

Investment Banking Update

NOT DISCLOSED

April 3rd, 2019



A portfolio company of

Stephens Capital Partners LLC

Has been acquired by

DOWNTOWN

The undersigned served as co-advisor to
AVL Digital Group

Stephens Inc.

Transaction Details

- On April 3rd, 2019, Downtown Music Holdings ("Downtown" or the "Company"), the parent company of Downtown Music Publishing and Songtrust, acquired fast-growing AVL Digital Group and its portfolio of industry-leading music distribution, rights management and artist services businesses, including AdRev, CD Baby, DashGo and Soundrop
- Having first pioneered digital distribution for independent artists as a launch partner for iTunes in 2003, AVL's diverse client base now includes over 900,000 artists, labels and other rights holders, representing the largest independent sound recording catalog in the music industry
 - Collectively, AVL's portfolio companies distribute and monetize over 10 million tracks across popular content streaming services, including Amazon, Apple Music, Spotify and YouTube
- As a result of this acquisition, Downtown will be the leading provider of end-to-end services to artists, songwriters, labels, music publishers and other rights holders. Its global footprint will include over 300 employees spanning fourteen markets in North America, Europe, Asia, Australia, and Latin America
- Advisors for AVL included Stephens Inc., The Raine Group and Offit Kurman

According to the Company's Press Release / Website:

AVL Digital Group

AVL Digital Group is a global network of music distribution and monetization brands, with offices in Portland (Oregon), NYC, Los Angeles, Brazil, Mexico, London, Singapore, and more. Together with AdRev, DashGo, Soundrop, Show.co, Illustrated Sound, and HostBaby, AVL Digital Group serves a diverse client base of over 900,000 artists, labels and other rights holders. AVL represents the largest independent sound-recording catalog in the music industry, distributing and monetizing over 10 million tracks across popular streaming services such as Amazon, Apple Music, Spotify and YouTube. AVL also administers the publishing rights for the largest group of songwriters in the world, with more than 200k composers enrolled in its CD Baby Pro Publishing service.

Downtown Music Holdings

Established in New York in 2007, Downtown has quickly emerged as a global leader in the modern music industry. The company's publishing division is home to some of the most iconic songs in the world including Gershwin & Heyward's "Summertime" and John Lennon and Yoko Ono's "Imagine." In 2019, its contemporary songwriters have been nominated for 18 Grammy Awards and scored multiple #1 hit singles including Lady Gaga and Bradley Cooper's "Shallow." Its Songtrust division, a global royalty collection provider, is one of the most widely used applications in the industry, serving over 170,000 songwriters and music publishers across 1.6 million song copyrights.

Sources: Publicly available information.

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