



Decisive Dividend — Corporation —

Decisive Dividend Corporation Reports Financial Results for the Three and Nine Months Ended September 30, 2020

November 2, 2020 – Kelowna, British Columbia: Decisive Dividend Corporation (TSX-V: DE) (the “Company” or “Decisive”) reported its financial results for the three and nine months ended September 30, 2020. All amounts are expressed in Canadian dollars. The Company’s Q3 unaudited interim condensed consolidated financial statements as well as its management’s discussion and analysis (“MD&A”) are posted on SEDAR and on Decisive’s website (www.decisivedividend.com).

Q3 2020 Highlights:

- Blaze King and Slimline, realized significant increases in sales in the quarter relative to Q3 2019, as demand for their products has remained robust amid the COVID-19 economic backdrop.
- Unicast and Northside both showed their resilience in the quarter and sales remained relatively consistent compared to Q3 2019.
- The Canada Emergency Wage Subsidy (“CEWS”) program was utilized to offset sales decreases in the quarter relative to Q3 2019, by reducing cash outlays on wage related expenses. Hawk in particular was able to retain necessary employees by accessing the CEWS program.
- Consolidated gross profit increased by 7% relative to Q3 2019 to \$5.1 million and gross profit percentages increased to 43% from 39% in 2019.
- Consolidated adjusted EBITDA* increased to \$2.5 million, up 29% relative to Q3 2019.
- Consolidated net profit increased by \$0.1 million, or \$0.01 per share, from \$0.2 million (\$0.02 per share) in Q3 2019, to \$0.3 million, or \$0.03 per share in Q3 2020.
- Decisive was in compliance with the covenants originally contemplated in its credit agreement in Q3 2020. Despite obtaining covenant relief from its lenders to ensure financial flexibility for the remainder of 2020, such covenant relief was not required in either Q2 or Q3.

2020 Year-to-Date Highlights:

- Sales increased by 2% relative to the first nine months of 2019 to \$33.6 million, which demonstrates resiliency of the Decisive Group and value of diversification model.
- Sales in the finished product segment increased by \$1.8 million, or 11% relative to the first nine months of 2019 based on Blaze King pricing increases and increases in evaporator sales for Slimline, which demonstrates the long-term growth potential for this product line.
- Sales for the component manufacturing segment decreased 8% as the businesses in this segment were negatively affected by COVID-19 and oil price declines. The addition of a third business to this segment in Q3 2019, Northside, has helped mitigate the decrease.
- CEWS program has offset sales decreases that have occurred through the last two quarters.
- Consolidated gross profit increased by 11% relative to the first nine months of 2019 to \$14.1 million and gross profit percentages increased to 42% from 38% in 2019.
- Adjusted EBITDA* increased by 43% relative to the first nine months of 2019 to \$6.1 million.
- Consolidated net loss of \$0.7 million, or \$0.06 per share, in the first nine months of 2020. This 2020 loss included a \$1.4 million non-cash impairment loss recorded against Hawk’s goodwill. Absent this non-cash impairment loss, consolidated net profit would be \$0.7 million, or \$0.06 per share,

which is higher than the \$0.3 million, or \$0.03 per share, in consolidated net profit from the same period in 2019.

- Total debt reduced by \$3.5 million during the first nine months of 2020. As of the date of this release, debt reduction increased to \$3.8 million, there are no amounts drawn on the Company's operating line, and the Company had cash on hand of \$1.8 million.

Selected Financial Highlights

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

September 30,	For the three months ended			For the nine months ended		
	2020	2019	Change	2020	2019	Change
Sales	\$ 11,823	\$ 12,122	-2%	\$ 33,643	\$ 33,124	2%
Gross profit	5,098	4,770	7%	14,058	12,699	11%
Gross profit %	43%	39%		42%	38%	
Adjusted EBITDA*	2,452	1,909	28%	6,076	4,247	43%
Per share basic	0.21	0.17	24%	0.52	0.38	36%
Profit (loss) before tax	636	447	42%	(150)	663	-123%
Profit (loss)	375	268	40%	(708)	303	-334%
Per share basic	0.03	0.02	50%	(0.06)	0.03	-300%
Per share diluted	0.03	0.02	50%	n/a	0.03	
Dividends declared	-	1,019	-100%	1,037	3,011	-66%
Per share basic	-	0.09	-100%	0.09	0.27	-67%

* Adjusted EBITDA is defined as earnings before finance costs, income taxes, depreciation, amortization, foreign exchange gains or losses, other non-cash items such as gains or losses recognized on the fair value of contingent consideration items, asset impairment and restructuring costs, and any unusual non-operating one-time items such as acquisition costs. Adjusted EBITDA is not a defined performance measure under International Financial Reporting Standards (IFRS) and therefore may not be comparable to similar measures presented by other issuers, but it is used by Management to assess the performance of the Company and its segments. See the MD&A for a reconciliation of applicable IFRS measures to non-IFRS measures.

James Paterson, Chief Executive Officer of Decisive, noted:

"I am very proud of the work that has been done and is continuing throughout our organization as we manage through the pandemic. Our leadership teams have shown compassion and commitment to their businesses, their customers, and their employees, all while vigilantly following the recommendations of the applicable health authorities to prevent the spread of COVID-19.

In light of the pandemic's effect on the worldwide economy, our philosophy coming out of the first quarter was to operate with an abundance of caution. To date this has served Decisive well, as all of our subsidiaries have remained operational and the Company has been able to reduce debt levels with the cash generated by those businesses.

I am pleased with Decisive's third quarter results. Operating results for both Blaze King and Slimline were strong and we are optimistic that this positive momentum will continue through the fourth quarter as well. Unicast, Northside, and Hawk also proved their resiliency through this challenging economic period and the outlook for these businesses are all improving to varying degrees.

Given the prevailing economic uncertainty regarding a potential second wave of COVID-19 we will continue to focus our efforts on preserving liquidity and financial strength in the near-term to manage through this unpredictable global downturn. Should the recent positive momentum in our operations continue and not be hindered by a second wave of COVID-19 or other unforeseen issues, we anticipate being in a position to consider reinstating dividend payments at some point in the first half of 2021, as we remain committed to our dividend strategy over the long-term."

Outlook

A key aspect of Decisive's business model is diversification. The operations of the Company's operating subsidiaries are diversified in terms of the industries, customers, and geographies they serve. The value of this diversification was demonstrated in Q3 2020, as robust demand for both Blaze King and Slimline products more than offset the oil price challenges that have reduced demand for Hawk. Amidst the COVID-19 and low oil price economic backdrop, Decisive generated higher adjusted EBITDA in Q3 2020 than in any other quarter of 2019 or 2020, as well as positive earnings despite the numerous challenges facing the Group. The positive momentum from Q3 has carried into the fourth quarter as well, and each of the businesses in the Group have a stronger outlook than they did entering Q3. Further commentary surrounding the outlook for each of the businesses in the Group is provided in the MD&A under the headings "Finished Product Segment Industry Trends and Outlook" and "Component Manufacturing Segment Industry Trends and Outlook".

Decisive has been and continues to consult with the senior executives of its operating subsidiaries on a regular basis with a view to safeguarding its business, its workforce, and its customers. Decisive expects that each of its subsidiaries will continue to experience some level of negative effect on their supply chains, customer demand, or both, in the near-term. In addition, given the uncertainty surrounding the economic impact or severity of a potential second wave of COVID-19, Decisive intends to continue to manage itself with an abundance of caution in this challenging business environment.

Since the onset of the worldwide COVID-19 pandemic and the resultant decrease in oil prices, Decisive has focused on preserving liquidity and financial strength to manage through this unpredictable global downturn and deal with unforeseen issues that may arise. As of the reporting date, Decisive has now reduced its overall debt by \$3.8 million in 2020 and has no amounts drawn on its operating line. Decisive had negotiated covenant relief with its senior lenders for 2020 but has yet to require the relief provided.

The Group continues to actively manage liquidity and has implemented measures to reduce costs wherever possible, suspended all non-essential capital expenditures, suspended dividend payments, and pursued all available government subsidy programs. Management believes that these measures have and will continue to provide greater financial strength through this period of uncertainty. In addition, Decisive's interest only financing is proving beneficial in times like these as it preserves cash flow that can instead be used to pay employees, suppliers and service providers and allow the Company's businesses to continue to serve their customers.

Despite the current economic backdrop, management remains confident in its long-term strategic and operational plans. The Company's senior leadership is encouraged about the long-term business prospects of each of its subsidiaries and believes that Group is well positioned for future growth. As one of Decisive's objectives is to pay a regular dividend to its shareholders over the long term, Decisive plans to reinstate the dividend when appropriate and prudent to do so.

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

About Decisive Dividend Corporation

Decisive Dividend Corporation is an acquisition-oriented company, focusing on the manufacturing sector. The Company uses a disciplined acquisition strategy to identify profitable, established companies that have strong management teams, generate steady cash flow, operate in non-cyclical markets, and have opportunity for future growth.

For more information on Decisive, or to sign up for email notifications of Company press releases, please visit www.decisivedividend.com.

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