Management's Discussion and Analysis of

Decisive Dividend Corporation

For the year ended December 31, 2023

Corporate Overview

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

Decisive's purpose statement is:

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

The Company intends to meet these objectives by:

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

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

To date, the Company has completed the acquisition of eleven manufacturing companies. The principal wholly-owned operating subsidiaries of the Company are managed through two reportable segments and were acquired as follows:

Finished Product Segment

- Valley Comfort Systems Inc. and its wholly-owned subsidiary Blaze King Industries Inc.; collectively referred to herein as "Blaze King"; acquired in February 2015.
- Slimline Manufacturing Ltd. ("Slimline"); acquired in May 2018.
- Marketing Impact Limited ("Marketing Impact"); acquired in April 2022.
- ACR Heat Products Limited ("ACR"); acquired in October 2022.
- Capital I Industries Inc. and its sister company, Irving Machine Inc.; collectively referred to herein as "Capital I"; acquired in April 2023.
- Innovative Heating Technologies Inc. ("IHT"); acquired in July 2023.

Component Manufacturing Segment

- Unicast Inc. ("Unicast"); acquired in June 2016.
- Hawk Machine Works Ltd. ("Hawk"); acquired in June 2018.
- Northside Industries Inc. ("Northside"); acquired in August 2019.
- Micon Industries Ltd. ("Micon"); acquired in April 2023.
- Procore International Radiators Ltd. ("Procore"); acquired in April 2023.

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, 2023 and 2022. The audited financial statements of the Company have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IFRS Accounting Standards"). 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, 2023 and 2022. This MD&A covers the year ended December 31, 2023 and the subsequent period up to the date of filing. In this MD&A, the Company and its subsidiaries, collectively, are referred to as the "Group".

This MD&A was prepared effective March 20, 2024.

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

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

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

Overall Performance

Financial Highlights

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

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

For the year ended December 31,	**2023**	2022	2021
Sales	**$ 134,881**	$ 98,587	$ 62,491
Gross profit	**52,763**	32,853	21,376
Gross profit %	**39%**	33%	34%
Adjusted EBITDA [1]	**25,204**	13,667	8,657
Per share basic	**1.45**	1.05	0.73
Profit before tax	**11,750**	5,687	2,940
Profit	**8,333**	4,084	2,282
Per share basic	**0.48**	0.31	0.19
Per share diluted	**0.45**	0.29	0.18
Free cash flow [1]	**15,626**	8,363	4,533
Per share basic	**0.90**	0.64	0.38
Free cash flow less maintenance capital [1]	**14,282**	7,409	3,867
Per share basic	**0.82**	0.57	0.32
Dividends declared	**7,732**	4,569	2,461
Per share basic	**0.44**	0.35	0.21
Dividend payout ratio [1]	**54%**	62%	64%

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

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

Adjusted EBITDA

(Stated in thousands of dollars)

For the year ended December 31,	**2023**	2022	2021
Profit for the period	**$ 8,333**	$ 4,084	$ 2,282
Add (deduct):			
Financing costs	**3,795**	2,524	2,079
Income tax expense	**3,417**	1,603	658
Amortization and depreciation	**7,895**	4,884	3,666
Acquisition and restructuring costs	**1,001**	1,077	115
Inventory fair value adjustments and write downs	**28**	22	27
Share-based compensation expense	**745**	143	256
Foreign exchange losses (gains)	**96**	(619)	54
Interest and other income	**(9)**	(20)	(408)
Gain on sale of equipment	**(97)**	(31)	(72)
Adjusted EBITDA	**25,204**	13,667	8,657

Free Cash Flow, Free Cash Flow Less Maintenance Capital and Dividend Payout Ratio

(Stated in thousands of dollars) For the year ended December 31,		**2023**		2022		2021
Cash provided by operating activities	$	**15,789**	$	8,427	$	3,908
Add (deduct):						
Changes in non-cash working capital		**4,117**		3,192		3,783
Income taxes paid		**4,306**		991		859
Current income tax expense		**(4,274)**		(1,743)		(1,080)
Acquisition and restructuring costs		**1,001**		1,077		115
Interest paid		**(3,650)**		(2,354)		(1,969)
Lease payments		**(1,492)**		(1,227)		(1,028)
Required principal repayments on debt		**(171)**		-		(55)
Free cash flow		**15,626**		8,363		4,533
Maintenance capital expenditures		**(1,344)**		(954)		(666)
Free cash flow less maintenance capital		**14,282**		7,409		3,867
Dividends declared		**7,732**		4,569		2,461
Dividend payout ratio		**54%**		62%		64%

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

FINANCIAL POSITION *(Stated in thousands of dollars)* As at December 31		**2023**		2022		2021
Working capital	**$**	**21,686**	$	17,929	$	12,753
Property and equipment		**23,776**		12,299		7,586
Total assets		**152,567**		98,434		60,297
Long-term debt, excluding debt issuance costs		**45,282**		32,988		23,052
Equity		**57,751**		34,130		22,222
Share Information (000s)						
Common shares issued and outstanding		**18,911**		14,888		12,093

Discussion of Overall Performance

Annual Consolidated Financial Highlights

Sales for 2023 increased by $36.3 million, or 37%, to $134.9 million from $98.6 million in 2022. The overall increase was driven by a 44% increase in the finished product segment and a 32% increase in the component manufacturing segment. These increases were a result of the sales generated by the six businesses added to the Group from the beginning of 2022 to the end of 2023, as well as aggregate organic revenue growth from businesses owned prior to 2022. Marketing Impact, ACR, Capital I, Micon, Procore and IHT, each of which were acquired since the start of 2022, each contributed meaningfully to the consolidated sales increases. Additionally, in 2023, on an aggregate basis, the five businesses owned prior to 2022 experienced organic revenue growth of 13% relative to 2022, driven primarily by increased sales at Northside, Hawk and Unicast.

The overall sales increase led to an overall gross profit increase of $19.9 million, or 61%, to $52.8 million in 2023 compared to $32.9 million in 2022. Gross profit percentages in 2023 increased to 39%, up 6 percentage points compared to 33% in 2022. Both segments contributed to the margin increase that were a result of product mix changes, pricing increases and other margin enhancing activities, the effect of higher sales covering a larger percentage of fixed costs and the impact of the high gross margin businesses acquired in 2023.

Overall operating expenses increased from $27.8 million in 2022 to $41.0 million in 2023. The increase was primarily a result of the overall increase in scale due to the six acquisitions completed since the beginning of 2022, the associated acquisition costs, increased financing costs, and the increase in the size of the head office team to support the increased scale of the overall business, continued organic growth in the existing subsidiaries and further acquisitions.

Adjusted EBITDA in 2023 was $25.2 million, a $11.5 million, or 84%, increase compared to 2022. The overall increase in Adjusted EBITDA was primarily driven by the increase in sales and gross profit noted above.

Foreign exchange gains also affected profit between 2023 and 2022. The 2023 foreign exchange losses of $0.1 million were considerably lower than the 2022 foreign exchange gains of $0.6 million, which were a result of a $0.09 increase in the value of the United States dollar, relative to the Canadian dollar during 2022.

Consolidated net profit was $8.3 million, or $0.48 per share, an increase of $4.2 million, or $0.17 per share, compared to 2022.

2024 Acquisitions

On March 14, 2024, the Company acquired, through Hawk, the assets of Alberta Production Machining Ltd. ("APM") for cash consideration of $2.7 million, which was funded using the Company's new syndicated credit facility. The assets of APM are operated out of a leased facility in Edmonton, Alberta, and provides Hawk with increased machining capabilities and access to additional equipment and people to service the strong demand from its growing customer base.

The acquisition of APM with the new syndicated credit facility brings Decisive's cumulative acquisition funding mix to 50% debt and 50% equity, consistent with the Company's long-term acquisition funding target of 50/50 debt and equity. The Company's credit facilities and equity transactions noted above and below are described later in this MD&A under the heading "Liquidity and Capital Resources".

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

2023 Acquisitions

On April 5, 2023, the Company acquired 100% ownership of Capital I, Micon and Procore. Capital I, Micon and Procore manufacture and sell a range of products that support non-cyclical road maintenance and construction customers, as well as heavy equipment maintenance customers across multiple industries and geographies.

On July 19, 2023, the Company acquired 100% ownership of IHT, a well-established manufacturer and developer of high efficiency heating mats and lighting solutions for hog production.

These businesses are further described later in this MD&A under the headings "Finished Product Segment Overview" and "Component Manufacturing Segment Overview".

The acquisitions of Capital I, Micon, Procore and IHT are anticipated to have a positive financial impact on Decisive as they are expected to result in an increase in sales, gross profit, profit, and Adjusted EBITDA. The table below sets forth the pro forma combined financial information of Decisive and the applicable pre-acquisition periods for the acquisitions completed in 2023:

(Stated in thousands of dollars, except per share amounts) For the trailing twelve month period ended December 31, 2023	Decisive*	Add pre-acquisition periods for acquired businesses**	Pro forma
Sales	$ 134,881	$ 17,078	$ 151,959
Gross profit	52,763	9,544	62,307
Gross profit %	39%	56%	41%
Profit	8,333	4,496	12,829
Per share basic	0.48		0.69
Adjusted EBITDA [1]	25,204	6,215	31,419
Per share basic	1.45		1.69

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

* – based on Decisive's audited financial information reported for the year ended December 31, 2023.

** – based on the unaudited financial information for the pre-acquisition period from January 1, 2023 to April 4, 2023 for each of Capital I, Micon, and Procore, and the unaudited financial information of IHT for the pre-acquisition period from January 1, 2023 to July 18, 2023.

(Stated in thousands of dollars) For the trailing twelve month period ended December 31, 2023	Decisive*	Add pre-acquisition periods for acquired businesses**	Pro forma
Profit	$ 8,333	$ 4,496	$ 12,829
Add (deduct):			
Financing costs	3,795	27	3,822
Income tax expense	3,417	1,620	5,037
Amortization and depreciation	7,895	125	8,020
Acquisition and restructuring costs	1,001	-	1,001
Inventory fair value adjustments and write downs	28	-	28
Share-based compensation expense	745	-	745
Foreign exchange losses (gains)	96	(12)	84
Interest and other income	(9)	(3)	(12)
Gain on sale of equipment	(97)	(38)	(135)
Adjusted EBITDA	25,204	6,215	31,419

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

(stated in thousands of dollars)	Capital I	Micon	Procore	IHT	Total
Cash (net of cash acquired)	$ 10,077	$ 2,991	$ 4,331	$ 12,678	$ 30,077
Common shares	848	379	610	2,325	4,162
Long term debt assumed	588	-	-	-	588
Contingent consideration	1,910	-	-	6,676	8,586
	$ 13,423	$ 3,370	$ 4,941	$ 21,679	$ 43,413

The cash portion of the consideration in each of these acquisitions was initially funded using the Company's revolving term acquisition facility. Subsequent to the acquisitions of Capital I, Micon and Procore, a large portion of the amount drawn on the acquisition facility was repaid using the net proceeds of a bought deal equity financing. After the acquisition of IHT, $4.0 million of the amount drawn on the acquisition facility was repaid using the cash proceeds from the exercise of warrants. The share portion of the consideration was funded through the issuance of an aggregate 583,191 common shares of Decisive to the vendors of Capital I, Micon, Procore and IHT.

Additionally, the vendors of Capital I can be paid up to an additional $4.5 million and the vendors of IHT can be paid up to an additional $10.0 million, contingent on Capital I and IHT meeting certain earnings targets over the three years following the acquisition date. For each acquisition, the contingent consideration recorded by the Company reflected the estimated fair value of the earnings target being met, as at the acquisition date.

The allocation of the purchase price to the acquisition date fair value of the assets acquired, and liabilities assumed in these transactions are as follows:

(stated in thousands of dollars)	Capital I	Micon	Procore	IHT	Total
Working capital, excluding cash	$ 6,723	$ 408	$ 985	$ 1,958	$ 10,074
Property and equipment	3,688	225	603	4,957	9,473
Intangible assets	2,697	2,017	2,340	7,905	14,959
Goodwill	2,472	1,354	1,882	11,447	17,155
Lease obligation	(890)	(47)	(121)	(2,389)	(3,447)
Deferred income taxes	(1,267)	(587)	(748)	(2,199)	(4,801)
	$ 13,423	$ 3,370	$ 4,941	$ 21,679	$ 43,413

Further particulars regarding Capital I, Micon, Procore and IHT, including certain (unaudited) historical financial information, are set forth in Decisive's material change reports dated April 10, 2023 and July 19, 2023, copies of which are available on SEDAR+ at www.sedarplus.ca.

2022 Acquisitions

On April 14, 2022, the Company acquired 100% ownership of Marketing Impact. Marketing Impact designs, manufactures, and distributes a comprehensive range of merchandising products, systems and solutions as well as displays for consumer-packaged goods customers.

On October 3, 2022, the Company acquired 100% ownership of ACR. ACR manufactures EcoDesign Ready woodburning, multifuel, and gas stoves. ACR was the first add-on acquisition completed by Decisive in an industry in which it has previously invested, having acquired Blaze King in 2015.

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

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

(stated in thousands of dollars)	Marketing Impact	ACR	Total
Cash (net of cash acquired)	$ 8,633	$ 6,464	$ 15,097
Common shares	1,000	719	1,719
Contingent consideration	600	2,858	3,458
	$ 10,233	$ 10,041	$ 20,274

The cash portion of the consideration paid for Marketing Impact was funded through the Company's revolving term acquisition facility and revolving term operating facility. The cash portion of the consideration paid for ACR was funded through a private placement offering of common shares of Decisive completed in September 2022. The share portion of the consideration was funded through the issuance of an aggregate 402,084 common shares of Decisive to the vendors of Marketing Impact and ACR.

Additionally, the vendors of Marketing Impact can be paid up to an additional $1.5 million and the vendors of ACR can be paid up to an additional £2.75 million, contingent on Marketing Impact and ACR meeting certain earnings targets over the three years following the acquisition date. For each acquisition, the contingent consideration recorded by the Company reflected the estimated fair value of the earnings target being met, as at the acquisition date. In 2023, $1.2 million (£0.7 million) in contingent payments were paid to the vendors of ACR.

The allocation of the purchase price to the acquisition date fair value of the assets acquired, and liabilities assumed in these transactions are as follows:

(stated in thousands of dollars)	Marketing Impact	ACR	Total
Working capital, excluding cash	$ 1,277	$ 2,051	$ 3,328
Property and equipment	1,689	813	2,502
Intangible assets	6,620	5,945	12,565
Goodwill	3,727	3,521	7,248
Lease obligation	(1,427)	(799)	(2,226)
Deferred income taxes	(1,653)	(1,490)	(3,143)
	$ 10,233	$ 10,041	$ 20,274

Further particulars regarding Marketing Impact and ACR, including certain (unaudited) historical financial information, are set forth in Decisive's material change reports dated April 18, 2022 and October 3, 2022, copies of which are available on SEDAR+ at www.sedarplus.ca.

Outlook

The Company has significantly advanced its growth strategy with seven acquisitions completed in the last 24 months. Marketing Impact was a platform acquisition into a new industry for the Group, while ACR was Decisive's first add-on acquisition into an industry in which it had previously invested. The acquisitions of Capital I, Micon, Procore and IHT in 2023 diversify the Group's product offering while creating potential cross-selling opportunities in leveraging customer relationships in similar industries and complementary geographic regions. The 2024 acquisition of the assets of APM into Hawk provides Hawk with increased capabilities and access to additional equipment and people to service the strong demand from its growing customer base. Decisive is executing on its buy, build, and hold business model and completing seven acquisitions in a 24-month period demonstrates the Company's ongoing commitment to its shareholders to continue to grow the business through acquisition.

Decisive has built a strong pipeline of acquisition opportunities, and new opportunities are consistently being added to the Company's acquisition prospect pipeline. This reflects the fact that we are in the middle of the largest period of inter-generational transfer of wealth in history, where many businesses are assessing alternatives as to how the business can be carried forward into the future, including seeking out new owners. This trend will continue to provide opportunities for Decisive, with its legacy-maintaining business model being a key differentiator in a competitive acquisition marketplace.

From an operational perspective, 2023 was a year of strong operating performance for Decisive with the five businesses owned prior to 2022 generating an aggregate 13% organic revenue growth over 2022 and the six businesses acquired in the two years ended December 31, 2023, further bolstering those results. Notably, margin enhancing activities that each of the businesses have been actively pursuing, including operational efficiency improvements, cost control measures and pricing increases, resulted in an increase in gross profit percentages and improved per share Adjusted EBITDA and Free Cash Flow metrics in the year. While these efforts are ongoing, softening economic activity, as a result of the high interest rate environment, increased geopolitical instability, and ongoing inflation, though at a declining rate, has impacted demand for certain businesses, relative to what has been experienced over the last two years. Certain of Decisive's subsidiaries, specifically Hawk and Northside, are continuing to experience robust demand characteristics, and both Marketing Impact and Slimline order levels are tracking slightly ahead of 2023. Others, specifically Unicast, Capital I and IHT, are seeing order levels trailing last year's orders. While Blaze King and ACR entered 2024 with significantly lower backlogs relative to the start of 2023, which will have an impact on Q1 2024 sales levels, management is encouraged by to-date 2024 order levels, particularly at Blaze King which are ahead of last year. Management is also pleased with the steps being taken by the new business leaders who have stepped into roles at Slimline, Micon, Procore, Capital I, and Marketing Impact. Overall, Decisive's results continue to be positively impacted by the diversification and growth in scale of its portfolio, even when individual businesses face near-term challenges.

Decisive has seen the significant positive impacts that a change in leadership at a subsidiary can have on the results of that subsidiary, especially as teams, strategies and processes are upgraded to support longer term growth objectives in the businesses. However, while these changes are taking effect, typically these subsidiaries have experienced more challenged short-term results, which is part of the process of positioning these businesses for long-term success. The quality of the leaders being brought in to run subsidiary businesses and head office personnel to provide support to these businesses, along with the steps those leaders are taking at each of the subsidiaries to pursue margin and market share enhancing activities, gives Decisive management confidence that each of Decisive's portfolio businesses is being positioned for long-term success in a manner that will continue to support per share financial metric enhancement and growing and sustainable dividends.

The Company has been focused on increasing production capacity and improving operational efficiency in its businesses. In aggregate, $3.5 million of growth capital expenditures on manufacturing equipment were made over the last 24 months and the use of strategic third-party manufacturing partners was expanded. Additional productivity and automation initiatives are also being explored to increase production capacity and improve operational efficiency to position the portfolio businesses to meet the expected future demand levels of the Group's customers and capitalize on future market expansion opportunities over the long term. Any such initiatives will be assessed on whether they have the potential to earn a greater than 15% return on invested capital, the same target return the Company uses in assessing potential acquisitions. Further commentary surrounding the outlook for each of the businesses in the Group is provided in the MD&A under the headings "Finished Product Segment Industry Trends and Outlook" and "Component Manufacturing Segment Industry Trends and Outlook".

Based on operating results in 2022 and 2023, as well as management's assessment of the outlook of the future business performance of its diversified portfolio of operating subsidiaries, the Company increased its monthly dividend three times in a 12-month span. Effective for its April 2023 dividend payment, the Company increased its monthly dividend to $0.035 per share from $0.030 previously, increased it to $0.040 per share effective for its August 2023 dividend payment, and increased it again to $0.045 effective for its March 2024 dividend payment. These increases are consistent with Decisive's objective of providing shareholders with long-term, sustainable, and growing dividends.

Decisive demonstrated its ability to access both debt and equity financing through its relationships with its lenders, shareholders, and various investment banks, funding seven acquisitions in 24-months through its expanded debt facilities and two successful equity raises. In March 2024, the Company syndicated its credit facility with four top tier lending partners, increasing its total available debt by $107 million to $175 million. The significant increase to the Company's credit facilities, coupled with a conservative 1.5 times debt to Adjusted EBITDA ratio as of December 31, 2023, leaves the Company with significant capacity to pursue its strategic objectives. Decisive's balance sheet is the strongest it has ever been, and management believes that the balance sheet strength and flexibility gained over the last year as well as ongoing investor interest in the Company's story of growth and yield has the Company well positioned to take advantage of potential opportunities for further growth, both through long term organic growth as well as further acquisitions, as they arise.

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

Summary of Quarterly Results

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

QUARTERLY PERFORMANCE

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

	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Sales	$ **35,668**	$ 37,654	$ 30,706	$ 30,853
Gross profit	**13,796**	16,346	11,499	11,122
Gross profit %	**39%**	43%	37%	36%
Adjusted EBITDA [1]	**7,181**	7,863	5,266	4,894
Per share basic	**0.38**	0.43	0.31	0.33
Profit before tax	**3,160**	3,995	1,911	2,684
Profit	**2,424**	2,741	1,201	1,967
Per share basic	**0.13**	0.15	0.07	0.13
Per share diluted	**0.12**	0.14	0.06	0.12
	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Sales	30,778	25,932	23,189	18,689
Gross profit	9,988	8,912	7,756	6,198
Gross profit %	32%	34%	33%	33%
Adjusted EBITDA [1]	4,018	3,999	3,344	2,306
Per share basic	0.27	0.32	0.27	0.19
Profit before tax	983	2,644	1,245	814
Profit	659	2,029	884	512
Per share basic	0.04	0.16	0.07	0.04
Per share diluted	0.04	0.15	0.07	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 Accounting Standards measures reported in the Company's consolidated financial statements as follows:

(Stated in thousands of dollars)

	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Profit for the period	$ **2,424**	$ 2,741	$ 1,201	$ 1,967
Add (deduct):				
Financing costs	**1,083**	1,076	881	755
Income tax expense	**736**	1,253	710	718
Amortization and depreciation	**2,574**	2,231	1,771	1,319
Acquisition and restructuring costs	**1**	397	578	25
Inventory fair value adjustments and write downs	**28**	-	-	-
Share-based compensation expense	**108**	283	115	239
Foreign exchange losses (gains)	**220**	(100)	18	(42)
Interest and other expense (income)	**(5)**	21	(8)	(17)
Gain on sale of equipment	**12**	(39)	-	(70)
Adjusted EBITDA	**7,181**	7,863	5,266	4,894

(Stated in thousands of dollars)	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Profit for the period	$ 659	$ 2,029	$ 884	$ 512
Add (deduct):				
Financing costs	740	672	657	455
Income tax expense	324	615	361	303
Amortization and depreciation	1,663	1,204	1,140	876
Acquisition and restructuring costs	440	61	578	-
Inventory fair value adjustments and write downs	22	-	-	-
Share-based compensation expense	19	26	28	70
Foreign exchange losses (gains)	176	(598)	(291)	94
Interest and other income	(7)	(5)	(4)	(4)
Gain on sale of equipment	(18)	(5)	(9)	-
Adjusted EBITDA	4,018	3,999	3,344	2,306

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:

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

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

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

Adjusted EBITDA for the fourth quarter of 2023 was $7.2 million, a $3.2 million, or 79%, increase compared to Q4 2022. The overall increase in Adjusted EBITDA was primarily driven by the increases in sales and gross profit relative to Q4 2022.

Consolidated net profit in the quarter was $2.4 million, or $0.13 per share, an increase of $1.8 million, $0.09 higher on a per share basis, compared to Q4 2022.

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

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

Overall operating expenses increased from $6.9 million in Q3 2022 to $12.5 million in Q3 2023. The increase was primarily a result of the overall increase in scale due to the five acquisitions completed between September 30, 2022 and September 30, 2023 and the associated acquisition costs, as well as increased financing costs. The head office team also increased in the quarter with the addition of three roles (VP Manufacturing, VP People & Culture, and AVP Finance), each of which augment the ability of Decisive to support existing subsidiaries in achieving organic growth and complete acquisitions.

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

Q2 2023 Consolidated Financial Highlights
Sales for the second quarter increased by 32% to $30.7 million from $23.2 million in Q2 2022. The overall increase was driven by a 37% increase in the finished product segment and a 26% increase in the component manufacturing segment. The sales generated by ACR, which was acquired in October 2022, as well as the sales generated in the three businesses acquired in April 2023 (Capital I, Micon and Procore), contributed meaningfully to the consolidated sales increases. Traditional seasonality negatively impacted sales for Blaze King and Hawk during the quarter. Blaze King sales were also affected by reduced productivity in the quarter and Slimline sales continued to be negatively impacted by leadership and sales personnel transitions. These decreases were more than offset by increased sales at Northside and Unicast, which highlights the benefit of diversification in the portfolio.

Overall gross profit was $11.5 million in Q2 2023, an increase of $3.7 million, or 48%, relative to Q2 2022, driven by the increase in overall sales. Gross profit percentages in Q2 2023 increased by 4 percentage points compared to Q2 2022, which was driven by the component manufacturing segment where product mix changes, pricing increases and other margin enhancing activities led to increased segment margins.

Overall operating expenses increased from $6.8 million in Q2 2022 to $9.6 million in Q2 2023. The increase was primarily a result of the overall increase in scale due to the four acquisitions completed between June 30, 2022 and June 30, 2023, and the associated acquisition costs, as well as increased financing costs.

The above noted increases in sales and gross profit, were the primary drivers of the $1.9 million, or 57%, increase in Adjusted EBITDA and $0.3 million increase in net profit relative to Q2 2022.

Q1 2023 Consolidated Financial Highlights

Sales for the first quarter increased by 65% to a record $30.9 million from $18.7 million in Q1 2022. The overall increase was driven by an 88% increase in the finished product segment and a 42% increase in the component manufacturing segment. The portfolio businesses are experiencing robust customer demand supported by favorable underlying economic conditions and strong commodity prices. Further, the sales generated by both Marketing Impact and ACR, which were acquired in April and October of 2022 respectively, contributed meaningfully to the finished product segment and consolidated sales increases. Year-over-year organic growth was also achieved in the quarter. The five businesses owned prior to 2022 experienced aggregate revenue growth of 22% in Q1 2023, relative to Q1 2022.

Overall gross profit was $11.1 million in Q1 2023, an increase of $4.9 million, or 79%, relative to Q1 2022, driven by the increase in overall sales. Gross profit percentages in Q1 2023 increased by 3 percentage points compared to Q1 2022, which was driven by the component manufacturing segment where product mix changes, pricing increases and the effect of higher sales covering a larger percentage of fixed costs led to increased segment margins.

Overall operating expenses increased from $5.3 million in Q1 2022 to $8.6 million in Q1 2023. The increase was primarily a result of increased financing costs, selling costs associated with the increase in overall sales, and overall scale due to the acquisitions of Marketing Impact and ACR.

The above noted increases in sales and gross profit, were the primary drivers of the $2.6 million, or 112%, increase in Adjusted EBITDA and $1.5 million increase in net profit relative to Q1 2022.

Segment Overview and Performance

Decisive's overall business is conducted through three operating segments comprised of finished product; component manufacturing; and head office. An overview of these segments and the businesses within each segment is set forth below.

Finished Product Segment Overview

The finished product segment manufactures and sells products that are purchased and used by end customers as designed. Within the finished product segment, there are six separate businesses: Blaze King, Slimline, Marketing Impact, ACR, Capital I and IHT.

Blaze King

The business of Blaze King is producing and selling high-quality, high-efficiency wood burning stoves, wood burning fireplace inserts, gas stoves, gas fireplaces, and gas fireplace inserts. All of its products are manufactured in its premises in Penticton, British Columbia and Walla Walla, Washington. Blaze King has been operating since 1977, and its hearth products are sold worldwide. Blaze King's wood burning stoves and inserts are recognized as some of the longest-burning and most efficient in the hearth market. Blaze King management believes that its products have developed a strong reputation for quality. These factors have helped build the Blaze King brand and reputation, which drives sales through dealer and customer loyalty. Blaze King has a growing distribution base that includes a large network of retailers and distributors across Canada, the United States and New Zealand.

ACR

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

Slimline

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

Marketing Impact

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

Capital I

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

IHT

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

Finished Product Segment Performance

(Stated in thousands of dollars)

	For the three months ended		For the year ended	
December 31,	**2023**	2022	**2023**	2022
Sales	$ **23,928**	$ 20,402	$ **82,470**	$ 57,478
Gross profit	**9,584**	7,255	**34,340**	22,391
Gross profit %	**40%**	36%	**42%**	39%
Profit	**3,164**	2,237	**10,854**	7,779
Add (deduct):				
Financing costs	**163**	95	**464**	307
Income tax expense	**838**	176	**2,315**	1,205
Amortization and depreciation	**1,743**	1,005	**4,855**	2,461
Inventory fair value adjustments and write downs	**28**	19	**28**	19
Foreign exchange expense (income)	**60**	37	**(24)**	(84)
Interest and other income	**(2)**	(4)	**(3)**	(14)
Gain on sale of equipment	**-**	(7)	**(40)**	(14)
Adjusted EBITDA	**5,994**	3,558	**18,449**	11,659

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

Three Months Ended December 31, 2023
Overall sales for the segment in Q4 2023, increased by $3.5 million, or 17%, relative to Q4 2022. The increase was driven primarily by the sales generated in the two businesses acquired in 2023: Capital I and IHT. Capital I sales levels remained consistent with pre-acquisition averages, while IHT sales moved below pre-acquisition averages during the quarter as a result of a facility move and customers electing to delay capital projects in light of economic uncertainty. Blaze King and ACR worked through order backlogs during the quarter, ensuring products required by their customers for the heating season were delivered, although warm weather in the United Kingdom and a delay in receiving regulatory approval for the launch of a new product line impacted ACR's seasonal increase in sales of its wood stove products, resulting in overall decreases in hearth product sales in Q4 2023 compared to Q4 2022. Q4 2023 sales at Marketing Impact decreased 24% relative to the higher sales realized in Q4 2022, however Q4 2023 sales were higher than any other quarter in 2023 for Marketing Impact. Slimline sales decreased by 20% in Q4 2023, compared to Q4 2022 as decreases in sprayer sales were more than offset by increased wastewater evaporator sales in the quarter.

The increase in overall sales combined with margin enhancing activities undertaken over the last year resulted in a $2.3 million, or 32%, increase in gross profit in Q4 2023 compared to Q4 2022. The increase in segment gross profit percentage to 40% in Q4 2023 compared to 36% in Q4 2022 was driven primarily by the pricing increases and input cost decreases realized in the hearth division businesses, product mix changes with the increase in higher margin wastewater evaporator sales in Slimline in Q4 2023 relative to Q4 2022, as well as the contribution from the two high margin business acquired in 2023.

Overall segment Adjusted EBITDA was $6.0 million in Q4 2023; an increase of $2.4 million, or 68%, compared to Q4 2022, driven by the increases in overall sales and gross profit described above.

Year Ended December 31, 2023
Overall sales for the segment in 2023 increased by $25.0 million, or 44%, relative to 2022. The increase was a result of the sales generated by Marketing Impact, ACR, Capital I and IHT since their respective acquisition dates of April 14, 2022, October 3, 2022, April 5, 2023, and July 19, 2023. Sales for Marketing Impact and ACR were both lower in 2023 relative to the comparative post-acquisition periods in 2022. Blaze King sales in 2023, increased by 4% relative to 2022, as pricing increases more than offset an 4% decrease in the number of units sold as traditional seasonal demand patterns reduced unit sales in Q2 2023. Sales for Slimline in 2023 decreased 10% relative to 2022, primarily due to decreases in

agricultural sprayer sales relative to a year ago, which were partially offset by increased wastewater evaporator sales.

Overall gross profit increased by $11.9 million, or 53%, in 2023 relative to 2022, driven by the overall increase in sales. Segment gross profit percentage increased to 42% in 2023 compared to 39% in 2022, based on pricing increases and input cost decreases realized in Blaze King as well as the impact of acquiring three high margin business (ACR, Capital I and IHT) since Q3 2022, which was partially offset by margin compression at Marketing Impact.

Overall segment Adjusted EBITDA was $18.5 million in 2023; an increase of $6.8 million, or 58%, compared to 2022, driven by the increases in overall sales and gross profit described above.

Finished Product Segment Industry Trends and Outlook

Blaze King and ACR

- All Blaze King products meet stringent EPA 2020 regulations in effect for wood burning appliances in North America. Blaze King's top selling King and Princess model woodstoves are listed first and second in North America in terms of efficiency by the EPA. Similarly, all of ACR's products meet the environmental standards in effect in the United Kingdom and Europe.
- Investments made with respect to EPA 2020 readiness positioned Blaze King to increase its market share. According to information published by the EPA, since October 2019, the total number of wood stove manufacturers declined by 45% and the total number of certified fireboxes declined by 66%.
- United States government's tax credit program, effective until 2032, has buoyed demand as Blaze King products make up 10% of eligible wood stoves. Consumers can apply for a tax credit of up to $2,000 to replace older non-efficient wood stoves and fireplaces.
- A warm winter, the stabilization in the availability and costs of heating alternatives such as natural gas, timelines for receiving regulatory approval for new product line launches, the high interest rate environment, and near-term geopolitical and economic uncertainty may negatively impact near-term demand for wood stoves and fireplaces in North America, the United Kingdom and Europe.
- Both Blaze King and ACR worked through their backlogs in Q4 2023, and are actively pursuing market share increases through its distribution channels including through the reintroduction of incentives for customers to commit to orders early in the year and the introduction of new product designs. Blaze King management is focused on building appropriate levels of inventory to satisfy demand witnessed in its early-buy program and to capitalize on future market expansion opportunities. Investments in growth capital were made over the last three years to increase production capacity and efficiency with additional investments underway and planned in the coming months. In addition, different third party manufacturers (including Northside for Blaze King products) are being utilized to increase production and, in some cases, to enhance product margins.
- Blaze King and ACR are in the early stages of leveraging synergies between the two businesses which could include the introduction of Blaze King products into Europe and the introduction of ACR products into North America, supported by the extensive dealer networks both businesses have in their respective markets.

Slimline

- Slimline's agriculture sprayers have strong brand equity and market penetration in British Columbia and in the Pacific Northwest and is aiming to capitalize on the wider industry movement toward precision agriculture.

- In February 2023, Daryll Lowry was named the new president of Slimline. Leadership transition has progressed considerably over the last year.
- New leadership team is focused on improving service to the existing customer base in the Pacific Northwest while also pursuing expansion in other large agricultural markets in North America, such as California, Florida, Georgia, South Carolina and New York. This renewed focus is expected to have Slimline better positioned for the 2024 and 2025 agricultural sprayer buying seasons, as agricultural sprayer orders were considerably lower in 2023 relative to 2022. However, the current high interest rate environment and general economic uncertainty may impact the extent of 2024 sprayer sales increases.
- Other worldwide markets are being explored as potential expansion opportunities to augment its North American sprayer business.
- Opportunities for Slimline's wastewater evaporator products to provide alternative wastewater remediation solutions in the mining, oil and gas and waste management industries.
- The development of a larger scale evaporator for use in larger scale tailings ponds over the last several months led to a substantial order that was fulfilled in Q3 2023 and further opportunities for the larger scale evaporator are being pursued. However, the current high interest rate environment and general economic uncertainty may cause customers to defer capital projects of this nature in the near-term.

Marketing Impact

- Services a wide range of top-tier retail and consumer packaged goods customers that are in non-cyclical industries selling non-discretionary products. Grocery stores, convenience stores, and pharmacies, as well as the consumer-packaged goods that are shelved by these outlets, have all experienced strong demand trends over the last few years and that is expected to continue in the long-term.
- Demand from these customers softened in 2023. However, Marketing Impact is uniquely positioned as a domestic supplier of merchandising products, systems, solutions and displays for these customer groups. Its product pusher and anti-theft systems can demonstrate a strong return on investment to its customer base as they support labour savings and reduced shrinkage for its customers.
- Well established with its customer base in Eastern Canada. Given its market position and the quality of its products, management believes there are opportunities for growth in Western Canada, Quebec and the United States. In the United States, the grocery and pharmacy industries are more fragmented than in Canada, which provides for a wider potential customer sales base.
- Transition of leadership from the founders limited growth in the business in 2023. Marc Gosselin was hired as the President of Marketing Impact in March 2024, marking a major advancement in the leadership transition process, positioning the business to pursue growth in a methodical fashion while improving operational efficiency.

Capital I

- Innovative products designed for optimizing maintenance of gravel roads that can demonstrate a strong return on investment for its customers through reduced use of consumables, improved visibility and safety of drivers given the proprietary method of product attachment to grader units, and improved performance as a result of the unique design attributes of its products relative to its competitors.

- Vernon Snidal hired as President in November 2023, supporting leadership transition from the exiting founders of this business, while also pursuing operational efficiency enhancements and customer acquisition process improvement, including through the expansion of the sales team at Capital I.
- Current project underway to manufacture oil and gas machinery in conjunction with Hawk and Unicast.
- Significant opportunities for growth in adjacent markets in Eastern Canada and the United States.
- The current high interest rate environment and general economic uncertainty may cause its customers to defer capital expenditures and instead focus on maintenance which could reduce demand for Capital I products in the near-term.

IHT

- The energy efficiency of IHT's products results in significant cost savings for pork producers relative to other technologies used in the industry.
- Similarly, its products optimize heating conditions, and improve safety and hazard prevention, all of which enhance animal welfare and additional cost savings for its customers.
- The North American pork market has faced high feed costs and low market pricing over the last year. Management of IHT believes that pork pricing may begin to rebound in mid-2024. Despite these industry headwinds, IHT's products can help pork producers realize cost savings and it currently has a large number of trials out with potential customers to demonstrate that. However, the current high interest rate environment and general economic uncertainty may impact timing of when these trials turn into larger scale sales.
- Opportunities to expand product offering with near term launch of cooling mats and expanded use of fiberglass reinforced plastics into additional product lines. The additional capacity afforded to IHT by the move to a new larger facility, with new more efficient equipment will allow IHT to meet its expected demand levels over the coming years while also expanding its product offering.
- Opportunities for growth in other pork producing countries in South America, Asia and Europe.

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 five separate businesses: Unicast, Hawk, Northside, Micon and Procore.

Unicast
The business of Unicast is producing and distributing wear parts and valves for the mining, aggregate and cement industries. Wear parts are consumable parts for machinery that wear out when crushing rock, which is done extensively in the mining, aggregate and cement industries. Unicast has been in operation since 1994. Unicast is focused on providing quality wear parts that are more durable and last longer than the products of its competitors. Unicast's products are designed to have fewer issues regarding installation and maintenance by using novel alloys, precision engineering, three-dimensional scanning technology, robust quality control processes, and comprehensive collaboration agreements involving academia and industry partners. Unicast management believes that these are Unicast's primary competitive advantages over its competitors. Unicast has a growing dealer distribution base that includes distributors across Canada and the United States, with continuing growth in Latin America, the Middle East, Asia, and Europe.

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

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

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

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

Component Manufacturing Segment Performance

(Stated in thousands of dollars)

	For the three months ended		For the year ended	
December 31,	**2023**	2022	**2023**	2022
Sales	$ **12,742**	$ 10,458	$ **54,698**	$ 41,346
Gross profit	**4,212**	2,733	**18,423**	10,462
Gross profit %	**33%**	26%	**34%**	25%
Profit	**1,107**	494	**6,536**	2,703
Add (deduct):				
Financing costs	**32**	22	**127**	101
Income tax expense	**184**	132	**1,347**	235
Amortization and depreciation	**811**	644	**2,977**	2,379
Acquisition and restructuring costs	**-**	-	**-**	237
Inventory fair value adjustments and write downs	**-**	3	**-**	3
Foreign exchange expense (income)	**160**	139	**120**	(535)
Interest and other income	**(3)**	(1)	**(6)**	(1)
Gain on sale of equipment	**12**	(11)	**(57)**	(17)
Adjusted EBITDA	**2,303**	1,422	**11,044**	5,105

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

Three Months Ended December 31, 2023

The $2.3 million, or 22%, increase in segment sales in Q4 2023 relative to Q4 2022, was driven by sales increases in Hawk and Northside as well as the sales generated in the two businesses acquired in April 2023: Micon and Procore. The sales generated by Micon and Procore in Q4 2023 were consistent with pre-acquisition averages. Unicast sales decreased 14% in Q4 2023 compared to Q4 2022 as economic and geopolitical uncertainty resulted in reduced order activity. Hawk sales increased 30% compared to Q4 2022 and Northside sales increased 20% relative to Q4 2022. Demand levels in these businesses has continued to be strong, supported by commodity prices and customer diversification efforts.

The increase in sales was a key driver of the $1.5 million, or 54%, increase in segment gross profit for the three-month period ended December 31, 2023, compared to the same period in 2022. In addition, segment gross profit percentages increased by 7 percentage points to 33% in Q4 2023 compared to 26% in Q4 2022, as a result of product mix changes, pricing increases and the impact of Northside moving production of certain lower margin products to a strategic partner in a lower cost jurisdiction.

Segment Adjusted EBITDA was $2.3 million in Q4 2023; an increase of $0.9 million, or 62%, compared to Q4 2022. The increase in segment Adjusted EBITDA was driven by the increased sales and gross profit generated in the quarter.

Year Ended December 31, 2023

For the year ended December 31, 2023, segment sales increased by $13.4 million, or 32%, compared to 2022. The overall increase was a result of sales increases of 16%, 28% and 31% in each of Unicast, Hawk and Northside respectively, as well as the sales generated by Micon and Procore, which were acquired in April 2023. Demand levels for Unicast were strong through the first half of the year but decreased in the second half of the year as customers elected to defer maintenance on machinery or delay capital projects in light of economic uncertainty. Conversely, demand for Hawk and Northside was strong throughout 2023, reflecting strength in demand from the industries that these businesses serve.

Overall segment gross profit in 2023 increased by $8.0 million, or 76%, compared to 2022. In addition, segment gross profit percentages increased by 9 percentage points to 34% in 2023 compared to 25% in 2022. The higher sales levels in 2023 were a driver of the overall gross profit increase, however margin enhancing activities undertaken over the last year had an even greater impact on both the overall gross profit increase as well as the increase in gross profit percentages.

Segment Adjusted EBITDA in 2023 was $11.0 million; an increase of $5.9 million, or 116%, compared to 2022. The increase in segment Adjusted EBITDA was driven by the increase in sales and gross profit.

Component Manufacturing Segment Industry Trends and Outlook

Unicast, Micon and Procore

- Long-term demand expectations for cement and aggregate industries continue to be strong based on infrastructure spending initiatives that have been introduced by governments globally. Near-term economic and geopolitical uncertainty has resulted in reduced order activity, as some customers are electing to defer maintenance on machinery or delay capital projects. The impact of this demand shift resulted in lower sales in Q4 2023 and is expected to negatively impact Q1 and Q2 2024 results as well.
- Unicast continues to diversify its supply chain with over 30% of the products delivered in 2023 coming from suppliers outside of China. Unicast can produce over 90% of its wear parts from suppliers outside of China, which greatly mitigates geopolitical and supply chain risk for its business.
- Mark Watson named President of Unicast in May 2022 with a focus on highlighting Unicast's product differentiators to support sales growth, focusing on higher margin products and expanding Unicast's sales team and distribution networks while diversifying suppliers.

- Brian McDonald hired as the General Manager of Micon and Procore in August 2023, supporting leadership transition from the exiting founders of these businesses along with operational efficiency enhancement and customer acquisition activity.

- Opportunity for market share increases through cross selling amongst complementary customer bases and geographies served between Unicast, Micon and Procore. Further geographic expansion opportunities in Latin America, Africa, Asia, Europe, and the Middle East.

Hawk

- Customer base currently tied closely to the North American oil and gas industry. Over the last year, customer base has diversified which has lessened the reliance on its main customer considerably.

- Current oil and natural gas price levels continue to be supportive of strong activity levels in the oil and gas industry, evidenced by increasing rig counts in Western Canada in the second half of 2023 and further rig count increases forecasted in 2024, which is positive with respect to demand for Hawk's products.

- Tim Stewart named President of Hawk in January 2022, with a focus on pursuing sales growth from a broad range of customers, supporting the ongoing diversification of Hawk's revenue mix while continuing to provide turnkey services to its main customers.

- In March 2024, Hawk acquired the assets of APM, providing it with increased machining capabilities and access to additional equipment and people to service the strong demand from its growing customer base.

Northside

- Northside's primary focus is supplying products to two main customers in the commercial vehicle and forestry sectors.

- Demand for commercial vehicle products increased significantly in 2023 and based on current production forecasts, the provision of these products is expected to continue to support strong demand levels for commercial vehicle products in 2024.

- In Q4 2023, Northside extended the term of its long-term contract with a major commercial vehicle customer through to the end of 2026 and also entered into a new contract with another major commercial vehicle customer. The new contract diversifies Northside's customer base and includes shared investment in property and equipment with this customer to produce specific products for them. Sales under this new contract are expected to commence in Q4 2024.

- Conversely, North American lumber prices have declined in 2023, as rising interest rates have reduced demand for lumber. Demand for forestry equipment has moderated as a result, which has negatively impacted demand for the products connected to this sector.

- Northside is committed to improving production capacity and efficiency and successfully entered into a strategic partnership to produce certain lower margin products in a lower cost jurisdiction in 2023 to help mitigate the effect of cost increases over the last few years and meet the expected future demand levels of its customers while also increasing production capacity.

- Production capacity improvements are being used to produce fireboxes for Blaze King, which commenced in Q3 2023. These efficiencies are also allowing Northside to pursue other value-add manufacturing opportunities.

- Additional capacity and efficiency enhancing investments are targeted for 2024, with initial deposits on a new laser and brake press made in Q4 2023.

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,	**2023**	2022	**2023**	2022
Loss	$ **(1,847)**	$ (2,072)	$ **(9,057)**	$ (6,398)
Add (deduct):				
Financing costs	**888**	623	**3,204**	2,116
Income tax expense (recovery)	**(286)**	16	**(245)**	163
Amortization and depreciation	**20**	14	**63**	44
Acquisition and restructuring costs	**1**	440	**1,001**	840
Share-based compensation expense	**108**	19	**745**	143
Interest and other income	**-**	(2)	**-**	(5)
Adjusted EBITDA	**(1,116)**	(962)	**(4,289)**	(3,097)

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

Three Months Ended December 31, 2023

During the three-month period ended December 31, 2023, Head Office expended $2.1 million, before income taxes, on corporate activities. This was consistent with Q4 2022, as increases in financing costs and professional fees were offset by lower acquisition costs.

Year Ended December 31, 2023

For the year ended December 31, 2023, Head Office expended $9.3 million, before income taxes, on corporate activities, an increase of $3.1 million relative to 2022.

The increase was in part a result of a $1.1 million increase in financing costs in 2023 due to the increase in long-term debt used to fund acquisitions during the year and to fund increased working capital across the Group, as well as an increase in variable rate borrowing costs. The acquisition activity in 2023 resulted in a $0.2 million increase in acquisition costs relative to 2022. Professional fees were also $0.5 million higher in 2023 as a result of recruitment costs incurred to fill additional head office positions, investments in resources to assist subsidiaries in identifying market share and margin enhancing activities, and increased audit fees. In addition, salaries, wages and benefits increased due to three new team members at head office as well as short-term incentive accruals based on the strong overall operating performance of the Group in 2023. The three team members added included the roles of VP Manufacturing, VP People & Culture, and AVP Finance, each of which augment the ability of head office to support existing subsidiaries in achieving organic growth and complete acquisitions. Also, share-based compensation was $0.6 million higher in 2023, versus the same period in 2022, primarily as a result of deferred share units and restricted share units issued in 2023. Selling, general and administrative costs increased by $0.2 million in 2023 as a result of the increased scale of the Group over the last year.

Liquidity and Capital Resources

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

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

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

The industry trends outlined in the "Finished Product Segment Industry Trends and Outlook" and "Component Manufacturing Segment Industry Trends and Outlook", as well as the market risks described under "Risk Factors" in the Company's Annual Information Form and 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 $5.2 million, compared to cash of $4.1 million at December 31, 2023, and cash of $4.7 million at December 31, 2022.

As at December 31, 2023, the Company had net working capital of $21.7 million (December 31, 2022 - $17.9 million) as follows:

(Stated in thousands of dollars)	**December 31, 2023**	December 31, 2022
Cash	$ **4,050**	$ 4,734
Accounts receivable	**22,647**	16,380
Inventory	**24,351**	14,940
Prepaid expenses and deposits	**1,399**	2,433
Accounts payable and accrued liabilities	**(26,107)**	(17,909)
Dividends payable	**(756)**	(447)
Warranty provision	**(700)**	(579)
Customer deposits	**(1,281)**	(344)
Current portion of lease obligations	**(1,693)**	(1,279)
Current portion of long-term debt	**(224)**	-
Net working capital	$ **21,686**	$ 17,929

Capital Expenditures

(Stated in thousands of dollars)	For the three months ended		For the year ended	
December 31,	**2023**	2022	**2023**	2022
Purchase of property and equipment	$ **1,137**	$ 231	$ **3,918**	$ 2,140
Proceeds from sale of property and equipment	**(92)**	(19)	**(173)**	(40)
	1,045	212	**3,745**	2,100
Growth capital expenditures	**764**	46	**2,401**	1,146
Maintenance capital expenditures	**281**	166	**1,344**	954
	$ **1,045**	$ 212	$ **3,745**	$ 2,100

The increase in capital expenditures was a result of increases in both maintenance capital and growth capital expenditures. Growth capital expenditures in 2023 were directed toward production capacity enhancements for Blaze King, including capital expenditures at Northside required to setup a manufacturing cell for Blaze King products, capability enhancements at Hawk, and deposits on new equipment at Northside aimed at improving production capacity and efficiency.

Free Cash Flow

(Stated in thousands of dollars)

December 31,	For the three months ended **2023**	2022	For the year ended **2023**	2022
Cash provided by operating activities	$ **7,862**	$ 3,314	$ **15,789**	$ 8,427
Add (deduct):				
Changes in non-cash working capital	**(2,052)**	271	**4,117**	3,192
Income taxes paid	**1,376**	-	**4,306**	991
Current income tax expense	**(865)**	(143)	**(4,274)**	(1,743)
Acquisition and restructuring costs	**-**	440	**1,001**	1,077
Interest paid	**(1,058)**	(706)	**(3,650)**	(2,354)
Lease payments	**(431)**	(323)	**(1,492)**	(1,227)
Required principal repayments on debt	**(60)**	-	**(171)**	-
Free cash flow	$ **4,772**	$ 2,853	**15,626**	8,363

The increase in Free Cash Flow in 2023, was primarily a result of the increase in Adjusted EBITDA relative to 2022, which was partially offset by increases in interest paid, current income taxes and lease payments on right of use assets.

Dividends and Dividend Payout Ratios

The Company's Board of Directors regularly examines the dividends paid to shareholders. The following dividends were declared during the year ended December 31, 2023, and throughout 2022:

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

	2023		2022	
Month	**Per share ($)**	**Dividend Amount ($)**	Per share ($)	Dividend Amount ($)
January	$ **0.030**	$ **448**	$ 0.025	$ 303
February	**0.030**	**450**	0.025	304
March	**0.035**	**528**	0.025	305
April	**0.035**	**608**	0.030	377
May	**0.035**	**610**	0.030	377
June	**0.035**	**611**	0.030	378
July	**0.040**	**712**	0.030	379
August	**0.040**	**746**	0.030	379
September	**0.040**	**752**	0.030	436
October	**0.040**	**755**	0.030	441
November	**0.040**	**755**	0.030	443
December	**0.040**	**757**	0.030	447
Total	$ **0.440**	$ **7,732**	$ 0.345	$ 4,569

The above dividends were paid on or about the 15th of the month following their declaration. Of the dividends paid in 2023, $5.2 million were settled in cash and $2.2 million were reinvested in additional common shares of the Company, pursuant to the dividend reinvestment and cash purchase plan "the DRIP".

On March 15, 2023, the Company announced an increase in its monthly dividend to $0.035 per share and on June 22, 2023 announced a further increase in its monthly dividend to $0.04 per share effective for the August 2023 dividend payment declared in July 2023. At December 31, 2023, the monthly dividend represented annualized dividends of $0.48 per common share, up from the annualized March level of $0.42 per common share and the previous level set at $0.36 per common share on an annualized basis. Subsequent to December 31, 2023, on February 15, 2024, the Company announced a further increase in its monthly dividend to $0.045 per share effective for the March 2024 dividend payment, which represents annualized dividends of $0.54 per common share.

The Company utilizes Free Cash Flow Less Maintenance Capital to analyze the percentage of cash generated from operations returned to shareholders as dividends. This is analyzed on a trailing twelve-month basis in order to reduce the impact of seasonality on the analysis. Cash outflows associated with acquisitions, including acquisition costs, and growth capital expenditures are not included in this payout ratio as they are expected to generate incremental cash inflows in the future. The Company's dividend payout ratio decreased in the trailing twelve-month period ended December 31, 2023 compared to the same period in 2022, primarily as a result of the $11.5 million increase in Adjusted EBITDA for the trailing twelve-month period ended December 31, 2023, compared to the same period in 2022, which was partially offset by increases in interest paid, current income taxes and lease payments on right of use assets.

(Stated in thousands of dollars)	For the three months ended		For the year ended	
December 31,	**2023**	2022	**2023**	2022
Free cash flow	$ **4,772**	$ 2,853	$ **15,626**	$ 8,363
Maintenance capital expenditures	**(281)**	(166)	**(1,344)**	(954)
Free cash flow less maintenance capital	**4,491**	2,687	**14,282**	7,409
Dividends declared	**2,266**	1,332	**7,732**	4,569
Dividend payout ratio			**54%**	62%

Cumulative dividends, paid since Decisive's inception, for the year ended December 31, 2023, are as follows:

(Stated in thousands of dollars)	**December 31, 2023**
Cumulative dividends, beginning of year	$ **19,686**
Dividends declared during the year	**7,732**
Cumulative dividends, end of year	$ **27,418**

Subsequent to December 31, 2023, to the date of this MD&A, the Company undertook the following dividend actions:

- A dividend of $0.04 per share was declared on January 15, 2024, for shareholders of record on January 31, 2024, which was paid on February 15, 2024;
- A dividend of $0.045 per share was declared on February 15, 2024, for shareholders of record on February 29, 2024, which was paid on March 15, 2024; and
- A dividend of $0.045 per share was declared on March 15, 2024, for shareholders of record on March 29, 2024, which is payable on April 15, 2024.

Long-Term Debt

(Stated in thousands of dollars)	Authorized and Available	**March 20, 2024 Outstanding**	**December 31, 2023 Outstanding**	December 31, 2022 Outstanding
Syndicated revolving term loan	$ 100,000	$ **51,200**	$ **-**	$ -
Previous credit agreement	see below	**-**	**45,091**	32,988
Equipment loans	383	**383**	**415**	-
Total debt		$ **51,583**	$ **45,506**	$ 32,988
Less: cash		**(5,219)**	**(4,050)**	(4,734)
Total debt, net of cash	$ -	$ **46,364**	$ **41,456**	$ 28,254

Subsequent to December 31, 2023, and before the date of this MD&A, the Company entered into a new syndicated credit facility providing for a committed $100 million senior secured revolving term loan and a $75 million accordion, which the Company can request as an increase, in whole or in part, to the total amount available under the new syndicated credit facility. The syndicate lenders include National Bank of Canada, CWB Maxium Financial (a wholly owned division of Canadian Western Bank), Royal Bank of Canada and Fédération des caisses Desjardins du Québec, with National Bank of Canada acting as administrative agent on behalf of the syndicate.

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

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

New Syndicated Credit Facility

(Stated in thousands of dollars)	Interest Rate	Effective Interest Rate	Revised Authorized Debt
Senior secured revolving term loan	see below	8.2%	$ 100,000
Accordion facility	see below	-	75,000
Equipment loans	2.3%	2.3%	383
Total debt			$ 175,383

Previous Credit Agreement

(Stated in thousands of dollars)	Interest Rate	Effective Interest Rate	Previous Authorized Debt
Revolving term acquisition facility	P+2.5%	9.7%	$ 25,000
Revolving term operating facility	P+1.0%	8.2%	15,000
Non-amortizing term facility	6.9%	6.9%	28,000
Total senior debt		8.2%	68,000
Equipment loans	2.3%	2.3%	383
Total debt			$ 68,383

"P" in the table above denotes prime rate

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

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

The acquisition of the assets of APM in March 2024 was completed utilizing the new syndicated credit facility. The Company utilized its revolving term acquisition facility included in its previous credit agreement in each of the four acquisitions completed in 2023. The acquisition facility was subsequently paid down through the net proceeds of an equity offering completed in April 2023, proceeds on the exercise of warrants (both of which are described later in this MD&A under the heading "Disclosure of Outstanding Share Data"), and operating cash flows.

The new syndicated credit facility is secured by a general security agreement, assignment of insurance, and unlimited corporate cross guarantees. In addition, the Company and its subsidiaries have agreed to maintain the following ratios (as defined in the credit agreement) as a group on a trailing twelve-month basis:

- Maximum total debt to Adjusted EBITDA of 3.25:1
- Minimum fixed charge coverage ratio of 1.50:1

As at December 31, 2023, the Group was in compliance with these ratios.

Off-Balance Sheet Arrangements

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

Disclosure of Outstanding Share Data

The following table sets forth the Company's share capital data as at March 20, 2023, December 31, 2023, and December 31, 2022. Each deferred share unit and restricted share unit entitled the holder thereof to one common share of the Company pending the satisfaction of certain vesting, settlement and/or redemption criteria. Each warrant and stock option entitled the holder thereof to purchase one common share of the Company pending the satisfaction of certain vesting criteria.

	March 20, 2024	**December 31, 2023**	December 31, 2022
Common shares, basic	**19,197,898**	**18,910,603**	14,888,021
Warrants outstanding	**931,982**	**968,082**	924,181
Deferred share units outstanding	**96,356**	**44,440**	-
Restricted share units outstanding	**152,757**	**69,789**	-
Stock options outstanding	**263,502**	**400,002**	659,666
Common shares, fully diluted	**20,642,495**	**20,392,916**	16,471,868

An aggregate of 538,860 common shares were issued during the year ended December 31, 2023, through Decisive's employee share purchase plan, DRIP and the exercise of stock options. These share issuances generated cash proceeds of $0.5 million and reduced the amount of cash dividends paid by

$2.2 million. In Q4 2023, Decisive purchased and cancelled 2,300 common shares at a weighted average price of $6.97 per common share under its NCIB. In addition, 938,343 common shares were issued during the year ended December 31, 2023 on the exercise of warrants which generated $4.8 million in cash proceeds. Of the warrants exercised, 819,175 warrants issued to Waratah Capital Advisors Ltd. in 2022 were exercised at a price of $4.94 per warrant for total cash proceeds of $4.0 million, which was used to pay down the Company's revolving term acquisition facility following the acquisition of IHT.

During the second quarter, as part of the consideration paid for the acquisitions of Capital I, Micon and Procore described earlier in this MD&A under the heading "Acquisitions", the Company issued an aggregate 268,577 common shares to the vendors of Capital I, Micon, and Procore at a price of $6.84 per share. In the third quarter, as part of the consideration paid for the acquisition of IHT described earlier in this MD&A under the heading "Acquisitions", on July 19, 2023, the Company issued an aggregate 314,614 common shares to the vendors of IHT at a price of $7.39 per share.

Also during the second quarter, the Company closed a bought deal equity offering, with a syndicate of underwriters, of 1,964,488 common shares at a price of $5.91 per share. In addition, for each common share subscribed for under the bought deal equity offering, the subscriber also received a one-half common share purchase warrant. Each whole common share purchase warrant entitles the holder thereof to purchase one common share at a price of $7.09 for a period of 24 months following the closing of the bought deal equity offering.

As at March 20, 2023, there were 851,247 shares in escrow relating to the Company's completed acquisitions, as follows:

- Marketing Impact – 156,863 to be released half per year in April 2024 and 2025 respectively.
- ACR – 111,193 to be released half per year in October 2024 and 2025 respectively.
- Capital I – 123,962 to be released at one-third per year in April 2024, 2025, and 2026 respectively.
- Micon – 55,434 to be released at one-third per year in April 2024, 2025, and 2026 respectively.
- Procore – 89,181 to be released at one-third per year in April 2024, 2025, and 2026 respectively
- IHT – 314,614 to be released at one-third per year in July 2024, 2025, and 2026 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, 2023, included $1.9 million of salaries, benefits and director fees and $0.5 million of share-based compensation (2022 - $1.6 million of salaries and benefits and $0.1 million of share-based compensation).

Accounting Policies

The Company's material accounting policies are disclosed in Note 3 of Decisive's audited consolidated financial statements for the year ended December 31, 2023. During 2023, there were no changes in the accounting policies or methods of computation used relative to 2022.

Critical Accounting Estimates

The preparation of the Company's financial statements in conformity with IFRS Accounting Standards 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:

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, and discount 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 are 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.

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.

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.

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.

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.

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.

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, 2023 and 2022, the carrying amounts of cash, accounts receivable, accounts payable and accrued liabilities, and dividends payable, approximate their fair value due to their short-term nature.

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 market interest rates.

Financial Risk Management

The Group's primary business activities consist of the acquisition of corporations in the manufacturing sector. 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

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 contractual maturities of financial instruments are as follows:

(Stated in thousands of dollars)

December 31, 2023	**Carrying value**	**Total contractual cash flows**	**Within one year**	**Two to five years**	**More than five years**
Accounts payable	**$ 26,107**	**$** 26,107	$ 19,586	$ 6,521	$ -
Dividends payable	**756**	756	756	-	-
Long-term debt	**45,261**	54,097	3,664	50,433	-
Lease obligations	**10,707**	12,924	2,162	6,512	4,250
	$ 82,831	**$** 93,884	$ 26,168	$ 63,466	$ 4,250

December 31, 2022	Carrying value	Total contractual cash flows	Within one year	Two to five years	More than five years
Accounts payable	$ 17,909	$ 17,909	$ 14,451	$ 3,458	$ -
Dividends payable	447	447	447	-	-
Long-term debt	32,669	39,186	2,254	36,932	-
Lease obligations	6,338	7,218	1,513	4,367	1,338
	$ 57,363	$ 64,760	$ 18,665	$ 44,757	$ 1,338

Liquidity risk management involves maintaining sufficient cash or cash equivalents and availability of funding through an adequate amount of committed credit facilities. The Group's cash is held in business accounts which are available on demand for the Group's programs. The Company also attempts to maintain flexibility in funding by securing committed and available credit facilities. The Company has a credit facility in place with its senior lenders that provides the Group access to a revolving term loan and an available accordion facility. The Group continues to manage its financial position in accordance with its capital management objectives and in light of its current operating environment.

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, 2023, the Company expects to recover the full amount of such assets, less any expected credit losses.

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

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

(Stated in thousands of dollars)

		December 31, 2023			December 31, 2022	
Not yet due	**$**	**13,127**	**58%**	$	12,657	79%
31-60 days overdue		**5,497**	**24%**		2,900	18%
61-90 days overdue		**1,951**	**9%**		332	2%
>90 days overdue		**2,030**	**9%**		142	1%
Trade accounts receivable		**22,605**	**100%**		16,031	100%
Less: expected credit losses		**(177)**			(114)	
Net trade accounts receivable	**$**	**22,428**		$	15,917	

Subsequent to December 31, 2023, to the date of this MD&A, the Group collected 62% of the amounts over 90 days overdue. The objective of managing counterparty credit risk is to minimize potential losses in financial assets. The Group assesses the quality of its counterparties, taking into account their creditworthiness and reputation, past performance and other factors. In certain cases, the Group obtains insurance to assist in managing its credit risk.

Currency Risk

The functional currency for Blaze King Industries Inc. and Unicast is the US dollar ("USD"), the functional currency for ACR is the British pound sterling ("GBP"), while all other entities in the group have a Canadian dollar ("CAD") functional currency. The Company's reporting currency is the Canadian dollar. As a result, the Group's profit or loss and total comprehensive income are in part impacted by fluctuations in the value of each foreign currency ("FC") in which it transacts in relation to the CAD.

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

(Stated in thousands of dollars)

	Entities with a CAD functional currency		Entities with a USD functional currency		Entities with a GBP functional currency		
As at December 31, 2023	**CAD**	**USD**	**CAD**	**USD**	**CAD**	**GBP**	**Total**
Cash	$ 1,990	$ 1,841	$ (486)	$ 189	$ -	$ 516	**$ 4,050**
Accounts receivable	12,174	6,921	668	2,020	-	864	**22,647**
Accounts payable	(22,628)	(525)	(130)	(591)	-	(2,233)	**(26,107)**
Dividend payable	(756)	-	-	-	-	-	**(756)**
Inter-company amounts	2,747	-	(5,558)	1,621	1,190	-	**-**
Long-term debt	(44,930)	(331)	-	-	-	-	**(45,261)**
Net exposure	(51,403)	7,906	(5,506)	3,239	1,190	(853)	**(45,427)**
Effect of 5% strengthening of FC versus CAD:							
Profit (loss)	-	395	275	-	(59)	-	**611**
OCI	$ -	$ -	$ -	$ (162)	$ -	$ 43	**$ (119)**

(Stated in thousands of dollars)

As at December 31, 2022	Entities with a CAD functional currency CAD		Entities with a USD functional currency CAD		Entities with a GBP functional currency CAD		
	CAD	USD	CAD	USD	CAD	USD	Total
Cash	$ 267	$ 980	$ 468	$ 153	$ -	$ 2,866	$ 4,734
Accounts receivable	8,534	4,202	545	2,106	-	993	16,380
Accounts payable	(14,288)	(1,278)	(180)	(872)	-	(1,291)	(17,909)
Dividend payable	(447)	-	-	-	-	-	(447)
Inter-company amounts	5,486	-	(8,462)	2,976	-	-	-
Long-term debt	(32,669)	-	-	-	-	-	(32,669)
Net exposure	(33,117)	3,904	(7,629)	4,363	-	2,568	(29,911)
Effect of 5% strengthening of FC versus CAD:							
Profit (loss)	-	195	381	-	-	-	576
OCI	$ -	$ -	$ -	$ (218)	$ -	$ (128)	$ (346)

Interest Rate Risk

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, 2023, 38% was variable rate (2022 - 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:

(Stated in thousands of dollars)

Interest rate risk	**December 31, 2023**	December 31, 2022
Floating instruments	**$ 17,091**	$ 4,988
Average balance	**12,052**	7,699
Impact on profit (loss) of a change in interest rates:		
-1%	**121**	77
+1%	**$ (121)**	$ (77)

Risk Factors

The Group is subject to a number of risk factors. These risk factors relate to, among other things, 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 the business, operations and 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 to the Group 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
• Pandemics	• 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, Intellectual Property, and Information Systems		
• General Uninsured Losses			

External Risks:

<u>*General Economic Conditions*</u>
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, without limitation, macro-economic factors such as inflation and interest rates, geopolitical factors, pandemics, oil and natural gas and other commodity prices, the weather and climate, regulatory changes 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.

Geopolitical instability (including military conflict and the accompanying international responses, including economic sanctions) can be disruptive to the world economy and result in additional volatility in commodity markets, international trade and financial markets, which could impact the Group. The conflict between Russia and the Ukraine has resulted in sanctions imposed upon Russia by the United States, European Union, the United Kingdom, Canada, Australia, Japan, Switzerland, and other countries, which may impact world economic markets and have follow-on effects in particular industries. Similarly, the conflict in Gaza may also impact world economic markets, including through the interruption of supply chains and shipping routes. To date, these conflicts have not impacted the ability of the Group to carry on business and there have been no significant delays or direct security issues affecting operations, offices, or personnel of the Group, and the enacted sanctions have not had a material adverse effect on the business of the Group. The outcome of the conflict between Russian and Ukraine as well as the conflict in Gaza is uncertain at this time, however, they have the potential to impact the peace and stability of the affected regions and the world and could affect the global economy, including regions and markets in which the Group operates. Any subsequent supply shortages or volatile commodity prices could have an adverse impact on the world economy and the business of the Group. As geopolitical conflicts occur, re-occur or escalate, they could have a material adverse effect on business, financial condition or results of operations of the Group.

Pandemics
The spread of contagious disease and pandemics 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.

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 may 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.

The competitive environment in the manufacturing industry has been impacted by customers seeking to take advantage of the low-cost environments that exist in certain countries. As a result, there is the possibility of increased competition from suppliers that have manufacturing operations in these countries. The loss of any significant production contract or other business to competitors in low-cost countries could have an adverse effect on the profitability of the Group.

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 and ACR operate are highly regulated and these regulations are subject to frequent change. 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 operates or sells 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.

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. 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 businesses or interests therein in order to expand and diversify the Company's investments. The ability to execute this objective is, in part, 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.

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 and ACR may be 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 the markets in which they operate 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 natural disasters, 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

The Company regularly reviews potential acquisition opportunities to support its strategic objective to expand and diversify the Company's investments. The Company's ability to successfully grow or diversify through additional acquisitions will be dependent on several factors, including the identification of suitable acquisition targets in both new and existing markets, the negotiation of purchase agreements on satisfactory terms and prices, securing attractive financing arrangements, and, where applicable, the integration of newly acquired operations into the existing business.

In pursuing a strategy of acquiring other businesses or interests, the Company will face risks commonly encountered with growth through acquisitions. These risks include, but are not limited to, incurring higher capital expenditures and operating expenses than expected, entering new unfamiliar markets, incurring undiscovered liabilities at acquired businesses, disrupting ongoing business, diverting management resources, failing to maintain uniform standards, controls and policies, impairing relationships with employees, suppliers and customers as a result of changes of ownership, causing increased expenses for accounting and computer systems and incorrectly valuing acquired entities.

The Company may not adequately anticipate all the demands that its growth will impose on its personnel, procedures, and structures, including its financial and reporting control systems, data processing systems and management structure. Moreover, the Company's failure to retain qualified management personnel at any acquired business may increase the risk associated with integrating the businesses. If the Company cannot adequately anticipate and respond to these demands, it may fail to realize the expected operating performance and its resources will be focused on incorporating new operations into its structure rather than on areas that may be more profitable. In addition, although the Company conducts what it believes to be a prudent level of investigation regarding the operating condition of the businesses it purchases, in light of the circumstances of each transaction, an unavoidable level of risk remains regarding the actual operating condition of these businesses.

The Company conducts business, legal and financial due diligence investigations in connection with its acquisitions and the purchase and sale agreements pursuant to which the Company directly or indirectly acquires a business or interest will generally contain customary representations and warranties with respect to the applicable business and related indemnities from the vendors regarding corporate matters, taxes, litigation, environmental, operations, employee matters and financial statements, among other things. However, there can be no assurance the Company will uncover all risks associated with the investment through its due diligence investigations, that the representations and warranties given by such vendors will adequately protect against such risks or that the Company will recover any losses incurred in the event of a breach of a representation or warranty.

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, or in the ability to transport, these raw materials or finished goods, from pandemics, natural disasters, 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 carbide 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.

The Group relies on a number of suppliers to provide products and materials. For the businesses to be successful, such suppliers must provide quality products and material, in substantial quantities, in compliance with regulatory requirements, at acceptable costs and on a timely basis. The Group's ability to obtain a sufficient selection or volume of supplies on a timely basis at competitive prices could suffer as a result of any deterioration or change in its supplier relationships or events that adversely affect its suppliers.

There can be no assurance the Group will be able to detect, prevent or fix all defects in products or materials provided by its suppliers. Failure to detect, prevent, or fix defects, or the occurrence of real or perceived quality or safety problems or material defects in the Group's current and future products, could result in a variety of consequences, including a greater number of product returns than expected from customers, litigation, product recalls, and credit, warranty, or other claims, among others, which could harm the Group's results of operation and financial conditions. Such events could hurt the Group's business image, which is critical to maintaining and expanding its business. Any negative publicity or lawsuits filed against the Group, related to the perceived quality and safety of its products could harm the Group's businesses and decrease demand for their products.

If one or more of the Group's significant suppliers were to sever their relationship or significantly alter the terms of its relationship, including due to changes in applicable trade or border policies, the Group may not be able to obtain replacement products in a timely manner, which could have a material adverse effect on its business, results of operations, and financial condition.

In addition, if any of the Group's suppliers fail to make timely shipments, do not meet its quality standards, or otherwise fail to deliver materials or a product in accordance with the Group's plans, there could be a material adverse effect on their results of operations.

Operational Performance and Growth
The Group's principal source of funds is cash generated from the Company's subsidiaries, which is expected to provide the Group with sufficient liquidity and capital resources to meet its current and future financial obligations at existing business levels, including meeting certain financial ratios with the Company's senior lenders. If additional capital and/or operating expenditures, dependent on increased cash flow or additional financing, arise in the future, lack of such funds could limit or delay the future growth of the Company's subsidiaries. Furthermore, underperformance of a Subsidiary could have an adverse effect by limiting or delaying future growth cash flow, while also potentially impacting the amount of cash available for dividends to the shareholders. The Group continues to manage its financial position in accordance with the Company's capital management objectives and in light of its current operating environment.

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.

Reliance on Technology, Intellectual Property, and Information Systems
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.

The Group's reliance on information technology to manage its business exposes the Group to potential risks related to cybersecurity attacks and unauthorized access to the Group's customers, suppliers, counterparties and employees sensitive or confidential information (which may include personally identifiable information and credit information) through hacking, viruses or otherwise (collectively "cybersecurity threats"). Through the normal course of business, the Group also collects, processes, and retains sensitive and confidential customer, supplier, counterparty and employee information.

Cybersecurity threats are continually growing and changing and require continuous monitoring and detection efforts to address. While the Group has security measures in place, its systems, assets and information could be vulnerable to cybersecurity attacks and other data security breaches that could cause system failures, disrupt operations, adversely affect safety, result in loss of service to customers and result in the release of sensitive or confidential information. Despite such security measures, there is no assurance that cybersecurity threats can be fully detected, prevented or mitigated. Should such threats materialize, the Group could suffer costs, losses and damages such as property damage, corruption of data, lower earnings, reduced cash flow, third party claims, fines and penalties; all or some of which may not be recoverable

With the recent rise of products that use artificial intelligence ("AI"), companies in a range of industries are reviewing and developing products and services that incorporate AI to enhance their competitiveness and the quality of their products. While AI presents numerous opportunities for growth and innovation, there are potential risks that could impact the Group. There is potential for biased decision-making as machine learning algorithms can perpetuate existing biases if not properly monitored and adjusted. This could result in faulty or discriminatory practices or results arising from the reliance of AI that can potentially lead to operational, financial, legal and reputational damage. AI is also a new and developing technology that can be prone to errors and may also be used more effectively by competitors. Another risk is the potential for AI systems to malfunction or be hacked, leading to unreliable output, unpredictable data breaches and financial losses. To address these risks, Decisive is taking a proactive approach to AI governance, including adopting a policy regarding the use of AI. Due to the inherent complexity of AI, there is no guarantee that the Group will be able to effectively mitigate the risks associated with its use.

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.

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 are sold in markets outside of Canada, while most of its operating expenses and capital expenditures are denominated in Canadian dollars. Additionally, certain amounts of the raw materials and finished goods used by the Group in its business are denominated in foreign currency when they are sourced from outside of Canada. Also, certain subsidiaries have functional currencies that differ from the Company's reporting currency. 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
One of Decisive's objectives is to pay growing and sustainable dividends to its shareholders over the long term. However, dividends are payable if, as and when declared by the Board. While as at the date hereof, a monthly dividend policy is in effect and is currently anticipated to continue, 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
The common shares of the Company are listed for trading on the TSX Venture Exchange on the date hereof. There can be no assurance as to the price at which 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 and trading in the Company's common shares could be subject to significant fluctuations in response to a number of factors, including variations in financial results, and could potentially be subject to 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.

Conflicts of Interest
The Group 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 Group may become involved in transactions that conflict with the interests of these other business activities. The directors and management of the Group and associates or affiliates may from time-to-time deal with persons, firms, institutions or organizations with which the Group 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 Group. 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, officers and employees on how to deal with potential conflicts of interest.

Non-IFRS Financial Measures

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

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

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

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

- The amount of interest expense incurred, or interest income generated, may be useful for investors to consider and may result in current cash inflows or outflows. However, management does not consider the amount of interest expense or interest income to be a representative component of the day-to-day operating performance of the Group.
- Depreciation and amortization expense may be useful for investors to consider because it generally represents the wear and tear on the property and equipment used in the Group's operations. However, management does not believe these charges necessarily reflect the current and ongoing cash charges related to the Group's operating costs as they also include expenses related to the amortization of the fair value of intangible assets acquired in business combinations.
- Acquisition costs are non-operating expenses that can affect costs with respect to planned and completed acquisitions. While a necessary expense as part of an acquisition, the magnitude and timing of these items may vary significantly depending upon the acquisition. As such, management does not consider acquisition costs incurred to be a representative component of the day-to-day operating performance of the Group.
- Additionally, management does not consider foreign exchange gains or losses to be a representative component of the day-to-day operating performance of the Group.
- Manufacturing costs include non-cash charges to expense the fair value increment of acquired inventories sold in the period that were originally valued as part of the initial purchase in a business acquisition, inventory write downs, and allowances for inventory obsolescence. Management does not consider these non-cash charges to be a representative component of the day-to-day operating performance of the Group.
- Similarly, goodwill impairment losses and gains or losses recognized on fair value adjustments of contingent consideration liabilities are non-cash items that management does not consider to be a representative component of the day-to-day operating performance of the Group.
- Share-based compensation may be useful for investors to consider because it is an estimate of the non-cash component of compensation received by the Group's directors, officers and employees. Management does not consider these non-cash charges to be a representative component of the day-to-day operating performance of the Group as the decisions that gave rise to these expenses were not made to increase revenue in a particular period, but were made for the Group's long-term benefit over multiple periods.

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

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

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

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

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

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

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

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

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

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

While the above Non-IFRS financial measures are used by management of the Company to assess the historical financial performance of the Group, as applicable, readers are cautioned that:

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

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

Cautionary Statement Regarding Forward Looking Information and Statements

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

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

Assumptions about the performance of the businesses of the Company are considered in setting the business plan and financial targets for the Company and its businesses. Key assumptions include assumptions relating to the demand for products and services of the businesses of the Company and relating to the Canadian and other markets in which the businesses are active. **Should one or more of the risks materialize or the assumptions prove incorrect, actual results, performance or achievements of the Group may vary materially from those described in forward-looking statements.**

All forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. Except as required by law, the Company disclaims any obligation to update any forward-looking information or forward-looking statements to reflect future events or results or otherwise.

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.