

Ignite Announces Proposed Going Private Transaction

TORONTO--(BUSINESS WIRE)--July 19, 2022--Ignite International Brands, Ltd. (CSE: BILZ) (“Ignite” or the “Company”) announced today that its board of directors has approved a proposed going private transaction to be completed by consolidating Ignite’s outstanding subordinate voting shares on the basis of one post-consolidated subordinate voting share for each 100,000 pre-consolidated subordinate voting shares (the “Consolidation”).

The Consolidation is subject to receipt of requisite shareholder approval at Ignite’s upcoming annual general and special meeting of shareholders scheduled to be held on August 24, 2022 (the “Meeting”), and receipt of applicable regulatory approvals. All fractional shares resulting from the Consolidation will be cancelled and holders will receive a cash payment of Cdn \$0.62 (the “Consolidation Price”) for each cancelled share held immediately prior to the Consolidation becoming effective. The Consolidation Price represents a premium of 26% to the closing price of Cdn \$0.49 on July 18, 2022, being the last closing price of the Company’s Subordinate Voting Shares traded on the Canadian Securities Exchange (the “Exchange”) prior to the announcement of the Consolidation. Ignite has sufficient funds to complete the Consolidation.

As of today’s date, and assuming the conversion of all of the Company’s proportionate voting shares to subordinate voting shares, Dan Bilzerian would beneficially own 199,757,600 shares or 64.92% of the issued and outstanding subordinate voting shares of the Company, and three other shareholders (Veritas Investments, Ltd., Vulcan Enterprises SKN, Ltd. and Atlas Investments, Ltd.) beneficially own an aggregate of 66,621,000 or 23.93% of the issued and outstanding subordinate voting shares of the Company. Based on a review of the current shareholder lists, it is anticipated that upon completion of the Consolidation, the Company will have a maximum total of 46 worldwide shareholders, including less than 15 shareholders in any Canadian jurisdiction. It is further anticipated that the outstanding stock options and share purchase warrants will either be voluntarily cancelled, adjusted to reflect the Consolidation, or a non-material amount may be exercised. The Company’s existing convertible debt will have the conversion feature of such debt removed by agreement.

Once the Consolidation is completed, Ignite intends to apply to have its subordinate shares delisted from the Exchange and intends to apply to cease to be a reporting issuer with the applicable securities regulatory authorities.

On June 30, 2022, the board of directors of Ignite established an Independent Committee comprised of Mr. Lester Lee (Chair of the Independent Committee), Mr. Ralph Gilpin-Payne and Mr. Tom Bunker to review the proposed Consolidation. Each of Mr. Lee, Mr. Gilpin-Payne and Mr. Bunker are “independent directors” within the meaning of MI 61-101. Evans & Evans, Inc. was engaged by the Independent Committee to prepare an independent third party formal valuation and fairness opinion in connection with the proposed Consolidation (the “Valuation and Fairness Opinion”). On July 18, 2022, Evans & Evans provided the Valuation and Fairness Opinion, concluding that the Consolidation Price is fair, from a financial point of view, to the shareholders who will receive such Consolidation Price. On the basis of its review, including review of the Valuation and Fairness Opinion, the Independent Committee has unanimously recommended that the Board approve the Consolidation, and submit the Consolidation to a vote

of the shareholders recommending that shareholders vote in favour of the Consolidation at the Meeting. The Board has reviewed and acted upon the Independent Committee's recommendation and unanimously approved these items.

Among the key factors considered by Ignite's Independent Committee are as follows: a) Ignite's shares are thinly traded and offer little opportunity for liquidity for shareholders; b) the expenses of being a public company outweigh the benefits; and c) the proposed Consolidation provides shareholders, other than shareholders who will remain following the Consolidation, with a meaningful liquidity event that provides an opportunity to realize the value for their shares at a significant premium to current market prices.

The Consolidation is a "Business Combination" subject to the provisions of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101") and, as a result, is subject to approval by a majority of the votes cast by minority shareholders at the Meeting. The votes attaching to the subordinate voting shares held by the shareholders of Ignite who are related parties to Ignite and who will remain shareholders following the Consolidation (including those mentioned above) will be excluded for the purposes of determining majority of the minority shareholder approval pursuant to MI 61-101. Shareholders of record as of July 22, 2022 are entitled to receive notice of and to attend and vote at the Meeting or any adjournment or postponement thereof. A copy of the Evans & Evans, Inc. formal valuation and fairness opinion, information regarding the specific factors considered by the Independent Committee in arriving at its recommendation and other relevant background information will be included in the Management Information Circular to be delivered to shareholders in connection with the Meeting, and will be filed under Ignite's SEDAR profile at www.sedar.com.

Completion of the Consolidation remains subject to a number of conditions including, but not limited to, receipt of all regulatory and shareholder approvals and satisfaction of other closing conditions customary in a transaction of this nature. If such conditions are met, Ignite anticipates completing the Consolidation as soon as practicable following the Meeting. If approved, trading of Ignite's shares on the Exchange will be voluntarily halted effective the close of business on the date of the Meeting in advance of the Consolidation being effected to minimize settlement and entitlement issues and Ignite will issue a news release announcing the date on which the Consolidation is to be effected.

Neither the Canadian Securities Exchange nor its Regulation Service Provider (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward Looking Information

Certain statements and information herein contain forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable securities laws. Such forward-looking statements include but are not limited to statements or information with respect to: the proposed Consolidation and going private

transaction; the satisfaction of the conditions and closing of the Consolidation and going private transaction (including required approvals); and, general business and economic conditions.

Although management of the Company believe that the assumptions made and the expectations represented by such forward-looking statements are reasonable, there can be no assurance that forward-looking statements will prove to be accurate. Forward-looking statements by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. These factors include, but are not limited to: the Consolidation and going private transaction may not close on the terms set forth herein, or at all; risks relating to the receipt of all requisite approvals for the Consolidation and going private transaction; changes in general economic conditions or conditions in the financial markets; and risks related to general economic conditions.

The Company does not undertake to update any forward-looking information, except in accordance with applicable laws.

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