



BOAT ROCKER

BOAT ROCKER MEDIA SIGNS DEFINITIVE AGREEMENTS FOR A PROPOSED REVERSE TAKEOVER BY BLUE ANT MEDIA CONCURRENT WITH A MANAGEMENT BUYOUT OF BOAT ROCKER'S STUDIO BUSINESS

- The agreed deal value of C\$1.80 per Boat Rocker Media Inc. share represents a substantial premium to the current share price
- The resulting issuer will be a global media company with greater scale and diversified revenue streams
- Ownership of the full content value chain by the resulting issuer, including digital, broadcast, production, and distribution, enhancing strategic flexibility
- Resulting issuer to be led by an experienced, veteran industry management team with a proven track record
- Boat Rocker Studios to continue as a private company under current leadership

TORONTO, March 24, 2025 /CNW/ - Boat Rocker Media Inc. ("BRMI" or the "Company") (TSX: BRMI) announced today that it has entered into definitive agreements in respect of a transaction (the "Transaction") pursuant to which Blue Ant Media Inc. ("Blue Ant"), a privately owned company controlled by Michael MacMillan, will go-public via a reverse take-over (the "RTO") of BRMI, and BRMI will concurrently sell Boat Rocker Studios to a privately owned company controlled by BRMI Co-Founders and Co-Executive Chairmen, David Fortier and Ivan Schneeberg, and BRMI CEO John Young ("IDJCo").

Transaction Summary

Pursuant to the Transaction, BRMI will acquire all of the shares of Blue Ant in exchange for shares of BRMI on the basis of an exchange ratio of 1.25 shares (prior to the share consolidation noted below) of BRMI for each share of Blue Ant (the "Exchange Ratio"). The Exchange Ratio implies a valuation of C\$1.80 per BRMI share (pre-consolidation), representing a premium of approximately 125% to the March 21, 2025 closing price of BRMI's shares on the Toronto Stock Exchange ("TSX"), the last trading day prior to the announcement of the Transaction, and a premium of approximately 145.1% to the 30 trading day volume weighted average trading price per BRMI share on the TSX as at that date. The pre-Transaction value of Blue Ant shares is based in part on the pricing of transactions completed by Blue Ant in 2023 and 2024, at C\$2.25 per Blue Ant share, and is not derived from the valuation work discussed below that was performed by Scotia Capital Inc. ("Scotiabank").

The Transaction would constitute a reverse take-over ("RTO") by Blue Ant of BRMI and, immediately following closing of the Transaction (the "Closing"), the resulting company (the "Resulting Issuer") will change its name to Blue Ant Media Corporation and, subject to regulatory approval, the Resulting Issuer's shares will continue to be listed and trade on the TSX. As a result of the Transaction, Blue Ant's shareholders are expected to own approximately 73.5%, and BRMI's shareholders approximately 26.5%, of the Resulting Issuer. However, Blue Ant may engage in a

private placement prior to closing to raise additional equity, which if completed would reduce the above ownership percentages.

On the Closing of the RTO, the Resulting Issuer will inherit from BRMI three Canadian production businesses, Insight Productions, Jam Filled Entertainment and Proper Television (the "Remaining Businesses"), which collectively delivered C\$118 million in revenue over the twelve months ended December 31, 2024 (based on unaudited results).

Contemporaneously with the Closing, BRMI will sell all of the Company's global Scripted, Unscripted and Kids & Family television production, distribution, brand & franchise management, creative and venture partnerships, and content investment business, excluding the above-noted Remaining Businesses, together with the Boat Rocker name and brand, to IDJCo pursuant to a management buyout. Immediately following the Closing, IDJCo will carry on as Boat Rocker. The management buyout would include all existing production and distribution assets of BRMI, excluding those related to the Remaining Businesses and certain corporate and shared services functions related to the existing public company, which will remain with the Resulting Issuer.

Fortier, Schneeberg, and Young, each of whom are significant shareholders of BRMI, have agreed to vote in support of the Transaction and, on the Closing, resign as directors and officers of BRMI and convert their existing multiple voting shares of BRMI into subordinate voting shares of the Resulting Issuer.

As Blue Ant owns certain Canadian broadcasting assets, in order to maintain Canadian control over the Resulting Issuer, and consistent with his existing position in Blue Ant, Michael MacMillan would have voting control (with approximately 77.5% of the total votes and approximately 4.3% of the total equity, assuming no additional equity offering) over the Resulting Issuer via multiple voting shares, with all other Blue Ant and BRMI shareholders holding subordinate voting shares.

"On behalf of Fairfax, I would like to thank David Fortier and Ivan Schneeberg, the founders of Boat Rocker, as well as John Young, Boat Rocker's CEO, for their partnership over many years," said Prem Watsa, Chairman and Chief Executive Officer of Fairfax. "We wish them and the entire Boat Rocker Studios team the best of luck in the future as a private company. We are excited for the remaining assets to be merged into the operations of Blue Ant Media, led by founder and Chief Executive Officer Michael MacMillan, which will bring scale, a diversified existing business and a seasoned operator for the benefit of all shareholders."

Special Committee and Board Approval

A special committee (the "Special Committee") of the Company's board of directors (the "Board"), comprised solely of independent directors, was appointed to review, consider, negotiate and evaluate the Transaction, including relative to potential alternative business plans of the Company. The Special Committee retained Scotia Capital Inc. ("Scotiabank") as its independent valuator and exclusive financial advisor and Goodmans LLP as its independent legal counsel to assist in the discharge of its mandate.

The Special Committee has reviewed, considered and evaluated the Transaction in its totality relative to reasonable alternatives available to the Company. The Special Committee was directly involved in the oversight of the Transaction. For the reasons noted herein, among others, supported by advice from the Special Committee's independent financial and legal advisors, the Special Committee believes that the Transaction is in the best interests of the Company and fair to the holders of BRMI shares other than Fairfax and IDJCo's principals.

The Board (with interested directors abstaining), acting on the unanimous recommendation of the Special Committee, has unanimously approved the Transaction. In making its recommendation regarding the Transaction, the Special Committee considered a number of factors including, among

others, the Special Committee's receipt of a fairness opinion from Scotiabank (as described below).

Independent Valuation

In connection with its review of the proposed Transaction, the Special Committee retained Scotiabank as independent valuator and financial advisor to provide financial advice and prepare formal valuations of certain matters. Majority of minority shareholder approval by the BRMI shareholders of the reverse takeover, the Boat Rocker Studios acquisition and Fairfax's acquisition of BRMI's minority interest in TIG, among other approvals, will also be required, excluding Fairfax and/or IDJCo's principals, as applicable, as all three constitute related party transactions.

Among other things, Scotiabank concluded that, as of March 23, 2025 and subject to certain assumptions, limitations and qualifications, the fair market value of the Resulting Issuer subordinate voting shares to be issued to Fairfax pursuant to the reverse take-over ranged between C\$37 million to C\$46 million (or C\$1.50 to C\$1.91 per Resulting Issuer share, pre-consolidation).

In addition, Scotiabank provided its verbal opinion (to be subsequently confirmed by delivery of a written opinion) to the Special Committee that, as of March 23, 2025 and subject to certain assumptions, limitations and qualifications, the Share Entitlement (as defined below) is fair, from a financial point of view, to the BRMI shareholders other than IDJCo's principals, Fairfax and any other BRM shareholders required to be excluded from the majority of minority approval pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). For this purpose, "Share Entitlement" means the entitlement, pursuant to the Transaction, of each holder of one BRMI share to continue to hold one share (pre-consolidation) of the Resulting Issuer immediately after the completion of the Transaction.

Scotiabank has also provided an opinion that (a) the equity interest in TIG was acquired by BRMI in an arm's length transaction that was agreed to not more than 12 months before the date hereof, and (b) the value of the consideration to be received by BRMI for such equity interest from Fairfax is greater than or equal to the value of the consideration paid by BRMI in the prior arm's length transaction, and accordingly an exemption will be available from the independent valuation requirements under MI 61-101 in respect of the sale of the TIG interest to Fairfax.

A description of the valuations and fairness opinion and the factors considered by the Special Committee and Board, as well as other relevant background information with respect to the Transaction, will be included in the information circular that will be made available in the near future under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

Additional details of the Transaction are set forth below.

Blue Ant Reverse Takeover

- Pursuant to the Transaction, holders of non-voting shares of Blue Ant will receive 1.25 subordinate voting shares of BRMI (prior to the share consolidation noted below). Upon completion of the Transaction, but prior to the consolidation and assuming no equity financing is completed prior to closing, BRMI is expected to have approximately 214.75 million equity shares issued and outstanding on an undiluted basis (or approximately 21.47 million post-consolidation), with (i) approximately 26.5% of such shares expected to be held by the current shareholders of BRMI, and (ii) approximately 73.5% of such shares expected to be held by the former shareholders of Blue Ant.
- The Resulting Issuer intends to focus on the global media industry and is expected to benefit from Blue Ant's experienced leadership team, track record and growth opportunities.
- On Closing, Michael MacMillan will be appointed CEO of the Resulting Issuer and Brad Martin, the current chair of Blue Ant, will be appointed Chair of the Board of Directors of the Resulting Issuer.

- The Resulting Issuer is expected to have enhanced scale and financial resources, including net cash on the balance sheet, excluding lease liabilities, and significant available liquidity. Blue Ant generated C\$196 million in revenues in its most recent fiscal year, a 16% increase year-over-year, and C\$18 million in net income. Unscripted programming houses Insight Productions and Proper Television, and animation-focussed Jam Filled Entertainment, collectively delivered approximately C\$118 million in revenue in calendar 2024 and minimal operating income. These production houses will complement Blue Ant's existing unscripted and animation studios business. These figures are based on Blue Ant's audited results for the year ended August 31, 2024 and BRMI's unaudited results for the year ended December 31, 2024. BRMI's figures are preliminary and subject to change.
- As it is a condition of Closing that the Resulting Issuer will continue to be listed on the TSX, BRMI shareholders are expected to have a meaningful opportunity to benefit as shareholders of the Resulting Issuer, with improved liquidity.
- Additionally, Blue Ant has advised BRMI that it intends to proceed with a private placement of subscription receipts exchangeable on Closing for subordinate voting shares of the Resulting Issuer, which Fairfax has agreed to support.
- A shareholders' meeting of BRMI will be held to approve the Transaction, and Blue Ant will also seek the approval of its shareholders. Fairfax and the directors of BRMI, who collectively hold approximately 62% of its total shares and all of its multiple voting shares, have agreed to vote in favour of the Transaction and related matters, as have all of the shareholders represented on the Blue Ant board, who hold in total approximately 49% of the shares of Blue Ant. In addition, all shareholders of Blue Ant as well as Fairfax and IDJCo's principals will agree to transfer restrictions on their shares of the Resulting Issuer for a period of 6 months as to 50% and 9 months for the balance.
- The Transaction is subject to customary representations, warranties and covenants, as well as various closing conditions, including the receipt of TSX, CRTC and Competition Act approvals, BRMI's satisfaction at closing of certain minimum cash and working capital thresholds, and the receipt of certain third-party approvals.
- The BRMI businesses to remain with the Resulting Issuer consist of Jam Filled Entertainment, Proper Television and Insight Productions, as well as the existing public company.
- At the Closing, BRMI's shares are also expected to be consolidated on a 10:1 basis and the Resulting Issuer is expected to be continued as a *Canada Business Corporations Act* corporation.

Management Buyout of Boat Rocker Studios

- IDJCo has agreed to acquire the Boat Rocker Studios businesses in exchange for \$18 million payable by way of a vendor takeback promissory note with a principal amount of C\$18 million, due over 6 years following closing in equal installments, with an additional C\$1 million lump sum payment payable on the 6th anniversary of the Closing.
- Boat Rocker Studios intends to continue its normal course operations as a premium global Scripted, Unscripted and Kids & Family television production, distribution, brand & franchise management, and content investment business, consisting of all of BRMI's current library, production, distribution and brand assets (other than those of the Remaining Businesses).
- IDJCo will acquire all Boat Rocker names and brands and will continue to own and operate the existing Boat Rocker Studios' production, distribution, finance and brands & franchise business with its employees and infrastructure following closing. Fortier, Schneeberg and Young will continue to lead the business and strategy going forward.
- C\$20 million in cash would also be included in the assets acquired. IDJCo has agreed to be responsible for certain cash expenditures or shortfalls prior to the Closing that will reduce that C\$20 million figure.

Arrangements with Fairfax

Fairfax has agreed to provide certain financial support to BRMI and the Resulting Issuer, including:

- Acquiring BRMI's minority interest in The Initial Group, LLC ("TIG"), which is engaged in the talent management business, for approximately US\$11.6 million.
- Ensuring that BRMI satisfies certain minimum cash and working capital thresholds, including as a result of the incurrence of costs related to the Transaction, of C\$25.5 million in cash with no bank indebtedness or other debt outstanding (other than interim production financing).
- Fairfax has agreed to pay the Resulting Issuer a value assurance payment in the form of a capital contribution (the "Value Assurance Payment") based on the financial performance of the Insight, Jam Filled and Proper businesses being indirectly acquired by Blue Ant for the calendar year ending December 31, 2025.
- Committing to backstop up to C\$20 million in connection with any proposed equity offering to be completed by the Resulting Issuer (or if prior to closing by Blue Ant) within 12 months following Closing.
- Guaranteeing the C\$18 million principal amount IDJCo vendor takeback promissory note described above.

An information circular is expected to be filed on SEDAR+ in the near future. The information circular is expected to contain prospectus-level disclosure regarding the Resulting Issuer. The three agreements described herein are also to be filed on SEDAR+ shortly.

The Transaction is currently expected to close in early June 2025.

Blue Ant and IDJCo News Releases

Please see the separate news releases issued today by each of Blue Ant and IDJCo for further information.

Conference Call

BRMI and Blue Ant will host a joint conference call for analysts and investors to discuss the Transaction on March 24, 2025 at 10:00 a.m. (Toronto time).

Listeners can access the call via live audio webcast (<https://app.webinar.net/Nk9dO2YDbIJ>) or via RapidConnect (<https://emportal.ink/4kO3nrl>). This information can also be accessed on the Company's Investor Relations website under the tab "Events & Presentations: <https://www.boatrock.com/investor-relations/events-and-presentations/default.aspx>".

The conference call will also be available by dialing 1-888-699-1199 (North American toll free) or 416-945-7677 (Toronto toll free).

Listeners should access the webcast or call 10-15 minutes before the start time to ensure they are connected.

A replay will also be available until March 31, 2025 by dialing 1-888-660-6345 (North American toll free), passcode 54438#.

Advisors

Scotiabank acted as independent valuator and exclusive financial advisor for the Special Committee. Cormark acted as financial advisor to Blue Ant.

Stikeman Elliott LLP acted as legal advisor to BRMI and Goodmans LLP acted as independent legal advisor for the Special Committee.

Bennett Jones LLP acted as legal advisor to Blue Ant.

Torys LLP acted as legal advisor to Fairfax.

Osler, Hoskin & Harcourt LLP acted as legal advisor to IDJCo.

About Boat Rocker Media Inc.

Boat Rocker (TSX: BRMI) is the home for creative visionaries. An independent, integrated global entertainment company, BRMI's purpose is to tell stories and build iconic brands across all genres and mediums. With offices around the world, BRMI's creative and commercial capabilities include Scripted, Unscripted, and Kids and Family television production, distribution, brand & franchise management, a world-class animation studio, and talent management through a minority stake in The Initial Group, a new company launched by TPG. A selection of BRMI's projects include: Invasion (Apple TV+), Palm Royale (Apple TV+), Video Nasty (BBC Northern Ireland, BBC Three, Virgin Media One, WDR), This Is the Tom Green Documentary (Prime Video), Orphan Black: Echoes (AMC), American Rust: Broken Justice (Prime Video), Beacon 23 (MGM+), Pretty Baby: Brooke Shields (Hulu), Downey's Dream Cars (Max), BS High (HBO), Orphan Black (BBC AMERICA, CTV Sci-Fi Channel), Billie Eilish: The World's a Little Blurry (Apple TV+), The Next Step (BBC, Corus, CBC), Daniel Spellbound (Netflix), and Dino Ranch (Disney+, Disney Junior, CBC). For more information, please visit www.boatrocker.com.

About Blue Ant Media Inc.

Blue Ant Media is an international production studio and rights business and channel operator. The company's studio creates and distributes a premium slate of programming, in all content genres, for streaming and broadcasting platforms around the world. Blue Ant Media also operates free streaming and pay TV channels under several media brands internationally, including Love Nature, Cottage Life, Smithsonian Channel Canada, BBC Earth Canada, HauntTV, Homeful, Total Crime, Declassified and Love Pets. Blue Ant Media is headquartered in Toronto, with operations in Los Angeles, New York, Singapore, London, Washington and Sydney. For more information, please visit blueantmedia.com.

Forward-Looking Information / Cautionary Statements

Certain information contained in this news release may be forward-looking statements within the meaning of Canadian securities laws. Forward-looking statements are often, but not always, identified by the use of words such as "expect", "anticipate", "believe", "foresee", "could", "estimate", "goal", "intend", "plan", "seek", "will", "may", "would" and "should" and similar expressions or words suggesting future outcomes. These forward-looking statements reflect material factors and expectations and assumptions of the parties. These forward-looking statements include the assumptions: that the transaction is able to be completed on the timelines and on the terms currently anticipated; that all regulatory and other required approvals can be obtained on the timelines and in the manner currently anticipated; that the anticipated benefits of the transaction are able to be achieved; that the businesses of both BRMI and Blue Ant will continue to operate in a manner consistent with past practice; and that the parties' transition plans are effective.

The parties' estimates, beliefs and assumptions are inherently subject to uncertainties and contingencies regarding future events and, as such, are subject to change. Risks and uncertainties not presently known to the parties or that they presently believe are not material could cause actual results or events to differ materially from those expressed in the forward-looking statements. Additional information on these and other factors that could affect events and results are included in other documents and reports that will be filed by BRMI with applicable securities regulatory authorities and may be accessed through the SEDAR+ website (www.sedarplus.ca). Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect the parties'

expectations only as of the date of this press release. The parties disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by law.

U.S. Securities Matters

None of the securities to be issued pursuant to the Transaction have been or will be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws. The Resulting Issuer securities to be issued in the Transaction are anticipated to be issued in reliance upon available exemptions from such registration requirements pursuant to section 3(a)(10) of the U.S. Securities Act and applicable exemptions under state securities laws. This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities.

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