



## SCHEDULE “A”

### Decisive Dividend Corporation Announces the Acquisition of ACR Heat Products Limited

**October 3, 2022 – Kelowna, British Columbia:** Decisive Dividend Corporation (TSX-V: DE) (the “Corporation” or “Decisive”) is pleased to announce the acquisition of ACR Heat Products Limited (the “Acquisition”) for \$8.3 million. ACR Heat Products Limited (“ACR”), located in Birmingham in the United Kingdom, manufactures EcoDesign Ready woodburning, multifuel, and gas stoves and sells them primarily in the United Kingdom. It also manufactures electric stoves, electric fireplaces and outdoor pizza ovens. The Acquisition represents the latest chapter in Decisive’s buy, build and hold business model, supporting growth and yield for the Corporation’s investors.

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. It distributes these products at accessible price points that drive a strong value proposition for its customers. Given soaring energy prices throughout Europe, ACR’s products are an attractive choice for individuals looking for supplementary heating sources for their homes. As a result, ACR is experiencing robust demand for its products, similar to what Decisive’s subsidiary Blaze King is experiencing in North America. Further, with its EcoDesign Ready models, ACR is well positioned for the transition to stronger emission standards being developed in the United Kingdom and across Europe.

The Acquisition is fully funded and is anticipated to be immediately accretive to Decisive’s earnings. For the trailing twelve-month period ended June 30, 2022, ACR generated \$10.2 million in sales, \$1.9 million in net profit and \$2.3 million in Adjusted EBITDA<sup>(1)</sup>. These figures represent a 13% increase relative to the Corporation’s reported sales and a 24% increase to its reported Adjusted EBITDA<sup>(1)</sup> for the same period.

This Acquisition is the second completed by Decisive in 2022 and the first add-on acquisition completed by Decisive in an industry in which it has previously invested. ACR has a dedicated and experienced management team led by Jason Searle, ACR’s Managing Director, who has extensive experience in the wood stove industry in the UK and across Europe. Decisive is also pleased to announce that Alan Murphy, the President of Blaze King, has been named as Head of Decisive’s Hearth Division while continuing to operate as President of Blaze King. Alan, along with the rest of the management team at Blaze King, has led Blaze King through significant growth since Decisive acquired it in 2015. Jason and his team will continue to manage ACR on a standalone basis going forward while Jason will report to Alan directly. We look forward to the benefits that may result from this organizational structure for both ACR and Blaze King as they work together to drive the growth of their respective businesses.

The Acquisition is subject to the terms and conditions of a share purchase agreement which provided for a base purchase price of \$7.7 million, plus upward adjustments of \$0.6 million for working capital in excess of negotiated targets, and up to an additional £2.75 million (approximately \$4.2 million based on the exchange rate published by the Bank of England on September 29, 2022) in cash payments contingent on ACR achieving certain earnings targets over the next three years. The base purchase price reflects the historical earnings of ACR and represents a multiple of approximately 5.3 times the average Adjusted EBITDA<sup>(1)</sup> of ACR over the last three years.

On closing, the aggregate \$8.3 million base purchase price and working capital adjustment was paid \$7.6 million in cash (the “Cash Consideration”) and \$0.7 million in common shares of Decisive (the “Share Consideration”). The Cash Consideration was funded with the proceeds of Decisive’s recently announced private placement, which closed on September 27, 2022 for gross proceeds of \$7.6 million. The Share Consideration was funded through the issuance of 166,790 common shares of Decisive (representing £0.475 million, at the exchange rate published by the Bank of England on September 29, 2022, divided by \$4.31, being the volume weighted average trading price of the common shares of Decisive for the 10-day trading period ended September 30, 2022). The common shares are held in escrow and are scheduled to be released at one-third per year in October 2023, 2024, and 2025 respectively. No finder’s fee or commission was paid by Decisive in connection with the Acquisition.

Jeff Schellenberg, Chief Executive Officer of Decisive, noted:

*“When we first engaged with the vendors of ACR, Tony and Martyn Ryan, we immediately sensed a strong alignment between our business model and what they were looking for in a new home for their business. Tony and Martyn are exactly the type of exiting, legacy-minded business owners we are looking to complete business ownership transitions with. Tony and Martyn have done an excellent job to prepare the business for this ownership transition and we are excited to be able to work with Jason Searle to preserve Tony and Martyn’s legacy while building on it to drive this business forward into the future.*

*A key element of our acquisition strategy is to pursue opportunities to add-on businesses in industry sectors that we have had success in. Given the success of Blaze King, we feel that the Hearth sector is a great place for us to start. On top of this, with its dealer distribution network driving recurring streams of revenue and low capital intensity resulting from its engagement of third-party manufacturers to build its products, ACR is a tremendous fit for Decisive’s dividend paying business model”.*

Alan Murphy, Hearth Division Head and President of Blaze King, stated:

*“It is an exciting time to operate in the renewable energy side of the Hearth industry. I am looking forward to working with Jason and the ACR team as we explore the future possibilities and growth opportunities for ACR, Blaze King and Decisive.”*

Tony Ryan, Founder of ACR noted:

*“ACR has a rich history and I am proud of what we have achieved since we started over 30 years ago. We are extremely excited to watch the business grow under the ownership of Decisive; their understanding of the sector, strong values and principled approach were key factors in deciding to partner with them.”*

The table below sets forth the pro forma combined financial information of Decisive after giving effect to the acquisitions completed by it in 2022 (being ACR and Marketing Impact Limited (“MIL”)), for the trailing twelve-month period ended June 30, 2022:

<i>(Stated in thousands of dollars)</i>	Decisive <sup>(2)</sup>	Deduct Decisive <sup>(3)</sup>	Add Decisive <sup>(4)</sup>	Add MIL <sup>(5)</sup>	Add ACR <sup>(6)</sup>	Total Pro forma (unaudited)
	Year Ended Dec 31 2021 (audited)	6-Months Ended Jun 30 2021 (unaudited)	6-Months Ended Jun 30 2022 (unaudited)	288-Days Ended Apr 14 2022 (unaudited)	12-Months Ended Jun 30 2022 (unaudited)	
Sales	62,491	28,139	41,878	9,584	10,166	95,980
Gross profit	21,376	10,469	13,954	2,623	3,698	31,182
Gross profit %	34%	37%	33%	27%	36%	32%
Profit	2,282	875	1,396	382	1,897	5,082
Adjusted EBITDA <sup>(1)</sup>	8,657	4,729	5,650	861	2,309	12,748

(1) Adjusted EBITDA is not a recognized financial 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 Corporation. See “Non-GAAP Financial Measures” later in this press release for the full description of Adjusted EBITDA and a reconciliation of applicable IFRS measures to non-IFRS measures.

(2) Based on Decisive’s audited financial information for the year ended December 31, 2021.

(3) Based on Decisive’s unaudited financial information for the six-month period ended June 30, 2021.

(4) Based on Decisive’s unaudited financial information for the six-month period ended June 30, 2022.

(5) Based on MIL’s unaudited financial information for the period from July 1, 2021 to April 14, 2022, the date it was acquired by Decisive. See “Information Relating to MIL” later in this press release.

(6) Based on ACR’s unaudited financial information for the period from July 1, 2021 to June 30, 2022. See “Information Relating to ACR” later in this press release

Decisive is continuing to evaluate further acquisition opportunities in its healthy, and growing, pipeline of potential targets and looks forward to providing updates to its shareholders as a result of these efforts.

### **About Decisive Dividend Corporation**

Decisive Dividend Corporation is an acquisition-oriented company, focused on opportunities in manufacturing. The Corporation's purpose is to be the sought-out choice for exiting legacy-minded business owners, while supporting the long-term success of the businesses acquired, and through that, creating sustainable and growing shareholder returns. The Corporation uses a disciplined acquisition strategy to identify 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.

For more information on Decisive, or to sign up for email notifications of Corporation press releases, please visit [www.decisivedividend.com](http://www.decisivedividend.com).

FOR FURTHER INFORMATION PLEASE CONTACT:

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### **Cautionary Statements**

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

### **Information Relating to ACR**

*This press release contains certain information (including historical financial information) relating to ACR, a private company acquired by Decisive. The information (including financial information) contained herein with respect to ACR is based upon information provided to Decisive by ACR and its management and shareholders and includes certain non-recurring and related party private company transactions that have been excluded from the calculation of Adjusted EBITDA below. The financial information relating to ACR has not been audited.*

### **Information Relating to MIL**

*This press release contains certain historical financial information relating to MIL, a private company acquired by Decisive on April 14, 2022. The pre-acquisition financial information contained herein with respect to MIL is based upon information provided to Decisive by MIL and its management and shareholders and includes certain non-recurring and related party private company transactions that have been excluded from the calculation of Adjusted EBITDA below. The financial information relating to MIL has not been audited.*

### **Non-GAAP Financial Measures**

*In this press release, reference is made to "Adjusted EBITDA", which is not a recognized financial measure under IFRS, but is believed to be meaningful in the assessment of the Corporation's performance.*

*"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 Corporation'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. While Adjusted EBITDA is used by management to assess the historical financial performance of the Corporation, readers are cautioned that:*

- *Non-IFRS financial measures, such as Adjusted EBITDA, are not recognized financial measures under IFRS;*
- *The Corporation's method of calculating Non-IFRS financial measures, such as Adjusted EBITDA, may differ from that of other corporations or entities and therefore may not be directly comparable to measures utilized by other corporations or entities;*
- *Non-IFRS financial measures, such as Adjusted EBITDA, should not be viewed as an alternative to measures that are recognized under IFRS such as profit or loss or cash from operating activities; and*
- *A reader should not place undue reliance on any Non-IFRS financial measures.*

*Set forth below are reconciliations of Non-IFRS financial measures to their most relevant IFRS measures for each of the relevant periods.*

*(Stated in thousands of dollars)*

	Decisive <sup>(2)</sup> Year Ended Dec 31 2021 (audited)	Deduct Decisive <sup>(3)</sup> 6-Months Ended Jun 30 2021 (unaudited)	Add Decisive <sup>(4)</sup> 6-Months Ended Jun 30 2022 (unaudited)	Add MIL <sup>(5)</sup> 288-Days Ended Apr 14 2022 (unaudited)	Add ACR <sup>(6)</sup> 12-Months Ended Jun 30 2022 (unaudited)	Total Pro forma (unaudited)
Profit	2,282	875	1,396	382	1,897	5,082
Add (deduct):						
Financing costs	2,079	1,050	1,112	6	22	2,169
Income tax expense	658	487	664	138	445	1,418
Amortization and depreciation	3,666	1,776	2,016	120	5	4,031
Acquisition and restructuring costs	115	-	578	-	-	693
Inventory fair value adjustments and write downs	27	-	-	250	-	277
Share-based compensation expense	256	218	98	-	-	136
Foreign exchange expense (income)	54	341	(197)	(34)	(3)	(521)
Interest and other income	(408)	(3)	(8)	(1)	-	(414)
Gain on sale of equipment	(72)	(15)	(9)	-	-	(66)
Non-recurring transactions	-	-	-	-	(57)	(57)
Adjusted EBITDA	8,657	4,729	5,650	861	2,309	12,748

### **Forward-Looking Statements**

*Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on management's current beliefs, assumptions and expectations as to the outcome and timing of such future events. Actual future results may differ materially. In particular, this press release contains forward-looking information relating to the future financial position, operations, business strategy, plans and objectives of*

*the Corporation, and the potential impact, including growth expectations, of the Acquisition on the operations, financial condition, capital resources, business and dividend policy of the Corporation. Risk factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking information include, among other things: risks relating to the Acquisition (as more particularly described under the heading "Risk Factors – Risk Relating to Acquisitions" in the Corporation's most recent annual information form), as well as general economic conditions; pandemics; competition; government regulation; environmental regulation; access to capital; market trends and innovation; climate risk; general uninsured losses; risk related to acquisitions generally; dependence on customers, distributors and strategic relationships; supply and cost of raw materials and purchased parts; operational performance and growth; implementation of the growth strategy; product liability and warranty claims; litigation; reliance on technology, intellectual property, and information systems; availability of future financing; interest rates and debt financing; income tax matters; foreign exchange; dividends; trading volatility of common shares; dilution risk; reliance on management and key personnel; employee and labour relations; and conflicts of interest, all as more particularly described in the most recent annual MD&A and annual information form of the Corporation available on the Corporation's profile at [www.sedar.com](http://www.sedar.com). There can be no assurance as to the future financial performance of the Corporation or that the board of directors of the Corporation will declare or pay any dividends in the future or, if dividends are declared and paid, there can be no assurance as to the frequency or amount of such dividends. The Corporation cautions the reader that the risk factors referenced above are not exhaustive. The forward-looking information contained in this release is made as of the date hereof and the Corporation is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.*