adjustments of contingent consideration liabilities are non-cash items that management does not consider to be a representative component of the day-to-day operating performance of the Group.
- Share-based compensation may be useful for investors to consider because it is an estimate of the non-cash component of compensation received by the Group's directors, officers and employees. Management does not consider these non-cash charges to be a representative component of the day-to-day operating performance of the Group as the decisions that gave rise to these expenses were not made to increase revenue in a particular period, but were made for the Group's long-term benefit over multiple periods.

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

- Non-IFRS financial measures, such as Adjusted EBITDA, are not recognized financial measures under IFRS;
- The Company's method of calculating Non-IFRS financial measures, such as Adjusted EBITDA, may differ from that of other corporations or entities and therefore may not be directly comparable to measures utilized by other corporations or entities;
- In the future, the Company may disclose different non-IFRS financial measures in order to help its investors more meaningfully evaluate and compare future results of operations to previously reported results of operations.
- Non-IFRS financial measures, such as Adjusted EBITDA, should not be viewed as an alternative to measures that are recognized under IFRS such as profit or loss or cash from operating activities; and
- A reader should not place undue reliance on any Non-IFRS financial measures.

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

Forward Looking Statements

Certain statements in this report constitute forward-looking information and forward-looking statements. All statements other than statements of historical fact contained in this report are forward-looking statements, including, without limitation, statements regarding the future financial position, operations, business strategy, future acquisitions, and the potential impact of completed acquisitions on the operations, financial condition, capital resources and business of the Company and its subsidiaries, the Company's policy with respect to the amount and/or frequency of dividends, if any, budgets, forecasts, litigation, projected costs and plans and objectives of or involving the Company and/or its subsidiaries. Readers can identify many of these forward-looking statements by looking for words such as "believes", "expects", "will", "may", "intends", "projects", "anticipates", "plans", "estimates", "continues" and similar words or the negative and grammatical variations thereof.

Forward-looking statements are necessarily based upon a number of expectations or assumptions that, while considered reasonable by management at the time the statements are made, are inherently subject to significant business, economic and competitive risks, uncertainties and contingencies, many of which are beyond the Company's control and many of which are subject to change. Readers are cautioned to not place undue reliance on forward-looking statements which only speak as to the date they are made. Although management believes that the expectations and assumptions underlying such forward-looking statements are reasonable, there can be no assurance that such expectations or assumptions will prove to be correct. A number of factors could cause actual future results, performance, achievements and developments of the Company to differ materially from anticipated results, performance, achievements and developments expressed or implied by such forward-looking statements. Such factors include, but are not limited to risks relating to: general economic conditions; pandemics; competition; government regulation; environmental regulation; access to capital; market trends and innovation; climate risk; general uninsured losses; risk related to acquisitions; dependence on customers, distributors and strategic relationships; supply and cost of raw materials and purchased parts; operational performance and growth; implementation of the growth strategy; product liability and warranty claims; litigation; reliance on technology, intellectual property, and information systems; availability of future financing; interest rates and debt financing; income tax matters; foreign exchange; dividends; trading volatility of common shares; dilution risk; reliance on management and key personnel; employee and labour relations; 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.

Overall Performance

Financial Highlights

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

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

	For the three months ended		For the nine months ended	
September 30,	**2022**	2021	**2022**	2021
Sales	**$ 25,932**	$ 16,500	**$ 67,810**	$ 44,639
Gross profit	**8,912**	5,064	**22,867**	15,533
Gross profit %	**34%**	31%	**34%**	35%
Adjusted EBITDA [1]	**3,999**	1,837	**9,651**	6,566
Per share basic	**0.32**	0.15	**0.77**	0.55
Profit before tax	**2,644**	593	**4,702**	1,955
Profit	**2,029**	489	**3,423**	1,364
Per share basic	**0.16**	0.04	**0.27**	0.11
Per share diluted	**0.15**	0.04	**0.26**	0.11
Dividends declared	**1,193**	841	**3,238**	1,555
Per share basic	**0.09**	0.07	**0.26**	0.13

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

FINANCIAL POSITION *(Stated in thousands of dollars)*		**September 30, 2022**		December 31, 2021
Working capital	**$**	**22,832**	$	12,753
Property and equipment		**10,402**		7,586
Total assets		**86,675**		60,297
Long-term debt, excluding debt issuance costs		**31,943**		23,052
Equity		**32,334**		22,222
Share Information (000s)				
Common shares issued and outstanding		**14,518**		12,093

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

(Stated in thousands of dollars)	For the three months ended				For the nine months ended			
September 30,		**2022**		2021		**2022**		2021
Profit for the period	**$**	**2,029**	$	489	**$**	**3,423**	$	1,364
Add (deduct):								
Financing costs		**672**		531		**1,784**		1,581
Income tax expense		**615**		104		**1,279**		591
Amortization and depreciation		**1,204**		914		**3,221**		2,689
Acquisition and restructuring costs		**61**		-		**639**		-
Share-based compensation expense		**26**		23		**124**		241
Foreign exchange losses (gains)		**(598)**		(221)		**(793)**		120
Interest and other expense (income)		**(5)**		-		**(13)**		(3)
Gain on sale of equipment		**(5)**		(3)		**(13)**		(17)
Adjusted EBITDA		**3,999**		1,837		**9,651**		6,566

Discussion of Overall Performance

<u>*Q3 Consolidated Financial Highlights*</u>

Sales for the third quarter increased by 57% to a record $25.9 million from $16.5 million in Q3 2021. The overall increase was driven by an 83% increase in the finished product segment and a 33% increase in the component manufacturing segment. Each of the portfolio businesses are experiencing robust customer demand supported by favorable underlying economic conditions and strong commodity prices. Further, the sales generated by Marketing Impact, which was acquired in April 2022, contributed meaningfully to the finished product segment and consolidated sales increases. Relative to Q3 2021, Blaze King sales increased 12%, Slimline sales increased 117%, Unicast sales increased 53%, Hawk sales increased 52% and Northside sales increased 7%.

Overall gross profit was $8.9 million in Q3 2022, an increase of $3.8 million, or 76%, relative to Q3 2021, driven by the increase in overall sales. Gross profit percentages also increased in Q3 2022 compared to Q3 2021, which was primarily a result of product mix changes.

During the quarter, the businesses in the Group did not receive any government subsidies. In Q3 2021, the Group received $0.5 million from the Canada Emergency Wage Subsidy ("CEWS") and Canada Emergency Rent Subsidy ("CERS") programs, 56% of which was included as a reduction in manufacturing costs and 44% of which was included as a reduction in operating expenses.

Overall operating expenses increased from $4.7 million in Q3 2021 to $6.9 million in Q3 2022. The increase was primarily a result of increased financing costs, acquisition costs, selling costs associated with the increase in overall sales, enhancements to the management team, and overall scale due to the acquisition of Marketing Impact, along with decreases in government subsidies.

Adjusted EBITDA for the third quarter of 2022 was a record $4.0 million, a $2.2 million, or 118%, increase compared to Q3 2021. The overall increase in Adjusted EBITDA was primarily driven by the increases in sales and gross profit relative to Q3 2021, partially offset by the decrease in government subsidies received in the comparative periods. Excluding subsidies, Adjusted EBITDA was $2.7 million, or 202%, higher than Q3 2021.

Foreign exchange gains also affected profit between Q3 2022 and Q3 2021. The Q3 2022 foreign exchange gains were a result of a $0.08 increase in the value of the United States dollar, relative to the Canadian dollar, and the Q3 2021 foreign exchange gains were a result of a $0.03 increase in the value of the United States dollar, relative to the Canadian dollar.

Consolidated net profit in the quarter was $2.0 million, or $0.16 per share, an increase of $1.5 million, or $0.12 per share, compared to Q3 2021.

Year-to-Date Consolidated Financial Highlights
Sales for the first nine months of 2022 increased by $23.2 million, or 52%, to a record $67.8 million from $44.6 million in the same period of 2021. The increase was a result of sales increases across each of the Group's portfolio businesses as well as the sales generated by Marketing Impact since its acquisition on April 14, 2022. Blaze King's sales momentum has continued in the first nine months of 2022 with a sales increase of 26% relative to same period of 2021, reflecting the continued strong demand for its products. Slimline sales increased by 35% in the first nine months of 2022, compared to the same period in 2021, driven by increases in both its agricultural sprayer sales and wastewater evaporator sales. Unicast, Hawk and Northside have also witnessed considerable increases in demand levels as underlying economic conditions and commodity prices have improved. Sales levels in these component manufacturing businesses increased by 32%, 47% and 50% respectively compared to first nine months of 2021.

The overall sales increase led to an overall gross profit increase of $7.3 million, or 47%, in the first nine months of 2022 compared to the same period of 2021. Year-over-year gross profit percentages decreased relative to the first nine months of 2021, which was driven primarily by the decrease in government subsidies. Excluding government subsidies, consolidated gross profit increased by $8.9 million, or 63%, and the 2022 year-to-date gross profit percentage of 34% was 2% higher relative to the first nine months of 2021.

During the first nine months of 2022, the businesses in the Group did not receive any government subsidies. In the first nine months of 2021, the Group received $2.7 million from the CEWS, CERS and the United States paycheck protection programs, of which 57% was included as a reduction in manufacturing costs and 43% was included as a reduction in operating expenses.

Overall operating expenses increased from $13.5 million in the first nine months of 2021 to $19.0 million in the first nine months of 2022. The increase was primarily a result increased financing costs, acquisition costs, selling costs associated with the increase in overall sales, enhancements to the management team, and overall scale due to the acquisition of Marketing Impact, along with decreases in government subsidies.

Adjusted EBITDA for the first nine months of 2022 was a record $9.7 million, a $3.1 million, or 47%, increase compared to the same period of 2021. The overall increase in Adjusted EBITDA was primarily driven by the increase in sales and gross profit noted above. Excluding subsidies, Adjusted EBITDA for the first nine months of 2022 was $5.8 million, or 151%, higher than in the first nine months of 2021.

Foreign exchange gains and losses also affect profit between the first nine months of 2022 and the first nine months of 2021. The 2022 foreign exchange gains were a result of a $0.10 increase in the value of the United States dollar, relative to the Canadian dollar and the 2021 foreign exchange losses were a result of a nominal decrease in the value of the United States dollar, relative to the Canadian dollar.

Consolidated net profit in the first nine months of 2022 was $3.4 million, or $0.27 per share, an increase of $2.1 million, or $0.16 per share, compared to the same period of 2021.

Acquisitions

Marketing Impact Limited

On April 14, 2022, the Company acquired all the shares of Marketing Impact. Marketing Impact, which is in the Greater Toronto Area, designs, manufactures, and distributes a comprehensive range of merchandising products, systems and solutions for retail customers including grocery stores, convenience stores, and pharmacies. It also designs and manufactures displays for consumer-packaged goods customers for use within those same channels. Marketing Impact has 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.

The components of the consideration paid to acquire Marketing Impact are as follows:

(Stated in thousands of dollars)		
Cash	$	9,000
Common shares		1,000
Contingent consideration		600
	$	10,600

The purchase price included a payment of cash, which is subject to customary post-closing adjustments, and the issuance of common shares to the vendors, plus up to an additional $1.5 million contingent on Marketing Impact meeting certain earnings targets over the next three years. The contingent consideration recorded by the Company reflects the estimated fair value of the earnings target being met, as at the acquisition date.

The cash portion of the consideration was funded through the Company's revolving term acquisition facility and revolving term operating facility (which are outlined in this MD&A under "Liquidity and Capital Resources"). The share portion of the consideration was funded through the issuance of 235,294 common shares of Decisive to the vendors of Marketing Impact, which are held in escrow and are scheduled to be released at one-third per year in April 2023, 2024, and 2025 respectively.

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

(Stated in thousands of dollars)		
Cash	$	354
Accounts receivable		2,149
Prepaid expenses and deposits		78
Inventory		1,469
Property and equipment		1,688
Goodwill and intangible assets		10,460
Accounts payable and accrued liabilities		(2,003)
Customer deposits		(416)
Lease obligation		(1,427)
Deferred income taxes		(1,752)
	$	10,600

The acquisition of Marketing Impact is anticipated to have a positive financial impact on Decisive as it is expected to result in an increase in sales, gross profit, profit, and Adjusted EBITDA. Further particulars regarding certain (unaudited) historical financial information concerning Marketing Impact and the combined pro forma historical financial results of Decisive and Marketing Impact are set forth in Decisive's material change report dated April 18, 2022, a copy of which is available on SEDAR at www.sedar.com.

ACR Heat Products Limited

On October 3, 2022, the Company acquired all the shares of ACR for $8.3 million. ACR, located in Birmingham in the United Kingdom, manufactures EcoDesign Ready woodburning, multifuel, and gas stoves and sells them primarily in the United Kingdom. It also manufactures 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. It distributes these products at accessible price points that drive a strong value proposition for its customers. Given soaring energy prices throughout Europe, ACR's products are an attractive choice for individuals looking for supplementary heating sources for their homes. As a result, ACR is experiencing robust demand for its products, similar to what Blaze King is experiencing in North America. Further, with its EcoDesign Ready models, ACR is well positioned for the transition to stronger emission standards being developed in the United Kingdom and across Europe.

On closing, the $8.3 million base purchase price to acquire ACR (which will be subject to customary post-closing adjustments) was paid $7.6 million in cash and $0.7 million in common shares of Decisive. The cash portion of the consideration was funded through a private placement offering of common shares of Decisive completed in September 2022 (which is described further in this MD&A under "Liquidity and Capital Resources"). The share portion of the consideration was funded through the issuance of 166,790 common shares of Decisive to the vendors of ACR, which are held in escrow and are scheduled to be released at one-third per year in October 2023, 2024, and 2025 respectively. The purchase price may include up to an additional £2.75 million ($4.2 million based on the exchange rate as of the date of the acquisition) in cash payments contingent on ACR meeting certain earnings targets over the next three years.

The acquisition date fair value of the assets acquired, and liabilities assumed in the transaction are currently being determined.

The acquisition of ACR is anticipated to have a positive financial impact on Decisive as it is expected to result in an increase in sales, gross profit, profit, and Adjusted EBITDA. Further particulars regarding certain (unaudited) historical financial information concerning ACR and the combined pro forma historical financial results of Decisive, Marketing Impact, and ACR are set forth in Decisive's material change report dated October 3, 2022, a copy of which is available on SEDAR at www.sedar.com.

Outlook

The Company has advanced its growth strategy with two acquisitions completed to date in 2022: Marketing Impact in April 2022 and ACR in October 2022. Marketing Impact was a platform acquisition into a new industry for the Group, while ACR was Decisive's first add-on acquisition into an industry in which it has previously invested. These acquisitions (as described under "Acquisitions" in this MD&A) are the first completed by Decisive since 2019. Thus, they are important milestones in executing on Decisive's buy, build, and hold business model and demonstrates the Company's ongoing commitment to its shareholders to continue to grow the business through acquisition.

Decisive has built 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 we are 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 will continue to provide opportunities for Decisive, with its legacy-maintaining business model being a key differentiator in a competitive acquisition marketplace.

From an operational perspective, each of the existing portfolio businesses are witnessing strong demand for their products, as evidenced by five consecutive quarters of record sales levels. Demand levels for the remainder of 2022 and into 2023 are expected to remain strong. Though inflationary pressure has resulted in cost increases, each of the businesses have worked to manage the impact on margins of these inflation-induced cost increases by improving efficiency in their operations and increasing pricing to their customers. These efforts are ongoing and each of the businesses remain focused on continuing to enhance margins through controlling costs and increasing pricing in order to optimize operations in the face of ongoing inflation. In addition, Decisive's diversified portfolio faces industries that should leave the overall business well positioned in the event that current expectations of a recession unfold.

The Company has been focused on increasing production capacity and improving operational efficiency in its businesses. In the first nine months of 2022, $1.5 million of manufacturing equipment was purchased in addition to the $1.5 million purchased through 2021. Additional productivity and automation initiatives are also being explored to increase production capacity and improve operational efficiency in order to meet the expected future demand levels of the Group's customers and capitalize on future market expansion opportunities. Further commentary surrounding the outlook for each of the businesses in the Group is provided in the MD&A under the headings "Finished Product Segment Industry Trends and Outlook" and "Component Manufacturing Segment Industry Trends and Outlook".

Based on operating results in 2022, and management's assessment of Decisive's improving prospects, the Company increased its monthly dividend to $0.03 per share in May 2022. This increase returned the Corporation's dividend to pre-pandemic levels and is consistent with Decisive's objective of providing shareholders with long-term, sustainable, and growing dividends.

Decisive has strengthened its balance sheet and increased its financial flexibility through the renewal, extension and upsize of its credit facilities, as well as the equity raised through the private placement completed in September 2022. The recent volatility in financial markets, may constrain capital availability and impact the cost of available capital in the near-term. However, management believes that the balance sheet strength and flexibility gained over the last year as well as ongoing investor interest in the Company's story of growth and yield has the Company well positioned to take advantage of potential opportunities for further growth, both through organic growth as well as further acquisitions, as they arise.

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 in North America, including the impact on heating and planting and harvesting seasons, as well as the timing of ground freeze and thaw in Western Canada and the effect thereof on the oil and gas industry. Blaze King's business historically experiences lower demand in the first and second quarters of the calendar year, Slimline's business historically experiences lower demand in the third and fourth quarters and Hawk's business historically experiences lower demand in the second quarter. Seasonality does not have a significant impact on the Unicast, Northside, or Marketing Impact businesses. In each subsidiary, there are substantial fixed costs that do not meaningfully fluctuate with product demand in the short-term.

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

	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Sales	$ **25,932**	$ 23,189	$ 18,689	$ 17,852
Gross profit	**8,912**	7,756	6,198	5,843
Gross profit %	**34%**	33%	33%	33%
Adjusted EBITDA [1]	**3,999**	3,344	2,306	2,091
Per share basic	**0.32**	0.27	0.19	0.17
Profit before tax	**2,644**	1,245	815	985
Profit	**2,029**	884	512	918
Per share basic	**0.16**	0.07	0.04	0.08
Per share diluted	**0.15**	0.07	0.04	0.07

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

	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Sales	16,500	14,194	13,945	14,815
Gross profit	5,064	5,312	5,157	4,365
Gross profit %	31%	37%	37%	29%
Adjusted EBITDA [1]	1,837	2,564	2,165	1,985
Per share basic	0.15	0.22	0.18	0.17
Profit (loss) before tax	593	877	485	(11)
Profit (loss)	489	597	278	(26)
Per share basic	0.04	0.05	0.02	-
Per share diluted	0.04	0.05	0.02	n/a

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

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

(Stated in thousands of dollars)

	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Profit for the period	$ **2,029**	$ 884	$ 512	$ 918
Add (deduct):				
Financing costs	**672**	657	455	497
Income tax expense	**615**	361	303	67
Amortization and depreciation	**1,204**	1,140	876	976
Acquisition and restructuring costs	**61**	578	-	115
Inventory fair value adjustments and write downs	**-**	-	-	27
Share-based compensation expense	**26**	28	70	16
Foreign exchange losses (gains)	**(598)**	(291)	94	(66)
Interest and other income	**(5)**	(4)	(4)	(404)
Gain on sale of equipment	**(5)**	(9)	-	(55)
Adjusted EBITDA	**3,999**	3,344	2,306	2,091

	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Profit (loss) for the period	$ 489	$ 597	$ 278	$ (26)
Add (deduct):				
Financing costs	531	530	521	549
Income tax expense	104	280	207	17
Amortization and depreciation	914	891	884	990
Inventory fair value adjustments and write downs	-	-	-	586
Share-based compensation expense	23	64	154	55
Foreign exchange losses (gains)	(221)	207	134	421
Interest and other expense (income)	-	(5)	1	(607)
Gain on sale of equipment	(3)	-	(14)	-
Adjusted EBITDA	1,837	2,564	2,165	1,985

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:

Q3 2022 Consolidated Financial Highlights
For the discussion of Q3 results see "Overall Performance" earlier in this MD&A.

Q2 2022 Consolidated Financial Highlights
Sales for the second quarter increased by 63% to a record $23.2 million from $14.2 million in Q2 2021. The overall increase was driven by a 65% increase in the finished product segment and a 62% increase in the component manufacturing segment. Each of the portfolio businesses are experiencing robust customer demand supported by favorable underlying economic conditions and strong commodity prices. Further, the sales generated by Marketing Impact since being acquired on April 14, 2022, contributed meaningfully to the finished product segment and consolidated sales increases. Relative to Q2 2021, Blaze King sales increased 39%, Unicast sales increased 41%, Hawk sales increased 69% and Northside sales increased 75%. Although Slimline sales decrease by 10% relative to Q2 2021, the decrease was a result of supply chain delays on certain agricultural sprayer components, as the backlog of agricultural sprayers was higher as of June 30, 2022, compared to June 30, 2021.

Overall gross profit was $7.8 million in Q2 2022, an increase of $2.4 million, or 46%, relative to Q2 2021, driven by the increase in overall sales. Gross profit percentages decreased in Q2 2022 compared to Q2 2021, which was primarily a result of the decrease in government subsidies. Excluding government subsidies, Q2 2022 gross profit increased by $3.4 million, or 80%, relative to Q2 2021, and Q2 2022's gross profit percentage of 33% was 3% higher than Q2 2021.

During the quarter, the businesses in the Group did not receive any government subsidies. In Q2 2021, the Group received $1.8 million from the CEWS, CERS, and the United States paycheck protection programs, 56% of which was included as a reduction in manufacturing costs and 44% of which was included as a reduction in operating expenses.

Overall operating expenses increased from $4.2 million in Q2 2021 to $6.8 million in Q2 2022. The increase was primarily a result of increased financing costs, acquisition costs, selling costs associated with the increase in overall sales, enhancements to the management team, and overall scale due to the acquisition of Marketing Impact, along with decreases in government subsidies.

Adjusted EBITDA for the second quarter of 2022 was a record $3.3 million, a $0.8 million increase compared to Q2 2021. The overall increase in Adjusted EBITDA was primarily driven by the increases in sales and gross profit relative to Q2 2021, partially offset by the decrease in government subsidies received in the comparative periods. Excluding subsidies, Adjusted EBITDA was $2.6 million, or 322%, higher than Q2 2021.

Foreign exchange gains and losses also affect profit (loss) between Q2 2022 and Q2 2021. The Q2 2022 foreign exchange gains were a result of a $0.04 increase in the value of the United States dollar, relative to the Canadian dollar, and the Q2 2021 foreign exchange losses were a result of a $0.02 decrease in the value of the United States dollar, relative to the Canadian dollar.

Consolidated net profit in the quarter was $0.9 million, or $0.07 per share, an increase of $0.3 million, or $0.02 per share, compared to Q2 2021.

Q1 2022 Consolidated Financial Highlights
Sales for the first quarter of 2022 increased by 34% to $18.7 million from $13.9 million in Q1 2021. The overall increase was driven by a 29% increase in the finished product segment and a 40% increase in the component manufacturing segment. Each of the portfolio businesses are experiencing robust customer demand as underlying economic conditions and commodity prices have improved. Relative to Q1 2021, Blaze King sales increased 29%, Slimline sales increased by 28%, driven by agricultural sprayers, Unicast sales were consistent, and Hawk and Northside experienced 29% and 94% sales increases respectively.

During Q1 2022, the businesses in the Group did not receive any government subsidies. In Q1 2021, the Group received $0.4 million from the CEWS and CERS programs, 63% of which was included as a reduction in manufacturing costs and 37% of which was included as a reduction in operating expenses.

Overall gross profit was $6.2 million in Q1 2022, an increase of $1.0 million, or 20%, relative to Q1 2021. Excluding government subsidies, Q1 2022 gross profit was $1.3 million, or 27% higher than Q1 2021. Gross profit percentages decreased in Q1 2022 compared to Q1 2021. This was driven primarily by product mix changes, a decrease in government subsidies, and supply chain and labour availability challenges, which resulted in material, freight, and labour cost increases.

Overall operating expenses increased from $4.6 million in Q1 2021 to $5.3 million in Q1 2022. The increase was primarily a result of increased selling costs associated with the increase in overall sales, decreases in government subsidies, and enhancements to the management team.

Adjusted EBITDA for the first quarter of 2022 was $2.3 million, a $0.1 million increase compared to Q1 2021. The overall increase in Adjusted EBITDA was primarily driven by the increases in sales and gross profit relative to Q1 2021, partially offset by the decrease in government subsidies received in the respective periods. Excluding subsidies, Adjusted EBITDA was $0.6 million, or 33%, higher than Q1 2021.

Consolidated net profit in the quarter was $0.5 million, or $0.04 per share, an increase of $0.2 million, or $0.02 per share, compared to Q1 2021.

Q4 2021 Consolidated Financial Highlights

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

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

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

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

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

In addition, a $0.4 million adjustment to the estimated fair value of contingent consideration associated with the acquisition of Northside was included in interest and other income in Q4 2021 (Q4 2020 - $0.6 million).

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

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 three separate businesses: Blaze King, Slimline and Marketing Impact. Beginning in Q4 2022, ACR will also form part of this segment.

Blaze King
The Company acquired Blaze King in February 2015. The business of Blaze King is producing and selling high-quality, high-efficiency wood burning stoves, wood burning fireplace inserts, gas stoves, 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.

Slimline
The Company acquired Slimline in May 2018. Slimline and predecessor companies have been manufacturing and selling air blast sprayers since 1948. The air blast sprayers are used primarily in the agricultural industry to apply treatments to crops such as apples, cherries, grapes, almonds, walnuts, oranges, and peaches. Slimline also designs, manufactures, and sells EcoMister evaporator systems primarily used in the mining, oil and gas, and waste management industries. In addition to its two main product lines, Slimline manufactures custom products and sells various sprayer, evaporator, and other industrial parts. Slimline's sprayers and evaporators utilize common technology including pumps and turbines. Slimline sells its sprayers under the name "Turbo Mist" which includes a heavy-duty series, a standard series, a cherry blower, a multi-row air blast sprayer and a rotomister sprayer used to combat insect plagues. Slimline's sprayers are primarily sold through its dealer network throughout Canada and the United States. Slimline's EcoMister evaporator division has been in operation since 1996. It produces an environmental and economical, state of the art solution that meets specific customer needs in the elimination of wastewater. Slimline's evaporators are sold into markets throughout the world.

Marketing Impact
The Company acquired Marketing Impact in April 2022. 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.

Finished Product Segment Performance

(Stated in thousands of dollars)	For the three months ended		For the nine months ended	
September 30,	**2022**	2021	**2022**	2021
Sales	$ **14,714**	$ 8,041	$ **37,056**	$ 23,170
Gross profit	**6,115**	3,446	**15,136**	10,396
Gross profit %	**42%**	43%	**41%**	45%
Profit	**2,330**	1,324	**5,541**	4,178
Add (deduct):				
Financing costs	**78**	39	**212**	121
Income tax expense	**522**	167	**1,030**	662
Amortization and depreciation	**572**	315	**1,456**	932
Foreign exchange expense (income)	**(128)**	(42)	**(121)**	16
Interest and other income	**(3)**	(1)	**(9)**	(7)
Gain on sale of equipment	**(5)**	(3)	**(6)**	(17)
Adjusted EBITDA	**3,366**	1,799	**8,103**	5,885

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

<u>*Three Months Ended September 30, 2022*</u>
Overall sales for the segment in Q3 2022, increased by $6.7 million, or 83%, relative to Q3 2021. The increase was driven by the sales generated by Marketing Impact, which was acquired in April 2022, as well as a 117% increase in Slimline sales and a 12% increase in Blaze King sales, relative to Q3 2021. Marketing Impact had strong sales in both of its merchandising products and custom display products, resulting in overall sales levels ahead of pre-acquisition averages. Demand for Blaze King products continued to be strong in the quarter and is reflected in the overall sales increase compared to Q3 2021. Slimline sales increased equally in both of its agricultural sprayer divisions and wastewater evaporator divisions in Q3 2022, compared to Q3 2021. Slimline continued to work through the sprayer order backlog it built over the last year driving increases in the quarter relative to Q3 2021. Wastewater evaporator sales increases in Q3 2022 were primarily a result of units sold for use at landfills.

The increase in overall sales resulted in a $2.7 million, or 78%, increase in gross profit in Q3 2022 compared to Q3 2021. The slight decrease in gross profit percentage in Q3 2022 compared to Q3 2021 was driven primarily by product mix changes with the acquisition of Marketing Impact. The businesses in this segment did not receive any government subsidies in Q3 2022 or Q3 2021.

Overall segment Adjusted EBITDA was $3.4 million in Q3 2022; an increase of $1.6 million, or 87%, compared to Q3 2021, driven by the increases in sales and gross profit described above.

<u>*Nine Months Ended September 30, 2022*</u>
Overall sales for the segment in the first nine months of 2022 increased by $13.9 million, or 60%, relative to the same period of 2021. The increase was a result of the sales generated by Marketing Impact since its acquisition on April 14, 2022, as well as sales increases in both Blaze King and Slimline. The 26% increase in Blaze King sales in the first nine months of 2022, compared to the same period in 2021, was a result of a 10% increase in the number of units sold and pricing increases, which reflects the continuing strong demand for Blaze King's products. Sales for Slimline in the first nine months of 2022 increased 35% relative to the same period in 2021. Slimline's sales increases are a result of increases in both wastewater evaporator sales and agricultural sprayer sales relative to a year ago. The sales for Marketing Impact since being acquired in April are ahead of pre-acquisition averages.

Overall gross profit increased by $4.7 million, or 46%, in the first nine months of 2022 relative to the same period of 2021, driven by the overall increase in sales. The segment generated lower gross profit percentages in the first nine months of 2022 compared to the first nine months of 2021, driven primarily by a decrease in government subsidies and product mix changes with the acquisition of Marketing Impact.

The businesses in this segment did not receive any government subsidies in the first nine months of 2022. In the first nine months of 2021, Blaze King and Slimline received $0.8 million in subsidies from the CEWS, CERS and paycheck protection programs, of which 44% was included as a reduction in manufacturing wages and 56% was included as a reduction in operating expenses.

Overall segment Adjusted EBITDA was $8.1 million in the first nine months of 2022; an increase of $2.2 million, or 38%, compared to the first nine months of 2021. Excluding subsidies, segment Adjusted EBITDA increased by $3.0 million, or 60%, in the first nine months of 2022 compared to the same period in 2021.

Finished Product Segment Industry Trends and Outlook

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

Management of Blaze King believes that the Blaze King brand has significant opportunities for growth in both the wood and gas sectors of the hearth industry. Blaze King continues its product development in gas fireplaces and inserts and anticipates new models to be ready for market in the next few years. There are also market opportunities for Blaze King's wood products outside of North America and Blaze King has expanded into the New Zealand market. The New Zealand wood stove market is subject to the Ultra-Low Emission Burners ("ULEB") test which stipulate a maximum of 0.5 grams of emissions per kilogram of wood burned. Blaze King currently has four models that have passed all testing requirements of the New Zealand ULEB emission standards. Blaze King management believes that its success in entering the New Zealand market could pave the way for future expansion into Europe, which is a much larger international market with what is expected to be similarly stringent emissions standards coming into force in the next few years. This strategy is further supported by the acquisition of ACR, which already has dealer networks throughout the United Kingdom and Europe.

To date, the market share and demand increases witnessed in the previous two years have continued into 2022. In addition, the United States government's tax credit program to encourage consumers to replace older non-efficient wood stoves and fireplaces, was recently extended though the Inflation Reduction Act to 2034. The program currently allows the consumer to apply for a tax credit of up to 26% of the complete cost of a new wood stove, including installation, if it has an average efficiency of 75% or greater. Although the tax credit will reduce to 20% post 2023, this program should continue to buoy demand for Blaze King products sold in the United States for the foreseeable future, as all of its products are eligible for this tax credit. Of the 160 fireboxes currently approved for sale by the EPA, only 59 qualify for the tax credit. Blaze King owns 6, or 10%, of the 59 fireboxes eligible for this tax credit. Furthermore, recent increases in costs of heating alternatives such as natural gas, have also been positive for the demand of wood stoves and fireplaces. These demand tailwinds help support pricing increases that already have been, or are in the process of being, implemented to counter the effect of rising labour, material, and logistics costs. Furthermore, the concerns surrounding the availability and cost of heating alternatives are even more pronounced in Europe, which supports the thesis of acquiring ACR, a complimentary business to Blaze King in the same industry, located in the United Kingdom.

Blaze King management is focused on increasing production capacity to continue to satisfy its increased demand, and to capitalize on future market expansion opportunities. The significant investments made in 2021 and 2022 in a new fiber laser and two brake presses, are the first steps toward production capacity enhancement for Blaze King, with further investments underway and planned in the coming months.

Slimline

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

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

Marketing Impact

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.

Marketing Impact is uniquely positioned as a domestic supplier of merchandising products, systems, solutions and displays for these customer groups. In addition, it's product pusher systems can demonstrate a strong return on investment to its customer base as they demonstrate labour savings which is an important consideration given the rising costs and lowering availability of labour. Similarly, its loss prevention solutions protect high-value or sensitive products from theft, which is on the rise in the retail industry, and therefore an important consideration for its customers.

Marketing Impact is well established with its customer base in Eastern Canada. Given its market position and the quality of its products, management believes there is opportunities for growth in Western Canada 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.

Component Manufacturing Segment Overview

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

Unicast

The Company acquired Unicast in June 2016. The business of Unicast is producing and distributing wear parts and valves for the mining, aggregate and cement industries. Wear parts are consumable parts for machinery that wear out when crushing rock, which is done extensively in the mining, aggregate and cement industries. Unicast has been in operation since 1994. Unicast is focused on providing quality wear parts that are more durable and last longer than the products of its competitors. Unicast's products are also designed to have fewer issues regarding installation and maintenance by using novel alloys, precision engineering, three-dimensional scanning technology, and robust quality control processes.

Unicast management believes that these are Unicast's primary competitive advantages over its competitors. Unicast has a growing dealer distribution base that includes distributors across Canada and the United States, with continuing growth in Latin America, Mexico, and the Middle East.

Hawk
The Company acquired Hawk in June 2018. Hawk was founded in 1998 and is positioned in the computer numerical control (CNC) machining/fabrication market as a complete turnkey solution for customized machining products. Over the last five years, customers of Hawk have primarily been market participants in the down hole tool sector of the oil and gas industry, power utility generation, appliance, and other original equipment manufacturers. Products and services include: general machining; hydraulic fracturing tools; ground and subsurface tools; rods and couplings; reconditioning services; and resale parts. Hawk is currently the only turnkey supplier for its main customer. Hawk routinely delivers product direct to end-users rather than customers' facilities for inspection as its historical failure rate is less than 0.005%.

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

Component Manufacturing Segment Performance

(Stated in thousands of dollars)	For the three months ended		For the nine months ended	
September 30,	**2022**	2021	**2022**	2021
Sales	$ **11,218**	$ 8,459	$ **30,754**	$ 21,469
Gross profit	**2,797**	1,618	**7,731**	5,137
Gross profit %	**25%**	19%	**25%**	24%
Profit	**1,258**	119	**2,208**	283
Add (deduct):				
Financing costs	**25**	31	**79**	98
Income tax expense (recovery)	**35**	(80)	**102**	(139)
Amortization and depreciation	**616**	594	**1,735**	1,741
Acquisition and restructuring costs	**-**	-	**237**	-
Foreign exchange expense (income)	**(470)**	(179)	**(672)**	104
Interest and other expense (income)	**-**	1	**(1)**	4
Gain on sale of equipment	**-**	-	**(7)**	-
Adjusted EBITDA	**1,464**	486	**3,681**	2,091

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

Three Months Ended September 30, 2022
The $2.8 million, or 33%, increase in segment sales in Q3 2022 relative to Q3 2021, was driven by sales increases in each of Unicast, Hawk and Northside. Unicast and Hawk sales each increased over 50% in Q3 2022 compared to Q3 2021, and Northside sales increased by 7% relative to Q3 2021. Demand levels in these businesses has continued to increase as underlying economic conditions and commodity prices have improved.

The increase in sales was a key driver of the $1.2 million, or 73%, increase in segment gross profit for the three-month period ended September 30, 2022, compared to the same period in 2021. In addition, the segment reported higher gross profit percentages in Q3 2022 compared to Q3 2021, as a result of product mix changes and the effect of higher sales covering a larger percentage of fixed costs, and despite the impact of decreased subsidies in the periods. The businesses in this segment did not receive any government subsidies in Q3 2022. Of the $0.5 million in CEWS and CERS amounts received in Q3 2021, 56% was included as a reduction in manufacturing costs and 44% was included as a reduction in operating expenses. Absent government subsidies, segment gross profit increased by $1.5 million, or 110%, and Q3 2022's gross profit percentage of 25% was 9% higher compared to Q3 2021.

Segment Adjusted EBITDA was $1.5 million in Q3 2022; an increase of $1.0 million, or 202%, compared to Q3 2021. The increase in segment Adjusted EBITDA was driven by the increased sales and gross profit generated in the quarter. Excluding subsidies, segment Adjusted EBITDA increased by $1.5 million in Q3 2022 compared to Q3 2021.

Nine Months Ended September 30, 2022
For the nine months ended September 30, 2022, segment sales increased by $9.3 million, or 43%, compared to the same period in 2021. The overall increase was a result of 32%, 47% and 50% respective sales increases in each of Unicast, Hawk and Northside. Demand levels in these businesses have increased considerably in 2022 after several periods of relatively low demand levels reflecting the strength of the industries that the component manufacturing businesses serve.

Overall segment gross profit in the first nine months of 2022 increased by $2.6 million, or 51%, compared to the same period in 2021 based on the higher sales levels generated this year versus last. The businesses in this segment did not receive any government subsidies in 2022. Of the $1.9 million in CEWS and CERS amounts received in the first nine months of 2021, 63% was included as a reduction in manufacturing costs and 37% was included as a reduction in operating expenses. Absent government subsidies, segment gross profit increased by $3.8 million, or 96%, and the 2022 year-to-date gross profit percentage of 25% was 7% higher relative to the first nine months of 2021.

Segment Adjusted EBITDA in the first nine months of 2022 was $3.7 million; an increase of $1.6 million, or 76%, compared to the same period in 2021. The increase in segment Adjusted EBITDA was driven by the increase in year-over-year sales and gross profit. Excluding subsidies, segment Adjusted EBITDA increased by $3.5 million in the first nine months of 2022 compared to the same period in 2021.

Component Manufacturing Segment Industry Trends and Outlook

Unicast
The market for Unicast's wear parts is expected to remain relatively strong over the long-term. Increased infrastructure spending in recent years has caused continued upward demand on the cement and aggregate industries, and that has started to accelerate as new infrastructure spending initiatives have been introduced by global governments as part of their post COVID-19 economic recovery plans. Furthermore, cement shortages, especially in North America, have increased demand for Unicast's products as customers adjust to increasing demand. Additionally, commodity prices have remained relatively strong keeping mines active across North, Central and South America. Unicast has continued to introduce new products to grow its product line in response to customer demands. Unicast also continues to pursue new opportunities in Latin America, Mexico, Africa, Europe, and the Middle East.

The effects of worldwide supply chain disruptions appear to be lessening as delivery times from foreign ports have somewhat improved in recent months as have material prices and shipping costs. Unicast management continues to manage supplier risk by diversifying its supply chain to meet demand with sufficient time to prevent any major delays. Unicast management also continues to balance the proportion of its supply from any one foundry (or group of foundries) to mitigate the risk of late deliveries and quality issues. Since being introduced in Q3 2018, tariffs on Chinese steel products entering the United States have negatively impacted gross profit margins for Unicast. Unicast has started to source some products from foundries in other countries and it has been driving more sales outside of the United States, both of which should continue to help mitigate the negative effect of the above noted steel tariffs on gross profit margin.

Hawk

Hawk's products are primarily sold to one customer, who in turn sells to numerous companies in the North American exploration and production ("E&P") industry. Hawk's ability to generate revenues from its products primarily depends upon oil and natural gas drilling and production activity in North America, which in turn is directly related to oil and natural gas prices.

Over the past several years, North American E&P companies have been able to reduce their cost structures in response to lower oil and natural gas prices that persisted prior to 2021 and have also utilized technologies to increase efficiency and improve well performance. Sustained declines in commodity prices lead North American E&P companies to reduce drilling and completion activity, which negatively impacts Hawk's business.

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

Northside

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

North American lumber prices have been volatile in 2022 and have declined from earlier in the year when they were well above historical levels, as rising interest rates have reduced demand for lumber. Northside has received indications that demand for forestry equipment continues to be relatively strong; however, management expects that with decreases in lumber prices that demand may moderate.

Northside entered into a significant new contract with its main commercial vehicle customer in mid-2020. The five-year contract built on the work that was already being done for this customer and includes products that it requires for a new line of commercial vehicles. Demand for Northside's commercial vehicle products under this contract have increased significantly to date in 2022. Based on current production forecasts, the provision of these products is expected to continue to increase sales levels with this customer each year during the remaining term of the contract, however the extent of sales increases will be more moderate relative to the significant ramp up witnessed between Q3 2021 and to date in 2022.

Northside has been successful in passing certain labour, material, and logistics cost increases on to its customers in 2022. Although these costs have begun to stabilize, certain costs continue to rise and there are often delays with respect to the contractual mechanisms in place to counter such cost increases, and where such mechanisms do not exist, there is risk that its customers will not accept the level of increase needed to maintain historical margins. In addition, Northside is committed to improving production capacity and efficiency to help mitigate the effect of cost increases and meet the expected future demand levels of its customers.

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 nine months ended	
September 30,	**2022**	2021	**2022**	2021
Loss	$ **(1,559)**	$ (954)	$ **(4,326)**	$ (3,097)
Add (deduct):				
Financing costs	**569**	461	**1,493**	1,362
Income tax expense	**58**	17	**147**	68
Amortization and depreciation	**16**	5	**30**	16
Acquisition and restructuring costs	**61**	-	**402**	-
Share-based compensation expense	**26**	23	**124**	241
Interest and other income	**(2)**	-	**(3)**	-
Adjusted EBITDA	**(831)**	(448)	**(2,133)**	(1,410)

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

Three Months Ended September 30, 2022

During the three-month period ended September 30, 2022, Head Office expended $1.6 million on corporate activities (2021 - $1.0 million), an increase of $0.6 million.

The increase was primarily a result of a $0.3 million increase in salaries, wages and benefits due to the addition of another resource at head office as well as short-term incentive accruals based on the strong overall operating performance of the Group. In addition, there were $0.1 million in legal, due diligence and other costs associated with the acquisition related activity in the quarter. Also, financing costs were $0.1 million higher in Q3 2022, versus Q3 2021, due to the increase in long-term debt used to fund the acquisition of Marketing Impact as well as increased working capital across the Group, and an increase in non-cash charges to amortize deferred financing costs.

Nine Months Ended September 30, 2022

For the nine months ended September 30, 2022, the amount expended by Head Office increased by $1.2 million relative to the first nine months of 2021.

The increase was driven by the $0.5 million in legal, due diligence and other costs associated with the acquisition activity to date in 2022. In addition, salaries, wages and benefits increased as a result of enhancements to the Decisive management team over the last year and the impact of short-term incentive accruals based on the strong overall operating performance of the Group in 2022. In 2021, as part of Decisive's leadership succession plan, the Company undertook a recruitment process which led to the appointment of Jeff Schellenberg as Chief Executive Officer on June 1, 2021. Prior to this appointment, the Chief Executive Officer position was held by the board Chair and did not receive cash compensation. Also, financing costs were $0.1 million higher in the first nine months 2022, versus the same period in 2021, due to the increase in long-term debt used to fund the acquisition of Marketing Impact as well as increased working capital across the Group, and an increase in non-cash charges to amortize deferred financing costs.

Liquidity and Capital Resources

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

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

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

The industry trends outlined in the "Finished Product Segment Industry Trends and Outlook" and "Component Manufacturing Segment Industry Trends and Outlook", as well as the market risks described under "Risk Factors" in the Company's Annual Information Form and 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 $1.9 million, compared to cash of $8.5 million at September 30, 2022, and cash of $2.1 million at December 31, 2021. The cash balance at September 30, 2022 includes the $7.6 million proceeds of a private placement offering of common shares of Decisive completed in September 2022 (which is described further in this section of the MD&A under "Disclosure of Outstanding Share Data"), that was used on October 3, 2022 to fund a portion of the acquisition of ACR, previously described in this MD&A under "Acquisitions".

As at September 30, 2022, the Company had net working capital of $22.8 million (December 31, 2021 - $12.8 million) as follows:

(Stated in thousands of dollars)		**September 30, 2022**		December 31, 2021		Change
Cash, net of bank indebtedness	$	**8,522**	$	2,143	$	6,379
Accounts receivable		**14,885**		10,646		4,239
Inventory		**13,684**		10,106		3,578
Prepaid expenses		**952**		988		(36)
Accounts payable		**(12,863)**		(8,841)		(4,022)
Dividends payable		**(436)**		(302)		(134)
Warranty provision		**(546)**		(496)		(50)
Prepaid deposits		**(347)**		(363)		16
Current portion of lease obligations		**(1,019)**		(1,128)		109
Net working capital	$	**22,832**	$	12,753	$	10,079

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, 2022, and throughout 2021:

	2022		**2022**		2021		2021	
Month		**Per share ($)**		**Dividend Amount ($)**		Per share ($)		Dividend Amount ($)
January	**$**	**0.025**	**$**	**303**	$	-	$	-
February		**0.025**		**304**		-		-
March		**0.025**		**305**		-		-
April		**0.030**		**377**		0.020		237
May		**0.030**		**377**		0.020		238
June		**0.030**		**378**		0.020		239
July		**0.030**		**379**		0.020		239
August		**0.030**		**379**		0.025		300
September		**0.030**		**436**		0.025		301
October		**-**		**-**		0.025		302
November		**-**		**-**		0.025		302
December		**-**		**-**		0.025		302
Total	**$**	**0.255**	**$**	**3,238**	$	0.205	$	2,460

The above dividends were paid on or about the 15th of the month following their declaration. Of the dividends paid in 2022, $2.6 million were settled in cash and $0.5 million were reinvested in additional common shares of the Company, pursuant to the dividend reinvestment and cash purchase plan "the DRIP".

Cumulative dividends, paid since Decisive's inception, for the nine months ended September 30, 2022, are as follows:

(Stated in thousands of dollars)		**September 30, 2022**
Cumulative dividends, beginning of period	**$**	**15,117**
Dividends declared during the period		**3,238**
Cumulative dividends, end of period	**$**	**18,355**

Subsequent to September 30, 2022, the Company undertook the following dividend actions:

- A dividend of $0.03 per share was declared on October 14, 2022, for shareholders of record on October 31, 2022, which is payable on November 15, 2022.

Long-Term Debt

(Stated in thousands of dollars)		Authorized		**November 2, 2022 Outstanding**		**September 30, 2022 Outstanding**		December 31, 2021 Outstanding
Revolving term operating facility (i)	$	10,000	$	**4,487**	$	**3,943**	$	2,052
Revolving term acquisition facility (ii)		15,000		**-**		**-**		-
Non-amortizing term loan (iii)		28,000		**28,000**		**28,000**		21,000
	$	53,000	$	**32,487**	$	**31,943**	$	23,052

The Company has a credit agreement in place with its senior lenders, Canadian Western Bank and CWB Maxium Financial Inc., a wholly-owned division of Canadian Western Bank, which provides for the credit facilities described in (i), (ii) and (iii) below:

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

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

(iii) The non-amortizing term loan bears interest at a fixed rate of 6.90% with no required principal payments for the term of the loan.

In September 2022, the Company renewed the credit agreement with its senior lenders, increased the amount available, and extended the term of the agreement by one year so that all drawn amounts now mature in September 2025. On renewal, the total amount available under the credit agreement was increased to $53.0 million from $36.0 million as follows:

(Stated in thousands of dollars)	Previously Authorized	Increases	Currently Authorized
Revolving term operating facility (i)	$ 8,000	$ 2,000	$ 10,000
Revolving term acquisition facility (ii)	7,000	8,000	15,000
Non-amortizing term loan (iii)	21,000	7,000	28,000
	$ 36,000	$ 17,000	$ 53,000

In conjunction with the increases in availability above, the $7.0 million previously drawn on the revolving term acquisition facility, which had been used to fund a portion of the acquisition of Marketing Impact, was added to the non-amortizing term loan, resulting in an increase in the blended fixed rate on the non-amortizing term loan from 6.25% to 6.90%. With this change, the revolving term acquisition facility is fully undrawn giving Decisive $15.0 million in dedicated acquisition financing available to fund future acquisitions.

There are no required principal payments on these three facilities for the committed three-year term of the credit agreement, which also provides for annual extension provisions. The credit facilities with the Company's senior lenders are collectively secured by a general security agreement, assignment of insurance, and guarantees. In addition, the Company and its subsidiaries have agreed to maintain the following ratios (as defined in the credit agreement) as a group on a trailing twelve-month basis:

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

As at September 30, 2022, the Group was in compliance with these ratios.

Off-Balance Sheet Arrangements

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

Disclosure of Outstanding Share Data

The following table sets forth the Company's share capital data as at November 2, 2022, September 30, 2022, and December 31, 2021. Each warrant and stock option entitled the holder thereof to purchase one common share of the Company.

	November 2, 2022	**September 30, 2022**	December 31, 2021
Common shares, basic	**14,716,074**	**14,518,207**	12,093,113
Warrants outstanding	**924,181**	**924,181**	-
Stock options outstanding	**873,166**	**875,666**	950,500
Common shares, fully diluted	**16,513,421**	**16,318,054**	13,043,613

An aggregate of 356,211 common shares were issued during the nine months ended September 30, 2022, through Decisive's employee share purchase plan, DRIP and the exercise of stock options. These share issuances generated cash proceeds of $1.0 million and reduced the amount of cash dividends paid by $0.5 million. During the nine months ended September 30, 2022, the Company also purchased and cancelled 14,775 common shares, pursuant to its NCIB, at a weighted average price of $4.21 per common share.

As part of the consideration paid for the acquisition of Marketing Impact, the Company issued 235,294 common shares to the vendors of Marketing Impact.

On September 27, 2022, the Company closed a non-brokered private placement of 1,848,364 common shares at a price of $4.12 per share for gross proceeds of $7.6 million. In addition, for each common share subscribed for under the private placement, the subscriber also received a one-half common share purchase warrant entitling the holder thereof to purchase one common share at a price of $4.94 for a period of 24 months following the closing of the private placement. The costs associated with this share issuance included $0.1 million in cash expenditures plus $0.3 million in the estimated fair value of the warrants issued.

As at September 30, 2022, there were 235,294 shares in escrow (December 31, 2021 – 105,513) relating to the Company's completed acquisitions, as follows:

- Marketing Impact – 235,294 to be released at one-third per year in April 2023, 2024, and 2025 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 nine months ended September 30, 2022, included $0.89 million of salaries, benefits and director fees (2021 - $0.55 million) and $0.06 million of share-based compensation (2021 - $0.17 million).

Accounting Policies

The Company's significant accounting policies are disclosed in Note 3 of Decisive's audited consolidated financial statements for the year ended December 31, 2021. During 2022, 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 2021 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 nine months of 2022.

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 2021 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, 2021.

At September 30, 2022, 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, 2021.

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)

September 30, 2022	**Carrying value**	**Total contractual cash flows**	**Within one year**	**Two to five years**	**More than five years**
Accounts payable	**$ 12,863**	$ 12,863	$ 12,263	$ 600	$ -
Dividends payable	**436**	436	436	-	-
Long-term debt	**31,582**	38,332	2,186	36,146	-
Lease obligations	**4,283**	4,836	1,172	3,664	-
	$ 49,164	$ 56,467	$ 16,057	$ 40,410	$ -

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

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 September 30, 2022, the Company expects to recover the full amount of such assets, less any expected credit losses.

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

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

(Stated in thousands of dollars)

		September 30, 2022	
Not yet due	$	**11,772**	**82%**
31-60 days overdue		**1,846**	**13%**
61-90 days overdue		**297**	**2%**
>90 days overdue		**457**	**3%**
Trade accounts receivable		**14,372**	**100%**
Less: expected credit losses		**(63)**	
Net trade accounts receivable	$	**14,309**	

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

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

(Stated in thousands of dollars)

	Entities with a CAD functional currency		Entities with a USD functional currency		
As at September 30, 2022	**CAD**	**USD**	**CAD**	**USD**	**Total**
Cash	$ 6,767	$ 537	$ 901	$ 317	**$ 8,522**
Accounts receivable	8,401	4,320	399	1,765	**14,885**
Accounts payable	(10,619)	(903)	(144)	(1,197)	**(12,863)**
Dividend payable	(436)	-	-	-	**(436)**
Inter-company amounts	4,675	-	(7,459)	2,784	**-**
Long-term debt	(31,582)	-	-	-	**(31,582)**
Net exposure	(22,794)	3,954	(6,303)	3,669	**(21,474)**
Effect of 5% strengthening of USD versus CAD:					
Profit (loss)	-	198	315	-	**513**
OCI	$ -	$ -	$ -	$ (183)	**$ (183)**

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 September 30, 2022, 12% 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	**September 30, 2022**
Floating instruments	**$ 3,943**
Average balance	**8,188**
Impact on profit (loss) of a change in interest rates:	
-1%	**82**
+1%	**$ (82)**

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, 2021.

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.