



## CAPITAL RAISING OPPORTUNITY PROFILE

**Media Company in Music Industry**

**Client #1143**

**Location: Midwest**

**\$ 8.25 Million Revenue**

**\$ 6 Million EBITDA yr. 5**

(Estimated FYE December 31, 2023)

THIS INFORMATION CONTAINED IS OF A CONFIDENTIAL NATURE AND IS INTENDED FOR THE EXCLUSIVE USE OF THE PERSONS OR FIRM TO WHOM IT IS FURNISHED BY US. REPRODUCTION, PUBLICATION, OR DISSEMINATION OF PORTIONS HEREOF MAY NOT BE MADE WITHOUT PRIOR APPROVAL OF EBIT ASSOCIATES, LTD. EBIT ASSOCIATES, LTD., ITS EMPLOYEES, AGENTS AND AFFILIATE INTERMEDIARIES HAVE MADE NO INVESTIGATION OR VERIFICATION OF THE INFORMATION CONTAINED HEREIN AND ANY REPRESENTATION TO THE CONTRARY IS NOT AUTHORIZED. PROSPECTIVE BUYERS ACKNOWLEDGE THE RESPONSIBILITY TO PERFORM A DUE DILIGENCE REVIEW AND MAKE ITS OWN EVALUATION AND JUDGMENT PRIOR TO ANY ACQUISITIONS OR MERGERS WITH THE CLIENT COMPANY.

**REVENUE/EBITDA+OC:** EBITDA+OC = EARNINGS BEFORE TAX + INTEREST + DEPRECIATION + AMORTIZATION + OWNER'S CASH.



*The best price. The best terms.*

## Overview

The company was founded in 2011, providing high quality youthful urban and rhythmic music, including in-house editorial and content marketing. Because of its deep music industry/artist access, the company is a go-to source for A&R, management, promotions and marketing execs.

Since 2011, the company has rapidly grown. The company's website has over 4mm unique visitors to date and over 25mm page views. It has 80,000+ social media followers and its IOS and Android Apps have been initially in process to be designed. Over the years, it has been building artist pipelines with track records earnings and a rich pipeline of prospective artists to sign. It is in management's belief that with proper distribution channels, they have the ability to introduce the next wave of stars in the music industry.

The company requires \$750,000 to \$1M to fund growth plans over the next 12 months. Currently the company is owned by founding management team, with no outside capital to date. The company plans to use the money to purchase studio infrastructure and hire support personnel, and to develop and launch iOS and Android app. The money will also be used to sign and develop initial artist roster, create a database of user and for further branding.

## History

The Company was established in the 2011 by two 16-year-old urban and hip-hop music euthenists to provide the premier music.

## Business Activity

The company has a track record of predicting major hits. In 2016 alone, 12 artists released projects by major labels. Because of the deep connections inside the Chicago & New York music scene, the website is one of the top rhythmic/urban tastemaker with nearly 50 new submissions.

The company intends to use a cost effective way sign and promote the most talented. In-house recording will reduce the cost; utilizing blogs and PR firms will make artists maintain high-profile; diversifying the artist portfolio will minimize risk.

Unlike many creative businesses, the company takes a financially responsible approach that is business model-driven and ROI-based. This is the result of our venture capital and private equity investment background across three funds of over \$300 million in aggregate.

## Marketing

Currently, the company mainly relies on word of mouth, which already has an outstanding result. As 49% of current page views are on mobile, it is undoubtful the company will have organic growth once mobile app launch and the website is translated into 12 languages.

## Employees

Executive team has extensive experience in several music businesses, as well as technology businesses and private company investments. The CEO has over 20 years' experiences managing entertainment and tech companies whose annual sales are more than 250mm. Chief Administrative Officer is equipped with 20 years of corporate advising, venture capital, private equity and financial operations experience. Two co-founders, who are extremely enthusiastic about in-depth music, created the website from scratch. Of the 3 advisors, two of them are music composers and producers and one is a Legendary radio promotion man for well-known music group.

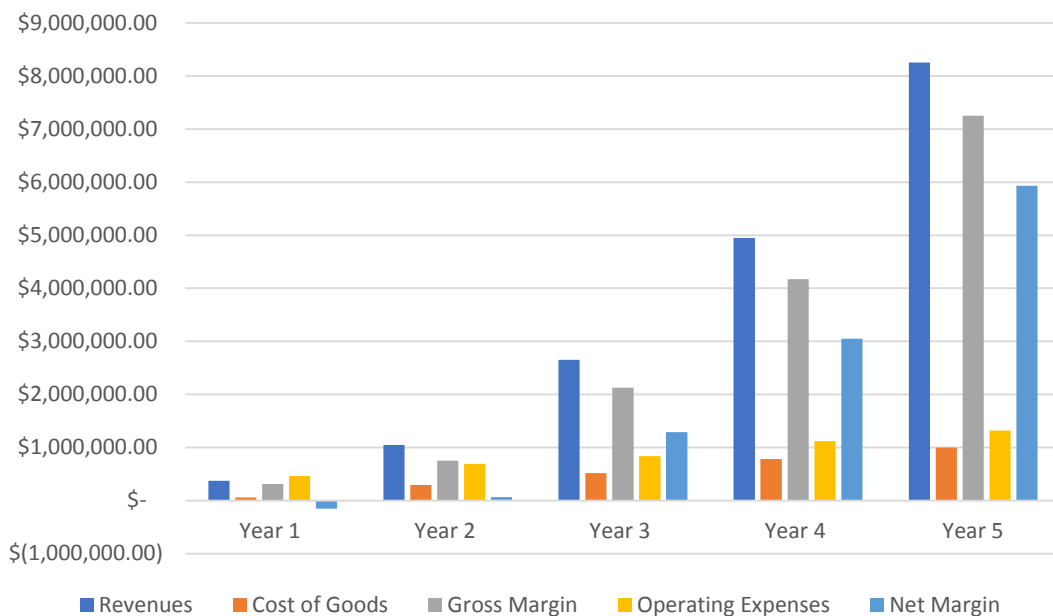
## Growth Plan

There are very few emerging music companies with the executive talent, artistic credibility, consumer following and corporate independence. In 2016, R&B / Hip-Hop is the most popular genre in the world according to Spotify. Thus, the company is extremely confident in its growth plan, which needs \$750,000 to \$1M.

1<sup>st</sup> Phrase: Evolve into a robust media company, and profit from targeted advertising, Live performance / sponsored artist showcases, merchandising and digital downloads.

2<sup>nd</sup> Phrase: the website and app monetize users across 6 platforms: Premium, Freemium, Sales , Affiliate Programs(with Google, Apple, SoundCloud, TIDAL and other 3<sup>rd</sup> parties), Advertising(Based on the user's profile and the proprietary search engine, this advertising will be highly targeted and will be sold on a cost per thousand impressions (CPM). ) and Merchandise(– branded lifestyle clothing to include t-shirts, hats, hoodies, etc along with artist and brand partnership).

Predicted Income Statement



# NON-DISCLOSURE AGREEMENT

COMPANY REPRESENTED: **Media Company in Music Industry** (the "Company")

ACCOUNT #:1143

This Non-Disclosure Agreement (the "Agreement") is entered into by and among EBIT Associates, Ltd., a registered business broker under the laws of the State of Illinois which represents the Company (the "Broker"), and the undersigned entity and/or individuals which have requested confidential information concerning the Company (collectively, the "Recipient"). The Broker is signing this Agreement as an agent (and for the direct benefit) of the Company. The Company is an intended third-party beneficiary of this Agreement and may enforce this Agreement against the Recipient.

In consideration of the mutual covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Nondisclosure of Evaluation Material.** Recipient agrees that the Evaluation Material (as defined in Section 2) is confidential and proprietary and will be used solely for the purpose of evaluating and negotiating a possible transaction (the "Transaction"), and that Recipient will keep the Evaluation Material strictly confidential, provided that Recipient may disclose such Evaluation Material to its directors, partners, officers, members, managers, employees, agents, financing sources, including, without limitation, attorneys, accountants, consultants and financial advisors (collectively, "Representatives") who need to know such information for the purpose of evaluating or negotiating the Transaction. Recipient agrees that Recipient will inform its Representatives of the confidential nature of the Evaluation Material, will instruct such Representatives to comply with the terms of this Agreement and will be responsible for any breach of this Agreement by its Representatives. Recipient understands that the Company reserves the right to adopt additional specific procedures to protect the confidentiality of certain sensitive Evaluation Materials. Recipient also agrees the Evaluation Material shall remain the property of the Company and the disclosure of such Evaluation Material shall not confer on Recipient any rights with respect to such Evaluation Material other than rights specifically set forth in this Agreement.
2. "Evaluation Material" means all information (whether written, oral or computerized) which is or has been furnished to Recipient or any of its Representatives by or on behalf of the Company (whether prepared by the Company, its advisors or otherwise), and all analyses, compilations, forecasts, studies or other documents prepared by Recipient or its Representatives that contain or reflect such information. "Evaluation Material" shall include, without limitation, all information relating to products, services, markets, customers, research, software, developments, inventions, designs, drawings, financial condition and results of operations, and trade secrets. Notwithstanding the foregoing, "Evaluation Material" shall not include information that (i) is or becomes generally available to the public other than as a result of an act or omission by Recipient or its Representatives, (ii) was in Recipient's possession on a non-confidential basis prior to the providing of such information to Recipient pursuant to this Agreement, (iii) becomes available to Recipient on a non-confidential basis from a source other than the Broker or the Company or any of our respective representatives, or (iv) has been independently acquired or developed by Recipient or its Representatives without violating any of Recipient's obligations under this Agreement or applicable law, provided that in the circumstances described in clause (ii) or (iii) of this Section 2, the source of such information was not known by Recipient to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, the Broker or the Company with respect to such information.
3. **Nondisclosure of Negotiations.** Recipient agrees that, without the prior written consent of the Broker or the Company, Recipient and its Representatives will not disclose to any other person (i) the fact that the Evaluation Material has been made available to the Recipient, (ii) that discussions or negotiations are taking place concerning a Transaction with the Company, (iii) any of the terms, conditions or other facts with respect to such a Transaction, or (iv) that this Agreement exists; provided that Recipient may make such disclosure regarding the status of negotiations if such disclosure is required (based upon advice of

counsel) to be made by Recipient in order that Recipient not commit a violation of law or otherwise violate a court order and Recipient promptly advises the Broker and the Company of the information Recipient propose to disclose. Recipient also agrees to use all reasonable efforts, at the Company's expense, to obtain confidential treatment for any such information to be disclosed.

4. Compelled Disclosure. If Recipient or any of its Representatives receive a request, under the terms of a valid or effective subpoena or order issued by a court or governmental body of competent jurisdiction, to disclose any Evaluation Material, Recipient will immediately notify the Broker and the Company of the existence, terms and circumstances surrounding such request, in order to permit the Company, at the Company's expense, to seek a protective order or take other action that the Company deems appropriate. If the disclosure of such information is required in the opinion of Recipient's counsel, Recipient may disclose without liability under this Agreement only the part of the Evaluation Material that is required to be disclosed and Recipient will use reasonable efforts, at the Company's expense, to obtain confidential treatment therefor.
5. No Representation or Warranty. Recipient acknowledges that neither the Broker nor the Company has made (and neither of them will make) any express or implied representation or warranty as to the accuracy or completeness of the Evaluation Material. Recipient agrees that neither the Broker nor the Company shall have any liability to Recipient or its Representatives resulting from their use of the Evaluation Material, other than as set forth in a definitive agreement, if any, with respect to a Transaction. Recipient further agrees that Recipient is not entitled to rely on the accuracy or completeness of the Evaluation Material and that Recipient will be entitled to rely solely on the representations and warranties that may be included in the definitive agreement, if any, with respect to a Transaction, subject to the limitations and restrictions contained therein.
6. Termination of Discussions or Negotiations. Recipient and the Company agree that no contract or other agreement with respect to a Transaction shall be deemed to exist between Recipient and the Company unless and until a definitive agreement with respect thereto has been executed and delivered. Recipient acknowledges that the Company reserves its right, in its sole discretion, to reject any and all proposals made by Recipient or on Recipient's behalf with regard to a Transaction, and to terminate discussions and negotiations at any time and for any or no reason.
7. Return or Destruction. If Recipient determines not to proceed with a Transaction, or, if at any time the Company so requests, Recipient will (and will instruct its Representatives to) promptly return to the Company or destroy (and, if requested, certify as to the destruction of) all copies of Evaluation Material provided to Recipient or its Representatives and any other written material containing or reflecting, or generated from, any information in the Evaluation Material, including, without limitation, all analyses, compilations, forecasts, studies or other documents prepared by Recipient or its Representatives. Notwithstanding the return or destruction of the Evaluation Material, Recipient will continue to be bound by its obligations under this Agreement during the term of this Agreement.
8. Restrictions. Recipient shall not communicate directly with any owners, directors, officers, managers or employees of the Company without the prior written approval of the Broker or the Company. Recipient agrees that for a period of one year from the date of this Agreement, Recipient will not, directly or indirectly, solicit for employment or hire any officers, managers or employees of the Company who became known to Recipient in connection with its consideration of the Transaction, provided that the foregoing provision will not prevent Recipient from engaging in a general solicitation of employment not specifically directed towards officers, managers or employees of the Company.
9. General Provisions. This Agreement shall inure to the benefit of and be binding upon the parties' respective successors and assigns; provided that Recipient shall not assign this Agreement without the Company's prior written consent. This Agreement contains the entire agreement between the parties concerning the subject matter hereof and supersedes all previous agreements, written or oral, relating to the subject matter hereof. No amendment, modification or discharge of this Agreement, and no waiver hereunder, shall be valid or binding unless set forth in writing and signed by each party. Any such waiver shall constitute a waiver only with respect to the specific matter described in such writing and shall in no way impair a party's rights in any other respect or at any other time. Each party also

agrees that no failure or delay by a party in exercising any right, power or privilege under this Agreement will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege under this Agreement. The Company reserves the right to seek equitable remedies and Recipient acknowledges that a breach of this Agreement may cause the Company irreparable harm that cannot be adequately compensated with damages. The Company shall be entitled to seek specific performance and injunctive or other equitable relief as a remedy for any such breach, without proof of damages and without posting any bond.

10. Execution. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.
11. Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, without giving effect to its conflict of laws principles or rules to the extent such principles or rules would require application of the laws of another jurisdiction. In the event of any litigation arising hereunder, each party agrees to submit to the exclusive jurisdiction of courts of the State of Illinois and of the United States located in the City of Chicago, waiving any objection that such venue is inconvenient.
12. Term. This Agreement shall terminate on the fourth (4th) anniversary of the latest date indicated below or on which a party executes this Agreement.

IN WITNESS WHEREOF, the parties or their duly authorized representatives have executed this Non-Disclosure Agreement as of the date(s) indicated below.

EBIT ASSOCIATES, LTD.

ENTITY RECIPIENT  
NAME: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

INDIVIDUAL RECIPIENTS:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

## Contact

Todd Cushing  
Principal  
EBIT Associates, Ltd.  
Phone: *+1 847 566 0500 ext 201*  
Email: [tcushing@ebitassociates.com](mailto:tcushing@ebitassociates.com)



**EBIT Associates, Ltd.**  
117 S. Cook Street #212  
Barrington, IL 60010

Phone: +1 847 566 0500  
Fax: +1 847 566 0100

[info@ebitassociates.com](mailto:info@ebitassociates.com)  
[www.ebitassociates.com](http://www.ebitassociates.com)

MEMBER: ALLIANCE OF MERGER & ACQUISITION ADVISORS (AM&AA)

MEMBER: MIDWEST BUSINESS BROKERS INTERMEDIARIES (MBBI)

EBIT Associates, Ltd. Specializes in providing M&A services to the lower middle market, corporate finance and corporate growth alternatives. The client pays EBIT's fees, and neither the client nor EBIT will pay fees to any third party without a written agreement. EBIT Associates, Ltd. is registered with the Illinois Securities Department.