MARKET OPPORTUNITY & TIMING CASE

Working Framework v1

Investor Foundation Document

1. THE MARKET THESIS

The music industry is not shrinking. It is expanding while the infrastructure surrounding Artists is being reorganized.

Recorded music is growing. Independent Artists and labels are capturing meaningful economics. Live performance remains one of the largest and most visible expressions of Artist demand. Artificial intelligence is dramatically increasing the quantity of music that can be created and distributed. Artists have more direct access to audiences than at any prior point in the industry's history.

At the same time, the pathway from genuine talent to a sustainable professional career remains fragmented. The Company's opportunity exists inside that contradiction.

It has become easier than ever to release music. It has not become equally easy to build a career.

The Company is designed to become the operating layer between authentic talent and commercial viability.

2. RECORDED MUSIC IS A GROWING MARKET

Global recorded music revenue reached $31.7 billion in 2025. That represented 6.4% annual growth and the eleventh consecutive year of global recorded-music revenue growth.

Paid subscription streaming revenue increased 8.8%, while subscription streaming represented 52.4% of total global recorded-music revenue. IFPI reported approximately 837 million paid streaming subscription accounts globally.

The Company's thesis therefore does not depend on replacing a declining recorded-music economy. Recorded music continues to grow. What is changing is who can participate, how music reaches audiences, who controls the rights, and which organizations create the infrastructure around Artists.

GLOBAL RECORDED MUSIC REVENUE, 2025

$31.7B

IFPI Global Music Report 2026

3. INDEPENDENT MUSIC HAS BECOME ECONOMICALLY SIGNIFICANT

The independent route is no longer merely a developmental stage before a major-label contract.

Spotify reported that it paid more than $11 billion to the music industry in 2025. Approximately half of those royalties were generated by independent Artists and labels.

Spotify also reported that in 2025 more than 13,800 Artists generated at least $100,000 from Spotify alone, and more than one-third of Artists generating $10,000 or more were DIY Artists or began their careers through DIY distribution. More than 1,500 Artists generated at least $1 million from Spotify during the same year.

These figures come from Spotify and should therefore be understood as platform-reported data rather than independent industry auditing. Their strategic significance remains substantial.

Professional music careers increasingly exist outside the traditional major-label pipeline.

This expands the potential market for an organization designed specifically around independent and ownership-conscious Artists.

4. THE MARKET NO LONGER REQUIRES SUPERSTARDOM FOR EVERY SUCCESSFUL CAREER

The streaming economy has expanded the number of economically meaningful niches available to Artists.

Spotify reported that the 100,000th-highest-earning Artist on its platform generated more than $7,300 in 2025, compared with approximately $350 for the same rank in 2015.

The Company's core financial thesis is therefore consistent with a broader market shift. The objective does not need to be to manufacture a tiny number of global celebrities. It can instead be to systematically develop sustainable working Artists.

A portfolio can be economically meaningful even when many successful Artists never become household names. Breakout Artists provide asymmetric upside. They are not the sole definition of success.

5. LIVE PERFORMANCE IS A MASSIVE COMMERCIAL MARKET

Recorded music matters. But the Company is deliberately designed to move Artists toward live performance because the stage creates an additional and powerful commercial relationship between Artist and audience.

Live Nation reported $25.2 billion in 2025 total revenue. Its Concerts business generated approximately $20.9 billion. The Company reported 159 million fans attending approximately 55,000 shows globally during the year. It also reported investing nearly $15 billion into Artists and shows.

Live Nation represents only one participant in the global live ecosystem, so these figures should not be interpreted as the size of the Company's addressable market. They demonstrate the scale of economic activity surrounding live Artists.

LIVE NATION TOTAL REVENUE, 2025

$25.2B

159M fans across approximately 55,000 shows

6. CURRENT LIVE DEMAND REMAINS STRONG

The Company's timing is particularly relevant because live music demand remains significant in 2026.

Pollstar reported that during its 2026 mid-year measurement period, the Top 100 worldwide touring Artists generated approximately $3.16 billion in gross ticket revenue, representing a 12.3% increase over the comparable 2025 period.

Those tours sold approximately 26.35 million tickets, representing approximately 12.8% growth over the prior-year period. Both were reported as mid-year records.

The broader lesson is not that touring is automatically profitable. It is that audiences continue to place substantial economic value on live music.

7. LIVE IS POWERFUL, BUT IT IS NOT EASY

The Company should not romanticize touring economics. Pollstar has also documented pressure on smaller venue categories and Artists facing rising production and touring costs.

That creates an important distinction. Access to a stage is not enough.

An Artist needs a compelling show, appropriate repertoire, professional execution, ticket demand, controlled costs, routing discipline, commercial relationships, and an audience willing to return.

The Company is not simply designed to book more shows. It is designed to develop Artists capable of making live performance economically sustainable.

8. STREAMING AND LIVE ARE INCREASINGLY CONNECTED

Recorded music and live performance should not be treated as independent businesses.

Spotify reported that by 2026 it had helped generate more than $1.5 billion in concert ticket sales through connections between listeners and live shows.

This illustrates a key element of the Company's development model. Recorded music creates discoverability. Audience data creates evidence. Live performance monetizes and deepens the relationship.

Live audiences generate ticket revenue, merchandise opportunity, repeat engagement, social proof, content, sponsorship value, and increased recorded-music consumption. The two ecosystems reinforce one another.

9. MUSIC DISTRIBUTION HAS BEEN DEMOCRATIZED

Artists no longer require a traditional record company merely to make recorded music commercially available.

Modern distribution and service models can allow Artists to retain substantially more economic ownership than traditional label structures. Spotify's own Artist royalties guidance acknowledges a spectrum ranging from traditional label deals, where labels can receive the majority share in exchange for services and investment, through distribution and service arrangements where Artists retain nearly all earnings after applicable fees.

This creates a fundamental market shift. Distribution itself is no longer sufficient differentiation.

The scarce resources increasingly become judgment, capital, development, quality control, trusted relationships, professional strategy, audience conversion, and live commercialization. These are the Company's intended areas of differentiation.

10. ARTIST OWNERSHIP HAS BECOME A STRATEGIC ISSUE

Ownership of masters and publishing has become increasingly prominent in Artist negotiations and public discussion.

Legal scholarship has documented growing Artist resistance to permanent label ownership of masters and increased use of distribution and marketing relationships designed to preserve Artist ownership.

The Company's response is not to eliminate commercial participation. It is to separate ownership from monetization expertise.

The Artist can own the underlying master. The Company can receive a defined exclusive commercial license over recordings it finances. That allows the Company to deploy capital, manage the asset, generate revenue, recoup investment, and earn a return without requiring permanent ownership of the Artist's IP.

Artist ownership and Company monetization can coexist.

11. AI IS CREATING AN AUTHENTICITY PROBLEM

Generative AI has radically lowered the cost and effort required to produce enormous quantities of music.

In July 2026, Deezer reported receiving approximately 90,000 fully AI-generated tracks per day, with AI-generated tracks exceeding 50% of daily new music uploads at peak levels during June 2026.

Importantly, this does not mean half of music consumption is AI-generated. Deezer reported that fully AI-generated music represented only approximately 1% to 3% of streams on its platform. It also reported that up to 85% of streams associated with fully AI-generated tracks during 2025 were identified as fraudulent.

The distinction is important. AI is dramatically increasing supply. It has not demonstrated equivalent consumer demand.

FULLY AI-GENERATED TRACKS RECEIVED BY DEEZER

~90,000 / day

Reported July 2026

12. HUMAN AUTHENTICITY CAN BECOME MORE VALUABLE AS SYNTHETIC SUPPLY INCREASES

The Company's Human-First philosophy is therefore not merely cultural positioning. It can become a commercial filter.

When millions of recordings can be generated increasingly cheaply, the ability to verify human performance, real musicianship, real voice, real personality, and genuine stage capability can become increasingly meaningful.

The Company's fundamental A&R question becomes: Can this person do something undeniable when there is nowhere to hide?

The Company is not anti-technology. AI can assist workflow, research, organization, editing, technical processes, and agreed creative experimentation.

AI can increase efficiency. Human talent remains the asset.

13. TRANSPARENCY AROUND AI IS BECOMING A MARKET EXPECTATION

The industry is already moving toward more explicit differentiation between synthetic and human-created music.

Deezer has implemented identification and labeling of fully AI-generated recordings and excludes detected AI music from its editorial and algorithmic recommendations.

In research conducted with Ipsos, Deezer reported that approximately 80% of respondents believed AI-generated music should be clearly labeled.

The Company's Human-First Production Covenant therefore aligns with a developing market expectation: transparency.

The Company can tell Artists and audiences that if meaningful generative AI is used, the Artist knows. If voice or likeness is involved, explicit permission is required. The Artist will not unknowingly become the human face placed on top of synthetic creative output.

That trust has commercial value.

14. THE REAL BOTTLENECK IS DEVELOPMENT

The modern Artist already has access to tools. They can access recording software, distribution, social platforms, streaming services, AI tools, freelance producers, mixers, designers, PR firms, booking contacts, and marketing platforms.

The problem is that these services generally exist separately. The Artist is forced to become the integrator.

They must determine who is credible, what should happen first, what deserves capital, which advice to follow, what quality standard is required, when music is finished, how the recorded product becomes a live product, when to hire management, when to approach agents, how much to spend, and what rights to surrender.

The Company intends to replace that fragmentation with one development system.

15. THE ONE-STOP OPPORTUNITY

The Company's value is not that it performs every function internally. That would recreate expensive traditional-label infrastructure.

The value is that one organization remains accountable for the Artist's progression through the system.

The Company maintains internal control over Artist selection, Artist relationships, development strategy, creative direction, production quality, capital allocation, live-development strategy, and financial transparency.

It connects externally to specialist partners including distribution, publishing, sync, management, licensed booking agencies, venues, festivals, PR, brands, and touring infrastructure.

Integrated without needing to be vertically bloated.

16. THE TARGET ARTIST

The Company's ideal Artist is not simply unsigned. Signed Artists can also become Commercial Artist clients where contractual rights permit.

The primary Company-Funded Artist profile is an exceptional human performer with authentic creative identity, professional live ability, strong raw talent, commercial potential, willingness to work, coachability, a desire to own their career, and sufficient alignment with the Company's development process.

Existing audience is valuable. Existing releases are valuable. Existing revenue is valuable. But they are not the primary filter.

Talent comes first. The Company believes it can improve production, mixing, mastering, release strategy, commercial positioning, and live development. It cannot manufacture extraordinary human capability from nothing.

17. THE COMPANY SERVES TWO MARKET SEGMENTS

Company-Funded Artists receive Company investment because the business believes the opportunity justifies capital risk. They receive development without paying upfront and participate under the Company's progressive Artist Partnership Economics.

Commercial Artists, managers, or labels already possess capital. They pay the Company for access to its professional infrastructure. This produces near-term revenue while also creating potential future investment relationships.

Both groups receive the same human-first standards, professional safety standards, quality expectations, and financial transparency. The financing structure changes. The Company principles do not.

18. COMMERCIAL SERVICES CREATE A LOWER-RISK ENTRY POINT

The dual-path model creates a significant strategic advantage.

A Commercial Artist relationship can allow the Company to understand an Artist before investment. The Company can observe talent, behavior, professionalism, audience response, creative velocity, management quality, live capability, and commercial opportunity.

The Company is therefore not forced to make every Artist investment decision based on social metrics, demos, industry hype, or short meetings.

Some future Artist investments may emerge from relationships in which the Company has already been paid to work with the Artist.

Revenue can generate proprietary diligence.

19. THE ADDRESSABLE OPPORTUNITY SHOULD NOT BE EXAGGERATED

The Company should not claim that $31.7 billion of recorded music revenue plus tens of billions of live-music activity equals its total addressable market. That would be financially misleading.

Those markets demonstrate the scale of the ecosystems into which Company Artists can participate.

The Company's actual serviceable market must ultimately be determined from the number of Artists fitting its qualification criteria, their available commercial budgets, the number of Company-funded Artists the platform can support, the Company's potential contractual participation, geographic expansion, and relationships with managers, labels, and industry partners.

A more precise addressable-market model should be developed after the Company's initial Artist acquisition and pricing architecture is finalized.

Credibility is more valuable than an artificially enormous TAM slide.

20. THE TIMING WINDOW

Several structural trends are now occurring simultaneously.

Recorded music is growing. Independent Artists generate substantial streaming economics. Distribution barriers are low. Live audiences remain highly valuable. Artist ownership has become an increasingly visible negotiating priority. AI has dramatically increased synthetic music supply. Artists must navigate increasingly fragmented service providers. Managers and independent teams need reliable external development infrastructure. Consumers can discover Artists globally without traditional geographic limitations.

Together, these conditions create an unusual window for a Company designed around human talent, Artist ownership, capital, development, live commercialization, and transparency.

No individual trend creates the opportunity. Their convergence does.

21. WHY THE OLD LABEL MODEL DOES NOT NEED TO DISAPPEAR FOR THIS COMPANY TO WIN

The Company's thesis does not require the major-label industry to collapse.

Major labels continue to create substantial value through capital, distribution, marketing, global infrastructure, rights expertise, promotion, and commercial scale.

The Company's argument is narrower: that model is not appropriate for every Artist.

Independent Artists increasingly have alternatives. Managers increasingly assemble external teams. Distribution can be purchased separately. Capital can be structured separately. Live development can be structured separately. Rights ownership can be negotiated differently.

The opportunity is therefore not to destroy the labels. It is to build a better option for Artists whose needs and values no longer require the traditional structure.

22. TRUST CAN BECOME A MARKETPLACE ADVANTAGE

The Company intends to build trust on both sides of the Artist relationship.

Artists should eventually believe: If they choose us, they will be treated fairly.

Industry partners should eventually believe: If we bring them an Artist, the Artist is real.

That creates a two-sided reputation. For Artists: ownership, safety, transparency, development, commercial opportunity. For managers, agents, venues, festivals, and brands: quality, preparedness, professionalism, credible talent, reliable execution.

If successful, the Company's name becomes a quality signal. That reputation can reduce friction in Artist acquisition, Artist referrals, manager relationships, venue relationships, agent relationships, and commercial negotiations.

Trust becomes infrastructure.

23. THE COMPANY IS BUILDING A CURATION ADVANTAGE

As music supply increases, curation becomes more important.

The Company is deliberately selective. It does not need to sign hundreds of Artists simply to create catalog volume.

Its reputation should eventually mean: If this Company stands behind an Artist, there is something real there.

Every Artist therefore affects the value of the brand. Selection discipline is not merely capital protection. It is brand building.

Over time, stronger reputation can create access to stronger Artists. Stronger Artists can create better commercial outcomes. Better outcomes reinforce reputation. This creates the potential for a self-reinforcing sourcing advantage.

24. THE COMMERCIAL FLYWHEEL

Exceptional Human Talent

↓

Company Development

↓

Authentic Recorded Music

↓

Audience Discovery

↓

Live-Show Development

↓

Paid Performance

↓

Ticket + Recorded + Commercial Revenue

↓

Artist Career Sustainability

↓

Company Participation

↓

Capital Recovery + Return

↓

Greater Artist Investment Capacity

↓

Successful Artists Validate the Company

↓

Better Artists Seek the Company

↓

Stronger Industry Partners Engage

↓

Better Opportunities Become Available

↓

More Valuable Artist Careers

The Company is not attempting to maximize extraction at each stage. It is attempting to maximize the lifetime commercial value of the ecosystem.

25. WHAT SUCCESS LOOKS LIKE

The Company does not need every Artist to become famous.

Success is an Artist who increasingly earns their living from music.

That progression can include recorded-music revenue, paid shows, ticket growth, festival progression, sponsorship, sync, publishing, merchandise, catalog development, larger audiences, higher guarantees, and career sustainability.

The Company seeks to convert talent into economic independence. Stardom may emerge from that process. It is not the contractual promise.

26. THE MARKET OPPORTUNITY

The opportunity is not simply to create another record company.

It is to build the development infrastructure that the modern independent Artist increasingly needs but currently assembles piecemeal.

A Company capable of combining capital, creative development, production, quality control, rights strategy, commercial education, live development, trusted partnerships, transparent economics, and Artist ownership can occupy a valuable position between DIY independence and traditional institutional control.

The Artist does not have to choose between doing everything alone and surrendering everything for help. The Company is designed to occupy the space between those two choices.

27. CORE TIMING THESIS

The music industry currently has more distribution, more music, more technology, more independent Artists, more direct audience access, and more synthetic content than at any previous stage of its development.

What remains scarce is trusted judgment, authentic human talent, coordinated development, disciplined capital, professional live preparation, and transparent commercial alignment.

Those are precisely the assets the Company intends to organize.

This is why the opportunity exists now. Not because music is broken, but because music is growing faster than the trusted infrastructure around the people making it.

SELECTED SOURCE REFERENCES

IFPI, Global Music Report 2026: https://www.ifpi.org/global-music-report-2026-global-recorded-music-revenues-grow-6-4-as-record-companies-drive-innovation/

Spotify Newsroom, 2025 Music Industry Payouts: https://newsroom.spotify.com/2026-01-28/2025-music-industry-payouts-whats-next-for-artists/

Spotify Loud & Clear 2026 Highlights: https://newsroom.spotify.com/2026-03-11/loud-and-clear-music-economics-highlights/

Live Nation Entertainment, FY 2025 Results: https://investors.livenationentertainment.com/sec-filings/all-sec-filings/content/0001335258-26-000007/lyv-2025q4xex991er.htm

Pollstar, 2026 Mid-Year Business Analysis: https://news.pollstar.com/2026/06/22/mid-year-business-analysis-top-100-tours-set-records-per-show-averages-drop/

Pollstar, Year-End Small Venue Analysis: https://news.pollstar.com/2025/12/14/a-helluva-year-end-talking-top-tours-small-venues/

Spotify for Artists, Royalties Guide: https://artists.spotify.com/en/royalties-guide

Vanderbilt Journal of Entertainment & Technology Law: https://www.vanderbilt.edu/jetlaw/wp-content/uploads/sites/356/2025/03/Mulraine_FINAL.pdf

Deezer, AI Music Daily Uploads Report, July 2026: https://newsroom-deezer.com/2026/07/ai-music-exceeds-50-percent-daily-uploads-deezer/

Deezer / Ipsos, AI Music Transparency Research, 2026: https://newsroom-deezer.com/2026/06/world-cup-2026-ai-generated-music-deezer/