Financial Statements of

Decisive Dividend Corporation

For the years ended December 31, 2020 and 2019

Independent auditor's report

To the Shareholders of Decisive Dividend Corporation

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Decisive Dividend Corporation and its subsidiaries (together, the Company) as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2020 and 2019;
- the consolidated statements of profit (loss) and comprehensive income (loss) for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is David Neale.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 8, 2021

Consolidated Statements of Financial Position

(Expressed in thousands of Canadian dollars)

		December 31, 2020		December 31, 2019
Assets				
Cash	**$**	**2,999**	$	435
Accounts receivable (note 5)		**7,338**		8,343
Inventory (note 6)		**7,358**		8,327
Prepaid expenses and deposits		**871**		799
Total current assets		**18,566**		17,904
Property and equipment (note 7)		**7,535**		8,464
Intangible assets (note 8)		**11,575**		12,906
Goodwill (note 9)		**18,709**		20,117
Total assets	**$**	**56,385**	$	59,391
Liabilities				
Accounts payable and accrued liabilities (note 10)	**$**	**6,721**	$	5,478
Dividends payable (note 16)		**-**		344
Warranty provision (note 11)		**341**		287
Customer deposits		**604**		93
Current portion of lease obligations (note 12)		**966**		851
Current portion of long-term debt (note 13)		**55**		97
Total current liabilities		**8,687**		7,150
Lease obligations (note 12)		**2,238**		2,360
Long-term debt (note 13)		**20,942**		24,408
Deferred income taxes (note 14)		**3,250**		3,608
Total liabilities		**35,117**		37,526
Equity				
Share capital (note 15)		**31,545**		30,978
Contributed surplus		**1,609**		1,270
Cumulative profit		**503**		1,239
Cumulative dividends (note 16)		**(12,656)**		(11,619)
		21,001		21,868
Accumulated other comprehensive income (loss)		**267**		(3)
Total equity		**21,268**		21,865
Total liabilities and equity	**$**	**56,385**	$	59,391

Approved on behalf of the Board of Directors:

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

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

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

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

For the Years Ended December 31,		2020		2019
Sales (note 17)	$	**48,457**	$	47,390
Manufacturing costs (note 18)		**30,035**		29,802
Gross profit		**18,422**		17,588
Expenses				
Amortization and depreciation		**2,282**		1,717
Financing costs (note 19)		**2,189**		1,451
Occupancy costs		**889**		774
Professional fees		**584**		687
Salaries, wages and benefits		**7,887**		7,801
Selling, general and administration		**3,652**		3,805
		17,483		16,235
Operating profit		**939**		1,353
Other items				
Interest and other income		**621**		8
Foreign exchange losses		**(424)**		(393)
Goodwill impairment losses (note 9)		**(1,368)**		-
Gain on sale of equipment		**71**		24
		(1,100)		(361)
Profit (loss) before income taxes		**(161)**		992
Income taxes (note 14)				
Current expense		**920**		338
Deferred recovery		**(345)**		(105)
		575		233
Profit (loss)	$	**(736)**	$	759
Other comprehensive income (loss)				
Foreign operation currency translation differences		**270**		(117)
Total comprehensive income (loss)	$	**(466)**	$	642
Profit (loss) per share				
Basic		**(0.06)**		0.07
Diluted		**n/a**		0.07
Weighted average number of shares outstanding (000s):				
Basic		**11,594**		11,140
Diluted		**11,768**		11,579

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

Consolidated Statements of Changes in Equity

(Expressed in thousands of Canadian dollars)

	Share Capital		Contributed	Deficit		Accumulated Other	
For the Years Ended December 31, 2020 and 2019	**Number (000s)**	**Amount**	**Contributed Surplus**	**Cumulative Dividends**	**Cumulative Profit (loss)**	**Accumulated Other Comprehensive Income (loss)**	**Total Equity**
Balance, January 1, 2019	10,878	$ 28,844	$ 1,557	$ (7,578)	$ 480	$ 114	$ 23,417
Shares issued under ESPP (note 15)	50	212	23	-	-	-	235
Shares issued under DRIP (note 15)	53	198	-	-	-	-	198
Exercise of agent warrants (note 15)	13	55	(3)	-	-	-	52
Acquisition vendor shares released from escrow (note 15)	147	469	(469)	-	-	-	-
Share-based payment awards (note 15)	-	-	162	-	-	-	162
Shares issued to vendors on business acquisitions (note 15)	317	1,200	-	-	-	-	1,200
Total comprehensive income for the year	-	-	-	-	759	(117)	642
Dividends declared (note 16)	-	-	-	(4,041)	-	-	(4,041)
Balance, December 31, 2019	11,458	$ 30,978	$ 1,270	$ (11,619)	$ 1,239	$ (3)	$ 21,865
Balance, January 1, 2020	11,458	30,978	1,270	(11,619)	1,239	(3)	21,865
Shares issued under ESPP (note 15)	73	262	1	-	-	-	263
Shares issued under DRIP (note 15)	81	201	-	-	-	-	201
Exercise of stock options (note 15)	21	104	(40)	-	-	-	64
Share-based payment awards (note 15)	-	-	378	-	-	-	378
Total comprehensive loss for the year	-	-	-	-	(736)	270	(466)
Dividends declared (note 16)	-	-	-	(1,037)	-	-	(1,037)
Balance, December 31, 2020	**11,633**	**$ 31,545**	**$ 1,609**	**$ (12,656)**	**$ 503**	**$ 267**	**$ 21,268**

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

Consolidated Statements of Cash Flows

(Expressed in thousands of Canadian dollars)

For the Years Ended December 31,	2020	2019 (note 20)
Operating activities		
Profit (loss)	**$ (736)**	$ 759
Adjusted by:		
Amortization and depreciation	**3,905**	2,914
Goodwill impairment losses	**1,368**	-
Financing costs	**2,189**	1,451
Share-based compensation	**442**	208
Foreign exchange losses	**423**	393
Gain on sale of equipment	**(71)**	(24)
Income tax expense	**575**	233
	8,095	5,934
Changes in non-cash working capital (note 20)	**2,958**	(1,217)
	11,053	4,717
Income taxes paid	**(307)**	(738)
Cash provided by operating activities	**10,746**	3,979
Financing activities		
Proceeds from issuance of shares	**274**	246
Dividends paid (note 16)	**(1,191)**	(3,835)
Proceeds from long-term debt	**240**	26,532
Repayment of long-term debt	**(3,836)**	(15,064)
Debt issuance costs	**(3)**	(299)
Lease payments	**(895)**	(665)
Interest paid	**(2,090)**	(1,299)
Cash provided by (used in) financing activities	**(7,501)**	5,616
Investing activities		
Purchase of Northside Industries Inc. (notes 4, 20)	**-**	(10,401)
Purchase of property and equipment	**(751)**	(557)
Proceeds from sale of property and equipment	**172**	44
Cash used in investing activities	**(579)**	(10,914)
Increase (decrease) in cash during the year	**2,666**	(1,319)
Cash, beginning of year	**435**	1,815
Effect of movements in exchange rates	**(102)**	(61)
Cash, end of year	**$ 2,999**	$ 435

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

Notes to the Consolidated Financial Statements

For the Years Ended December 31, 2020 and 2019
(Expressed in thousands of Canadian dollars, except per share amounts)

1. Nature and Operations

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

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

The principal wholly-owned operating subsidiaries of the Company, as at December 31, 2020, are managed through two reportable segments and were acquired as follows:

Finished Product Segment

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

Component Manufacturing Segment

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

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

2. Basis of Preparation and Statement of Compliance

a) *Statement of compliance*

These consolidated financial statements (the "financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were approved by the Board of Directors of the Company for issue on April 8, 2021.

b) *Basis of measurement*

The financial statements have been prepared using the historical cost basis specified by IFRS for each type of asset, liability, income and expense as set out in the accounting policies below, except for certain financial assets and liabilities which are measured at fair value.

c) *Judgments*

The preparation of financial statements requires management to make judgments that affect the application of accounting policies and reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. In making judgments, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. Actual results could differ from those estimates.

d) *Accounting estimates and assumptions*

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 (note 3(a)). 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.

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 uses the simplified approach for measuring expected credit losses to provide for a lifetime expected credit loss allowance for all trade receivables based on indicators such as creditworthiness, 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.

3. Significant Accounting Policies

a) *Principles of consolidation*

These financial statements include the accounts of the Company and its wholly-owned subsidiaries disclosed in note 1. Consolidated profit and cash flows include the results of acquired subsidiaries from their dates of acquisition. All inter-company balances, transactions, revenues and expenses have been eliminated on consolidation.

Control exists where the parent entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the financial statements from the date control commences until the date control ceases.

b) *Revenue recognition*

The Group recognizes revenue from the sale of retail and manufactured products as follows:

Revenue from the sale of manufactured products is recognized when the customer obtains control of the product and therefore has the ability to direct its use and obtain the benefits from it, which is generally at the time of delivery. Payments received from customers in advance of the delivery of the goods are recorded as customer deposits in the consolidated statement of financial position.

Revenue from the sale of retail products is recognized when control of the product has passed to the customer, which is generally when the product is shipped, and title has passed.

On long-term custom price contracts, revenues are recognized over time based on the stage of completion. The stage of completion is determined based on the costs incurred to date in comparison to the expected total costs. Such contracts provide that the customer accept completion of progress to date and compensate the Company for services rendered.

c) *Foreign currency translation*

i. *Functional and presentation currency*

Items included in the financial statements of each consolidated entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). For the years ended December 31, 2020 and 2019, the Group has determined that Blaze King USA and Unicast have a United States dollar functional currency, while all the other entities have a Canadian dollar functional currency. The financial statements are presented in Canadian dollars, which is the Company’s presentation currency.

The financial statements of entities that have a functional currency different from that of the Company (“foreign operations”) are translated into Canadian dollars as follows: assets and liabilities – at the closing rate at the date of the statement of financial position, and income and expenses – at the appropriate average rate of the period (where this is considered a reasonable approximation to actual rates). All resulting changes are recognized in other comprehensive income as the currency translation differences adjustment.

If the Group disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses accumulated in other comprehensive income related to the foreign operation are recognized in profit or loss. If the Company disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in other comprehensive income related to the subsidiary is reallocated between controlling and non-controlling interests. No such transactions occurred in the years ended December 31, 2020 or December 31, 2019.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognized in profit or loss.

d) Operating expenses

Operating expenses are recognized in profit or loss upon utilization of the service or as incurred. Changes in expenditure for warranties is recognized when the Group incurs an obligation, which is typically when the related goods are sold.

e) Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognized. Goodwill is carried at cost less accumulated impairment losses. Refer to note 9 for a description of impairment testing procedures.

f) Intangible assets

Intangible assets are recorded at cost. The Group's Brand intangible assets are considered to have indefinite lives and are not amortized. The other intangible assets with finite lives are amortized as follows:

Customer relationships	10 years straight-line basis
Costs to obtain a contract	3-6 years straight-line basis
Distribution agreements	10 years straight-line basis
Manufacturing technology	10 years straight-line basis
Product development costs	3 years straight-line basis

The depreciation method and estimates of useful lives ascribed to intangible assets are reviewed at least annually and, if necessary, amortization is adjusted on a prospective basis.

g) Property and equipment

Property and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is determined at rates which will reduce the original cost to the estimated residual value over the expected useful life of each asset. The expected useful lives used to compute depreciation are as follows:

Automotive	30% declining-balance basis
Manufacturing equipment	20% declining-balance basis
Office equipment	20% declining-balance basis
Computer equipment	30% to 100% declining-balance basis
Leasehold improvements	5 years straight line basis
Right of use assets	1-5 years straight line basis

h) *Impairment – non-financial and indefinite life assets*

The carrying amounts of the Group's non-financial assets (which include property and equipment, and intangibles with a definite life) are reviewed at each financial reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized when the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss for the period.

The carrying amounts of the Group's indefinite life assets (which include Brand intangible assets and Goodwill) are tested for impairment annually or more frequently if events or changes in circumstances indicate that the assets may be impaired. The assessment of indefinite life is reviewed each period to determine whether the indefinite life assumption continues to be supportable. If deemed unsupportable, the change in the useful life from indefinite to finite life is made and amortization recognized on a prospective basis. An impairment loss is recognized when the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss for the period.

The recoverable amount of an asset is the greater of an asset's fair value less cost to sell and value-in-use. In assessing value-in-use, management estimates expected future cash flows from each CGU and determines a suitable discount rate in order to calculate the present value of those cash flows. Discount factors are determined individually for each CGU and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for each CGU reduce first the carrying amount of any goodwill allocated to that CGU. Any remaining impairment loss is charged pro rata to the other assets in the CGU. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. An impairment loss with respect to goodwill is never reversed.

i) *Financial instruments*

i. *Recognition, initial measurement and de-recognition*

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities are described below. Financial assets are de-recognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is de-recognized when it is extinguished, discharged, cancelled or expires.

ii. *Classification and subsequent measurement*

For the purpose of subsequent measurement, financial assets and liabilities, other than those designated and effective as hedging instruments, are classified into the following categories: (1) those measured at fair value through other comprehensive income (loss) ("OCI"), (2) those measured at fair value through profit or loss ("FVTPL"), or (3) those measured at amortized cost.

The Group's cash and cash equivalents and accounts receivable are classified as financial assets measured at amortized cost. Accounts payable and accrued liabilities, dividends payable, and long-term debt are classified as financial liabilities measured at amortized cost. All financial assets and liabilities measured at amortized cost use the effective interest rate method with interest income/expense recorded in profit or loss.

iii. Impairment

Expected credit losses are to be recognized using a forward-looking approach that reflects any changes in credit risk associated with the financial instruments.

For trade and other receivables, the loss allowance is measured at initial recognition and throughout its life at an amount equal to its lifetime expected credit loss. Impairment of trade and other receivables is recognized in selling, general and administration expenses when evidence of impairment arises.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases.

iv. Hedge Accounting and Derivatives

The Group is not currently a party to a hedging relationship or derivative contract.

j) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity. Costs of ordinarily interchangeable items are assigned using the first in, first out cost formula. Net realizable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

k) Leases

The Group leases office and shop premises that give rise to lease obligations and associated right of use assets. Lease agreements are typically for fixed period terms but may have extension options available. If the lease agreement contains consideration for both lease and non-lease components, these components are allocated separately based on their relative stand-alone prices. Lease agreements are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Lease obligations and associated right of use assets are measured at the present value of the lease payments for the term of the lease, discounted using the Company's incremental borrowing rate on the date at which the leased asset is available for use by the Group. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of use assets are depreciated over the term of the lease on a straight-line basis.

l) Government Grants

Government grants are recognized in the consolidated statement of profit (loss) and comprehensive income (loss) when received. Where appropriate, grants are recorded as a reduction of the costs for which those grants are intended to cover. Grants that are intended as a revenue guarantee are recorded within revenue.

m) Income taxes

Provision for income taxes consists of current and deferred tax expense. Income tax expense is recognized in the consolidated statement of profit (loss) and comprehensive income (loss) except to the extent that it relates to items recognized either in other comprehensive income or loss or directly in equity, in which case it is recognized in other comprehensive income or loss or in equity, respectively. Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to income taxes payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences associated with the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income or loss, or temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse based on the laws that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

n) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

o) Short-term employee benefits

Short-term employee benefits, including holiday pay, are current liabilities included in employee obligations, measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

p) Provisions, contingent assets and contingent liabilities

Provisions for product warranties, legal disputes and onerous contracts or other claims are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company, and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognized only if a detailed formal plan for the restructuring exists and management has either communicated the plan's main features to those affected or started implementation. Provisions are not recognized for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date; the risks and the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group is virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognized if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

q) Share capital

The Group records proceeds from share issuances, net of issue costs and any tax effects, in equity. Common shares held by the Group are classified as treasury stock and recorded as a reduction to equity.

r) Share-based payments

The Company has an equity incentive plan which enables it to grant share-based rewards, in the form of deferred share units (“DSUs”), restricted share units (“RSUs”) and stock options, to the directors, officers, and employees of the Company or any of its affiliates or designated service providers. All share-based rewards granted under the Company’s equity incentive plan are settled through the issuance of shares from treasury. The fair value of the share-based rewards, determined at the date of the grant, is charged to profit and loss, with an offsetting credit to contributed surplus, over the vesting period. If and when the share-based rewards are exercised, the applicable original amounts of contributed surplus are transferred to share capital.

The fair value of a share-based payment is determined at the date of the grant. For DSUs and RSUs, fair value is measured based on the volume weighted average trading price of Decisive’s shares for the five trading days immediately preceding the grant. For stock options, the estimated fair value is measured using the Black-Scholes option pricing model. The Black-Scholes option pricing model requires the input of subjective assumptions, including the expected term of the option and share price volatility. The expected term of options granted is determined based on historical data on the average hold period before exercise, expiry or cancellation. Expected volatility is estimated with reference to the historical volatility of the share price of the Company.

These estimates involve inherent uncertainties and the application of management’s judgement. The costs of share-based payments are recognized over the vesting period of the reward. The total amount recognized as an expense is adjusted to reflect the number of share-based rewards expected to vest at each reporting date. At each reporting date prior to vesting, the cumulative compensation expense representing the extent to which the vesting period has passed and management’s best estimate of the share-based rewards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in earnings or loss with a corresponding entry to contributed surplus.

Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined that the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

No expense is recognized for share-based rewards that do not ultimately vest. Charges for share-based rewards that are forfeited before vesting are reversed from contributed surplus and credited to profit or loss. For those share-based rewards that expire unexercised after vesting, the recorded value remains in contributed surplus.

s) *Earnings (loss) per share*

Basic earnings (loss) per share ("EPS") is computed by dividing the profit or loss applicable to equity owners of the Company by the weighted average number of common shares issued and outstanding for the relevant period.

Diluted EPS is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. Share-based rewards and warrants are included in the calculation of diluted EPS only to the extent that the market price of the common shares exceeds the exercise price of the share-based rewards or share purchase warrants except where such conversion would be anti-dilutive.

4. Acquisition

Northside Industries Inc.

On August 16, 2019, the Company acquired all of the shares of Northside, a privately held specialty manufacturing company based in West Kelowna, British Columbia. The components of the consideration paid to acquire Northside are as follows:

Cash	$	11,282
Shares		1,200
Contingent consideration		1,006
	$	13,488

The purchase price included a payment of cash, including customary post-closing adjustments, and the issuance of common shares (note 15) to the vendors, plus up to an additional $4,000 contingent on Northside meeting certain earnings targets over the next three years. The contingent consideration recorded by the Company reflects the estimated fair value of the earnings target being met, as at the acquisition date.

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

Cash	$	881
Accounts receivable		1,431
Prepaid expenses and deposits		37
Inventory		833
Property and equipment		2,561
Intangible assets		5,560
Goodwill		6,795
Accounts payable and accrued liabilities		(1,143)
Warranty provision		(26)
Lease obligation		(1,774)
Deferred income taxes		(1,667)
	$	13,488

The Company incurred acquisition-related costs of $328 relating to legal fees, accounting fees, and due diligence costs. These costs are included in professional fees in the consolidated statement of profit (loss) and comprehensive income (loss).

The 2019 consolidated statement of profit (loss) and comprehensive income (loss) included revenue of $3,570 and a loss of ($11) for the period from acquisition to December 31, 2019. Had the business combination been effective from January 1, 2019, the Group would have recognized revenue of $13,392 and profit of $958 for the year ended December 31, 2019.

At December 31, 2020, the estimated fair value of the above noted contingent consideration was revised which resulted in a reduction of $606 to the contingent consideration recorded. The decrease is included in interest and other income in the consolidated statement of profit (loss) and comprehensive income (loss).

5. Accounts Receivable

		December 31, 2020		December 31, 2019
Trade receivables	**$**	**7,319**	$	8,222
Expected credit losses		**(247)**		(87)
Sales tax and other receivables		**266**		208
	$	**7,338**	$	8,343

The Company's exposure to credit and currency risks, and impairment losses related to trade and other receivables is disclosed in note 21.

6. Inventory

		December 31, 2020		December 31, 2019
Raw materials	**$**	**3,303**	$	3,469
Work in progress		**1,005**		1,474
Finished goods		**3,318**		3,427
Allowance for obsolescence		**(268)**		(43)
	$	**7,358**	$	8,327

7. Property and Equipment

	Automotive	Manufacturing Equipment	Office Equipment	Computer Equipment	Leasehold Improvements	Right of Use Assets	Total
Cost							
Balance, January 1, 2019	$ 162	$ 5,794	$ 113	$ 691	$ 256	$ -	$ 7,016
Recognition on adoption of IFRS 16	-	-	-	-	-	2,112	2,112
Additions	27	248	4	172	107	-	558
Acquired through business combination	19	731	-	38	-	1,774	2,562
Disposals	-	-	-	(38)	-	-	(38)
Effect of movements in exchange rates	(4)	(23)	(1)	(14)	(4)	(6)	(52)
Balance, December 31, 2019	$ 204	$ 6,750	$ 116	$ 849	$ 359	$ 3,880	$ 12,158
Additions	94	468	2	93	94	910	1,661
Disposals	-	(171)	-	(6)	-	(158)	(335)
Effect of movements in exchange rates	(1)	(11)	-	(4)	(1)	(23)	(40)
Balance, December 31, 2020	$ **297**	$ **7,036**	$ **118**	$ **932**	$ **452**	$ **4,609**	$ **13,444**
Accumulated Depreciation							
Balance, January 1, 2019	$ 67	$ 1,171	$ 25	$ 339	$ 188	$ -	$ 1,790
Depreciation	34	992	18	129	39	740	1,952
Disposals	-	-	-	(17)	-	-	(17)
Effect of movements in exchange rates	(3)	(13)	(1)	(9)	(3)	(2)	(31)
Balance, December 31, 2019	$ 98	$ 2,150	$ 42	$ 442	$ 224	$ 738	$ 3,694
Depreciation	40	1,068	15	159	99	1,069	2,450
Disposals	-	(69)	-	(6)	-	(158)	(233)
Effect of movements in exchange rates	(1)	(3)	-	(3)	(1)	6	(2)
Balance, December 31, 2020	**$ 137**	**$ 3,146**	**$ 57**	**$ 592**	**$ 322**	**$ 1,655**	**$ 5,909**
Net Book Value							
Balance, December 31, 2019	$ 106	$ 4,600	$ 74	$ 407	$ 135	$ 3,142	$ 8,464
Balance, December 31, 2020	**$ 160**	**$ 3,890**	**$ 61**	**$ 340**	**$ 130**	**$ 2,954**	**$ 7,535**

8. Intangible Assets

	Manufacturing Technology	Customer Relationships	Distribution Agreements	Development Costs	Contract Costs	Brand	Total
Cost							
Balance, January 1, 2019	$ 2,634	$ 5,300	$ -	$ -	$ -	$ 1,778	$ 9,712
Additions	-	-	-	246	377	-	623
Acquired through business combination	-	4,840	720	-	-	-	5,560
Effect of movements in exchange rates	(21)	(171)	-	-	-	(53)	(245)
Balance, December 31, 2019	$ 2,613	$ 9,969	$ 720	$ 246	$ 377	$ 1,725	$ 15,650
Additions	-	-	-	183	-	-	183
Effect of movements in exchange rates	(8)	(65)	-	-	-	(21)	(94)
Balance, December 31, 2020	**$ 2,605**	**$ 9,904**	**$ 720**	**$ 429**	**$ 377**	**$ 1,704**	**$ 15,739**
Accumulated Amortization							
Balance, January 1, 2019	$ 629	$ 1,201	$ -	$ -	$ -	$ -	$ 1,830
Amortization	262	673	27	-	-	-	962
Effect of movements in exchange rates	(7)	(41)	-	-	-	-	(48)
Balance, December 31, 2019	$ 884	$ 1,833	$ 27	$ -	$ -	$ -	$ 2,744
Amortization	262	1,002	72	25	89	-	1,450
Effect of movements in exchange rates	(3)	(27)	-	-	-	-	(30)
Balance, December 31, 2020	**$ 1,143**	**$ 2,808**	**$ 99**	**$ 25**	**$ 89**	**$ -**	**$ 4,164**
Carrying amount							
Balance, December 31, 2019	$ 1,729	$ 8,136	$ 693	$ 246	$ 377	$ 1,725	$ 12,906
Balance, December 31, 2020	**$ 1,462**	**$ 7,096**	**$ 621**	**$ 404**	**$ 288**	**$ 1,704**	**$ 11,575**

9. Goodwill

Balance, January 1, 2019	$ 13,439
Acquired through business combinations	6,795
Effect of movements in exchange rates	(117)
Balance, December 31, 2019	$ 20,117
Impairment losses	(1,368)
Effect of movements in exchange rates	(40)
Balance, December 31, 2020	**$ 18,709**

For the purpose of impairment testing for 2020 and 2019, goodwill and intangible assets with indefinite lives acquired through business combinations were allocated to the Group's cash generating units ("CGUs") as follows:

December 31, 2020	Brand	Goodwill	Total
Blaze King	$ 853	$ 1,633	$ **2,486**
Unicast	181	2,205	**2,386**
Slimline	670	1,326	**1,996**
Hawk	-	6,750	**6,750**
Northside	-	6,795	**6,795**
	$ 1,704	$ 18,709	$ **20,413**

December 31, 2019	Brand	Goodwill	Total
Blaze King	$ 870	$ 1,633	$ 2,503
Unicast	185	2,245	2,430
Slimline	670	1,326	1,996
Hawk	-	8,118	8,118
Northside	-	6,795	6,795
	$ 1,725	$ 20,117	$ 21,842

Based on the effects of COVID-19 and a significant decline in oil prices, impairment indicators for the Company's non-financial assets and goodwill existed as at March 31, 2020. As a result, the Company tested its non-financial assets and goodwill for impairment at March 31, 2020. There were no additional impairment indicators at June 30, 2020 or September 30, 2020, and therefore impairment testing was not performed as of those period end dates. The Company also performed annual impairment tests of goodwill and indefinite life intangible assets as at December 31, 2020 and 2019.

The value-in-use impairment tests performed were based on the Company's internal forecasts and represent management's best estimates at a specific point in time, and as a result are subject to measurement uncertainty. In arriving at its estimated future cash flows, the Company considered past experience, economic trends and industry trends. The Company projected revenue, gross profit and cash flows for a period of five years and applied perpetual long-term growth rates of 1% to 2% (2019 - 1% to 2%) thereafter, depending on the CGU. Additionally, while the ultimate duration of currently imposed tariffs on Chinese steel products sold into the U.S. and their effect on Unicast was unknown, management had assumed that these tariffs would be lifted within the projected five-year period. The Company assumed pre-tax discount rates of 18% to 21% (2019 - 19% to 21%) depending on the CGU, in order to calculate the present value of its projected cash flows. Determination of the discount rates included separate analyses of the cost of equity and debt, and considered a risk premium based on an assessment of risks related to the projected cash flows of the Company in general and each specific CGU.

The March 31, 2020 impairment tests performed resulted in a $1,368 impairment loss being recorded against the goodwill allocated to the Hawk CGU. The impairment loss was primarily a result of the negative effect of the above noted oil price decline and its effect on expected oil and gas activity in Western Canada at that time. The December 31, 2020 and 2019 impairment tests performed did not result in any impairment write-downs.

The most sensitive inputs to the value-in-use models are the growth rates and discount rates. The sensitivities to those inputs, with respect to the December 31, 2020 impairment tests, were as follows: All else being equal, a 1% increase in the discount rate would have led to impairment losses of $606 on the Northside CGU. All else being equal, a 1% decrease in the growth rates would have led to impairment losses of $147 on the Northside CGU. There was no material impact of the sensitivity analyses on the recoverable amounts of the Group's other CGUs.

10. Accounts Payable and Accrued Liabilities

		December 31, 2020		December 31, 2019
Trade payables	**$**	**2,963**	$	2,516
Accrued liabilities		**1,782**		1,740
Wages and benefits payable		**1,164**		987
Income taxes payable		**812**		235
	$	**6,721**	$	5,478

11. Warranty Provision

		December 31, 2020		December 31, 2019
Warranty provision - opening	**$**	**287**	$	410
Warranty provision on acquisition		**-**		26
Warranty charges incurred		**(295)**		(104)
Warranty provision included in cost of goods sold		**349**		(45)
	$	**341**	$	287

12. Lease Obligations

The Group's right of use assets and associated lease obligations are related to lease commitments for office and shop premises. The maturity dates of the lease obligations are between March 2021 and October 2025. As at December 31, 2020, minimum lease payments required over the next five years were as follows:

For the years ending December 31,		2020		2019
2020	**$**	**-**	$	984
2021		**1,094**		837
2022		**1,123**		762
2023		**703**		575
2024		**475**		378
2025		**81**		-
		3,476		3,536
Less: interest portion		**(272)**		(325)
Less: current portion		**(966)**		(851)
	$	**2,238**	$	2,360

Subsequent to the end of the year, and before these financial statements were authorized, the office and shop lease that matured in March 2021 was renewed for an additional five years, at terms consistent with the previous lease. The new lease will result in a lease obligation and corresponding right of use asset of $488.

13. Long-term Debt

	Monthly Principal Payment	Interest Rate	Maturity Date	Authorized	**December 31, 2020 Outstanding**	December 31, 2019 Outstanding
Revolving term loan (a)	$ -	(a)	Aug-22	$ 8,000	**$ -**	$ 3,670
Non-amortizing term loan (b)	-	8.0%	Aug-22	20,945	**20,945**	20,945
Forgivable loan (c)	-	Nil%	May-21	164	**164**	-
Equipment finance loans (d)	8	2.2%-4.2%	Apr-21-Jul-21	55	**55**	153
					21,164	24,768
Less: current portion					**(55)**	(97)
Long-term portion					**21,109**	24,671
Less: debt issuance costs					**(167)**	(263)
Total long-term debt					**$ 20,942**	$ 24,408

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

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

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

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

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

As at December 31, 2020, the Group was in compliance with these ratios.

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

- For the period ended June 30, 2020, the ratio was revised to 3.75:1
- For the period ended September 30, 2020, the ratio was revised to 4.75:1
- For the period ended December 31, 2020, the ratio was revised to 4.50:1
- Thereafter the ratio returns to 3.0:1

As noted above, despite obtaining covenant relief to ensure financial flexibility, the Group was in compliance with the covenants as originally contemplated in the credit agreement for the periods ended June 30, 2020, September 30, 2020, and December 31, 2020.

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

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

As at December 31, 2020, principal payments required over the next two years on the Company's long-term debt were estimated as follows:

For the years ending December 31,		
2021	$	55
2022		20,945
		21,000
Forgivable loan		164
	$	21,164

14. Income Tax

a) Rate reconciliation

Income tax expense differs from the amount that would result by applying the Company's combined Canadian federal and provincial income tax rate of 27% to earnings before income taxes. The Company's taxable income for the years ended December 31, 2020 and 2019 was generated in the United States, which was subject to approximately a 21% tax rate (2019 - 21%), Alberta, which was subject to a 24% tax rate (2019 - 26%), and British Columbia which was subject to a 27% tax rate (2019 - 27%).

The impact of being subject to differing tax rates, as well as other differences, is included in the following reconciliation:

For the year ended December 31,		**2020**		2019
Profit before income taxes	**$**	**(161)**	$	990
Combined Canadian federal and provincial income tax rates		**27%**		27%
Expected income tax expense		**(43)**		267
Items that cause an increase (decrease):				
Permanent differences		**436**		237
Differing tax rates in foreign jurisdiction		**64**		(148)
Change in unrecognized temporary differences		**75**		(73)
Change in foreign exchange rates		**(21)**		(12)
Adjustment to prior year provisions and other		**64**		(38)
Income tax expense	**$**	**575**	$	233

For the year ended December 31,		**2020**		2019
Current income tax expense	**$**	**920**	$	338
Deferred income tax recovery		**(345)**		(105)
Income tax expense	**$**	**575**	$	233

b) Deferred tax assets and liabilities

The composition of the Company's net deferred income tax liabilities at December 31, 2020 and 2019 are as follows:

		December 31, 2020		December 31, 2019
Deferred income tax assets (liabilities):				
Property and equipment	**$**	**(600)**	$	(613)
Non-capital losses		**-**		55
Share issuance costs		**198**		313
Tax reserves deductible in the future		**249**		93
Intangible assets and other		**(3,097)**		(3,456)
Deferred income tax liability	**$**	**(3,250)**	**$**	(3,608)

c) Non-capital losses and unused tax credits

At December 31, 2020, the Company had no losses for income tax purposes (2019 - $202) which could be used to reduce future taxable income in Canada. At December 31, 2020, the Company had deductible share issuance costs of $731 (2019 - $1,160) which may be used to reduce future taxable income in Canada.

15. Share Capital

a) Shares issued and outstanding

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

The Company had the following share capital transactions for the year ended December 31, 2020:

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

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

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

The Company had the following share capital transactions for the year ended December 31, 2019:

(i) The Company issued 50,164 common shares pursuant to the ESPP.

(ii) The Company issued 52,853 common shares pursuant to the DRIP.

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

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

(v) As part of the consideration paid for the acquisition of Northside (note 4), on August 16, 2019, the Company issued 316,539 common shares to the vendors of Northside at a price of $3.79 per share.

Common shares that remain in escrow are as follows:

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

b) Warrants

The Company had the following warrants outstanding and exercisable:

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

c) Equity Incentives

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

The equity incentive plan enables the Company to grant deferred share units ("DSUs"), restricted share units ("RSUs") and stock options to the directors, officers, and employees of the Company or any of its affiliates. Under the plan, the aggregate of all stock option grants cannot exceed 10% of the issued and outstanding common shares of the Company, while limits on DSU and RSU grants require disinterested shareholder approval annually.

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

Stock Options	Number of options (000s)		Weighted average exercise price ($)		Weighted average grant date fair value ($)	Weighted average years remaining
Outstanding and exercisable, January 1, 2019	814	$	3.62	$	1.34	8.41
Options issued	120		3.85		0.48	-
Options expired	(45)		4.35		0.69	-
Outstanding and exercisable, December 31, 2019	889	$	3.62	$	1.25	7.60
Options issued	260		1.55		0.54	-
Options exercised	(21)		3.00		1.93	-
Options expired	(10)		2.00		1.78	-
Outstanding and exercisable, December 31, 2020	**1,118**	**$**	**3.16**	**$**	**1.07**	**8.60**

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

In 2019, the Company recorded $57 of share-based compensation expense related to stock options issued in the year. This share-based compensation expense represents the estimated fair value of the stock options granted in 2019, using the Black-Scholes option–pricing model with the following assumptions: dividend yield of 9.4%; expected volatility of 36% to 37%; risk-free interest rate of 1.5% to 1.6%; forfeiture rate of 0%; market prices of $3.85, and weighted average lives of five years. The options vested immediately on grant.

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

Deferred Share Units	Number of DSUs (000s)	Number of DSUs exercisable (000s)		Weighted average grant date fair value ($)	Weighted average years remaining
Outstanding, January 1, 2019	-	-	$	-	-
Outstanding, December 31, 2019	-	-	$	-	-
DSUs issued	24	-		3.68	-
DSUs from reinvested dividends	1	-		3.68	-
Outstanding, December 31, 2020	**25**	**-**	**$**	**3.68**	**NA**

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

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

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

Restricted Share Units	Number of RSUs (000s)	Number of RSUs exercisable (000s)	Weighted average grant date fair value ($)	Weighted average years remaining
Outstanding, January 1, 2019	-	-	$ -	-
RSUs issued	55	-	3.83	-
RSUs from reinvested dividends	1	-	3.83	-
Outstanding, December 31, 2019	56	-	$ 3.83	1.81
RSUs issued	29	-	3.68	-
RSUs from reinvested dividends	3	-	3.79	-
RSUs forfeited	(5)	-	3.83	-
Outstanding, December 31, 2020	**83**	**-**	**$ 3.78**	**0.92**

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

In 2020, the Company recorded $145 (2019 - $27) of share-based compensation expense related to RSUs. This share-based compensation expense represents the portion of the fair value of the RSUs charged to profit and loss based on the time to vest elapsed in the period.

In July 2020, the equity incentive plan was re-approved by a majority of all shareholders but not by a majority of disinterested shareholders, which means that the 10% rolling stock option component of the plan remains in effect, but no further DSUs or RSUs may be issued. As a result, subsequent to December 31, 2020, and before these financial statements were authorized, all outstanding DSUs and RSUs were redeemed for Common Shares. For the foreseeable future the Company intends to use stock options as the sole form of share-based compensation.

16. Dividends

The Company's Board of Directors regularly examines the dividends paid to shareholders. The following dividends were declared during the years ended December 31, 2020 and 2019:

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

The above dividends were paid on or about the 15th of the month following their declaration. Of the dividends paid in 2020, $1,191 (2019 - $3,835) were settled in cash and $189 (2019 - $193) were reinvested in additional common shares of the Company, pursuant to the DRIP.

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

Subsequent to December 31, 2020, and before these financial statements were authorized, the Company announced that the Board of Directors had determined to reinstate its monthly dividend. A dividend of $0.02 per share was declared on April 8, 2021 for shareholders of record on April 30, 2021 and is payable on May 14, 2021.

17. Sales

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

For the year ended December 31,		**2020**		2019
Manufactured products	**$**	**46,723**	$	45,284
Retail products		**1,734**		2,106
	$	**48,457**	$	47,390

All of the retail sales occurred in Slimline.

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

For the year ended December 31,		**2020**		2019
Agricultural products	**$**	**5,498**	$	7,591
Cast wear-part products		**7,731**		9,266
Hearth products		**18,357**		15,333
Industrial products		**10,198**		4,071
Machined products		**6,673**		11,129
	$	**48,457**	$	47,390

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

For the year ended December 31,		**2020**		2019
Canada	**$**	**20,300**	$	21,790
United States		**26,166**		21,855
Other		**1,991**		3,745
	$	**48,457**	$	47,390

18. Manufacturing Costs

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

For the year ended December 31,		2020		2019
Labour and materials	$	**24,918**	$	25,909
Freight and shipping		**2,559**		2,550
Depreciation		**1,623**		1,197
Inventory write-downs and obsolescence allowance		**586**		191
Warranty		**349**		(45)
	$	**30,035**	$	29,802

In 2020, the Group received $3,335 (2019 - $Nil) from the Canada Emergency Wage Subsidy program. The wage subsidy amounts were recorded against the underlying wage costs. Of the amounts received, $1,761 was netted against the related labour costs included in the table above and $1,574 was netted against salaries, wages and benefits.

19. Financing Costs

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

For the year ended December 31,		2020		2019
Interest and bank charges	$	**270**	$	243
Interest on lease obligations		**134**		121
Interest on long-term debt		**1,785**		1,087
	$	**2,189**	$	1,451

20. Supplemental Cash Flow Information

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

For the year ended December 31,		2020		2019
Accounts receivable	$	**873**	$	1,111
Inventory		**842**		(430)
Prepaid expenses and deposits		**(63)**		(133)
Accounts payable and accrued liabilities		**814**		(1,425)
Customer deposits		**445**		(191)
Warranty provision		**47**		(149)
	$	**2,958**	$	(1,217)

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

21. Financial Instruments and Risk Management

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

a) *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.

b) *Fair value disclosures*

At December 31, 2020 and 2019, 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 (note 13) 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 market interest rates.

c) *Financial risk management*

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 Board of Directors or one of its committees.

(i) Liquidity risk

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:

December 31, 2020	**Carrying value**	**Total contractual cash flows**	**Within one year**	**Two to five years**	**More than five years**
Accounts payable	**$ 6,721**	**$ 6,721**	**$ 6,321**	**$ 400**	**$ -**
Long-term debt	**20,997**	**23,723**	**1,731**	**21,992**	**-**
Lease obligations	**3,204**	**3,477**	**1,094**	**2,383**	**-**
	$ 30,922	**$ 33,921**	**$ 9,146**	**$ 24,775**	**$ -**

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	29,649	1,959	27,690	-
Lease obligations	3,211	3,537	984	2,553	-
	$ 33,538	$ 39,008	$ 7,759	$ 31,249	$ -

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

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

The Group's credit agreement with its senior lenders imposes certain external minimum capital requirements including, but not limited to, maximum debt to EBITDA ratios and minimum fixed charge coverage ratios (note 13). Additionally, the Group's ability to access the revolving term loan is dependent on a borrowing base which is determined quarterly and measured against the Group's accounts receivable and inventory. As noted above, the Group has and expects to continue to experience some negative impacts from the worldwide COVID-19 pandemic. These events have created uncertainty in forecasted results for 2021 which, depending on the extent and duration of these impacts, could impair the Company's ability to meet certain debt covenants. As described in note 13, the Company amended certain financial covenant thresholds to provide the Company with increased financial flexibility in this regard through 2020. Despite obtaining this covenant relief, the Group was in compliance with the covenants as originally contemplated in the credit agreement throughout 2020.

The Group actively managed liquidity in 2020 through measures implemented to reduce costs wherever possible, suspend all non-essential capital expenditures, suspend dividend payments, and pursue all available government subsidy programs. The Group is continuing to manage its financial position in accordance with its capital management objectives and in light of its current operating environment. 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 will have on the overall economy and the Group's operations, further actions may be necessary.

(ii) Credit risk

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, 2020, the Group expects to recover the full amount of such assets, less any expected credit losses.

As at December 31, the Company had the following trade accounts receivable and expected credit losses:

		December 31, 2020			December 31, 2019	
Current	**$**	**4,322**	**59%**	$	4,008	49%
31-60 days		**1,582**	**22%**		1,958	24%
61-90 days		**439**	**6%**		1,007	12%
>90 days		**976**	**13%**		1,249	15%
Trade accounts receivable		**7,319**	**100%**		8,222	100%
Less: expected credit losses		**(247)**			(87)	
Net trade accounts receivable	**$**	**7,072**		$	8,135	

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.

(iii) Currency risk

The Group's functional currency for Blaze King USA and Unicast is the United States 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:

	Entities with a CAD functional currency		Entities with a USD functional currency		
2020	**CAD**	**USD**	**CAD**	**USD**	**Total**
Cash	$ 1,203	$ 1,341	$ (63)	$ 518	**$ 2,999**
Accounts receivable	2,984	2,191	400	1,763	**7,338**
Accounts payable	(5,261)	(395)	(790)	(275)	**(6,721)**
Inter-company amounts	9,118	(1,756)	(7,362)	-	**-**
Long-term debt	(20,942)	(55)	-	-	**(20,997)**
Net exposure	(12,898)	1,326	(7,815)	2,006	**(17,381)**
Effect of 5% strengthening of USD versus CAD:					
Profit (loss)	-	66	391	-	**457**
OCI	$ -	$ -	$ -	$ (100)	**$ (100)**

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

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

(iv) Interest rate risk

The Group is exposed to interest rate risk on its long-term debt (note 13) due to the interest rate on certain of its credit facilities being variable. Of the Group's interest-bearing debt at December 31, 2020, 0% was variable rate (2019 - 15%). The Group does not enter into derivative contracts to manage this risk. The table below summarizes the quantitative data about the Group's exposure to interest rate risk:

Interest rate risk	**December 31, 2020**	December 31, 2019
Floating instruments	**$ -**	$ 3,670
Average balance	**1,913**	9,562
Impact on profit (loss) of a change in interest rates:		
-1%	**19**	96
+1%	**$ (19)**	$ (96)

22. Management of Capital

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.

As noted in note 13, the Group’s credit agreement with its senior lenders imposes certain external minimum capital requirements including, but not limited to, maximum debt to EBITDA ratios and minimum fixed charge coverage ratios. Additionally, the Group’s ability to access the revolving term loan is dependent on a borrowing base which is determined quarterly and measured against the Group’s accounts receivable and inventory.

See note 21 for additional capital management disclosures with respect to liquidity risk.

For the years ended December 31, 2020, and 2019, there were no changes in the Company’s capital management policy.

The capital of the Group is calculated by management, as follows:

		December 31, 2020		December 31, 2019
Equity	**$**	**21,268**	$	21,865
Long-term debt, excluding debt issuance costs		**21,164**		24,768
		42,432		46,633
Less: cash		**(2,999)**		(435)
	$	**39,433**	$	46,198

23. Related Party Transactions

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

Salaries and benefits, director fees and share-based compensation are included in salaries, wages and benefits expense.

Key management compensation for the years ended December 31, 2020 and 2019 includes:

		2020		2019
Salaries, benefits and director fees	**$**	**611**	$	680
Share-based compensation		**318**		32
	$	**929**	$	712

In 2020, the Company granted 161,000 stock options, 24,500 DSUs and 22,500 RSUs to directors and officers of the Company. In 2019, the Company granted 10,000 stock options and 55,000 RSUs to directors and officers of the Company. Share-based compensation expense recorded in the consolidated statement of profit (loss) and comprehensive income (loss) with respect to these grants is outlined in the table above.

During the year, the Company incurred legal fees of $24 (2019 - $25) with a law firm in which a director of the Company was a partner.

During the year, the Company incurred lease obligation payments of $180 (2019 - $180) with a president of one of the Company's wholly-owned subsidiaries.

24. Segmented Information

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

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

The Group's reporting of segment performance for the year ended December 31, 2020 and 2019 is as follows:

For the year ended December 31, 2020	**Finished Product**	**Component Manufacturing**	**Head Office**	**Total**
Sales	$ 26,934	$ 21,523	$ -	$ **48,457**
Manufacturing costs	13,598	16,437	-	**30,035**
Gross profit	13,336	5,086	-	**18,422**
Profit (loss) before taxes	6,074	(2,976)	(3,259)	**(161)**
Income tax expense (recovery)	986	(526)	115	**575**
Profit (loss)	5,088	(2,450)	(3,374)	**(736)**
Total comprehensive income (loss)	$ 5,057	$ (2,149)	$ (3,374)	$ **(466)**

For the year ended December 31, 2019	**Finished Product**	**Component Manufacturing**	**Head Office**	**Total**
Sales	$ 23,425	$ 23,965	$ -	$ 47,390
Manufacturing costs	13,747	16,055	-	29,802
Gross profit	9,678	7,910	-	17,588
Profit (loss) before taxes	2,363	1,699	(3,070)	992
Income tax expense	146	31	56	233
Profit (loss)	2,217	1,668	(3,126)	759
Total comprehensive income (loss)	$ 2,163	$ 1,605	$ (3,126)	$ 642

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

December 31, 2020	Finished Product	Component Manufacturing	Head Office	Total
Total current assets	$ 10,479	$ 7,948	$ 139	$ **18,566**
Total current liabilities	4,026	3,931	730	**8,687**
Total assets	20,530	35,683	172	**56,385**
Total liabilities	$ 6,007	$ 7,841	$ 21,269	$ **35,117**

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

For the year ended December 31, 2020, the Group's largest customer accounted for 12% (2019 - 22%) of sales. Sales from this customer are included in the component manufacturing segment. Other than this customer, the Group is not dependent on any other customer for more than 10% of its sales.