Management's Discussion and Analysis of

Decisive Dividend Corporation

For the year ended December 31, 2019

Corporate Overview

Decisive Dividend Corporation ("Decisive" or the "Company") was established to acquire a growing stable of successful manufacturing companies for the long term that provide steady and growing dividend payments to its shareholders. To date, the Company has completed the acquisition of five manufacturing companies.

The objectives of the Company are:

(i) To deliver long-term, sustainable and growing dividends to Shareholders by acquiring specialty manufacturing companies (with a sustainable competitive advantage and a focus on non-discretionary products) and providing oversight to ensure sound business operations and appropriate expansion strategies are executed;

(ii) To maximize share value through on-going active monitoring and active organic growth of its operating subsidiaries; and

(iii) To continue to acquire additional companies or businesses, in order to expand and diversify the Company's investments.

The Company was incorporated under the *Business Corporations Act* (British Columbia) on October 2, 2012 and is listed on the TSX Venture Exchange (the "Exchange"), trading under the symbol "DE". The head office of the Company is located in Kelowna, British Columbia. The principal wholly-owned operating subsidiaries of the Company are as follows:

- Valley Comfort Systems Inc. and its wholly-owned subsidiary Blaze King Industries Inc.; acquired in February 2015; collectively referred to herein as "Blaze King".
- 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.

Preface

This Management's Discussion and Analysis ("MD&A") focuses on key items from the audited consolidated financial statements of Decisive for the years ended December 31, 2019 and 2018. The audited financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). 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 audited consolidated financial statements and the related notes for the years ended December 31, 2019 and 2018, as well as the Cautionary Statement Regarding Forward-Looking Information and Statements in this MD&A. This MD&A covers the year ended December 31, 2019 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 April 16, 2020.

Non-IFRS Measures

In this MD&A, reference is made to the measures "EBITDA" and "Adjusted EBITDA", which is believed to be meaningful in the assessment of the Company's performance.

- "**EBITDA**" is defined as earnings before finance costs, income taxes, depreciation and amortization.
- "**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 and restructuring costs, and any unusual non-operating one-time items such as acquisition costs.

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

Exclusions re: EBITDA and Adjusted EBITDA

- 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 Company.
- Additionally, management does not consider foreign exchange gains or losses to be a representative component of the day-to-day operating performance of the Company.
- Depreciation and amortization expense may be useful for investors to consider because it generally represents the wear and tear on our property and equipment used in our operations. However, management does not believe these charges necessarily reflect the current and ongoing cash charges related to our operating costs.

Exclusions re: Adjusted EBITDA

- Management does not consider one-time or non-recurring costs incurred to be a representative component of the day-to-day operating performance of the Company. Acquisition costs are non-operating items 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 Company.
- 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 Company.
- Similarly, goodwill impairment losses are non-cash charges that management does not consider to be a representative component of the day-to-day operating performance of the Company.
- 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 Company'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 Company as the decisions that gave rise to these expenses were not made to increase revenue in a particular period, but were made for the Company's long-term benefit over multiple periods.

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

- Non-IFRS financial measures, such as EBITDA and Adjusted EBITDA, are not recognized financial measures under IFRS;
- The Company's method of calculating Non-IFRS financial measures, such as EBITDA and 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 our investors more meaningfully evaluate and compare our future results of operations to our previously reported results of operations.
- Non-IFRS financial measures, such as EBITDA and Adjusted EBITDA, should not be viewed as an alternative to measures that are recognized under IFRS such as net income or cash from operating activities; and
- A reader should not place undue reliance on any Non-IFRS financial measures.

For a reconciliation of a Non-IFRS financial measure to its most relevant IFRS measure, see "Overall Performance – Financial Highlights" in this MD&A.

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; pandemic; 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 and intellectual property risks; 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; conflicts of interest; information technology; potential failure to achieve synergies and customer concentration risk.

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 year ended December 31,	**2019**	2018	2017
Sales	**$ 47,390**	$ 37,993	$ 23,451
Gross profit	**17,588**	13,236	10,003
Gross profit %	**37%**	35%	43%
Adjusted EBITDA [1]	**6,444**	4,570	3,825
Per share basic	**0.58**	0.54	0.65
Profit before tax	**992**	674	574
Profit	**759**	550	509
Per share basic	**0.07**	0.07	0.09
Per share diluted	**0.07**	0.06	0.08
Dividends declared	**4,041**	3,230	2,147
Per share basic	**0.36**	0.36	0.35

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

FINANCIAL POSITION
(Stated in thousands of dollars)

As at December 31	**2019**	2018
Working capital	**$ 10,754**	$ 10,523
Property and equipment	**8,464**	5,226
Total assets	**59,391**	44,329
Long-term debt, excluding debt issuance costs	**24,671**	11,646
Equity	**21,865**	23,417
Share Information (000s)		
Common shares issued	**11,458**	11,025
Common shares issued and outstanding	**11,458**	10,878

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 year ended December 31,		2019		2018		2017
Profit (loss) for the period	**$**	**759**	$	550	$	509
Add (deduct):						
Financing costs		**1,451**		689		502
Income tax expense (recovery)		**233**		124		65
Amortization and depreciation		**2,914**		1,545		976
EBITDA		**5,357**		2,908		2,052
Add (deduct):						
Acquisition costs		**328**		483		-
Goodwill impairment losses		**-**		717		-
Inventory fair value adjustments and write downs		**190**		957		835
Share-based compensation expense		**208**		508		412
Foreign exchange expense (income)		**393**		(985)		541
Interest income		**(8)**		(9)		(13)
Gain on sale of equipment		**(24)**		(9)		(2)
Adjusted EBITDA		**6,444**		4,570		3,825

Annual Consolidated Financial Highlights

Sales for the year increased by $9.4 million to $47.4 million, or 25% over 2018. The primary drivers of the increase were the contributions of Slimline, Hawk and Northside, which were acquired on May 30, 2018, June 28, 2018, and August 16, 2019 respectively.

Overall gross profit increased by $4.4 million, or 33%, in 2019 relative to 2018 as a result of contributions from the businesses acquired in the last two years. Gross profit percentage over the same period improved to 37% from 35%, primarily as a result of the year-over-year decrease in non-cash inventory adjustments. Absent these non-cash inventory adjustments, gross profit percentages would be fairly consistent in 2019 versus 2018 which is notable given the negative impact tariffs on Chinese steel products have had on Unicast's gross profit in 2019, and the negative effect of the slowdown in oil and gas activity in Western Canada on Hawk's results, particularly in the first half of 2019.

Overall operating expenses increased from $12.8 million in 2018 to $16.2 million in 2019. The primary drivers of the year-over-year increase were: amortization and depreciation which increased by $1.0 million, excluding portion related to manufacturing costs; financing costs which increased by $0.8 million; and salaries, wages and benefits which increased by $1.8 million. The increase in financing costs was driven primarily by the additional debt issued in Q2 2018 in connection with the acquisitions completed last year as well as the 2019 increase in long-term debt issued to acquire Northside and the higher interest rate on the new credit facility. The increases in salaries, wages and benefits were based primarily on increased scale with the acquisitions of Slimline, Hawk and Northside, and some increases in Blaze King and Head Office. These increases were partially offset by a $0.2 million decrease in professional fees related to lower acquisition costs in the respective periods.

Adjusted EBITDA for the year was $6.4 million, a $1.9 million increase compared to 2018. Adjusted EBITDA increased due primarily to the acquisitions of Slimline, Hawk and Northside but was negatively affected by the tariffs and slowdown in oil and gas activity noted above.

Overall profit for 2019 was $0.8 million, or $0.07 per share, compared to $0.6 million, or $0.07 per share in 2018.

Other items affecting overall profit between 2018 and 2019 included a $0.7 million non-cash impairment loss being recorded against Unicast's goodwill in Q4 2018, as well as foreign exchange gains and losses in the periods. The 2018 goodwill impairment loss was primarily triggered by the imposition of tariffs on Chinese steel products sold into the United States. There were no impairment losses in 2019. Foreign exchange gains and losses impacted overall profit differences negatively by $1.4 million between 2019 and 2018. Fluctuations in the value of the United States dollar, relative to the Canadian dollar, result in foreign exchange gains or losses on the translation of monetary assets and liabilities within the Group. The 2019 foreign exchange losses of $0.4 million were a result of the $0.06 decrease in the value of the United States dollar, relative to the Canadian dollar, through the year. Conversely, in 2018 the foreign exchange gains of $1.0 million were a result of the $0.11 increase in the value of the United States dollar through last year.

Acquisitions

In the last two fiscal years, Decisive acquired three businesses that are each strategically complimentary to the Group's overall portfolio. The businesses were acquired as follows:

Slimline
Slimline, an agricultural and industrial machinery manufacturing company based in Penticton, British Columbia, was acquired on May 30, 2018 for $7.0 million. The consideration paid consisted of $5.9 million in cash and $1.1 million in Decisive shares. The following is a summary of the assets acquired and liabilities assumed:

(stated in thousands of dollars)		
Cash	$	29
Working capital, excluding cash		1,781
Property and equipment		1,619
Intangible assets		3,080
Goodwill		1,326
Deferred income taxes		(844)
	$	6,991

Hawk
Hawk, a machining and tooling company based in Linden, Alberta, was acquired on June 28, 2018 for $12.3 million. The consideration paid consisted of $9.6 million in cash and $2.7 million in Decisive shares. The following is a summary of the assets acquired and liabilities assumed:

(stated in thousands of dollars)		
Cash	$	422
Working capital, excluding cash		1,959
Property and equipment		2,182
Goodwill		8,118
Deferred income taxes		(425)
	$	12,256

Northside

Northside, a full-service provider of welding and fabrication solutions for a diverse number of industries based in West Kelowna, British Columbia, was acquired on August 16, 2019 for $12.5 million plus up to an additional $4.0 million contingent on Northside meeting certain earnings targets over the next three years. The purchase consideration was comprised of $11.3 million in cash and $1.2 million in Decisive shares. Additionally, $1.0 million of contingent consideration was recorded by the Company as an estimate of the fair value of the above noted future earnings targets being met over the next three years, as at the acquisition date. The following is a summary of the assets acquired and liabilities assumed:

(stated in thousands of dollars)		
Cash	$	881
Working capital, excluding cash		1,132
Property and equipment		2,561
Intangible assets		5,560
Goodwill		6,795
Lease obligation		(1,774)
Deferred income taxes		(1,667)
	$	13,488

Additional information regarding these three businesses can be found later in this MD&A under the heading "Segment Overview and Performance".

Outlook

A key aspect of Decisive's business model is diversification. The operations of the Company's operating subsidiaries are diversified in terms of the industries, customers, and geographies they serve. Management believes that this diversification is valuable especially amidst the current economic uncertainty stemming from the effects of the worldwide COVID-19 pandemic and the significant decline in global oil prices.

This diversification was bolstered in August 2019 when the Company acquired Northside. This acquisition further diversified the Group and its customer base, and strategically strengthened its mix of product offerings and industry exposure.

In conjunction with the acquisition of Northside, the Company entered into a credit agreement to refinance its pre-existing debt structure. The new debt arrangement doubled the size of the Company's available operating line to $10 million and replaced the pre-existing amortizing term loan with an interest only term loan. Interest only financing better aligns with Decisive's objectives as it provides flexibility to manage through short-term fluctuations in demand driven by weather, seasonality or other macro-economic factors. Interest only financing is also beneficial in times like these as it preserves cash flow that can instead be used to pay employees, suppliers and service providers and allow the Company's businesses to continue to serve their customers.

Despite completing these two important strategic undertakings, COVID-19 and the significant decline in global oil prices have had an unprecedented effect on financial markets and the global economy to date in 2020. Decisive expects that each of its subsidiaries will experience some level of negative effect on their supply chains, customer demand, or both, in the near-term. Decisive has been and continues to consult with the senior executives of its operating subsidiaries on a regular basis with a view to safeguarding its business, its workforce and its customers. The extent and duration of the effects that COVID-19 and declining oil prices will have on the overall economy remains unknown and as such Decisive intends to manage itself with an abundance of caution in this challenging business environment. The Group has implemented measures to reduce costs wherever possible and has suspended all non-essential capital expenditures for the remainder of 2020.

In addition, on March 31, 2020, the Board of Directors made the difficult but prudent business decision to suspend monthly dividend payments. The directors and management of the Corporation believe that the temporary dividend suspension, along with the other capital preservation measures put in place, will provide greater financial strength through this period of uncertainty. As one of Decisive's objectives is to pay a regular dividend to its shareholders over the long term, Decisive plans to re-commence the declaration and payment of dividends when appropriate and prudent to do so.

Despite these recent developments, management remains confident in its long-term strategic and operational plans. The Company's seasoned leadership is encouraged about the long-term business prospects of each of its subsidiaries and believes that Group is well positioned for future growth.

Management is also confident that its disciplined acquisition approach is the best path to generating shareholder value in the long term. Decisive continues to identify and evaluate potential acquisitions which, if completed, will bolster its diversity and add strength and resilience to operations. Decisive's acquisition pipeline includes several target companies, however there can be no assurance that target companies identified from time to time will meet Decisive's acquisition criteria or that Decisive will successfully acquire identified target companies that meet such criteria. In addition, given the significant impact that COVID-19 has had on financial markets and the global economy, capital availability may be constrained in the near-term. Management believes that preserving financial strength and flexibility during this time of economic uncertainty will better position the Company to take advantage of potential opportunities once the effects of COVID-19 and low oil prices subside.

Decisive is continually assessing the actual and potential impact of these recent developments on the Group. The impact on the Group will depend on a number of factors, including the extent and duration of the impact of these recent developments on the overall economy, as well as their impact on the Group's customers and the industries in which they operate.

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 Unicast's or Northside's businesses. In each subsidiary, there are substantial fixed costs that do not meaningfully fluctuate with product demand in the short-term.

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

	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Sales	$ **14,265**	$ 12,122	$ 11,137	$ 9,866
Gross profit	**4,889**	4,770	4,163	3,766
Gross profit %	**34%**	39%	37%	38%
Adjusted EBITDA [1]	**2,199**	1,909	1,559	777
Per share basic	**0.19**	0.17	0.14	0.07
Profit (loss) before tax	**329**	447	519	(303)
Profit (loss)	**456**	268	279	(244)
Per share basic	**0.04**	0.02	0.03	(0.02)
Per share diluted	**0.04**	0.02	0.02	n/a

	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Sales	13,613	13,616	5,302	5,462
Gross profit	3,794	4,885	2,292	2,266
Gross profit %	28%	36%	43%	41%
Adjusted EBITDA [1]	1,206	2,561	463	340
Per share basic	0.11	0.24	0.08	0.06
Profit (loss) before tax	(392)	1,130	(322)	258
Profit (loss)	(133)	672	(262)	273
Per share basic	(0.01)	0.06	(0.04)	0.05
Per share diluted	n/a	0.06	n/a	0.04

[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:

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:

<u>*Q4 2019 Consolidated Financial Highlights*</u>
Sales for the fourth quarter increased to $14.3 million from $13.6 million in Q4 2018. Sales generated by Northside for the quarter, after its acquisition on August 16, 2019, was the primary driver of the increase partially offset by a decrease in Hawk sales relative to Q4 2018. Sales for the other subsidiaries in the quarter were consistent with Q4 2018.

Overall gross profit increased by $1.1 million, or 29%, in Q4 2019 relative to Q4 2018. The increase was a result of higher gross profit percentages which increased to 34% from 28% over the same period, driven by pricing increases and/or cost containment initiatives, as well as the gross profit generated by Northside. The $0.3 million of non-cash costs related to expensing the fair value increment of acquired inventory in 2018 in Q4 of last year also impacted gross profit and gross profit percentages in that quarter relative to Q4 2019.

In each subsidiary, there are substantial fixed costs that do not meaningfully fluctuate with product demand in the short-term. Such costs are included in both manufacturing costs and operating expenses. Overall operating expenses increased from $4.0 million in Q4 2018 to $4.4 million in Q4 2019. The year-over-year quarterly increase was primarily a result of an increase in financing costs driven by the long-term debt incurred in connection with the acquisition of Northside, the higher interest rate on the new credit facility, and an increase in non-cash charges to amortize deferred financing costs.

Adjusted EBITDA for the fourth quarter was $2.2 million, a $1.0 million increase compared to Q4 2018. The overall increase in Adjusted EBITDA was primarily driven by the increase in gross profit.

The increase in gross profit also led to a $0.6 million increase in overall profit from a $0.1 million loss, or $0.01 per share, in Q4 2018 to a profit of $0.5 million, or $0.04 per share, in Q4 2019.

Other items affecting profit between the fourth quarters of 2018 and 2019 included a $0.7 million non-cash impairment loss being recorded against Unicast's goodwill in Q4 2018, as well as foreign exchange gains and losses in the periods. The Q4 2018 goodwill impairment loss was primarily triggered by the imposition of tariffs on Chinese steel products sold into the United States. There were no impairment losses in Q4 2019. Foreign exchange gains and losses also impacted overall profit differences between Q4 2019 and Q4 2018. In Q4 2019, the Group recorded $0.1 million in foreign exchange losses for the quarter based on a $0.02 decrease in the value of the United States dollar, relative to the Canadian dollar in the quarter. The Q4 2018 foreign exchange gains of $0.5 million were a result of the $0.07 increase in the value of the United States dollar, relative to the Canadian dollar, in the last three months of 2018.

Q3 Consolidated Financial Highlights

Sales for the three months ended September 30, 2019 for the Group decreased to $12.1 million, from $13.6 million in Q3 2018. The primary drivers of the decrease were lower unit sales for Blaze King and a decrease in Hawk sales relative to its record third quarter in 2018. These decreases were partially offset by the contribution of Northside for half of Q3 2019, after being acquired on August 16, 2019. The lower Blaze King sales were attributed to dealer concerns that Blaze King competitors would saturate the market by discounting their stoves that are not compliant under new EPA regulations that come into force in May 2020.

Overall gross profit for the Group decreased by $0.1 million, or 2%, in Q3 2019 relative to Q3 2018. However, gross profit percentage for the Group over the same period increased to 39% from 36%, driven by pricing increases and/or cost containment initiatives within the Group. The $0.3 million of non-cash costs related to expensing the fair value increment of acquired inventory in Q3 2018 also impacted gross profit and gross profit percentages in that quarter.

Overall operating expenses increased from $3.6 million in Q3 2018 to $4.4 million in Q3 2019. The primary drivers of the year-over-year quarterly increase were: amortization and depreciation which increased by $0.2 million; financing costs which increased by $0.3 million; and professional fees which increased by $0.3 million. The increase in financing costs was driven by the long-term debt incurred in connection with the acquisition of Northside, the higher interest rate on the new credit facility, and an increase in non-cash charges to amortize deferred financing costs. The increase in professional fees primarily related to higher acquisition costs in Q3 2019 relative to Q3 2018, due to timing of acquisitions in 2019 versus 2018.

Adjusted EBITDA for the three months ended September 30, 2019 was $1.9 million, a $0.7 million decrease compared to Q3 2018. The $0.1 million decrease in the Finished Product segment was primarily a result of lower Blaze King sales, as well as higher salaries, wages and benefits and selling, general and administrative costs. The decrease in the Component Manufacturing segment was driven by lower sales for Hawk in the quarter, down from its record quarter in Q3 2018. Although adjusted EBITDA for Hawk in Q3 2019 was below Q3 2018, it was significantly higher relative to the first two quarters of 2019. The decrease in the Head Office segment was due primarily to the expansion of the Decisive management team in late 2018.

Q2 2019 Consolidated Financial Highlights

Sales for the three months ended June 30, 2019 for the Group increased to $11.1 million, 110% over Q2 2018. The primary drivers of the increase were the contributions of Slimline and Hawk, which were acquired on May 30, 2018 and June 28, 2018 respectively. Blaze King and Unicast also achieved sales increases relative to Q2 2018, of 27% and 48% respectively.

Overall gross profit for the Group increased by $1.9 million, or 82%, in Q2 2019 relative to Q2 2018. Gross profit percentage for the Group over the same period declined to 37% from 43%, driven by the change in overall product mix in the period related to the acquisitions of Slimline and Hawk, as well as product mix changes in Blaze King, and the negative impact of tariffs on Chinese steel products on Unicast's gross profit.

Overall operating expenses increased from $2.7 million in Q2 2018 to $3.5 million in Q2 2019. The primary drivers of the year-over-year quarterly increase were: amortization and depreciation which increased by $0.3 million; salaries, wages and benefits which increased by $0.5 million; and selling, general and administration costs which increased by $0.3 million. The increases in salaries, wages and benefits, and selling, general and administration costs were based primarily on increased scale with the acquisitions of Slimline and Hawk, and some increases were also experienced in Blaze King and Head Office. These increases were partially offset by a $0.3 million decrease in professional fees related to lower acquisition costs in Q2 2019 relative to Q2 2018.

Adjusted EBITDA for the three months ended June 30, 2019 was $1.6 million, a $1.1 million increase compared to Q2 2018. Adjusted EBITDA increased in both the Finished Product and Component Manufacturing segments, due primarily to the acquisitions of Slimline and Hawk and despite the negative affect of the steel tariffs noted above.

Foreign exchange gains and losses also impacted overall profit differences between Q2 2019 and Q2 2018 and were a result of fluctuations in the value of the United States dollar, relative to the Canadian dollar, in the comparative periods.

Q1 2019 Consolidated Financial Highlights
Sales for the three months ended March 31, 2019 for the Group increased to $9.9 million, 81% over Q1 2018. The primary drivers of the increase were the contributions of Slimline and Hawk, which were acquired on May 30, 2018 and June 28, 2018 respectively.

Overall gross profit for the Group increased by $1.5 million, or 66%, in Q1 2019 relative to Q1 2018. Gross profit percentage for the Group over the same period declined to 38% from 41%, driven by the change in overall product mix in the period related to the acquisitions of Slimline and Hawk, the negative impact of tariffs on Chinese steel products on Unicast's gross profit, and the negative effect of the slowdown in oil and gas activity in Western Canada on Hawk's results.

Overall operating expenses increased from $2.5 million in Q1 2018 to $3.9 million in Q1 2019. The primary drivers of the year-over-year increase were: amortization and depreciation which increased by $0.2 million; financing costs which increased by $0.1 million; salaries, wages and benefits which increased by $0.7 million; and selling, general and administration costs which increased by $0.4 million. Specifically, the increase in financing costs is a result of the additional debt issued in 2018 in connection with the acquisitions completed last year. The increases in salaries, wages and benefits, and selling, general and administration costs were based primarily on increased scale with the acquisitions of Slimline and Hawk, and some increases were also experienced in Blaze King and Head Office.

Adjusted EBITDA for the three months ended March 31, 2019 was $0.8 million, a $0.4 million increase compared to Q1 2018. Adjusted EBITDA increased due primarily to the acquisitions of Slimline and Hawk but was negatively affected by the tariffs and slowdown in oil and gas activity noted above.

Foreign exchange gains and losses also impacted overall profit differences between Q1 2019 and Q1 2018 and were a result of fluctuations in the value of the United States dollar, relative to the Canadian dollar, in the comparative periods.

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 two separate businesses: Blaze King and Slimline.

<u>*Blaze King*</u>

The Company acquired Blaze King in February 2015. This transaction served as the Company's "qualifying transaction" for the purposes of the Exchange. The business of Blaze King is producing and selling high-quality, high-efficiency wood burning stoves, wood burning fireplace inserts, gas stoves, 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.

<u>*Slimline*</u>

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, patented, 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.

Finished Product Segment Performance

(Stated in thousands of dollars)

	For the three months ended		For the year ended	
December 31,	**2019**	2018	**2019**	2018
Sales	$ **6,896**	$ 6,894	$ **23,425**	$ 18,966
Gross profit	**2,877**	2,344	**9,678**	6,758
Gross profit %	**42%**	34%	**41%**	36%
Profit	**1,118**	357	**2,217**	582
Add (deduct):				
Financing costs	**38**	37	**162**	124
Income tax expense (recovery)	**20**	41	**146**	101
Amortization and depreciation	**314**	264	**1,305**	802
EBITDA	**1,490**	699	**3,830**	1,609
Add (deduct):				
Inventory fair value adjustments and write downs	**-**	165	**-**	373
Foreign exchange expense (income)	**(13)**	(65)	**62**	5
Interest income	**21**	(1)	**(8)**	(5)
Gain on sale of equipment	**-**	(9)	**-**	(9)
Adjusted EBITDA	**1,498**	789	**3,884**	1,973

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

Three Months Ended December 31, 2019
Overall sales for the segment in Q4 2019, were in-line with Q4 2018.

Despite consistent Q4 sales, the segment generated higher gross profit percentages in the three-month period ended December 31, 2019 compared to the same period in 2018, resulting in higher overall gross profit for the segment this year versus last. This was primarily a result of Q4 2018 inventory adjustments in Blaze King and the effect of $0.2 million in non-cash charges in Q4 2018 to expense the fair value increment of acquired inventories sold in the period that were originally valued as part of the initial purchase of Slimline.

The increase in gross profit was the primary driver for the $0.7 million increase in segment adjusted EBITDA, which was $1.5 million in Q4 2019.

Year Ended December 31, 2019
Overall segment sales increased by 24% in 2019, compared to 2018, due to the acquisition of Slimline in May 2018 and pricing increases in Blaze King. Units sold for Blaze King in 2019 were down 9% compared to 2018, however overall revenues were similar due to year-over-year pricing increases implemented. The decrease in Blaze King units sold was a result of customers being cautious on their inventory levels in the third quarter of 2019 amidst the uncertainty surrounding the new EPA 2020 regulations that come into force in May 2020. While Blaze King's entire product line is compliant with the new EPA 2020 regulations, its dealers were concerned that retailers with competitors' non-compliant inventory would be liquidating those models prior to May 2020 thereby saturating the market. Blaze King management is optimistic that these concerns have been alleviated following a return to more consistent sales levels in Q4 2019. Slimline's sales in 2019 were generated by strong demand of its agricultural sprayers and parts, with sales of evaporators contributing as well.

Overall gross profit for the segment increased by 43% in 2019 compared to 2018. The increase was driven by higher prices and stronger gross profit percentages in Blaze King as well as a full year of operating results from Slimline.

These gross profit increases led to significantly higher adjusted EBITDA for the segment of $3.9 million in 2019, an increase of $1.9 million relative to 2018.

Finished Product Segment Industry Trends and Outlook

Blaze King
Design trends for the hearth industry continue to evolve, and consumer tastes vary from region to region. Rural markets continue to favor traditional designs while urban areas tend to favor more modern designs. Eastern North American markets place more emphasis on cast iron surfaces while Western North American markets prefer steel finishes. Regional variances can also be seen in fuel choices: gas remains the most desirable fuel in urban areas as a plentiful supply is available, whereas wood remains the fuel choice in rural areas. Blaze King offers a wide variety of designs. Whether it is cast iron or steel including painted or enamel color finishes, modern or a traditional design, gas or wood, freestanding or insert, Blaze King has a model that will meet most regional preferences.

New EPA regulations, set to take effect in May 2020, are pushing the wood burning stove industry to meet new stringent emissions levels of under 2 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-grams of particulate emissions per hour limit. Of note, Blaze King's 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 over the last four years, of which $0.5 million and $0.8 million was expended in 2019 and 2018 respectively. Blaze King is now well positioned to take advantage of an expected increase in market share. According to information published by the EPA, as of the date hereof, the total number of wood stove manufacturers is expected to decline by 50% and the total number of certified wood stove models is expected to decline by 72%.

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.

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 2020. Blaze King's distribution network in Eastern Canada, the Northeastern United States, and New Zealand is now established, and it is anticipated that this will lead to Blaze King increasing its market share in these areas.

With further product launches anticipated in 2020, the business is in a solid position to capitalize on the new 2020 EPA emissions standards in the United States and the new ULEB emission standards in New Zealand, as well as continue to grow its gas offering for the North American market. Through mid-March 2020 unit sales and orders in the United States had been tracking ahead of 2019. However, amidst COVID-19 uncertainty over the last month, retailers began exercising more caution with respect to order levels. The first and second quarters of the year are typically slower seasonal periods for Blaze King, however depending on the extent and duration of the impact that COVID-19 has on the overall economy, sales levels could be negatively affected in the second half of the year as well. Blaze King management will work to maintain appropriate inventory levels and contain costs to be in-line with anticipated sales levels.

Slimline

Technological developments as well as a general market consolidation in agriculture have been influential in driving changes in the farm sector. Innovations in animal and crop genetics, chemicals, equipment, and farm organization have enabled continuing output growth without adding much to inputs. As a result, even as the amount of land and labor used in farming declined, total farm output more than doubled between 1948 and 2015. As the Agriculture industry continues to focus on crop diversification, efficiency and productivity, producers will continue to embrace revolutionary strategies for producing food, increasing productivity, and making sustainability a priority. The major advancement in spray application technology over the next few years will be in the area of matching the sprayer characteristics to the target canopy. This will be accomplished by using a system of sensors that detect the height, shape, and density of the tree and adjust the sprayer, air jet(s), spray droplet size, and spray application rate to match the target tree. Slimline is working to adapt to these changing conditions in the industry.

Slimline has two primary product lines: agricultural sprayers and industrial 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: new 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 sprayers specific to grape crops.

The industrial evaporator market is 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. Management developed a new go-to-market strategy, building on previous success in the oil and gas, mining, solid and wastewater, food and beverage, power generation and chemical processing industries. Initial returns on this strategy were realized in Q1 2020, during which evaporator sales were nearly double total evaporator sales in all of 2019.

Sprayer sales in Q1 2020 were in-line with expectations, however there is concern that the economic uncertainty stemming from the effects of COVID-19 could impact demand in Q2 and into the second half of the year. Early indications are that dealers and farmers are doing their best to continue in a business-as-usual fashion. Slimline management will work to contain costs to mitigate the impact of lower sales should demand levels dictate.

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 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. 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 planned growth in Latin America 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; fracking tools; ground and subsurface tools; rods and couplings; reconditioning services; and resale parts. Hawk's primary focus is on servicing producers of multi-stage fracking sleeves for the oil and gas industry. 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 in 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 year ended	
December 31,	**2019**	2018	**2019**	2018
Sales	$ **7,369**	$ 6,719	$ **23,965**	$ 19,027
Gross profit	**2,012**	1,449	**7,910**	6,478
Gross profit %	**27%**	22%	**33%**	34%
Profit (loss)	**255**	(298)	**1,668**	2,106
Add (deduct):				
Financing costs	**41**	5	**123**	12
Income tax expense (recovery)	**(201)**	75	**31**	402
Amortization and depreciation	**600**	247	**1,587**	743
EBITDA	**695**	29	**3,409**	3,263
Add (deduct):				
Goodwill impairment losses	**-**	717	**-**	717
Inventory fair value adjustments and write downs	**190**	456	**190**	584
Foreign exchange expense (income)	**130**	(436)	**331**	(990)
Interest income	**5**	(2)	**3**	(2)
Gain on sale of equipment	**-**	-	**(24)**	-
Adjusted EBITDA	**1,020**	764	**3,909**	3,572

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

Three Months Ended December 31, 2019

For the three-month period ended December 31, 2019, the 10% increase in segment sales over the same period in 2018, was a result of sales at Northside for the quarter after its acquisition on August 16, 2019, which were partially offset by a decrease in Hawk sales. Sales for Unicast were similar to Q4 2018.

Overall segment gross profit increased relative to Q4 2018 based on higher gross profit percentages in Hawk and the gross profit generated by Northside in the quarter, as gross profit for Unicast was consistent with Q4 2018.

Overall adjusted EBITDA for the segment was $1.0 million in Q4 2019, an increase of $0.3 million relative to Q4 2018, which was driven primarily by the acquisition of Northside in August of this year.

Year Ended December 31, 2019

Overall segment sales increased by 26% in 2019, compared to 2018, due to the acquisition of Hawk at the end of Q2 2018, the acquisition of Northside on August 16, 2019 and a 10% increase in sales at Unicast.

Similar to sales, the increase in overall segment gross profit in 2019, compared to 2018, was driven by the acquisitions of Hawk and Northside. On a stand-alone basis, Unicast gross profit decreased by 3%, relative to 2018, as a result of the negative impact of tariffs on Chinese steel products sold into the United States. Absent the $0.9 million in steel tariffs in 2019 (2018 - $0.3 million), Unicast's gross profit in 2019 would have been 12% higher and its gross profit percentage would have been 1% higher compared to 2018.

Northside has contributed positively to overall sales, gross profit and adjusted EBITDA since its acquisition in August 2019. However, Northside's business was negatively affected by a decrease in sales of its forestry related products relative to the last few years prior to its acquisition. After a robust period of activity in the forestry sector, demand for forestry equipment reduced significantly in the last four months of 2019. This was a result of a combination of decreased activity in the British Columbia forestry industry and high levels of available forestry equipment.

In addition, during the first half of 2019, the impact of production limits imposed by the Alberta government in late 2018, and the general decrease in oil and gas activity in the period, reduced Hawk's gross profit well below historical levels for the business, particularly in the first quarter. In response, Hawk management reduced its labour force by approximately one-third and worked diligently to contain costs to date in 2019. The labour reductions resulted in $0.1 million in severance costs in the first half of 2019. Hawk's sales and gross profit increased significantly in Q3 and Q4 2019 compared to the first half of the year, and combined with the cost containment efforts during the year led to significantly higher adjusted EBITDA levels relative to the first and second quarters of 2019, although combined they were still lower compared to Hawk's second half of 2018.

Due in part to the acquisition of Northside and despite the negative effects of the above noted steel tariffs on Unicast, decreased sales related to Northside's forestry related products, as well as muted oil and gas activity levels and severance costs on Hawk, adjusted EBITDA for the segment increased by $0.3 million in 2019, compared to 2018.

Component Manufacturing Segment Industry Trends and Outlook

<u>Unicast</u>
Industry trends in the mining, aggregate and cement plant wear-parts industry include a shift towards different alloys and metals and away from traditional manganese and steel fabrication. Demand for titanium carbide wear parts and ceramic imbedded wear parts is continuing to grow due to the increases in wear life attributed to these new innovations. Unicast has developed titanium carbide and ceramic imbedded wear parts over the last several years and is in a position to improve its market share in both of these areas by continuing to add more titanium carbide products to its current product line and continue introducing new ceramic embedded products as they are designed and tested.

The market for Unicast's wear parts is expected to remain relatively strong. Increased infrastructure spending in recent years has caused continued upward demand on the cement industry. Additionally, certain 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 and the Middle East.

Suppliers in China have been impacted by the pollution controls and inspections implemented by the Chinese government. Consistent with many companies that utilize factories in China, emissions inspections and shutdowns have resulted in late deliveries to customers. Unicast management continues to manage supplier risk through the use of secondary vendors 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. Steel tariffs introduced in Q3 2018, on Chinese steel products entering the United States, negatively impacted gross margins for Unicast throughout 2019. Unicast is looking at options to source some products from foundries in other countries, however, until it is able to secure suppliers outside of China on a cost effective basis, the above noted steel tariffs will continue to negatively impact gross margin in 2020.

Recent developments with respect to COVID-19 have impacted Unicast over the last six weeks with much of its supply chain located in China. Unicast's business in January and February of 2020 was largely unaffected; however, manufacturing delays in China as well as delays in shipping due to congestion at the ports are expected to have a negative effect on March results. Foundry workers in China are now back to work but Unicast management believes it will take time for the foundries to catch up on the back log. There is also concern over how demand will be impacted for the remainder of 2020 with the risk that cement plants and mines in Canada, the United States and South America could close due to COVID-19 related measures. Unicast management will work to contain costs to mitigate the impact of lower sales should demand levels dictate.

Hawk

Hawk's products are primarily sold to one customer in the North American exploration and production ("E&P") industry. Hawk's ability to generate revenues from its products 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 and have also utilized technologies to increase efficiency and improve well performance. Sustained declines in commodity prices, combined with potential increases in the cost of drilling and completing wells resulting from high utilization in certain oilfield services categories could lead North American E&P companies to reduce drilling and completion activity, which could negatively impact Hawk's business.

The general decrease in oil and gas activity in Western Canada in early 2019 negatively impacted Hawk's results in the past year. Activity in the sector improved in the second half of 2019 and into the first quarter of 2020. However, the recent oil price decline based on the actions of Saudi Arabia and Russia, is expected to result in a decrease in business for Hawk for the remainder of 2020. Hawk's management is taking a proactive approach with a view to ensuring that its production team is sized for the expected activity levels. As previously announced, plant operations have been temporarily suspended to date in April, and are expected to be reinstated, on a limited production basis, beginning the week of April 20, 2020. Management of Hawk has also expanded its sales team in recent months and is taking steps toward further customer and industry diversification.

Northside

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

After a robust period of activity in the forestry sector, over the last several months demand for forestry equipment has reduced significantly. This is a result of a combination of decreased activity in the British Columbia forestry industry and high levels of available forestry equipment. This decrease is expected to have a negative effect on Northside in the near-term. Additionally, the extent and duration of the impact that COVID-19 has on the overall economy could result in continued low levels of forestry activity beyond the near term.

Conversely, demand in the commercial vehicle market has remained relatively strong and Northside recently agreed to the terms of a significant new contract with its main commercial vehicle customer. The new contract builds on the work already being done for this customer and includes products that it will require for a new line of commercial vehicles. Based on current production forecasts, the provision of these products is expected to significantly increase sales levels with this customer each year during the term of the contract. However, depending on the extent and duration of the impact that COVID-19 has on the overall economy, production under this contract could be delayed in the near-term and Northside management will work to contain costs in-line with activity levels. Management believes that the commercial vehicle sector will be critical both during the pandemic response across North America and also as the continent recovers from the economic effects of COVID-19 and that any production delays will be more near-term in nature.

Northside is also actively working to further diversify its business in terms of both the customers it serves and the products it manufactures. Opportunities to supply products it currently produces, like fuel tanks, to different industries are starting to yield positive results. The distribution of Hydrau-Flo fueling products to augment its fuel tank manufacturing is another business diversification effort that Northside management has undertaken and is continuing to expand. Additionally, Northside is working toward a longer-term goal of manufacturing and supplying its own line of after-market products and has started to gain some results in the commercial truck market with its Iron Feather backpack products.

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 year ended	
December 31,	**2019**	2018	**2019**	2018
Loss	$ **(917)**	$ (191)	$ **(3,126)**	$ (2,138)
Add (deduct):				
Financing costs	**491**	160	**1,166**	553
Income tax expense (recovery)	**54**	(376)	**56**	(379)
Amortization and depreciation	**5**	-	**22**	-
EBITDA	**(367)**	(407)	**(1,882)**	(1,964)
Add (deduct):				
Acquisition costs	**-**	13	**328**	483
Share-based compensation expense	**47**	49	**208**	508
Interest income	**-**	(2)	**(3)**	(2)
Adjusted EBITDA	**(320)**	(347)	**(1,349)**	(975)

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

Three Months Ended December 31, 2019

During the three-month period ended December 31, 2019, Head Office expended $0.9 million, before income taxes, on corporate activities ($0.6 million in 2018), an increase of $0.3 million. The change was driven primarily by a $0.3 million increase financing costs, mainly driven by the increase in long-term debt concurrent with the acquisition of Northside, the higher interest rate on the new credit facility, and an increase in non-cash charges to amortize deferred financing costs.

Year Ended December 31, 2019

For the year ended December 31, 2019, Head Office expended $3.1 million, before income taxes, on corporate activities ($2.5 million in 2018), an increase of $0.6 million. The change was driven primarily by a $0.6 million increase in financing costs as a result of the additional debt issued in Q2 2018 in connection with the acquisitions completed last year and again in Q3 2019 concurrent with the acquisition of Northside. In addition, salaries, wages and benefits increased by $0.4 million in 2019 relative to 2018, as a result of additions to Decisive's management team in late 2018 and the introduction of Director fees in 2019. Given the increased scale of the overall organization and the objective of continuing growth through further acquisitions, a full-time chief operating officer and a new chief financial officer were added in the fall of 2018, which also allowed the former chief financial officer to transition into a chief corporate development officer role within the Company. The chief corporate development officer resigned in Q1 2020; the Company will complete a thorough needs assessment before reestablishing the role. The increases in salaries, wages and benefits were offset by lower acquisition costs and lower share-based compensation expense in 2019 relative to 2018.

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 makes adjustments to 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 normal course issuer bids, 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 worldwide COVID-19 pandemic and the significant decline in global oil prices have created a significant level of economic uncertainty, which may challenge the assumptions and estimates used in the Company's forecasts. In light of this uncertainty, Decisive is actively managing its liquidity and has implemented measures to reduce costs wherever possible, suspended all non-essential capital expenditures, suspended dividend payments, and is pursuing all available government subsidy programs. The directors and management of Decisive believe that these capital preservation measures will provide greater financial strength through this period of uncertainty.

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 later in this 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 $1.0 million, compared to cash of $0.4 million at December 31, 2019, and cash of $1.8 million at December 31, 2018.

As at December 31, 2019, the Company had net working capital of $10.8 million (December 31, 2018 - $10.5 million) as follows:

(Stated in thousands of dollars)		**December 31, 2019**		December 31, 2018		Change
Cash, net of bank indebtedness	$	**435**	$	1,815	$	(1,380)
Accounts receivable		**8,343**		8,274		69
Inventory		**8,327**		7,064		1,263
Prepaid expenses		**799**		629		170
Accounts payable		**(5,478)**		(4,562)		(916)
Dividends payable		**(344)**		(331)		(13)
Warranty provision		**(287)**		(410)		123
Prepaid deposits		**(93)**		(283)		190
Current portion of lease obligations		**(851)**		-		(851)
Current portion of long-term debt		**(97)**		(1,673)		1,576
Net working capital	$	**10,754**	$	10,523	$	231

Dividends Declared and Paid

Throughout 2018 and 2019, the Company paid cash dividends on or about the 15th of each month to shareholders of record on the last business day of the previous month. The Company's Board of Directors regularly examines the dividends paid to shareholders.

Cumulative dividends for the year ended December 31, 2019 and 2018 are as follows:

(Stated in thousands of dollars)		**December 31, 2019**		December 31, 2018
Cumulative dividends, beginning of year	**$**	**7,578**	$	4,348
Dividends declared during the year		**4,041**		3,230
Cumulative dividends, end of year	**$**	**11,619**	$	7,578

The amounts and record dates of the dividends declared for the year ended December 31, 2019 and 2018 are as follows:

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

	2019				**2018**			
Month		**Per share ($)**		**Dividend Amount ($)**		**Per share ($)**		**Dividend Amount ($)**
January	$	0.03	$	331	$	0.03	$	186
February		0.03		331		0.03		186
March		0.03		332		0.03		186
April		0.03		332		0.03		187
May		0.03		333		0.03		195
June		0.03		333		0.03		312
July		0.03		333		0.03		329
August		0.03		343		0.03		329
September		0.03		343		0.03		329
October		0.03		343		0.03		330
November		0.03		343		0.03		330
December		0.03		344		0.03		331
Total	**$**	**0.36**	**$**	**4,041**	**$**	**0.36**	**$**	**3,230**

The above dividends were paid in 2019 and 2018, other than the December 31, dividends, which were paid subsequent to year end in each respective year. Of the dividends paid during the twelve months ended December 31, 2019, $3.8 million (2018 - $3.1 million) were settled in cash and $0.2 million (2018 - $nil) were reinvested in additional common shares of the Company, pursuant to the Company's dividend reinvestment and cash purchase plan ("DRIP").

Subsequent to December 31, 2019 and before the filing of this MD&A, the Company undertook the following dividend actions:

- a dividend of $0.03 per share was declared on January 15, 2020 for shareholders of record on January 31, 2020 and was paid on February 14, 2020.
- a dividend of $0.03 per share was declared on February 14, 2020 for shareholders of record on February 28, 2020 and was paid on March 13, 2020.
- a dividend of $0.03 per share was declared on March 13, 2020 for shareholders of record on March 31, 2020 and was paid on April 15, 2020.
- On March 31, 2020, the Board of Directors made the difficult but prudent business decision to suspend monthly dividend payments in response to the considerable economic uncertainty surrounding the worldwide COVID-19 pandemic and the significant decline in global oil prices. The April 15, 2020 dividend payment referenced above will mark the 58th consecutive monthly dividend payment with $12.7 million in aggregate dividends paid out during that time. Decisive remains committed to paying a dividend over the long term and plans to re-commence the declaration and payment of dividends when determined appropriate by its Board of Directors.

Long-Term Debt

(Stated in thousands of dollars)	Authorized	**April 16, 2020 Outstanding**	**December 31, 2019 Outstanding**	December 31, 2018 Outstanding
Bank of Nova Scotia revolving term loan (a)	10,000	$ **2,835**	$ **3,670**	$ -
Roynat Capital non-amortizing term loan (b)	21,200	**20,945**	**20,945**	-
Bank of Nova Scotia amortizing term loan (c)	-	**-**	**-**	12,847
Bank of Nova Scotia equipment loans (c)	-	**-**	**-**	213
Trumpf Finance equipment loans	132	**132**	**153**	259
	31,332	**23,912**	**24,768**	13,319
Less: current portion		**(107)**	**(97)**	(1,673)
Long-term portion		**23,805**	**24,671**	11,646

In August 2019 the Company entered into a credit agreement with its senior lenders, the Bank of Nova Scotia ("BNS") and Roynat Capital Inc., a subsidiary of BNS, to refinance the Company's pre-existing BNS debt and fund the cash portion of the Northside acquisition. The pre-existing BNS debt facilities described in (iii) below, have been replaced with the credit facilities described in (i) and (ii) below:

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

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

(iii) Prior to August 2019, the Company's credit facilities with BNS consisted of: a \$5.0 million operating loan, subject to a borrowing base and bearing interest at the lender's prime rate plus 0.75% (undrawn at December 31, 2018); a \$1.0 million equipment financing term revolving loan, requiring installments of \$0.02 million per quarter at an effective interest rate of 5.2%; and a term loan paid through monthly instalments of \$0.13 million plus interest at the bank's prime rate plus 1.25% or bankers' acceptances plus 2.5%.

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 a group on a trailing twelve-month basis:

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

As at December 31, 2019, the Group was in compliance with these ratios.

The Company's senior lenders have indicated that they remain supportive of the Company as it navigates through the considerable economic uncertainty that has arisen as a result of the COVID-19 pandemic and the significant decline in global oil prices.

As at December 31, 2019, principal payments required over the next three years were estimated as follows:

(Stated in thousands of dollars)

For the years ending December 31,		
2020	$	97
2021		56
2022		24,615
		24,768
Less: current portion		(97)
Long-term portion	$	24,671

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 April 16, 2020, December 31, 2019 and December 31, 2018. Each stock option and each agents' warrant entitle the holder thereof to purchase one common share of the Company.

	April 16, 2020	**December 31, 2019**	**December 31, 2018**
Common shares, basic	11,618,482	11,457,613	10,878,391
Contingent common shares	-	-	146,666
Common shares issued	11,618,482	11,457,613	11,025,057
Equity incentive awards outstanding	989,062	944,381	813,500
Agents' warrants outstanding	-	37,005	241,951
Common shares, fully diluted	12,607,544	12,438,999	12,080,508

For the year ended December 31, 2019, an aggregate of 116,017 common shares were issued through Decisive's employee share purchase plan, DRIP, and the exercise of agent warrants. These share issuances generated cash proceeds of $0.2 million and reduced the amount of cash dividends paid by an additional $0.2 million.

In June 2019, the Company released from escrow 183,332 common shares related to the Unicast acquisition. Of the escrowed shares released, 146,666 had been treated as share-based compensation, and so prior to release, these common shares were considered issued but not outstanding for accounting purposes.

In August 2019, 316,539 common shares were issued as consideration for the acquisition of Northside as described under "Acquisitions" earlier in this MD&A.

Subsequent to the end of the quarter, 24,500 deferred share units and 28,500 restricted share units were granted at a fair market value of $3.68 per share and 20,000 stock options were granted at an exercise price of $3.65 per share.

As at December 31, 2019, there were 957,572 shares in escrow (December 31, 2018 – 1,144,881) relating to the Company's completed acquisitions, as follows:

- Slimline – 188,771 to be released at one-half per year in June 2020 and 2021 respectively.
- Hawk – 452,261 to be released at one-half per year in July 2020 and 2021 respectively.
- Northside – 316,539 to be released at one-third per year in August 2020, 2021 and 2022 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 year ended December 31, 2019 included $0.68 million of salaries, benefits and director fees and $0.03 million of share-based compensation (2018 - $0.29 million of salaries and benefits and $0.22 million of share-based compensation). Currently, the Chief Executive Officer position does not receive cash compensation. The Chief Operating Officer position became a paid position in September 2018 and the Chief Corporate Development Officer position was added in October 2018.

During the year ended December 31, 2019, the Company incurred legal fees of $0.03 million (2018 - $0.04 million) with a law firm in which a director of the Company was a partner.

During the year ended December 31, 2019, the Company made lease obligation payments of $0.18 million (2018 - $0.09 million) to a president of one of the Company's wholly-owned subsidiaries.

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, 2019. Accounting policy changes during 2019 are as follows:

Changes in Accounting Policies

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

On January 1, 2019, the Company recognized lease obligations of $2.1 million related to its operating lease commitments which were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as at January 1, 2019. The associated right of use assets were measured at the lease obligation amounts, resulting in no adjustment to the opening balance of retained earnings. The Company applied the following practical expedients permitted under the new standard: (i) leases of low dollar value will continue to be expensed as incurred; and (ii) the Company did not apply any grandfathering practical expedients.

Critical Accounting Estimates

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised.

Areas that require significant estimates and assumptions as the basis for determining the stated amounts include, but are not limited to, the following:

i. *Business combinations*

Management uses valuation techniques when determining the fair values of certain assets and liabilities acquired in a business combination. The most significant assumptions and those requiring the most judgment involve the estimated fair values of intangible assets. Significant assumptions include, among others, the determination of projected revenues, cash flows, customer retention rates, discount rates and anticipated average income tax rates.

The Company's acquisitions have been accounted for using the acquisition method when control is transferred to the Group. The consideration paid in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. The consideration includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Any contingent consideration is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration is recognized in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

ii. *Depreciation and amortization of long-lived assets*

The Company makes estimates about the expected useful lives of long-lived assets and the expected residual values of the assets based on the estimated current fair value of the assets. Changes to these estimates, which can be significant, could be caused by changes in the utilization of major manufacturing equipment and uncertainties relating to technological obsolescence. Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Generally, these adjustments are accounted for on a prospective basis, through depreciation and amortization expense.

iii. *Impairment of non-financial assets and goodwill*

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit ("CGU") based on discounted expected future cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Subsequent to the 2019 year-end, considerable economic uncertainty arose surrounding the effects of the worldwide COVID-19 pandemic and the significant decline in global oil prices. The Company's impairment tests for its non-financial assets and goodwill are determined using discounted expected future cash flows based on the Company's internal forecasts and represent management's best estimates at a specific point in time. Accordingly, as required by IFRS, the Company has not reflected these subsequent conditions in its impairment testing as of December 31, 2019. Based on the continuing effects of COVID-19 and persisting low oil prices, impairment indicators for the Company's non-financial assets and goodwill existed as at March 31, 2020.

Management continues to revise its forecasts in light of these recent developments and will use updated assumptions and forecasts in completing first quarter 2020 impairment tests of its non-financial assets and goodwill.

iv. *Inventories*

Management estimates the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

v. *Warranty liabilities*

The Company provides for warranty expenses by analyzing historical failure rates, warranty claims, current sales levels and current information available about returns based on warranty periods. Uncertainty relates to the timing and amount of actual warranty claims which can vary from the Company's estimation.

vi. *Expected credit losses*

The Company provides for expected credit losses of its accounts receivable based on historical collection trends and experiences with customers. Uncertainty relates to the timing and amount of actual credit losses which can vary from the Company's estimation.

vii. *Share-based compensation*

Compensation expense associated with stock options granted is based on various assumptions, using the Black-Scholes option-pricing model, to produce an estimate of fair value. This estimate may vary due to changes in the variables used in the model including interest rates, expected life, expected volatility, expected forfeitures and share prices. Estimating expected life and forfeitures requires judgement.

Financial Instruments

The Group's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, dividends payable, and long-term debt.

Fair Value Measurement and Disclosure of Financial Assets and Liabilities

Financial assets and liabilities recorded or disclosed at fair value in the consolidated statements of financial position are categorized based on the level of judgment associated with the inputs used to measure their fair value. The following fair value hierarchy reflects the significance of inputs of valuation techniques used in making fair value measurements and/or disclosures.

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Group's financial assets and financial liabilities, including long-term debt, are measured and/or disclosed at fair value by level within the fair value hierarchy described above. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The Group's policy is to recognize transfers in and out of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfer. There were no such transfers during the year.

Fair Value Disclosures

At December 31, 2019 and 2018, 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.

The Group's long-term debt, as described under heading "Long-Term Debt" earlier in this MD&A, was measured and recognized in the consolidated statement of financial position at fair value as a level 2 financial instrument. Management determined that the fair values of the Group's long-term debt was not materially different than their carrying amounts as they are based on current market interest rates.

Financial Risk Management

The Group's primary business activities consist of the acquisition of corporations in the manufacturing sector. The business plan of the Company is to acquire profitable, well-established companies with strong cash flows to create a portfolio of diversified and strong returns. The Group's activities expose it to a variety of financial risks. The Group examines the various financial risks to which it 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.

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)

December 31, 2019	Carrying value	Total contractual cash flows	Within one year	Two to five years	More than five years
Accounts payable	$ 5,478	$ 5,478	$ 4,472	$ 1,006	$ -
Dividends payable	344	344	344	-	-
Long-term debt	24,505	29,185	1,959	27,226	-
Lease obligations	3,211	3,537	984	2,553	-
	$ 33,538	$ 38,544	$ 7,759	$ 30,785	$ -

December 31, 2018	Carrying value	Total contractual cash flows	Within one year	Two to five years	More than five years
Accounts payable	$ 4,562	$ 4,562	$ 4,562	$ -	$ -
Dividends payable	331	331	331	-	-
Long-term debt	13,275	14,659	2,269	12,390	-
Lease obligations	-	2,310	661	1,649	-
	$ 18,168	$ 21,862	$ 7,823	$ 14,039	$ -

As discussed in this MD&A, the Group has and expects to continue to experience some negative impacts from the worldwide COVID-19 pandemic and the significant decline in global oil prices. These events have created uncertainty in forecasted results for 2020 which, depending on the extent and duration of these impacts, could impair the Company's ability to meet certain debt covenants. A potential covenant breach could result in the Company's senior lenders having the right to demand repayment on short notice until such time as the covenants have been satisfied or renegotiated.

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

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 December 31, 2019, the Company expects to recover the full amount of such assets, less any expected credit losses.

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

(Stated in thousands of dollars)

		December 31, 2019			December 31, 2018	
Current	**$**	**4,008**	***49%***	$	3,618	*46%*
31-60 days		**1,958**	***24%***		1,922	*24%*
61-90 days		**1,007**	***12%***		803	*10%*
>90 days		**1,249**	***15%***		1,577	*20%*
Trade accounts receivable		**8,222**	***100%***		7,920	*100.0%*
Less: expected credit losses		**(88)**			(163)	
Net trade accounts receivable	**$**	**8,134**		$	7,757	

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.

Cash and cash equivalents are only deposited with or held by major financial institutions where the Group conducts its business. In order to manage credit and liquidity risk, the Group invests only in highly rated investment grade instruments that have maturities of three months or less. Limits are also established based on the type of investment, the counterparty and the credit rating.

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)

2019	Entities with a CAD functional currency CAD	USD	Entities with a USD functional currency CAD	USD	Total
Cash	$ 463	$ 580	$ (607)	$ (1)	**$ 435**
Accounts receivable	3,998	1,785	282	2,279	**8,344**
Accounts payable	(4,642)	(579)	(211)	(47)	**(5,479)**
Dividend payable	(344)	-	-	-	**(344)**
Inter-company amounts	9,554	(2,080)	(7,474)	-	**-**
Long-term debt	(24,352)	(153)	-	-	**(24,505)**
Net exposure	(15,323)	(447)	(8,010)	2,231	**(21,549)**
Effect of 5% strengthening of USD versus CAD:					
Profit (loss)	-	(22)	401	-	**379**
OCI	$ -	$ -	$ -	$ (112)	**$ (112)**

(Stated in thousands of dollars)

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

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

The Group is 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 Group's interest-bearing debt at December 31, 2019, 15% was variable rate (2018 - 96%). The Group does not enter into derivative contracts to manage this risk.

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

(Stated in thousands of dollars)

Interest rate risk	December 31, 2019	December 31, 2018
Floating instruments	**$ 3,670**	$ 12,847
Average balance	**9,562**	10,624
Impact on profit (loss) of a change in interest rates:		
-1%	**96**	106
+1%	**$ (96)**	$ (106)

Risk Factors

The Group is 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. The risk factors described below are significant risk factors that management of the Company believes to be material to the business and results of operations of the Group. When reviewing forward-looking statements and other information contained in this report, investors and others should carefully consider these risk factors, as well as other risk factors that may adversely affect future results of the Group. The Group operates in a very competitive and rapidly changing environment. New risk factors emerge from time-to-time and it is not possible for management of the Company to anticipate all risk factors or the impact that such factors may have on the business and financial performance of the Group. The Company assumes no obligation to update or revise these risk factors or other information contained in this report to reflect new events or circumstances, except as may be required by law.

The most significant risks are categorized by their source and described as follows:

External	Operational	Financial	Human Capital
• General Economic Conditions	• Risk Related to Acquisitions	• Availability of Future Financing	• Reliance on Management and Key Personnel
• Pandemic	• Dependence on Customers, Distributors and Strategic Relationships	• Interest Rates and Debt Financing	• Employees and Labour Relations
• Competition	• Supply and Cost of Raw Materials and Purchased Parts	• Income Tax Matters	• Conflicts of Interest
• Government Regulation	• Operational Performance and Growth	• Foreign Exchange	
• Environmental Regulation	• Implementation of the Growth Strategy	• Dividends	
• Access to Capital	• Product Liability and Warranty Claims	• Trading Volatility of Common Shares	
• Market Trends and Innovation	• Litigation	• Dilution Risk	
• Climate Risk	• Reliance on Technology and Intellectual Property Risks		
• General Uninsured Losses			

External Risks:

General Economic Conditions
The general global economic environment can impact the business and financial performance of the Group. The demand for the Group's products depends on the conditions of the respective industries in which they operate, which are influenced by numerous factors over which the Company has no control, including oil and natural gas and other commodity prices, the weather and climate, macro-economic and geopolitical factors, regulatory and other economic conditions. A prolonged or more significant downturn in any economy where the Group operates could negatively impact the demand for the Group's products.

The level of activity in the Canadian crude oil and natural gas industry can be volatile. The volatility of crude oil and natural gas prices accounts for much of the cyclical nature of the oilfield services business. A downturn in oil and natural gas prices has a direct impact on activities of certain customers of the Group, particularly the customers of Hawk. Generally, there is a higher demand for Hawk's products when oil and gas prices are high. Global oil prices have recently declined significantly based on a combination of the recent COVID-19 pandemic and the oversupply of oil from Saudi Arabia and Russia, and the Company anticipates that this could result in a decrease in business for Hawk.

Pandemic
The spread of contagious disease could have a material adverse effect on the Group's business and financial performance by triggering global financial market shocks, causing shortages of employees to staff the Group's head office and facilities, interrupting supplies from third parties upon which the Group rely for its business operations, impacting the industries of customers, and disrupting or suspending the Group's business operations entirely in certain circumstances.

On March 11, 2020, the World Health Organization classified the outbreak of the novel strain of coronavirus (COVID-19) as a worldwide pandemic. In response, federal, state, provincial and municipal governments in North America and across the world have and will likely continue to implement measures to combat the spread of COVID-19. While the extent and duration of the COVID-19 pandemic, the measures taken in response, and the impacts on the Group and its suppliers and customers remains uncertain and unquantifiable at this time, the pandemic could have a material adverse effect on the Group's business and financial performance. There can be no assurances of what the continued impact of the pandemic will be on Group's business and financial position.

Competition
New competition or increased competition could have a significant impact on the Group's business, results from operations, and financial conditions.

The industries in which the Group operate are highly competitive and each of the Group competes with a substantial number of companies, some of which have greater technical and financial resources. There can be no assurance that such competitors will not substantially increase the resources devoted to the development and marketing of products and services that compete with those of the Group or that new or existing competitors will not enter the various markets in which the Group is active or that the Group wishes to enter. In certain aspects of its business, the Group also competes with a number of small and medium-sized companies, which, like the Group, have certain competitive advantages such as low overhead costs and specialized regional strengths.

There can be no assurance that competitors will not develop new and unknown technologies with which the Group may have difficulty competing. As well, without remaining cost competitive, there is also a risk that the Group may lose business to its competitors.

Government Regulation

Certain of the industries in which the Group operate are subject to, and significantly impacted by, governmental regulation. For example, the wood burning stove market in which Blaze King operates is highly regulated in North America and these regulations are subject to frequent change. Federal, state, provincial and municipal governments in North America and across the world have and will likely continue to implement measures to combat the spread of COVID-19. There can be no assurance that the Group's business will not be adversely affected in the event of additional regulation in any of the industries or jurisdictions where the Group operate or sell its products.

Current international, multinational and/or bilateral trade agreements and tariffs in effect from time to time can significantly impact the Group's business and financial performance. Such trade agreements and tariffs can impact the demand, cost, and production of the Group's products. The Group regularly engages in business transactions with United States based suppliers and customers. In November 2018, Canada, the United States and Mexico signed the new United States – Canada – Mexico Agreement ("USCMA") to replace the North American Free Trade Agreement. The USCMA was ratified by the three countries in February 2020.

Trade disputes between countries or among multiple countries can disrupt global and local supply chains, distort commodity pricing, impair the ability of the Group to make long-term investment decisions, create volatility in relative foreign exchange rates and contribute to stock market volatility. For example, tariffs introduced by the United States in 2018, which remain in place as at the date of this MD&A, have a direct impact on the business and financial performance of the Group, and in particular, Unicast. The continuation or increase of existing tariffs, the implementation of new tariffs, and/or the existence or escalation of trade disputes from time to time could have an adverse effect on the financial results and profitability of the Group.

Environmental Regulation

The past and present operation by the Group of manufacturing facilities and ownership and/or occupation of real property are subject to extensive and changing federal, provincial, state and local environmental laws and regulations, including those relating to discharges in air, water and land, the handling and disposal of solid and hazardous waste and the remediation of contamination associated with releases of hazardous substances. To date, compliance with environmental regulations has not had a material adverse effect on the capital expenditures, earnings or competitive position of the Group. There can be no assurance that compliance with current or more stringent laws or regulations which may be imposed on the Group in the future, stricter interpretation of existing laws or discoveries of contamination at the leased business locations of the Group which occurred prior to the Group's lease of such sites or the advent of environmental regulation will not require the Group to incur significant expenditures in the future, some of which may have a material adverse effect on the capital expenditures, earnings or competitive position of the Group.

Access to Capital

One of the objectives of the Company is to continue to acquire additional companies or interests therein in order to expand and diversify the Company's investments. The ability to execute this objective is dependent on the Company's ability to raise funds in the capital markets. If the capital markets' desire for income producing investments, such as Decisive's common shares, were to significantly decrease, the Company would have difficulty in executing its acquisition objectives. The Company's current level of leverage is considered reasonable, which gives the Company the ability to undertake acquisitions, up to a given size, in the short-term without being dependent on the capital markets. However, the suspension of the dividend announced by the Company on March 31, 2020 may also have an affect on the Company's ability to raise funds in the capital markets.

Market Trends and Innovation

The Group's market position is dependent on its ability to effectively anticipate consumer habits and expectations and develop new or modified products in a timely fashion to satisfy these expectations. If the Group is not able to develop new products that are attractive to customers, the Group risks losing those customers to competitors.

Climate Risk
The Group's results of operations could be impacted by fluctuations from weather and natural disasters. Severe weather conditions and natural disaster conditions can significantly disrupt service by impeding the movement of goods or consumer demand, which could have an adverse effect on the Group's business, results of operations and financial condition. In addition, increases in frequency, severity or duration of severe weather events, including changes in the global climate, could result in increases in raw materials costs, freight costs and delivery delays, any of which would increase the potential for loss of revenue and higher costs. For example, Blaze King is impacted by the length and severity of the winter season, which drives customer demand for heating appliances as well as alternative sources of fuels. Additionally, the Group's results are impacted by seasonality factors primarily driven by weather patterns in North America and worldwide, 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. For example, the impact of weather conditions and patterns on the agriculture sector in North America and worldwide, has a direct impact on activities of the customers of Slimline.

General Uninsured Losses
The Group carries comprehensive general liability, fire, flood and extended coverage insurance with policy specifications, limits and deductibles customarily carried for similar businesses. There are, however, certain types of risks, generally of a catastrophic nature, such as wars, pandemic, and environmental contamination, which are either uninsurable or not insurable on an economically viable basis. Should an uninsured or underinsured loss occur, anticipated profits and cash flows could be negatively impacted.

Operational Risks:

Risk Related to Acquisitions
With respect to acquired companies, there can be no assurance that the operating performance and financial results of those companies after they have been acquired by the Company will reflect the past operating performance or financial results of such companies.

In addition, while the Company seeks to identify and exploit potential synergies among its various subsidiaries in the Group, there can be no assurance that the Company will successfully identify potential synergies or exploit such synergies for the benefit of the Group.

Dependence on Customers, Distributors and Strategic Relationships
The Group's business may be subject to customer concentration risk in that the financial performance is based substantially on business carried out with a main customer or a small group of customers. For example, Hawk's business is subject to customer concentration risk in that the financial performance of Hawk during recent financial periods was substantially the result of business conducted with a main customer. Northside's financial performance during recent financial periods has been similarly substantially the result of business conducted with two main customers. There can be no assurance that these main customers will continue to conduct business with Hawk and Northside in a similar amount and on similar terms to the business conducted with these subsidiaries each year. In the event that the business prospects of these main customers deteriorate, or in the event that these main customers reduce the amount of business that they conduct with Hawk or Northside, or do not conduct business with Hawk or Northside on similar terms, there may be a material adverse effect on the business and financial performance of Hawk and/or Northside, as applicable. Although Hawk and Northside both have the objective of diversifying their respective customer bases and the industries that they serve, there can be no assurance that they will achieve such objectives. The other subsidiaries in the Group have a fairly broad customer base and do not solely depend on any one customer or group of customers.

Additionally, the future revenue growth of the Group will depend in large part upon its ability to successfully establish and maintain a network of suppliers and distributors for its subsidiaries as well as its ability to enter into strategic alliances. There can be no assurances that the Group will be able to successfully establish and maintain these relationships and if the Group is unable to do so, it may not be able to generate sufficient revenues to maintain profitability.

Supply and Cost of Raw Materials and Purchased Parts
The Group relies on a stable and consistent supply of materials and finished goods in carrying out its operations. Each of the subsidiaries in the Group secure supplies of raw materials and finished goods from various suppliers on an ongoing basis at negotiated prices (including, Chinese and/or other foreign suppliers). An interruption in the availability of these raw materials or finished goods, from pandemics such as COVID-19 or otherwise, trade barriers inflicted on the countries where these suppliers are located, geopolitical factors in certain parts of the world, other factors not within the control of the Group or otherwise, or significant increases in the prices paid by the Group for them, could have a material adverse effect on the Group's business and financial performance.

The pricing of certain commodities used to produce certain of the Group's products, such as steel, titanium carbine and manganese, are still largely driven by overall market conditions and increases in the cost of these components could increase the Group's manufacturing costs and have a material adverse effect on the Group's business and financial performance.

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

Implementation of the Growth Strategy
Historically high valuation multiples have dominated the acquisition market. Management of the Company continues to focus on strategic acquisitions and organic growth. Given the current environment, it continues to be imperative for the Company to maintain its acquisition discipline and not enter into transactions at multiples that exceed the Company's acquisition model.

The Company may not effectively select candidates for acquisition or successfully negotiate or finance such acquisitions. There can be no assurance the acquisitions will be completed on acceptable terms or that the newly acquired companies will be successfully integrated into the Group's operations. Additionally, the Group may experience increased production costs or problems, difficulty in obtaining financing and increased cost of borrowing as a result of such acquisitions. With the Group's intention to expand the sales focus into new geographic areas there may be exposure to political and economic risks not currently experienced in current geographic sales areas.

Product Liability and Warranty Claims
The Group may be subject to potential product liabilities connected with its operations, including liabilities and expenses associated with product defects. The Group may also be subject to personal injury claims for injuries resulting from use of its products.

Any liability for damages resulting from product malfunctions could be substantial and could materially adversely affect the Group's business, results of operations and financial performance. In addition, a well-publicized actual or perceived claim could adversely affect the market's general perception of the Group's products. This could result in a decline in demand for the Group's products, which would materially adversely affect the Group's business, results of operations and financial performance.

While the Group maintains product liability insurance, there can be no assurance that such insurance will continue to be available on commercially reasonable terms and that it will be sufficient to cover all claims.

Litigation
The Group may be subject to litigation from time to time and such litigation has the potential to materially adversely affect the business and/or financial performance of the Group. In January 2017, the insurance company for Valley Comfort Systems Inc. and Blaze King Industries Canada Ltd. (collectively, the "insured companies") received a claim by Constance Weller et al. in the amount of $11 million, plus aggregate punitive, aggravated or exemplary damages of $10 million, against the insured companies and other third parties in relation to bodily injury and property damages filed against the insured companies in the Ontario Superior Court of Justice. The insurance company has acknowledged that the insurance policy requires it to pay claims that the insured companies are legally obligated to pay as compensatory damages in an amount of up to $10 million. Compensatory damages do not include punitive, aggravated or exemplary damages. Accordingly, the insured companies have retained legal counsel to represent them for the punitive damages claim (which is not covered by the insurance policy) and compensatory damages in excess of the $10 million policy limit. Based upon discussions with legal counsel and the circumstances underlying the plaintiff's claim, the Company and the insured companies will continue to vigorously defend the claim and are of the view that the likelihood of punitive damages being awarded against them in any amount, and the likelihood of compensatory damages being awarded against the insured companies in any amount, or in an amount exceeding $10 million, is low. The plaintiffs in such lawsuit have named a number of defendants (in addition to the insured companies) against whom damages are sought, including propane providers, a propane service company, a propane technician and the manufacturer of a valve within one of the insured companies' fireplaces.

Reliance on Technology and Intellectual Property Risks
The Group will depend upon improvements in technology to meet customer demands in respect of performance and cost, and to explore additional business opportunities. There can be no assurance that the Group will be successful in its efforts in this regard or that it will have the resources available to meet this demand.

The Group currently relies on intellectual property rights and other contractual or proprietary rights, including, without limitation, copyright, trade secrets, confidential procedures, contractual provisions, licenses and patents, to protect its proprietary technology and commercial advantages. The Group may have to engage in litigation in order to protect its patents or other intellectual property rights, or to determine the validity or scope of the proprietary rights of others. This type of litigation can be expensive and time consuming, regardless of whether the Group is successful. The Group may seek patents or other similar protections in respect of particular technology. There can be no assurances that any future patent applications will result in issued patents, or that, even if patents are issued, they will be of sufficient scope or strength to provide meaningful protection or any commercial advantage to the Group. The process of seeking patent protection can also be long and expensive. Competitors may develop technologies that are similar or superior to the technology of the Group or design around the patents owned by the Group, thereby adversely affecting the Group's competitive advantage in one or more of its businesses.

Financial Risks:

Availability of Future Financing
In order to execute its business plan, the Group may require a combination of additional debt and equity financing to support ongoing operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available when needed or on terms acceptable to the Group. The Group's inability to raise financing to support ongoing operations or to fund capital expenditures or acquisitions could limit the Group's growth and may have a material adverse effect upon the Group.

Interest Rates and Debt Financing
The Group has significant debt service obligations pursuant to the financing agreements relating to its long-term debt. The degree to which the Group is leveraged could have important consequences to the Group and/or the Company's shareholders, including:

- the ability of the Group to obtain additional financing for working capital, capital expenditures or acquisitions in the future may be limited;
- a substantial portion of cash flow from operations of the Company are, and will be, dedicated to servicing its indebtedness, thereby reducing funds available for future operations;
- certain borrowings of the Group are, or will be, at variable rates of interest, which will expose the Group to future fluctuations of interest rates; and
- the Group may be more vulnerable to economic downturns and may be limited in its ability to withstand competitive pressure.

The ability of the Group to make scheduled payments of the principal of or interest on, or to refinance, their respective indebtedness will depend on future operating performance and cash flow, which are subject to prevailing economic conditions, prevailing interest rate levels, and financial, competitive, business and other factors, many of which are beyond its control. There can be no assurance that the Company will be able to refinance its long-term debt on maturity on terms similar to existing terms, or at all.

The debt financing agreements relating to the Group's long-term debt contain restrictive covenants that limit the discretion of management with respect to certain business matters. These covenants may place significant restrictions on, among other things, the ability of the Group to incur additional indebtedness, to create liens or other encumbrances, to pay dividends, to redeem equity or debt or make certain other payments, investments, capital expenditures, loans and guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity. The financing agreements also contain a number of financial covenants that require the Group to meet certain financial ratios and financial condition tests. A failure to comply with the obligations and covenants under the financing agreements relating to the credit facility could result in an event of default under such agreements, as the case may be, which, if not cured or waived, could permit acceleration of indebtedness. If the indebtedness under such agreements were to be accelerated, there can be no assurance that the assets of the Group would be sufficient to repay that indebtedness in full.

The Group has and expects to continue to experience some negative impacts from the worldwide COVID-19 pandemic and the significant decline in global oil prices. These events have created uncertainty in forecasted results for 2020 which, depending on the extent and duration of these impacts, could impair the Company's ability to meet certain debt covenants.

Income Tax Matters
The business and operations of the Group are complex and the computation of income taxes payable involves many complex factors including the Group's interpretation of relevant tax legislation and regulations. While management believes that the provision for income tax is adequate and in accordance with IFRS and applicable legislation and regulations, tax filing positions are subject to review and adjustment by taxation authorities who may challenge the Group's interpretation of the applicable tax legislation and regulations. If any challenge to the Group's tax filing positions were to succeed, it could result in a reassessment of taxes or otherwise have a material adverse effect on the Group's tax position. Furthermore, federal or provincial or foreign tax legislation may be amended, or its interpretation changed (whether by legislative or judicial action or decision), retroactively or for the future, which could adversely affect the Group's tax position.

Foreign Exchange
A significant portion of the Group's products will be sold in markets outside of Canada, while most of its operating expenses and capital expenditures are denominated in Canadian dollars. Additionally, a significant amount of the raw materials and finished goods used by the Group in its business are denominated in foreign currency since they are mainly sourced from outside of Canada. As a result, the Group will be exposed to fluctuations in the foreign exchange rates between the Canadian dollar and the currency in which a particular purchase or sale is transacted, which may result in foreign exchange losses that could affect earnings. The Group does not currently manage this exposure through the use of derivative contracts.

Dividends
As one of Decisive's objectives is to pay a regular dividend to its shareholders over the long term, the Company plans to re-commence the declaration and payment of dividends when determined appropriate by the Board of Directors. However, there can be no assurance that dividends will continue in the future at the same frequency, or in the same amounts, or at all. The actual amount of dividends declared and paid by the Company in respect of the common shares will depend upon numerous factors, including profitability, fluctuations in working capital, and the sustainability of margins and capital expenditures of the Group.

Trading Volatility of Common Shares
Management of the Company cannot predict at what price the Company's common shares will trade and there can be no assurance that an active trading market for its common shares will be sustained. The market price of the Company's common shares could be subject to significant fluctuations in response to variations in financial results, general trends in the industry and other factors, including extreme price and volume fluctuations which have been experienced by the securities markets from time to time.

Dilution Risk
The authorized share capital of the Company is comprised of an unlimited number of common shares. The Company may issue additional common shares, or securities which are convertible, exchangeable or exercisable into common shares, for consideration and on those terms and conditions as are established by the Company without the approval of shareholders of the Company. The Company intends to pursue further acquisitions which will likely require the issuance of additional common shares.

Human Capital Risk:

Reliance on Management and Key Personnel
The success of the Company is dependent on a number of key senior employees both at the Company's head-office level and at the subsidiary level. The loss of any one of these key employees may impair the Company's ability to operate at its optimum level of performance and could have an adverse effect on the Group's business, results from operations and financial condition. There can be no assurance that the Company will be able to retain its existing senior management, attract additional qualified executives or adequately fill new senior management positions or vacancies created by expansion or turnover at either the head office level or subsidiary level.

Employees and Labour Relations
The success of the Company's subsidiaries is dependent in large part upon their ability to attract and retain key management and employees. Recruiting and maintaining personnel in the industries in which the subsidiaries are involved is highly competitive and it cannot be guaranteed that these entities will be able to attract and retain the qualified personnel needed for their businesses. A failure to attract or retain qualified personnel could have an adverse effect on the Company's businesses, results from operations and financial condition.

<u>*Conflicts of Interest*</u>
The Company may be subject to various conflicts of interest due to the fact that its Directors and management are or may be engaged in a wide range of other business activities. The Company may become involved in transactions that conflict with the interests of these other business activities. The Directors and management of the Company and associates or affiliates may from time to time deal with persons, firms, institutions or organizations with which the Company may be dealing, or which may be seeking investments similar to those desired by the Company. The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may be competing with the Company for available investment opportunities. Any such conflicts will be resolved in accordance with the provisions of the *Business Corporations Act* (British Columbia) relating to conflicts of interest. Additionally, Decisive has a Code of Business Conduct and Ethics that provides guidance to Directors, officers and employees on how to deal with potential conflicts of interest.

Internal Controls Over Financial Reporting

The Chief Executive Officer and Chief Financial Officer, in accordance with National Instrument 52-109 ("NI 52-109"), have both certified that they have reviewed the annual information form, the annual financial statements and this MD&A (the "Annual Filings") and that, based on their knowledge having exercised reasonable diligence, that (a) the Annual 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 Annual Filings; and (b) the annual financial statements together with the other financial information included in the Annual 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 Annual 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.