

COMMERCIAL SERVICES MODEL

Clean-Start Operating Assumptions | v2

Decision: PROJECT:ONE launches as a structurally independent business. Commercial Services begin with \$0 of inherited revenue and are built organically under the PROJECT:ONE brand.

Capitalization context: \$8,000,000 working equity raise

Working Commercial Services objective: approximately \$2.5M-\$3.5M annual revenue run rate by the end of the initial 30-36 month capitalization period

Prepared September 18, 2026

1. CLEAN-START OPERATING ASSUMPTION

Commercial Services begin at \$0 of inherited revenue in Month 1.

PROJECT:ONE does not claim transferred clients, inherited contracts, or pre-existing revenue from the Founder's other businesses in its investor model.

Existing Founder brands remain operationally and financially separate from PROJECT:ONE at launch.

If an existing Founder relationship later becomes a PROJECT:ONE client, partner, or referral source, that activity is treated as newly generated PROJECT:ONE business.

The Company should be able to demonstrate exactly what the \$8M capitalization built and exactly what revenue PROJECT:ONE generated.

"The financial model assumes no transferred client revenue at launch. Commercial Services revenue is built organically through PROJECT:ONE."

2. WHY THE SEPARATION MATTERS

- Structural clarity: PROJECT:ONE is not presented as an extension or rebrand of another Founder business.
- Clean investor attribution: revenue, expenses, Artist investments, and enterprise value are attributable to PROJECT:ONE itself.
- No artificial cross-subsidy: the Company stands on its own financial and operating merits.
- Brand integrity: PROJECT:ONE develops its own identity, culture, contracts, banking, accounting, Artist roster, commercial pipeline, rights infrastructure, and industry relationships.
- Future flexibility: existing Founder relationships can still become referral sources, strategic partners, vendors, or clients when appropriate without being required to validate the launch case.

3. WHAT THE \$8M CAPITALIZATION CHANGES

The clean-start principle does not change. The speed and quality of execution do.

The larger capitalization supports a materially stronger Commercial Services build through:

- dedicated marketing and Artist/client acquisition capital within the broader \$800K acquisition budget
- \$300K of Commercial Revenue Infrastructure
- stronger senior operating and commercial leadership
- greater A&R; and relationship-development capacity
- more production and project-management bandwidth
- more credible access to established independent Artists, managers, labels, and Artist teams
- sufficient runway to avoid taking low-value work merely to cover payroll

The objective is to build a premium commercial platform capable of carrying a substantial portion of Company overhead while also creating a paid A&R; funnel.

4. ONE BRAND, TWO PATHWAYS

Commercial Services and Company-Funded Artist Partnerships operate under the same PROJECT:ONE brand as two distinct pathways within the Artist journey.

Commercial Artist Partnership: the Artist, manager, label, or other professional partner pays for premium PROJECT:ONE services.

Company-Funded Artist Partnership: PROJECT:ONE selects the Artist, deploys Company capital, and participates in the commercial value it helps create.

An Artist can begin through Commercial Services and later become an investment candidate where the working relationship creates sufficient evidence and conviction.

5. TARGET COMMERCIAL CLIENT

Commercial Services should be positioned as premium Artist-development infrastructure, not a low-cost studio-services menu.

Primary customers include:

- established independent Artists
- signed Artists with development or completion needs
- Artist managers
- labels
- Artist teams
- touring Artists requiring live development
- rights holders or strategic partners seeking production and development support

The ideal Commercial Services client has a real budget, meaningful career intent, and a problem that PROJECT:ONE's production, development, live, or commercial expertise can solve.

6. CORE COMMERCIAL SERVICES OFFERS

Executive Production + Artist Development	\$10K-\$20K / month	Typically 3-6 months. Creative oversight, development strategy, production direction, quality control, live/commercial integration, and coordinated execution.
Production Completion	\$20K-\$50K+ / project	Professional completion of demos, singles, EPs, or albums including production oversight, mix/master coordination, and delivery.
Live Show Development	\$20K-\$40K / project	Set architecture, musical direction, arrangements, transitions, playback strategy, rehearsal direction, performance dynamics, and festival readiness.
Artist Development Intensive	\$10K-\$20K	Catalog, identity, production direction, live viability, commercial plan, and release direction. Can function as paid qualification.
Label / Management Development Partner	\$15K-\$35K / month	Recurring B2B relationship supporting multiple Artists and creating a consistent pipeline of professional engagements and potential future investment candidates.

7. COMMERCIAL SERVICES REVENUE RAMP

The official base case continues to reflect a genuine clean start. Revenue is weighted toward later periods after PROJECT:ONE has created relationships, case studies, Artist activity, senior capacity, commercial proof, and market credibility.

Period	Revenue Range
Months 1-3	\$25K-\$50K
Months 4-6	\$75K-\$125K
Months 7-12	\$300K-\$350K
Year 1 Target	Approximately \$500K
Months 13-18	\$500K-\$600K
Months 19-24	\$650K-\$750K
Year 2 Target	Approximately \$1.25M
Months 25-30	\$1.4M-\$1.6M
30-Month Base Case	Approximately \$3.25M
Exit Annualized Run Rate	Approximately \$2.8M-\$3.2M

The end-state objective remains a roughly \$2.5M-\$3.5M annual Commercial Services run rate. The base case targets the middle of that range rather than relying on the strongest scenario.

8. COMMERCIAL SERVICES MARGIN

Commercial Services revenue is not pure profit. Engagements can require outside producers, engineers, mixers, studios, travel, technical services, specialist creatives, and project-specific fulfillment.

Base planning assumption: approximately 60% gross / contribution margin.

	Conservative	Base	Strong
Revenue	\$2.0M	\$3.25M	\$4.5M
Operating Costs	\$1.10M	\$1.95M	\$2.93M
Operating Contribution	55%	60%	65%

The Company does not need the Strong case to validate the model. The Base case creates meaningful operating contribution, and even the Conservative case returns substantial earned capital to the system.

9. CLIENT ACQUISITION + BUSINESS DEVELOPMENT

The \$8M structure creates dedicated resources to build a commercial pipeline rather than relying on Founder relationships alone.

Commercial acquisition should combine:

- Founder and senior-team relationships
- manager and label business development
- Artist referrals
- live-industry relationships
- selective outbound targeting
- showcase and event presence
- case-study driven inbound demand
- strategic partnerships
- thought leadership and industry positioning
- measured paid acquisition where attribution is credible

Commercial acquisition should be measured by pipeline quality, conversion, client lifetime value, margin, repeat engagements, referral rate, and the number of high-quality investment candidates created.

10. COMMERCIAL SERVICES AS PAID A&R;

Commercial Services create more than fee revenue. They can materially improve Artist underwriting.

A manager, label, or Artist may initially engage PROJECT:ONE for a paid project. During that engagement, the Company gains first-hand evidence regarding talent, professionalism, audience response, live capability, execution speed, management quality, commercial potential, and capital efficiency.

Commercial Artist -> Paid Relationship -> Operating Data -> Proven Talent -> Investment Candidate -> Company-Funded Artist Partnership

The Company can, in some cases, be paid while performing the diligence that informs a future investment decision.

11. FOUNDER CAPACITY + SENIOR TEAM SCALING

The Founder should maintain approximately 5-8 meaningful high-touch Artist relationships at one time while senior leadership and operating teams support the broader target of approximately 15-20 active Artist relationships.

The Founder should progressively function less as the bottleneck producer or project manager and more as the central strategic, creative, A&R, relationship, and capital-allocation authority.

Senior team development should allow PROJECT:ONE to increase commercial capacity without reducing Artist trust or creative standards.

12. INVESTOR INTERPRETATION

The clean-start assumption remains intentionally conservative. Investors are not being asked to credit revenue from businesses they are not financing.

- The \$8M capitalization must be sufficient without assuming inherited revenue.
- Commercial Services should progressively reduce net burn and extend effective runway.
- Commercial revenue should become capable of substantially supporting recurring Company payroll and overhead.
- Commercial Services revenue is additive rather than necessary to rescue the operating model.
- Future business sourced from existing Founder relationships is treated as new PROJECT:ONE revenue when it actually converts.
- The Company develops its own commercial gravity rather than borrowing credibility from other Founder ventures.

13. STRATEGIC PRINCIPLE

PROJECT:ONE should become a destination in its own right. Artists, managers, labels, and partners should seek it out because of the quality of its development system, its trust standards, its production and live-performance capability, and its ability to create sustainable Artist careers.

Operating conclusion: launch clean, build premium revenue organically, scale senior capacity deliberately, and use Commercial Services to carry the machine while funded Artist partnerships create the upside.