

Management's Discussion and Analysis of



Decisive Dividend

— Corporation —

For the year ended December 31, 2025

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.

Decisive's overall business is conducted through three operating segments comprised of finished product; component manufacturing; and head office. 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, and its wholly-owned subsidiary Venger Group USA Inc. ("Venger"); acquired in August 2025.
- ACR Heat Products Limited ("ACR"); acquired in October 2022.
- Capital I Industries Inc. ("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.
- Procore International Radiators Ltd. ("Procore") and Micon Industries Ltd. ("Micon"); both acquired in April 2023 and amalgamated as Procore in December 2024.
- Techbelt Limited; acquired in April 2024, and its wholly-owned subsidiary Blackburn Conveyor Services Limited; acquired in July 2025, collectively referred to herein as "Techbelt".

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, 2025 and 2024. The audited financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as 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, 2025 and 2024. This MD&A covers the year ended December 31, 2025 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 11, 2026 and approved by the Board of Directors.

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

The following is selected financial information of the Group for the periods indicated below:

FINANCIAL PERFORMANCE

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

For the year ended December 31,	2025	2024	2023
Sales	\$ 152,207	\$ 127,853	\$ 134,881
Gross profit	57,784	47,869	52,763
Gross profit %	38%	37%	39%
Adjusted EBITDA ¹	25,449	20,306	25,204
Per share basic	1.28	1.05	1.45
Profit before tax	8,067	3,257	11,750
Profit	5,201	2,011	8,333
Per share basic	0.26	0.10	0.48
Per share diluted	0.25	0.10	0.45
Free cash flow ¹	14,520	11,794	15,624
Per share basic	0.73	0.61	0.90
Free cash flow less maintenance capital ¹	13,545	10,866	14,281
Per share basic	0.68	0.56	0.82
Dividends declared	10,747	10,401	7,732
Per share basic	0.54	0.54	0.44
Dividend payout ratio ¹	79%	96%	54%

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,	2025	2024	2023
Profit for the period	\$ 5,201	\$ 2,011	\$ 8,333
Add (deduct):			
Financing costs	5,318	5,639	3,795
Income tax expense	2,866	1,246	3,417
Amortization and depreciation	11,142	9,694	7,895
Acquisition and restructuring costs	439	1,038	1,001
Impairment losses	805	4,456	-
Inventory fair value adjustments and write downs	423	369	28
Share-based compensation expense	2,111	1,289	745
Foreign exchange losses (gains)	(19)	(854)	96
Other income	(835)	(4,538)	(9)
Gain on disposal of property and equipment	(2,002)	(44)	(97)
Adjusted EBITDA	25,449	20,306	25,204

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

(Stated in thousands of dollars)

For the year ended December 31,	2025	2024	2023
Cash provided by operating activities	\$ 21,622	\$ 12,776	\$ 15,789
Add (deduct):			
Changes in non-cash working capital	1,382	4,458	4,117
Income taxes paid	2,036	2,107	4,306
Current income tax expense	(3,315)	(836)	(4,274)
Acquisition and restructuring costs	439	1,038	1,001
Interest paid	(5,009)	(5,391)	(3,650)
Lease payments	(2,433)	(2,127)	(1,492)
Required principal repayments on debt	(202)	(231)	(171)
Free cash flow	14,520	11,794	15,626
Maintenance capital expenditures	(975)	(928)	(1,344)
Free cash flow less maintenance capital	13,545	10,866	14,282
Dividends declared	10,747	10,401	7,732
Dividend payout ratio	79%	96%	54%

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

FINANCIAL POSITION

(Stated in thousands of dollars)

As at December 31	2025	2024	2023
Working capital	\$ 31,093	\$ 31,057	\$ 21,686
Property and equipment	34,808	30,398	23,776
Total assets	172,380	165,228	152,567
Long-term debt, excluding debt issuance costs	63,571	60,979	45,282
Equity	55,478	56,884	57,751
Share Information (000s)			
Common shares issued and outstanding	20,070	19,696	18,911

Discussion of Overall PerformanceAnnual Consolidated Financial Highlights

Sales in 2025 increased by 19% to \$152.2 million from \$127.9 million in 2024. The overall sales increase in 2025 was driven by strong sales activity throughout the portfolio, with the Finished Product segment and the Component Manufacturing segment posting sales increases in 2025 of 18% and 20%, respectively, compared to 2024. In the Component Manufacturing segment, a 56% increase in wear part sales was the primary driver of the year-over-year increase in segment sales. The increase in wear parts sales was in part due to the timing of the acquisition of Techbelt in April 2024, but also as a result of increased belting demand and sales in general, and a significant increase in demand for Unicast's cast steel wear parts and valves relative to 2024. In the Finished Product segment, the sales increase in 2025 was driven primarily by increased agricultural product sales, with IHT, in particular, capitalizing on improved profitability and demand from its customers, which led to nearly double the amount of sales

relative to 2024. Sales in the hearth division increased 13% in 2025 compared to 2024, driven by stronger year-over-year order activity, and sales in the merchandising division also increased in the year relative to 2024 driven by the acquisition of Venger in August 2025. Industrial product sales in 2025, which are spread between both the Finished Product and Component Manufacturing segments, were 3% higher overall compared to 2024, as strong demand and sales for industrial products in the first half of the year were offset by second half sales declines. The second half sales declines were in large part driven by the state of the United States economy which caused demand declines for one of Northside's commercial vehicle customers as well as for Hawk's key oil and gas customers, including a joint customer with Capital I, and by declines in Slimline's more project-based wastewater evaporator sales.

The increase in overall sales resulted in a \$9.9 million, or 21%, increase in consolidated gross profit compared to 2024. A change in product mix and the impact of foreign exchange rates contributed to an increase in gross profit percentages, which increased by 1 percentage point to 38% compared to 37% in 2024.

Overall operating expenses increased from \$45.6 million in 2024 to \$51.8 million in 2025. The increase was primarily a result of the overall increase in scale due to the five acquisitions completed in 2024 and 2025 as well as the overall increase in sales and the associated variable costs in 2025, compared to 2024, including commissions, short-term incentive costs in certain subsidiaries, acquisition costs, insurance costs and recruitment costs. In addition, investments were made in succession planning and in bolstering shared services capabilities to better position the Company's business verticals for future growth, including both organic growth and growth through acquisition. The overall increase was also impacted by a \$0.8 million increase in non-cash share-based compensation in 2025, compared to 2024, related to the fair value of share awards granted and expensed in each respective year.

Adjusted EBITDA for 2025 was \$25.4 million, a \$5.1 million, or 25%, increase compared to 2024, driven primarily by the increase in sales and gross profit described above.

The increase in sales and gross profit described above were the key drivers for the increase in net profit in 2025, compared to 2024. In addition, the above noted increases in operating costs and non-cash share-based compensation, as well as a \$1.7 million gain in 2025 on the insurance settlement to replace assets lost in a 2024 fire at Northside, a \$0.3 million gain in 2025 on the trade of redundant Hawk assets for new more versatile equipment, and a \$0.9 million foreign exchange gain in 2024, based on fluctuation in the value of the United States dollar, also affected profit and profit per share in the respective periods. Consolidated net profit in 2025 was \$5.2 million, or \$0.26 per share, an increase of \$3.2 million, \$0.16 higher on a per share basis, compared to 2024.

In 2025, the Company's annual impairment testing of goodwill and review of contingent consideration liabilities associated with historical acquisitions, resulted in \$0.8 million in non-cash goodwill impairment losses, which are included in impairment losses in the table above, and a \$0.8 million reduction in the estimated fair value of accrued contingent consideration recorded on the acquisition of Capital I, which is included in other income in the table above. The 2025 impairment losses related to the goodwill associated with the tools and implements cash generating unit, which includes Hawk and Capital I, and were offset by the reduction in the remaining contingent consideration associated with Capital I. The goodwill impairment losses and reduction in the estimated fair value of accrued contingent consideration were both a result of the expectation of reduced future order activity from certain oil and gas customers.

In 2024, the Company's annual impairment testing of goodwill and review of contingent consideration liabilities associated with historical acquisitions, resulted in \$4.5 million in non-cash goodwill impairment losses, which are included in impairment losses in the table above, and a \$4.5 million reduction in the estimated fair value of accrued contingent consideration recorded on historical acquisitions, which is included in other income in the table above. Overall, the 2024 impairment losses were more than offset by the reduction in the fair value of accrued contingent consideration recorded on historical acquisitions. A significant portion of the impairment losses related to the goodwill recorded on the acquisition of IHT, the value of which included the estimated fair value of contingent consideration at the time of acquisition, premised on IHT meeting certain earnings targets for a three-year period post-acquisition.

Although these changes did not have a significant impact on overall net profit in either year, this highlights a strength in Decisive's acquisition structure where it pays reasonable up-front acquisition multiples on historical earnings, with the ability for vendors of the businesses acquired to earn more only if those businesses perform to specified levels post-acquisition.

2025 Acquisitions

On August 7, 2025, the Company acquired, through Marketing Impact, 100% ownership of Venger. Venger is a provider of specialized overnight cosmetic refurbishment and full reskinning of refrigerated display cases for grocery retailers across the United States. The acquisition of Venger extends the capability of Marketing Impact from a strictly aisle focused merchandising system and display business to the provision of in-store, overnight asset refurbishment services to Venger's United States based customers with cross-selling, operational and cost synergy opportunities.

The Company also acquired, through Techbelt, all of the shares of Blackburn Conveyor Services Limited on July 22, 2025, as well as the assets of NK Technics' United Kingdom based conveyor belt business on June 17, 2025 (collectively referred to herein as the "Techbelt Acquisitions"). These acquisitions allowed Techbelt to diversify and expand its belting product suite, while also adding conveyor fabrication and servicing capabilities to its business offering. In addition, the acquisitions provide additional space, equipment and people to meet demand from Techbelt's growing customer base.

These acquisitions 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 average pre-acquisition periods on which the 2025 Acquisitions valuations were premised:

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

For the trailing twelve month period ended December 31, 2025	Decisive [*]	Add pre-acquisition periods for acquired businesses ^{**}	Pro forma
Sales	\$ 152,207	\$ 4,281	\$ 156,488
Gross profit	57,784	1,371	59,155
Gross profit %	38%	32%	38%
Profit	5,201	346	5,547
Per share basic	0.26		0.28
Adjusted EBITDA ¹	25,449	715	26,164
Per share basic	1.28		1.31

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

^{*} – based on Decisive's unaudited financial information reported for the trailing twelve-month period ended December 31, 2025.

^{**} – based on the unaudited financial information of the 2025 Acquisitions for the average twelve-month pre-acquisition periods on which the 2025 Acquisitions valuations were premised, pro-rated for the time since acquisition. The pre-acquisition historical financial information relating to the 2025 Acquisitions has not been audited and is based upon information provided to Decisive by the acquired business, and their respective management and previous shareholders.

<i>(Stated in thousands of dollars)</i>			
			Add pre-acquisition periods for acquired
For the trailing twelve month period ended December 31, 2025	Decisive*	businesses**	Pro forma
Profit	\$ 5,201	\$ 346	\$ 5,547
Add (deduct):			
Financing costs	5,318	22	5,340
Income tax expense	2,866	259	3,125
Amortization and depreciation	11,142	4	11,146
Acquisition and restructuring costs	439	-	439
Impairment losses	805	-	805
Inventory fair value adjustments and write downs	423	-	423
Share-based compensation expense	2,111	-	2,111
Foreign exchange losses (gains)	(19)	85	66
Other income	(835)	-	(835)
Gain on disposal of property and equipment	(2,002)	-	(2,002)
Adjusted EBITDA	25,449	715	26,164

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

<i>(stated in thousands of dollars)</i>			
	Techbelt Acquisitions	Venger	Total
Cash (net of cash acquired)	\$ 747	\$ 3,071	\$ 3,818
Common shares	-	427	427
Contingent consideration	92	286	378
	\$ 839	\$ 3,784	\$ 4,623

The cash portion of the consideration in each of these acquisitions was funded using the Company's syndicated credit facility. The share portion of the consideration was funded through the issuance of 55,161 common shares of Decisive to the vendors of Venger.

Additionally, the vendors of Venger can be paid up to an additional \$0.6 million contingent on Venger meeting certain earnings targets over the three years following the acquisition date. The vendors of Blackburn Conveyor Services Limited can be paid up to an additional £0.05 million contingent on meeting certain conditions over the two years following the acquisition date. The contingent consideration recorded by the Company reflected the estimated fair value of the earnings targets or conditions 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 on these acquisitions is as follows:

<i>(stated in thousands of dollars)</i>			
	Techbelt Acquisitions	Venger	Total
Working capital, excluding cash	\$ 120	\$ (17)	\$ 103
Property and equipment	380	16	396
Intangible assets	424	1,701	2,125
Goodwill	47	2,513	2,560
Deferred income taxes	(132)	(429)	(561)
	\$ 839	\$ 3,784	\$ 4,623

Outlook

Decisive and its diversified portfolio of manufacturing businesses achieved record levels of sales and Adjusted EBITDA in 2025 under a backdrop of trade and economic uncertainty over the last year. While Decisive's 2025 results were not significantly affected by United States trade policy or tariffs, the impact that United States trade policy uncertainty has had on the overall economic environment in that country resulted in a decline in demand for certain commercial vehicle and oil and gas customers within the Group through the second half of 2025 and into 2026. While some of this demand decline appears to be temporary, certain oil and gas customers have signaled a more permanent decline in demand.

These specific customer demand declines have reduced current consolidated backlogs relative to this time in 2025. However, demand levels for the Group's hearth, agricultural, wear part, merchandising and other industrial products are expected to mitigate these impacts, illustrating the benefits of diversification in the Group's portfolio of businesses. Across the Group, subsidiary leadership along with support from Decisive head office, led by Chris Goodchild, Decisive's Chief Operating Officer, are undertaking significant efforts to invest in product development, strengthen teams through the addition of expert sales personnel, succession planning and shared services development, improve operational efficiency and add profitable new customers in both the United States and other non-tariff impacted regions to help support the organic growth objectives established for Decisive subsidiaries while also working to mitigate the impact of reduced demand stemming from trade policy or United States economic conditions. Additional commentary surrounding these initiatives and 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".

The improvement in operational performance in 2025 drove the dividend payout ratio down to 79% from 96% at December 31, 2024, and demonstrates the strength in Decisive's free cash flow generation capabilities and its ability to sustain the current dividend level. The increase in 2025 Adjusted EBITDA also improved Decisive's debt to EBITDA ratio from 3.1 times at December 31, 2024, to 2.5 times at December 31, 2025. This improvement, coupled with the increase in the maximum debt to EBITDA ratio to 3.5 times and credit agreement extension to June 2028, provides for additional capacity and flexibility under the Company's credit facilities and reduces the cost of borrowing under those facilities.

Decisive completed three acquisitions in 2025 aligned with the Company's focus on investing in its existing business verticals. Venger was acquired by Marketing Impact as a complementary business in the United States with cross-selling, operational and cost synergy opportunities, and Techbelt completed two strategic tuck-in acquisitions that diversified and expanded its product offering while adding a servicing component. New opportunities are consistently being added to the Company's acquisition prospect pipeline. This reflects the fact that the western world is in the middle of the largest period of inter-generational transfer of wealth in history, where many business owners are assessing alternatives as to how the business can be carried forward into the future, including seeking out new owners. This trend is and will continue to provide opportunities for Decisive, with its legacy-maintaining business model and access to capital being key differentiators in a competitive acquisition marketplace. Management expects to complete additional acquisitions in the near term with the increased available capacity under the Company's credit facility, as well as cost of capital improvement, both of which are supported by the improved operational performance in 2025. Additionally, investments being made to develop shared services capabilities within our business verticals will better position Decisive to more rapidly integrate companies acquired within verticals, positioning the businesses to more quickly focus on achieving accelerated growth.

As a result of all 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, including the cost of energy. 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, Venger's business historically experiences lower demand in the fourth quarter, 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 2025	Q3 2025	Q2 2025	Q1 2025
Sales	\$ 42,791	\$ 33,972	\$ 36,260	\$ 39,184
Gross profit	16,092	13,366	13,256	15,070
Gross profit %	38%	39%	37%	38%
Adjusted EBITDA ¹	7,324	5,812	5,318	6,995
Per share basic	0.37	0.29	0.27	0.35
Profit before tax	2,317	1,413	2,636	1,701
Profit	1,400	780	2,049	972
Per share basic	0.07	0.04	0.10	0.05
Per share diluted	0.07	0.04	0.10	0.05

	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Sales	37,564	32,240	28,699	29,350
Gross profit	14,634	11,999	10,001	11,235
Gross profit %	39%	37%	35%	38%
Adjusted EBITDA ¹	7,298	5,627	3,416	3,965
Per share basic	0.37	0.29	0.18	0.21
Profit (loss) before tax	2,791	1,173	(1,053)	346
Profit (loss)	1,870	948	(994)	187
Per share basic	0.10	0.05	(0.05)	0.01
Per share diluted	0.09	0.05	n/a	0.01

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 2025	Q3 2025	Q2 2025	Q1 2025
Profit for the period	\$ 1,400	\$ 780	\$ 2,049	\$ 972
Add (deduct):				
Financing costs	1,346	1,317	1,277	1,378
Income tax expense	917	633	587	729
Amortization and depreciation	2,903	2,857	2,741	2,641
Acquisition and restructuring costs	6	280	147	6
Impairment losses	805	-	-	-
Inventory fair value adjustments and write downs	409	11	3	-
Share-based compensation expense	371	288	300	1,152
Foreign exchange losses (gains)	317	(363)	(99)	126
Other (income) expense	(832)	9	(6)	(6)
Gain on disposal of property and equipment	(318)	-	(1,681)	(3)
Adjusted EBITDA	7,324	5,812	5,318	6,995

	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Profit (loss) for the period	\$ 1,870	\$ 948	\$ (994)	\$ 187
Add (deduct):				
Financing costs	1,440	1,529	1,454	1,216
Income tax expense (recovery)	921	225	(59)	159
Amortization and depreciation	2,574	2,544	2,419	2,157
Acquisition and restructuring costs	154	186	508	190
Impairment losses	4,456	-	-	-
Inventory fair value adjustments and write downs	363	4	3	(1)
Share-based compensation expense	508	230	241	310
Foreign exchange gains	(480)	(31)	(112)	(231)
Other income	(4,501)	(5)	(13)	(19)
Gain on disposal of property and equipment	(7)	(3)	(31)	(3)
Adjusted EBITDA	7,298	5,627	3,416	3,965

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 2025 Consolidated Financial Highlights

Sales for the fourth quarter increased 14% to \$42.8 million from \$37.6 million in Q4 2024. The Finished Product segment posted a sales increase of 4% and the Component Manufacturing segment realized a 23% sales increase in the quarter relative to Q4 2024. The overall sales increase in Q4 2025 compared to Q4 2024 was primarily driven by strong sales of the Company's wear parts products as well as increases in hearth products, agricultural products and merchandising products. Strong demand for Unicast and Techbelt products were bolstered by the fulfilment of a significant order for a mining customer and another for a belting customer, which drove a 93% increase in wear part sales in Q4 2025 compared to Q4 2024. Both Blaze King and ACR capitalized on strong seasonal demand for their hearth products and realized sales increases in the quarter relative to 2024. Increased IHT sales on stronger order conversion in 2025, drove the majority of the agricultural product sales increase relative to Q4 2024. The acquisition of Venger in August 2025, drove increases in merchandising sales in the quarter compared to Q4 2024. These increases more than offset decreases in industrial product sales. The industrial product sales declines were driven by decreased demand from one of Northside's commercial vehicle customers, one of Hawk's key oil and gas customers and a joint oil and gas customer of Hawk, Capital I and Unicast,

based on the current economic environment in the United States, as well as the comparative impact of a large wastewater evaporator sale by Slimline in Q4 2024.

The increase in overall sales resulted in a \$1.5 million, or 10%, increase in consolidated gross profit in Q4 2025, compared to Q4 2024. Gross profit percentages declined by 1 percentage point to 38% in Q4 2025 compared to 39% in Q4 2024, due primarily to a change in product mix.

Overall operating expenses increased from \$12.4 million in Q4 2024 to \$13.8 million in Q4 2025. The increase was primarily a result of the overall increase in sales and the associated variable costs in Q4 2025, compared to Q4 2024, including commissions, short-term incentive costs in certain subsidiaries, acquisition costs, insurance costs and recruitment costs, as well as the impact of acquisitions completed in 2025. In addition, investments were made in succession planning and in bolstering shared services capabilities to better position the Company's business verticals for future growth, including both organic growth and growth through acquisition.

Adjusted EBITDA for the fourth quarter of 2025 was \$7.3 million, consistent with Adjusted EBITDA in Q4 2024, as the increase in sales and gross profit described above were offset by increases in operating expenses described above.

Despite consistent Adjusted EBITDA and operating income in Q4 2025, compared to Q4 2024, the impact of foreign exchange losses in Q4 2025 resulted in a decrease in net profit in the respective periods. The Q4 2025 foreign exchange losses were a result of a \$0.02 decrease in the value of the United States dollar, relative to the Canadian dollar, and the Q4 2024 foreign exchange gains were a result of a \$0.08 increase in the value of the United States dollar, relative to the Canadian dollar. Consolidated net profit in the quarter was \$1.4 million, or \$0.07 per share, a decrease of \$0.5 million, or \$0.03 on a per share basis, compared to Q4 2024.

Q3 2025 Consolidated Financial Highlights

Sales for the third quarter increased 5% to \$34.0 million from \$32.2 million in Q3 2024. The Finished Product segment posted sales increases of 20% which more than offset the 8% sales decrease in the Component Manufacturing segment in the quarter relative to Q3 2024. The overall sales increase in Q3 2025 compared to Q3 2024 was primarily driven by strong sales of the Company's agricultural products and wear parts products. Increased IHT sales on stronger order conversion to date in 2025, was the key contributor to more than doubling agricultural product sales relative to Q3 2024. Unicast and Techbelt each experienced strong demand for their products which drove a 14% increase in wear part sales in Q3 2025 compared to Q3 2024. The acquisition of Venger in August 2025, drove increases in merchandising sales in the quarter compared to Q3 2024. Hearth division sales in the quarter were consistent relative to Q3 2024. The component manufacturing segment and industrial product sales declines were driven primarily by Northside, where decreased demand from one of its commercial vehicle customers, based on the current economic environment in the United States, resulted in decreased sales in the quarter compared to Q3 2024.

The increase in overall sales resulted in a \$1.4 million, or 11%, increase in consolidated gross profit in Q3 2025, compared to Q3 2024. In addition, gross profit percentages increased by 2 percentage points to 39% in Q3 2025 compared to 37% in Q3 2024, due primarily to a change in product mix.

Overall operating expenses increased from \$10.9 million in Q3 2024 to \$12.3 million in Q3 2025. The increase was primarily a result of the overall increase in sales and the associated variable costs in Q3 2025, compared to Q3 2024, including commissions, short-term incentive accruals in certain subsidiaries, acquisition costs, insurance costs and recruitment costs.

Adjusted EBITDA for the third quarter of 2025 was \$5.8 million, an increase of \$0.2 million, or 3% relative to Q3 2024, driven primarily by the increase in sales and gross profit described above.

The increase in sales and gross profit described above were the key drivers for the increase in profit before taxes in the quarter, relative to Q3 2024, while higher current income tax expenses resulted in a decrease in net profit in the respective periods. Consolidated net profit in the quarter was \$0.8 million, or \$0.04 per share, a decrease of \$0.2 million, or \$0.01 on a per share basis, compared to Q3 2024.

Q2 2025 Consolidated Financial Highlights

Sales for the second quarter increased 26% to \$36.3 million from \$28.7 million in Q2 2024. The Finished Product segment and the Component Manufacturing segment posted sales increases of 20% and 35%, respectively, in the quarter relative to Q2 2024. The overall sales increase in Q2 2025 compared to Q2 2024 was primarily driven by strong sales of the Company's agricultural products, wear parts products, and industrial products. Increased IHT sales on stronger order conversion to date in 2025, drove a 97% increase in agricultural product sales relative to Q2 2024. Unicast, Procore and Techbelt each experienced strong demand for their products resulting in a 61% increase in wear part sales in Q2 2025 compared to Q2 2024. Increased demand for Capital I, Hawk and Northside's industrial products led to each of those businesses achieving over 20% sales increases in the quarter relative to Q2 2024.

The increase in overall sales resulted in a \$3.3 million, or 33%, increase in consolidated gross profit in Q2 2025, compared to Q2 2024. In addition, gross profit percentages increased by 2 percentage points to 37% in Q2 2025 compared to 35% in Q2 2024, due primarily to a change in product mix.

Overall operating expenses increased from \$11.2 million in Q2 2024 to \$12.4 million in Q2 2025. The increase was primarily a result of the overall increase in sales and the associated variable costs in Q2 2025, compared to Q2 2024, including commissions, Group short-term incentive accruals, insurance costs and recruitment costs.

Adjusted EBITDA for the second quarter of 2025 was \$5.3 million, an increase of \$1.9 million, or 56% relative to Q2 2024, driven by the increase in sales and gross profit described above.

The increase in sales and gross profit described above were the key drivers for the increase in net profit in the quarter, relative to Q2 2024. In addition, in Q2 2025, Northside finalized the insurance settlement to replace assets it lost in a 2024 fire. The \$1.8 million in insurance proceeds, to be utilized in replacing the assets lost, resulted in a \$1.7 million gain on disposal of equipment that positively impacted profit and profit per share in the quarter relative to Q2 2024. Consolidated net profit in the quarter was \$2.0 million, or \$0.10 per share, an increase of \$3.0 million, or \$0.15 on a per share basis, compared to Q2 2024.

Q1 2025 Consolidated Financial Highlights

Sales for the first quarter increased 34% to \$39.2 million from \$29.4 million in Q1 2024. The overall sales increase in Q1 2025 compared to Q1 2024 was driven by strong sales activity throughout the portfolio, with both the Finished Product segment and the Component Manufacturing segment posting sales increases in the quarter relative to Q1 2024. In the Component Manufacturing segment, each of Unicast, Hawk and Northside achieved over 20% sales increases in the quarter relative to Q1 2024 with Techbelt, which was acquired in April 2024, also contributed to the increase, generating quarterly sales levels well ahead of pre-acquisition averages. In terms of the Finished Product segment, the increase in Q1 2025 sales was driven by a 60% increase in IHT sales relative to Q1 2024, over 35% sales increases in each of Slimline, Marketing Impact and Capital I, and a 17% increase in hearth division sales, which includes Blaze King and ACR.

The increase in overall sales resulted in a \$3.8 million, or 34%, increase in consolidated gross profit in Q1 2025, compared to Q1 2024, with consistent gross profit percentages.

Overall operating expenses increased from \$11.1 million in Q1 2024 to \$13.3 million in Q1 2025. The increase was primarily a result of the overall increase in scale due to the two acquisitions completed in 2024 as well as increased financing costs related to the debt funded portion of the 2024 acquisitions and the debt incurred to fund growth capital expenditures over the last year. The overall increase was also impacted by a \$0.8 million increase in non-cash share-based compensation in Q1 2025, compared to Q1 2024, related to the fair value of share awards granted and expensed in each respective quarter.

Adjusted EBITDA for the first quarter of 2025 was \$7.0 million, an increase of \$3.0 million, or 76% relative to Q1 2024 driven by the increase in sales and gross profit described above. Consolidated net profit in the quarter was \$1.0 million, or \$0.05 per share, an increase of \$0.8 million, or \$0.04 on a per share basis, compared to Q1 2024.

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. The following businesses are included in the finished product segment:

Blaze King

Blaze King produces and sells high-quality, high-efficiency wood burning stoves and wood burning fireplace inserts. Blaze King has been operating since 1977, and its hearth products are sold worldwide. Blaze King's wood burning stoves are recognized as the most efficient in the hearth market. Blaze King management believes that its products have developed a strong reputation for quality, ease of use, and efficiency. These factors have helped build the Blaze King brand and reputation, which drives sales through dealer and customer loyalty. Blaze King has a scaled 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, gas and electric stoves and fireplaces, and sells them primarily in the United Kingdom. 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 highest 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. Slimline's "Turbo Mist" branded 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 and are primarily sold through its dealer network throughout Canada and the United States. Slimline also designs, manufactures, and sells EcoMister evaporator systems primarily used in the mining, oil and gas, and waste management industries. 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 product catalogue includes product pusher systems, loss prevention solutions, merchandising bins and accessories, shelf management systems, and sign holder systems. Through its acquisition of Venger, Marketing Impact also offers in-store, overnight asset refurbishment services to its United States based retail customers. 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.

Capital I

Capital I 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 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 and related equipment and lighting products 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)

December 31,	For the three months ended		For the year ended	
	2025	2024	2025	2024
Sales	\$ 23,200	\$ 22,380	\$ 83,666	\$ 71,058
Gross profit	8,922	9,221	33,938	28,417
Gross profit %	38%	41%	41%	40%
Profit	861	423	6,348	3,404
Add (deduct):				
Financing costs	200	183	664	676
Income tax expense	286	751	981	340
Amortization and depreciation	1,464	1,394	5,697	5,450
Acquisition and restructuring costs	(3)	91	168	206
Impairment losses	-	2,713	-	2,713
Inventory fair value adjustments and write downs	284	363	298	369
Foreign exchange expense (income)	884	(543)	1,158	(610)
Other expense (income)	16	(15)	17	(43)
Gain on disposal of property and equipment	-	(5)	1	(26)
Adjusted EBITDA	3,992	5,355	15,332	12,479

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

Three Months Ended December 31, 2025

Overall sales for the segment in Q4 2025, increased by \$0.8 million, or 4%, relative to Q4 2024, driven primarily by a 27% increase in hearth product sales and a 24% increase in agricultural product sales, which were partially offset by a decrease in industrial product sales. Both Blaze King and ACR capitalized on strong seasonal demand for their hearth products and realized sales increases in the quarter relative to 2024. Similarly, both Slimline and IHT contributed to the agricultural product sales increases in the quarter relative 2024, although IHT product sales drove the majority of the increase relative to Q4 2024. Merchandising sales increased in Q4 2025, compared to Q4 2024, based on contributions from Venger which was acquired in August 2025. These increases were partially offset by industrial product sales declines in the quarter relative to Q4 2024. Slimline had a large wastewater evaporator sale in Q4 2024, and due to the project based nature of these high margin products, did not have such a sale in Q4 2025, while Capital I sales declines were driven by declines from its more project based oil and gas product sales.

Segment gross profit percentage decreased by 3 percentage points to 38% in Q4 2025 compared to 41% in Q4 2024 due to the change in product mix, including the impact of the high margin wastewater evaporator sale in Q4 2024. The decrease in gross profit percentage resulted in a \$0.3 million, or 3%, decrease in gross profit in Q4 2025 compared to Q4 2024.

Despite the overall increase in segment sales, segment Adjusted EBITDA decreased by 26% to \$4.0 million in Q4 2025 compared to Q4 2024. The decrease was impacted by lower gross profit percentages, increased short-term incentive costs, including sales commissions, for the hearth businesses and IHT as well as the impact of the acquisition of Venger. In addition, investments were made in succession planning and in bolstering shared services capabilities to better position the hearth and merchandising businesses for future growth, including organic growth and growth through acquisition.

Year Ended December 31, 2025

Overall sales for the segment in 2025 increased by \$12.6 million, or 18%, relative to 2024, driven by strong sales activity in each of the segment product categories. Increased agricultural product sales was the largest contributor to the overall increase, with IHT in particular capitalizing on improved profitability of its customers over the last year, which led to higher order activity in 2025, and nearly double the amount of sales relative to 2024. Hearth product sales increased 13% in 2025 compared to 2024 driven by stronger year-over-year order activity. Industrial product sales in 2025 were consistent with 2024, as sales of Capital I's core grader attachments and oil and gas products offset sales declines of Slimline's wastewater evaporators compared to 2024. Sales in the merchandising division also increased in the year relative to 2024 driven by the acquisition of Venger in August 2025.

Overall gross profit increased by \$5.5 million, or 19%, in 2025 compared to 2024, driven by the overall increase in sales. Segment gross profit percentage increased to 41% in 2025 compared to 40% in 2024, based primarily on product mix and the impact of foreign exchange rates.

Overall segment Adjusted EBITDA was \$15.3 million in 2025; an increase of \$2.9 million, or 23%, compared to 2024. The increase was driven by the increases in overall sales and gross profit described above.

In 2024, as a result of the Company's annual impairment testing of goodwill, \$2.7 million in non-cash impairment losses were recorded in the finished product segment in Q4 2024, which are included in impairment losses in the table above. The impairment tests were conducted on a value-in-use basis, using estimated future cash flows that considered past experience, economic trends and industry trends, assumptions around which represent management's best estimates at a specific point in time, and as a result are subject to measurement uncertainty. Most of the impairment losses related to the goodwill recorded on the acquisition of IHT, the value of which included the estimated fair value of contingent consideration at the time of acquisition, premised on IHT meeting certain earnings targets for a three-year period post-acquisition. The above goodwill impairment losses were more than offset by a reduction in the fair value of accrued contingent consideration recorded on historical acquisitions, including IHT, as further described later in this MD&A under the heading "Head Office Segment Overview".

Finished Product Segment Industry Trends and Outlook

Blaze King and ACR

- All Blaze King products meet stringent United States Environmental Protection Agency ("EPA") regulations in effect for wood heating appliances in North America. Blaze King recertified all of its product lines in Q4 2024, which should provide Blaze King customers with five years of security and consistency with respect to an ever-changing regulatory environment. After completing the recent recertification tests, Blaze King occupies the top three positions for the most efficient wood stoves in North America as listed by the EPA. This positions Blaze King to capitalize on consumer demand, with products that lead the industry in efficiency, and which are certified to Q4 2029.

- Investments made with respect to EPA readiness have positioned Blaze King to increase its market share. Blaze King management believes that its market share should continue to improve over the coming years as competitor EPA certifications expire, which could lead to near-term competitive pressures as competitors incentivize retailers to sell products that may not be re-certifiable under the new testing methodologies. Blaze King and ACR are continuing their efforts to position themselves as regulatory compliance leaders in current and prospective markets.
- Both Blaze King and ACR are pursuing new product designs to broaden the range of products they offer. ACR received regulatory approval for its new product design that utilizes Blaze King's long-burn, low emission combustion technology styled and sized for sale into the United Kingdom and European markets, supported by its extensive dealer network. The first sales of this new product, which is the first of its kind in the United Kingdom, are expected in Q1 2026. ACR also launched a new range of electric products and a cosmetic upgrade of certain wood burning products for the United Kingdom market earlier in 2025. In North America, Blaze King has developed a smaller, lower priced model to pursue different market participants, which has cleared final testing and was launched in Canada in early 2026, with an expected launch in the United States in time for the 2026 heating season. In addition, Blaze King is developing a new fireplace product aimed more at the new construction market and is targeting a 2026 launch date for this product.
- Winter weather conditions, the costs of heating alternatives such as natural gas, timelines for receiving regulatory approval for new product line launches, consumer demand, including the impact of prolonged higher interest rates, and geopolitical uncertainty have an impact on demand for wood stoves and fireplaces in North America, the United Kingdom and Europe. Both Blaze King and ACR are actively pursuing market share increases through their respective distribution channels, including through pursuing profitable new retailers, and the introduction of new product designs to address these potential impacts.

Slimline

- Slimline's agriculture sprayers have strong brand equity and market penetration in British Columbia, the Pacific Northwest, Michigan, Pennsylvania and New York. The fuel, chemical and labour efficiency improvements Slimline's customers experience in utilizing its sprayer products position Slimline to capitalize on the wider industry movement toward precision agriculture. Further, Slimline is continuing to develop products that further enhance these efficiencies.
- In the face of current low industry demand driven by volatility in fruit industry dynamics, leadership has focused on communicating its efficiency relative to competing products through wide ranging product demonstrations, including by completing demonstrations to potential new customers who farm hundreds of thousands of acres of orchards and vineyards in North America over the last two years. These demonstrations illustrated the fuel, chemical and labour efficiency of its sprayer product relative to competitor products. Slimline is also working to enhance its service quality to the existing customer base through enhancing its dealer relationships which will support the expansion of its market share in the Pacific Northwest and other large agricultural markets on the west coast of North America, such as California, and along the Maine to Florida corridor on the east coast of North America.
- Slimline's large-scale wastewater evaporator product is the largest available on the market today and has a primary use case in wastewater management in larger scale tailings ponds. The competitive advantage Slimline's product offers has positioned it for increased activity in this product line, but the large project-based nature of the sales cycle for this product results in a more fluctuating revenue stream as opportunities around this relatively new product move through its sales pipeline.

Marketing Impact

- Marketing Impact services a wide range of top-tier retail and consumer packaged goods customers that are in non-cyclical industries selling non-discretionary products. Grocery stores, convenience stores, and pharmacies, as well as the consumer-packaged goods that are shelved by these outlets, have all experienced strong demand trends over the last few years and that is expected to continue in the long-term.
- Marketing Impact is uniquely positioned as a North American manufacturer and 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.
- The acquisition of Venger extends the capability of Marketing Impact from a strictly aisle focused merchandising system and display business to the provision of in-store, overnight asset refurbishment services to Venger's United States based customers with cross-selling, operational and cost synergy opportunities.
- Marketing Impact is well established with its customer base in Eastern Canada. Given its market position and the quality of its products, management is actively pursuing opportunities for growth in Western Canada, Quebec and the United States, both with new customers and through expansion of its relationships with its existing customers who operate across a broader geography than Marketing Impact has historically serviced. The acquisition of Venger provides a United States hub to pursue market expansion in that country for both Venger's existing service lines and cross-selling opportunities. In addition, Marketing Impact has invested in additional sales personnel with significant industry experience to support the growth expansion effort across Canada and into the United States.
- Management has undertaken significant efficiency initiatives that have resulted in growth in gross margin of the business. In addition, the team has deployed some of its capabilities to support productivity initiatives across other Decisive Subsidiaries and at Decisive Head Office. The shared services team built to enact these initiatives was also responsible for the integration of Venger post-acquisition, which compressed the integration timeline significantly relative to previous integrations completed by the Corporation. Marketing Impact is seeing opportunities for growth via acquisition in what is a fragmented industry and, as a result and in addition to the ongoing productivity projects it is involved with across the Decisive platform, the shared service team it has built will be instrumental in supporting the anticipated further growth via acquisition in the merchandising vertical.

Capital I

- Capital I produces 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, while improving performance as a result of the unique design attributes of its products relative to its competitors.
- Capital I management believes there are opportunities to design and produce complementary products for different heavy-duty equipment, in addition to the suite of grader attachments it produces today. Additionally, significant opportunities for growth in adjacent markets exist in British Columbia, Alberta, Ontario and the United States, which Capital I's sales team is actively pursuing.
- Given the opportunities Capital I has for growth and the complementary capabilities of Hawk, as evidenced by their support of a shared customer in the oil and gas sector, management is implementing plans have the two businesses work closely together to utilize existing capacity to support growth opportunities that exist as a result of Capital I's highly differentiated, proprietary product set, which Hawk's capabilities can support.

- A considerable amount of project work for an oil and gas customer on a joint award with Unicast and Hawk has positively impacted results in the first half of 2025. The Company received notice that based on current inventory levels, and as a result of the current economic environment in the United States, orders from this customer would be muted in the second half of 2025, which was the case, with a potential return in order activity later in 2026.

IHT

- The energy efficiency of IHT's products results in a significant reduction in energy usage and cost savings relative to other technologies used in the industry, supporting profitability for pork producers.
- Similarly, its products optimize heating conditions, and improve safety and hazard prevention, all of which enhance animal welfare and support additional cost savings for its customers.
- Feed costs and market pricing challenged the profitability of North American pork farmers through 2022 and 2023 which negatively impacted order conversion for IHT in 2024. As both feed costs and pork pricing improved later in 2024, order levels at IHT began improving, which continued in 2025, with significant growth in orders and sales throughout the year. The strength in orders and market growth have continued to date in 2026.
- IHT has expanded its product offering to include cooling mats which impact animal welfare by reducing heat stress for the animals and is currently trialing this product with customers.
- IHT's capability with respect to fiberglass reinforced plastics, the capacity of its manufacturing facility, and the efficiency of the equipment IHT has invested in will allow it to both meet its expected demand levels for its heating mat products over the coming years while expanding its product offering to support cooling mat production as the technology gains traction with customers.
- Opportunities for growth in other pork producing countries in South and Central America, Europe and Asia also exist for IHT, which it is pursuing through the development of manufacturing and distributor relationships in these markets.

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. The following businesses are included in the component manufacturing segment:

Unicast

Unicast, founded in 1994, produces and distributes wear parts and valves for the mining, aggregate and cement industries. Wear parts produced by Unicast are consumable parts for machinery that wear out when crushing rock, which is done extensively in the mining, aggregate and cement industries. Unicast is focused on providing quality wear parts that are more durable and last longer than the products of its competitors by using novel alloys, precision engineering, three-dimensional scanning technology, robust quality control processes, and comprehensive collaboration agreements involving academia and industry partners. Unicast sells its wear parts across Canada, the United States, Latin America, the Middle East, Asia, and Europe.

Hawk

Hawk, founded in 1998, is positioned in the computer numerical control (CNC) machining/fabrication market as a complete turnkey solution for customized machining products. Over the last several years, customers of Hawk have primarily been market participants in 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 reputation for quality.

Northside

Northside, founded in 1967, 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 sector; however, Northside also has exposure to the forestry, agriculture, environmental, mining, and oil and gas sectors. 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, tool and battery boxes, steel under-decking and much more.

Procore

Procore, founded in 2006, designs, manufactures and distributes high-performance radiators as well as Micon branded high-quality radiator seals and grommets, all for use in 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. The innovative designs of its radiators, seals and grommets reduce expensive downtime for its customers associated with cooling system failures of the equipment used in the demanding mining and road construction industries. Procore utilizes strategic distribution hubs and distribution partners to reduce time to fulfill orders to its worldwide base of customers.

Techbelt

Techbelt, founded in 2002, is a manufacturer of polytetrafluoroethylene ("PTFE"), polyurethane ("PU") and polyvinyl chloride ("PVC") belting products for conveyor systems used in a wide range of end markets including food and beverage, packaging, textiles, agriculture, and fast-moving consumer goods. Techbelt also offers conveyor fabrication and servicing capabilities through Blackburn Conveyor Services, which it acquired in July 2025. Techbelt management believes that its key competitive advantages are its ability to provide technical solutions for customers and its rapid turnaround for delivery of a broad range of products at high specification for markets with compliance and regulatory requirements.

Component Manufacturing Segment Performance

(Stated in thousands of dollars)

December 31,	For the three months ended		For the year ended	
	2025	2024	2025	2024
Sales	\$ 19,610	\$ 15,978	\$ 70,217	\$ 58,525
Gross profit	7,170	5,413	23,846	19,452
Gross profit %	37%	34%	34%	33%
Profit	1,699	332	7,738	4,996
Add (deduct):				
Financing costs	123	63	336	223
Income tax expense	569	133	1,759	812
Amortization and depreciation	1,418	1,159	5,360	4,159
Acquisition and restructuring costs	5	44	57	258
Impairment losses	805	1,743	805	1,743
Inventory fair value adjustments and write downs	125	-	125	-
Foreign exchange expense (income)	76	(525)	261	(684)
Other income	(43)	(24)	(47)	(30)
Gain on disposal of property and equipment	(318)	(2)	(2,003)	(18)
Adjusted EBITDA	4,459	2,923	14,391	11,459

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

Three Months Ended December 31, 2025

Overall segment sales in Q4 2025 increased by \$3.6 million, or 23%, relative to Q4 2024. The increase was driven primarily by a 93% increase in sales for the wear parts businesses (Unicast, Procore and Techbelt) in Q4 2025, compared to Q4 2024. The wear parts businesses benefited from stronger customer demand overall compared to last year, as well as the fulfilment of a significant order for a mining customer and another for a belting customer. These increases more than offset decreased sales for the industrial businesses (Northside and Hawk) in Q4 2025, compared to Q4 2024, where demand declines from key oil and gas and commercial vehicle customers, based on the economic environment in the United States, negatively impacted sales of industrial products in the quarter.

Segment gross profit increased by \$1.8 million, or 33%, for the three-month period ended December 31, 2025, compared to the same period in 2024. Segment gross profit percentages increased by 3 percentage points to 37% in Q4 2025 compared to 34% in Q4 2024. These increases were primarily driven by the above noted increase in sales as well as changes in product mix.

Segment Adjusted EBITDA was \$4.5 million in Q4 2025; an increase of \$1.5 million, or 52%, compared to Q4 2024. The increase in segment Adjusted EBITDA was driven by the increased sales and gross profit generated in the quarter.

Year Ended December 31, 2025

Overall segment sales in 2025 increased by \$11.7 million, or 20%, relative to 2024, driven by a 56% increase in wear part sales and a 4% increase in industrial product sales. The increase in wear parts sales was in part due to the timing of the acquisition of Techbelt in April 2024, but also as a result of increased belting demand and sales throughout 2025. Unicast also capitalized on increased demand for its cast steel wear parts, including diverter valves, in 2025, which drove a significant portion of the overall increase in wear parts sales relative to 2024. For industrial product sales, strong demand and sales in the first half of the year, including from the delivery of products under Northside's new contract with a new commercial vehicle customer, was offset by second half sales declines with another commercial vehicle customer as well as demand declines from two of Hawk's oil and gas customers.

Segment gross profit increased by \$4.4 million, or 23%, in 2025, compared to 2024. The increase was primarily driven by the above noted increase in sales, and a one percentage point increase in segment gross profit percentage in 2025, compared to 2024 on product mix changes.

Segment Adjusted EBITDA was \$14.4 million in 2025; an increase of \$2.9 million, or 25%, compared to 2024. The increase in segment Adjusted EBITDA was driven primarily by the increased sales and gross profit generated in 2025 compared to 2024.

In Q2 2025, Northside finalized the insurance settlement to replace assets it lost in a 2024 fire. The \$1.8 million in insurance proceeds, to be utilized in replacing the assets lost, resulted in the \$1.7 million gain on disposal of equipment. In Q4 2025, Hawk traded redundant assets for new more versatile equipment that resulted in a gain on disposal of equipment of \$0.3 million. These gains are included in segment profit for 2025 in the table above.

As a result of the Company's 2025 annual impairment testing of goodwill, \$0.8 million in non-cash impairment losses were recorded in the component manufacturing segment in Q4 2025, which are included in impairment losses in the table above. In 2024, \$1.7 million in non-cash impairment losses were recorded in the component manufacturing segment, which are included in impairment losses in the table above. The impairment tests were conducted on a value-in-use basis, using estimated future cash flows that considered past experience, economic trends and industry trends, assumptions around which represent management's best estimates at a specific point in time, and as a result are subject to measurement uncertainty. The impairment losses in each year related to the tools and implements CGU, which includes the goodwill recorded on the acquisition of Hawk, and was primarily related to the expectation of reduced future order activity from oil and gas customers at each reporting date. In each year, the above goodwill impairment losses were offset by a reduction in the fair value of accrued

contingent consideration recorded on historical acquisitions as further described later in this MD&A under the heading "Head Office Segment Overview".

Component Manufacturing Segment Industry Trends and Outlook

Unicast and Procore

- Long-term demand expectations for cement, aggregate and mining industries continue to be positive, and quoting, order and sales activity at Unicast in 2025 was well ahead of 2024. Uncertainty surrounding tariffs and their ultimate impact on the economy have caused some customers to defer their purchasing decisions, especially for Procore, which management is expecting will be temporary given the strength in the mining sector. As a result of strong activity levels in the cement, aggregate and mining sectors and with longer lead times on orders providing strong visibility to near-term future results, management expects Unicast's strong order trajectory and current backlog to continue to drive strong results in the first quarter of 2026 as well.
- Unicast has undertaken significant effort to diversify its supply chain and can produce over 90% of its wear parts from suppliers outside of China, which greatly mitigates geopolitical and supply chain risk for its business. Over 35% of the products delivered in 2025 came from suppliers outside of China. However, given the broad-based approach to recent United States trade policy, products sourced from other countries are being impacted by tariffs as well.
- Unicast has a number of proprietary technologies it deploys to extend the wear life of certain of its products. Further, Unicast has worked with a well-known university to develop technology aimed at further extending wear life which should give Unicast a competitive advantage with respect to wear products using this technology.
- Unicast has significantly grown the revenue generated by its valve products with a focus on differentiated, high margin diverter valve products. Unicast is developing further valve products with similar superior wear life properties to complement its existing valve offering that will be brought to market in the coming quarters.
- Unicast's move into an expanded facility in 2024 has allowed it to improve operational efficiency and allow it to carry more inventory of key products to reduce lead-time and stimulate real-time orders from its customers, which has been especially successful with respect to its high-margin, proprietary valve products.
- Procore is executing on plans to optimize its production processes to increase capacity and improve operational efficiency.
- With operational optimization processes well underway, the management team is focused on increasing sales. Procore is expanding its product offering to pursue new customers. In addition, Procore is focused on adding new distributors for its products in the United States, Asia, the Middle East and South America to expand the reach of its high-quality, longer-life, lower cost products.

Techbelt

- Techbelt has a long-standing reputation for technical problem solving, customer service, and innovation and expects to leverage its core competencies to achieve organic growth.
- Techbelt completed two tuck-in acquisitions to expand its conveyor system fabrication and servicing capabilities through the acquisition of Blackburn Conveyor Services in July 2025, and its PU and PVC belting fabrication capabilities through the acquisition of the assets of NK Technics' United Kingdom based conveyor belt business in June 2025.

- Techbelt has expanded its sales team to target additional customers and markets and provide additional products and services to its customers.
- Based on the fulfilment of a large order during the year, 2025 order and sales levels were well ahead of 2024. Order activity to-date in 2026 continues to be strong relative to historical periods, although the comparative to recent quarters will be impacted by the larger order referenced above.

Hawk

- Considerable customer base diversification has occurred over the last two years, which has lessened the reliance on Hawk's historically more concentrated customer base. However, as a result of current United States trade policy and economic uncertainty, one of its legacy customers gave notice that it will be moving the manufacturing of one of its major product lines to a lower cost jurisdiction. The loss of this work negatively impacted sales and gross profit for Hawk in the second half of 2025 and may continue to negatively impact sales and gross profit into 2026.
- In addition, project work for an oil and gas customer on a joint award with Unicast and Capital I was muted in the second half of 2025, with a potential return in order activity later in 2026.
- Hawk management is actively managing its cost structure, pursuing orders of other product lines for these customers, pursuing additional work with its other customers, and , as discussed in the Capital I Industry Trends and Outlook, is implementing plans to work more closely with Capital I to utilize existing capacity to support growth opportunities that exist as a result of Capital I's highly differentiated, proprietary product set, which Hawk's capabilities can support in a more capital-light model supporting higher returns.
- As a first step in this approach, Hawk traded ten under-utilized, aged pieces of equipment, for two new more versatile pieces of equipment. These new assets will help drive sales diversification and improve efficiency and also facilitates a smaller footprint, allowing Hawk to consolidate its two Linden premises into one over the next two months.

Northside

- Northside has long-term contracts in place with two major commercial vehicle customers. Northside began delivering products to one of these customers in early 2025 which diversified Northside's customer base and included shared investment in property and equipment with this new customer. Sales to this customer have had a positive impact on Northside sales and gross profit to date in 2025.
- In mid-2025, Northside received notice that, due to the current economic environment in the United States, orders from one of its commercial vehicle customers would decrease in the second half of 2025. While this negatively affected Northside sales and gross profit in the second half of 2025 and may continue to negatively affect sales and gross profit in 2026, the impact is somewhat mitigated by the fact that a large amount of the work being completed for this commercial vehicle customer is manufactured through a strategic partnership in a lower cost jurisdiction. This customer has indicated that the demand decrease could be temporary and to date, actual demand decreases have been less than originally expected. As such, Northside management is actively managing its cost structure based on demand levels and has recently added a business development representative to pursue additional OEM and after-market manufacturing opportunities to further diversify and grow its sales.

Head Office Segment Overview

The Canadian public company parent, Decisive Dividend Corporation, is considered a 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,	2025	2024	2025	2024
Profit (loss)	\$ (1,160)	\$ 1,115	\$ (8,885)	\$ (6,389)
Add (deduct):				
Financing costs	1,023	1,194	4,318	4,740
Income tax expense	62	37	126	94
Amortization and depreciation	21	21	85	85
Acquisition and restructuring costs	4	19	214	574
Share-based compensation expense	371	508	2,111	1,289
Foreign exchange expense (income)	(643)	588	(1,438)	440
Other income	(805)	(4,462)	(805)	(4,465)
Adjusted EBITDA	(1,127)	(980)	(4,274)	(3,632)

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

Three Months Ended December 31, 2025

During the three-month period ended December 31, 2025, Head Office expended \$1.1 million in Adjusted EBITDA on corporate activities, an increase of \$0.1 million relative to the \$1.0 million in Adjusted EBITDA expended in Q4 2024. The increase in Adjusted EBITDA expended was more than offset by a \$0.2 million decrease in financing costs, based on lower interest rates, and a \$0.1 million decrease in share-based compensation.

Year Ended December 31, 2025

For the year ended December 31, 2025, Head Office expended \$4.3 million in Adjusted EBITDA on corporate activities, an increase of \$0.6 million in Adjusted EBITDA expended relative to 2024. The increase in Adjusted EBITDA expended was primarily a result of increases in tax compliance and audit costs, insurance costs, and recruitment costs in 2025 compared to 2024. In addition, share-based compensation increased by \$0.8 million in 2025 compared to 2024 due to the fair value of share awards granted and expensed in each year. Financing costs decreased by \$0.4 million in 2025 compared to 2024, as a result of a decrease in borrowing costs in the respective periods.

Contingent consideration liabilities associated with historical acquisitions are reviewed at each reporting period and adjusted to the estimated amount required to settle the obligation, based on the most reliable evidence available on the reporting date. The review conducted in Q4 2025 resulted in a \$0.8 million reduction to the estimated fair value of accrued contingent consideration, which is included in other income in the table above. The 2025 reduction was related to the impact of decreased order activity from an oil and gas customer which reduced the remaining accrued contingent consideration related to the acquisition of Capital I. The review conducted in Q4 2024, resulted in a \$4.5 million reduction in the estimated fair value of accrued contingent consideration primarily related to the acquisition of IHT, due to the impact of challenging agricultural industry conditions, which is included in other income in the table above.

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 \$3.1 million, compared to cash of \$3.5 million at December 31, 2025, and cash of \$3.3 million at December 31, 2024.

As at December 31, 2025, the Company had net working capital of \$31.1 million (December 31, 2024 - \$31.1 million) as follows:

	December 31, 2025	December 31, 2024
<i>(Stated in thousands of dollars)</i>		
Cash	\$ 3,543	\$ 3,257
Accounts receivable	27,394	26,702
Inventory	24,942	24,889
Prepaid expenses and deposits	3,073	2,566
Accounts payable and accrued liabilities	(21,465)	(22,177)
Dividends payable	(903)	(886)
Warranty provision	(430)	(480)
Customer deposits	(2,439)	(227)
Current portion of lease obligations	(2,622)	(2,385)
Current portion of long-term debt	-	(202)
Net working capital	\$ 31,093	\$ 31,057

Capital Expenditures*(Stated in thousands of dollars)*

December 31,	For the three months ended		For the year ended	
	2025	2024	2025	2024
Purchase of property and equipment	\$ 1,773	\$ 2,515	\$ 5,898	\$ 6,753
Proceeds on disposal of property and equipment	(875)	(9)	(2,709)	(78)
	898	2,506	3,189	6,675
Growth capital expenditures	686	2,229	2,214	5,747
Maintenance capital expenditures	212	277	975	928
	\$ 898	\$ 2,506	\$ 3,189	\$ 6,675

Growth capital expenditures in 2025 were primarily directed toward the following: a new mill at Hawk to improve margin on the work being done for a joint customer with Capital I and Unicast, final carry-over of new facilities costs, efficiency improvements, as well as product and market development expenditures at Blaze King, ACR, and IHT.

In Q2 2025, Northside finalized the insurance settlement on the assets lost in a 2024 fire. The purchase of property and equipment above includes \$1.8 million in capital asset expenditures made or committed to, with the corresponding \$1.8 million in insurance proceeds included in proceeds from the sale property and equipment above. The receipt of insurance proceeds resulted in a gain on disposal of equipment of \$1.7 million, which is included in component manufacturing segment profit in 2025.

In Q4 2025, Hawk traded assets that were primarily for use in machining tools for a specific customer, and for which demand was expected to decrease, for new more versatile equipment that will allow Hawk to further diversify its customer base and considerably reduce the amount of leased space it requires. The property and equipment additions above include \$0.9 million for this new equipment, with a corresponding receipt of \$0.9 million in proceeds from the equipment disposed of which resulted in a gain on disposal of equipment of \$0.3 million, which is included in component manufacturing segment profit in 2025.

Free Cash Flow*(Stated in thousands of dollars)*

December 31,	For the three months ended		For the year ended	
	2025	2024	2025	2024
Cash provided by operating activities	\$ 5,911	\$ 4,987	\$ 21,622	\$ 12,776
Add (deduct):				
Changes in non-cash working capital	1,001	2,274	1,382	4,458
Income taxes paid (refunded)	433	(81)	2,036	2,107
Current income tax expense	(877)	(227)	(3,315)	(836)
Acquisition and restructuring costs	6	154	439	1,038
Interest paid	(1,275)	(1,360)	(5,009)	(5,391)
Lease payments	(646)	(571)	(2,433)	(2,127)
Required principal repayments on debt	(23)	(55)	(202)	(231)
Free cash flow	\$ 4,530	\$ 5,121	14,520	11,794

Free Cash Flow generated in 2025 increased relative to 2024, primarily due to the increase in Adjusted EBITDA net of the increase in current income tax expense and the increase in lease payments for operating premises relative to 2024.

The decrease in Free Cash Flow generated in Q4 2025 compared to Q4 2024, was a primarily result of the increase in current income tax expense relative to Q4 2024.

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 years ended December 31, 2025 and 2024:

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

Month	2025		2024	
	Per share (\$)	Dividend Amount (\$)	Per share (\$)	Dividend Amount (\$)
January	\$ 0.045	\$ 887	\$ 0.040	\$ 758
February	0.045	889	0.045	860
March	0.045	890	0.045	865
April	0.045	891	0.045	875
May	0.045	892	0.045	873
June	0.045	893	0.045	873
July	0.045	896	0.045	877
August	0.045	901	0.045	881
September	0.045	901	0.045	884
October	0.045	902	0.045	884
November	0.045	902	0.045	885
December	0.045	903	0.045	886
Total	\$ 0.540	\$ 10,747	\$ 0.535	\$ 10,401

The above dividends were paid on or about the 15th of the month following their declaration. Of the dividends paid in 2025, \$9.3 million were settled in cash and \$1.5 million were reinvested in additional common shares of the Company, pursuant to the dividend reinvestment and cash purchase plan "the DRIP". Of the dividends paid in 2024, \$8.4 million were settled in cash and \$1.9 million were reinvested in additional common shares of the Company, pursuant to the DRIP.

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 for the year ended December 31, 2025 compared to the year ended December 31, 2024. The decrease was primarily a result of the increase in Free Cash Flow described above, partially offset by the increase in dividends declared in 2025 compared to 2024.

(Stated in thousands of dollars)

For the year ended December 31,	2025	2024
Free cash flow	\$ 14,520	\$ 11,794
Maintenance capital expenditures	(975)	(928)
Free cash flow less maintenance capital	13,545	10,866
Dividends declared	10,747	10,401
Dividend payout ratio	79%	96%

Cumulative dividends, paid since Decisive's inception, for the year ended December 31, 2025, are as follows:

(Stated in thousands of dollars)	December 31, 2025
Cumulative dividends, beginning of year	\$ 37,819
Dividends declared during the year	10,747
Cumulative dividends, end of year	\$ 48,566

Subsequent to December 31, 2025, to the date of this MD&A, the Company undertook the following dividend actions:

- A dividend of \$0.045 per share was declared on January 15, 2026, for shareholders of record on January 30, 2026, which was paid on February 13, 2026.
- A dividend of \$0.045 per share was declared on February 13, 2026, for shareholders of record on February 27, 2026, which is payable on March 13, 2026.

Long-Term Debt

(Stated in thousands of dollars)	Authorized and Available	Effective Interest Rate	March 11, 2026 Outstanding	December 31, 2025 Outstanding	December 31, 2024 Outstanding
Syndicated credit facility	\$ 100,000	5.2%	\$ 66,457	\$ 63,571	\$ 60,979
Equipment loans	-	NA	-	-	202
Total debt	\$ 100,000		\$ 66,457	\$ 63,571	\$ 61,181
Less: cash			(3,116)	(3,543)	(3,257)
Total debt, net of cash			\$ 63,341	\$ 60,028	\$ 57,924

The Company has a 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 syndicated credit facility. The syndicate lenders include National Bank of Canada, 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 syndicated credit facility provides Decisive with considerable liquidity to fund growth in its existing operations as well as through acquisition opportunities.

There are no required principal payments for the committed three-year term of the syndicated credit facility, which also provides for annual extension provisions. In June 2025, the Company extended the term of the loan, and all drawn amounts now mature in June 2028.

Borrowings under the syndicated credit facility may be made by way of Canadian prime rate, United States base rate, Canadian overnight repo rate average ("CORRA") or United States Federal reserve secured overnight financing rate ("SOFR") advances. The syndicated credit facility bears interest at the Canadian prime rate or United States base rate plus 0.75% to 2.25%, or at CORRA or 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 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 effective interest rate on the facility decreased throughout 2025, and decreased further since December 31, 2025 to the date of this report, as certain financial ratios of the Company have improved and as central banks have lowered benchmark interest rates.

The syndicated credit facility is secured by a general security agreement, assignment of insurance, and unlimited corporate cross guarantees. In addition, the Company has agreed to maintain the following ratios (as defined in the credit agreement) on a consolidated trailing twelve-month basis. In June 2025, the maximum total debt to adjusted EBITDA ratio was amended to 3.5 times from 3.25 times previously. As at December 31, 2025, the Group was in compliance with these ratios as follows:

	Threshold	December 31, 2025	December 31, 2024
Maximum total debt to adjusted EBITDA	3.5	2.5	3.1
Minimum interest coverage ratio	1.5	2.1	1.7

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 11, 2025, December 31, 2025, and December 31, 2024. Each deferred share unit, restricted share unit and performance share unit entitled the holder thereof to one common share of the Company pending the satisfaction of certain vesting, performance, 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 11, 2026	December 31, 2025	December 31, 2024
Common shares, basic	20,151,257	20,068,342	19,694,710
Warrants outstanding	-	-	783,525
Deferred share units outstanding	324,055	260,597	102,182
Restricted share units outstanding	214,765	191,613	132,059
Performance share units outstanding	239,705	126,544	-
Stock options outstanding	205,662	205,662	207,997
Common shares, fully diluted	21,135,444	20,852,758	20,920,473

An aggregate of 284,368 common shares were issued during the year ended December 31, 2025, through Decisive's DRIP, employee share purchase plan, and the exercise of stock options and restricted share units. The DRIP share issuances reduced the amount of cash dividends paid by \$1.5 million. Also in 2025, Decisive purchased and cancelled 15,500 common shares at a weighted average price of \$6.18 per common share under its NCIB.

In April 2025 all of the outstanding warrants expired unexercised.

As part of the consideration paid for the acquisitions described earlier in this MD&A under the heading "2025 Acquisitions", the Company issued 55,161 common shares to the vendors of Venger at a price of \$7.75 per share. In addition, in July 2025, the Company issued 49,603 common shares to the vendors of Capital I at a price of \$7.56 per share on the settlement of contingent consideration according to the terms of the acquisition of Capital I.

As at March 11, 2025, there were 288,144 shares in escrow relating to the Company's completed acquisitions, as follows:

- Capital I – 41,321 to be released in April 2026.
- Micon – 18,478 to be released in April 2026.
- Procore – 29,727 to be released in April 2026.
- IHT – 104,871 to be released in July 2026.
- Techbelt – 38,586 to be released half per year in April 2026 and 2027 respectively.
- Venger – 55,161 to be released one-third per year in August 2026, 2027, and 2028 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, 2025, included \$1.6 million of salaries, benefits and director fees and \$1.5 million of share-based compensation (2024 - \$1.5 million of salaries and benefits and \$0.8 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, 2025. During 2025, there were no changes in the accounting policies or methods of computation used relative to 2024.

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, operating margin forecasts, 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 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. The determination of CGUs requires judgement and 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, 2025 and 2024, 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 amortized cost 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 and there was no material impact from any changes in the Group's credit risk since origination.

Financial Risk Management

The Group's primary business activities consist of the acquisition and operation 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 undiscounted cash flows arising from the contractual maturities of financial instruments are as follows:

(Stated in thousands of dollars)

December 31, 2025	Carrying value	Total contractual cash flows	Within one year	Two to five years	More than five years
Accounts payable	\$ 21,465	\$ 21,465	\$ 20,470	\$ 995	\$ -
Dividends payable	903	903	903	-	-
Long-term debt	62,862	73,835	3,421	70,414	-
Lease obligations	17,510	20,991	3,387	10,196	7,408
	\$ 102,740	\$ 117,194	\$ 28,181	\$ 81,605	\$ 7,408

December 31, 2024	Carrying value	Total contractual cash flows	Within one year	Two to five years	More than five years
Accounts payable	\$ 22,177	\$ 22,177	\$ 18,152	\$ 4,025	\$ -
Dividends payable	886	886	886	-	-
Long-term debt	60,454	73,039	4,158	68,881	-
Lease obligations	12,976	15,109	2,945	8,717	3,447
	\$ 96,493	\$ 111,211	\$ 26,141	\$ 81,623	\$ 3,447

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, 2025, 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, 2025		December 31, 2024	
Not yet due	\$	20,735	77%	\$ 20,724 80%
31-60 days overdue		3,305	12%	3,341 13%
61-90 days overdue		1,747	6%	1,006 4%
>90 days overdue		1,274	5%	764 3%
Trade accounts receivable		27,061	100%	25,835 100%
Less: expected credit losses		(283)		(234)
Net trade accounts receivable	\$	26,778		\$ 25,601

Subsequent to December 31, 2025, to the date of this MD&A, the Group collected over 32% 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 Venger is the United States dollar ("USD"), the functional currency for ACR and Techbelt is the British pound sterling ("GBP"), while all other entities in the group have a Canadian dollar ("CAD") functional currency. Previously, Unicast also had a USD functional currency, however management determined that effective January 1, 2025, the functional currency for Unicast was the CAD. 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)

As at December 31, 2025	Entities with a CAD functional currency		Entities with a USD functional currency		Entities with a GBP functional currency		Total
	CAD	USD	CAD	USD	CAD	GBP	
Cash	\$ 627	\$ 541	\$ -	\$ 1,157	\$ -	\$ 1,218	\$ 3,543
Accounts receivable	9,723	11,256	-	3,183	-	3,232	27,394
Accounts payable	(14,580)	(1,840)	-	(1,616)	-	(3,429)	(21,465)
Dividend payable	(903)	-	-	-	-	-	(903)
Inter-company amounts	(1,137)	-	-	4,458	(3,321)	-	-
Long-term debt	(59,291)	(3,571)	-	-	-	-	(62,862)
Net exposure	(65,561)	6,386	-	7,182	(3,321)	1,021	(54,293)
Effect of 5% strengthening of FC versus CAD:							
Profit (loss)	-	319	-	-	-	-	319
OCI	\$ -	\$ -	\$ -	\$ (359)	\$ 166	\$ (51)	\$ (244)

(Stated in thousands of dollars)

As at December 31, 2024	Entities with a CAD functional currency		Entities with a USD functional currency		Entities with a GBP functional currency		Total
	CAD	USD	CAD	USD	CAD	USD	
Cash	\$ 235	\$ 1,594	\$ (1,643)	\$ 1,369	\$ -	\$ 1,702	\$ 3,257
Accounts receivable	10,833	11,336	478	2,455	-	1,600	26,702
Accounts payable	(18,619)	(1,025)	(270)	(926)	-	(1,337)	(22,177)
Dividend payable	(886)	-	-	-	-	-	(886)
Inter-company amounts	5,730	-	(6,315)	4,187	(3,602)	-	-
Long-term debt	(52,381)	(8,073)	-	-	-	-	(60,454)
Net exposure	(55,088)	3,832	(7,750)	7,085	(3,602)	1,965	(53,558)
Effect of 5% strengthening of FC versus CAD:							
Profit (loss)	-	192	387	-	-	-	579
OCI	\$ -	\$ -	\$ -	\$ (354)	\$ 180	\$ (98)	\$ (272)

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, 2025, 100% was variable rate (2024 - 100%). 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)

	December 31, 2025	December 31, 2024
Interest rate risk		
Floating instruments	\$ 63,571	\$ 60,979
Average balance	63,272	50,237
Impact on profit (loss) of a change in interest rates:		
-1%	633	502
+1%	\$ (633)	\$ (502)

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 and Geopolitical Conditions	Risk Related to Acquisitions	Availability of Future Financing	Reliance on Management and Key Personnel
Industry Specific Economic Conditions	Dependence on Customers, Distributors and Strategic Relationships	Interest Rates and Debt Financing	
Government Regulation	Supply and Cost of Raw Materials and Purchased Parts	Income Tax Matters	Employees and Labour Relations
Pandemics	Operational Performance and Growth	Foreign Exchange	Conflicts of Interest
Competition	Implementation of the Growth Strategy	Capital Allocation (Including Dividends)	Quality of Leadership and Succession
Environmental Regulation	Product Liability and Warranty Claims	Trading Volatility of Common Shares	Culture Misalignment
Access to Capital	Litigation	Dilution Risk	Workforce Skills Gap
Market Trends and Innovation	Reliance on Technology, Intellectual Property, and Information Systems	Valuation Risk	Talent Attraction and Retention
Commodity Prices		Insurance Adequacy	
Climate Risk			
Public Perception or Brand Event			

External Risks:

General Economic and Geopolitical Conditions

The general global economic environment can impact the business and financial performance of the Group. Trade relationships, the imposition of tariffs and other elements of global trading relationships, as is being seen with United States trade policy, can have an effect on economic activity and the cost of accessing certain markets, as discussed further below under the subheading "Government Regulation".

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 conflicts in Venezuela, Cuba, Gaza and Iran have also impacted world economic markets, including

through impacts on commodity prices and the interruption of supply chains and shipping routes. The conflict between Russia and 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. 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. 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. Any subsequent supply shortages or volatile commodity prices could have an adverse impact on the world economy and the business of the Group.

Industry Specific Economic Conditions

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 (including with respect to trade restrictions and tariffs, which are discussed below in more detail under the subheading "Government Regulation") 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. As a result, the Group's ability to sustain its operating results and create growth may be adversely affected.

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. The deadline for the first joint review and agreement to the renewal of the Canada-United States-Mexico Agreement (CUSMA), is July 1, 2026. Should CUSMA not be extended, or if the terms of the agreement are materially amended, there can be no assurance that the financial results and profitability of the Group will not be adversely affected.

Rapidly changing international policy from the United States has the potential to increase volatility, the outcomes of which the Company cannot guarantee with certainty at this time. Over the past year, there have been ongoing threats and actions by the United States to implement new and/or increased tariffs on exports to the United States, including Canadian exports. Such tariffs could have an adverse impact on the economy generally and specific industries, as applicable, and such impact may be material. There is a risk that any such tariffs could negatively impact the financial position, financial performance, business, outlook and/or valuation of one or more operating subsidiaries and/or the Company as a whole.

The imposition of trade restrictions, including tariffs (and/or increases in the rate and/or scope thereof), by the United States and/or other countries could have a material adverse effect on the business, financial position, financial condition and/or results of operations of the Group. Risks associated with tariffs (and possible retaliatory measures) include risks relating to increased costs for importers, reduced demand for goods of exporters and other potential negative economic consequences such as job losses, slower economic growth, inflation (or a higher rate of inflation), significant fluctuations in foreign exchange rates, short-term dislocation in pricing and the potential deferral or reduction of purchasing decisions by customers who are concerned about uncertain economic and political outlooks.

As at the date hereof, it remains unclear whether, and the extent to which, tariffs imposed by the United States will remain in effect and whether additional trade restrictions or measures (including additional tariffs) may be imposed by the United States or other countries.

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, the negotiation or renegotiation of trade agreements, 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.

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.

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.

Commodity Prices

A change in commodity prices could impact demand for certain products and services offered by the Group. For example, Blaze King and ACR may be impacted by the cost of alternative energy sources used for home heating, Hawk may be impacted by the price of oil or natural gas that impacts levels of drilling activity and Unicast may be impacted by the price of metals and minerals, which impacts the level of activity in extraction industries.

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 and IHT.

Public Perception or Brand Event

The Group's results of operations could be impacted by sudden and increased product recalls, public relations crises, customer trust erosion, social & environmental scrutiny, leadership behavior, anti-competitive behaviors, major safety incident or human resources management.

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 and/or 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 two main customers. 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, including new or increased tariffs, 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, aluminum, 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 Group 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 damage 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 with any member of the Group, including due to changes in applicable trade, tariff 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. The supply and cost of raw materials and purchased goods may be impacted by trade restrictions, including tariffs, which are discussed above in more detail under the subheading "Government Regulation".

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

Management of the Company continues to focus on strategic acquisitions and organic growth, and it continues to be imperative for the Company to maintain its discipline in the valuation multiples it pays for businesses.

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.

Further, the Company has defined an organic growth strategy with a focus on growing customers, regions, and products that will meet or exceed organic growth targets. Risks may be present in demand overestimation, competitive response, customer adoption, capacity constraints, or product testing failures.

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 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.

Capital Allocation (Including Dividends)

The Company has maintained discipline on acquisition multiples as discussed above under the subheading "Implementation of the Growth Strategy".

The Company has also taken a disciplined approach to capital investment in its business with average annual total capital expenditures of 2.7% of revenue since inception. Only two years have had capital expenditures in excess of 4.0% of revenue (2016 - 4.1% and 2024 - 5.2%). 2025 capital expenditures were 2.1% of revenue.

A key objective of Decisive 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. Significant fluctuations in the market price and trading in the Common Shares may occur irrespective of the operating performance of the Company.

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.

Valuation Risk

The size of businesses acquired, reliance on key personnel, lack of established systems and processes, including with respect to product innovation, introduce risk to the sustainability of an acquired company's earnings post-acquisition. In addition, investors may not understand future earnings potential of the Company due to lack of formal guidance provided by management or perspectives on value of the Company's business model. In addition, market conditions, investor sentiment and business performance determine relative valuation.

Insurance Adequacy

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.

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.

There can be no assurance there will not be a labour conflict that could lead to an interruption or stoppage in the operations of one or more of the Company's subsidiaries or otherwise adversely affect the financial performance and financial condition of the Group.

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 directors, officers and employees on how to deal with potential conflicts of interest.

Quality of Leadership and Succession

The Corporation and its Subsidiaries may be subject to challenges related to identifying and developing a talent pipeline to fill gaps in the organization, leadership gaps in positions, skills, ability, or desire, including in specific regions within which the Corporation has Subsidiaries.

Culture Misalignment

The Corporation and its Subsidiaries may be subject to challenges related to misalignment of cultures at its Subsidiaries, which could result in turnover of employees, customers, or suppliers, impact the pace of post-acquisition integration and potential employee relations issues.

Workforce Skills Gap

The Corporation and its Subsidiaries may be subject to challenges related to shortages of qualified candidates, outdated employee skill sets, slow adoption of new technologies, insufficient training and development programs, competition for specialized talent, Increased reliance on contractors or temporary labour.

Talent Attraction and Retention

The Corporation and its Subsidiaries may be subject to challenges related to competitive compensation pressures, limited career advancement opportunities, employer brand perception, high turnover in critical roles, geographic limitations on talent pool, and perceived inadequacy in diversity and inclusion practices.

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. Forward-looking information includes, 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, as well as information relating to the future prospects of the Company and its operating subsidiaries, future demand levels, demand from customers, the timing of product sales and/or deliveries under existing customer contracts or significant orders received from customers, potential future acquisitions, and ongoing or planned initiatives to enhance margins and increase market share. Readers can identify many of these forward-looking statements by looking for words such as "believes", "expects", "could", "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 risk 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 risk factors include, but are not limited to: (i) operational risks, including risks 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; (ii) financial risks, including risks relating to the availability of future financing; interest rates and debt financing; income tax matters; foreign exchange; capital allocation including dividends; trading volatility of common shares; dilution risk; valuation risk; insurance adequacy (iii) external risks, including risks relating to general economic and geopolitical conditions; industry specific conditions; government regulation (including trade restrictions and tariffs); pandemics; competition; environmental regulation; access to capital; market trends and innovation; commodity prices; climate risk; public perception or brand event; and (iv) human capital risks, including reliance on management and key personnel; employee and labour relations; conflicts of interest; quality of leadership and succession; culture misalignment; workforce skills gap; and talent retention and attraction.

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.