

VALUATION CASE

\$24,000,000 Pre-Money Valuation | \$8,000,000 Initial Financing | Working Framework v2

Current proposition: \$24M pre-money, \$8M new capital, \$32M post-money, 25% new investor ownership.

The valuation is a negotiated early-stage enterprise valuation. It is not derived solely from historical revenue or EBITDA.

Prepared September 18, 2026

1. VALUATION POSITION

PROJECT:ONE's current financing proposition is:

- \$24,000,000 pre-money valuation
- \$8,000,000 new capital
- \$32,000,000 post-money valuation
- 25% new investor ownership
- 75% existing ownership before any separately negotiated employee or executive equity-pool mechanics

This valuation should be understood as a negotiated early-stage enterprise valuation rather than a value derived solely from trailing revenue or EBITDA.

PROJECT:ONE is being capitalized as a new operating platform. The valuation therefore depends on the Founder, the market opportunity, the operating model, the Artist Partnership architecture, the Commercial Services engine, the capital-allocation framework, the portfolio economics, the management plan, and the enterprise the financing is designed to create.

The Company should present \$24M pre-money as the current proposition and be prepared to defend the premium rather than treating it as self-evident.

2. WHAT THE INVESTOR IS BUYING

The investor is not investing \$8M into an individual music producer. The investor is not financing a recording studio. The investor is not purchasing a collection of speculative songs.

The investor is purchasing approximately 25% of a Company designed to become a scalable Artist development and commercialization platform.

Commercial Services

Near-term fee-generating professional revenue built through premium Artist development, production, live-show development, executive production, quality control, strategy, and B2B relationships.

Company-Funded Artist Partnerships

Longer-term contractual participation in commercial value created through selected Artist investments.

Investor capital finances a machine designed to repeatedly identify talent, develop talent, create and commercialize music, build audiences, prepare Artists for professional live performance, generate revenue, recover capital, and reinvest into future Artists.

3. WHY A TRADITIONAL EBITDA VALUATION IS NOT APPROPRIATE

PROJECT:ONE begins as a clean-start enterprise. It is intentionally not transferring historical revenue from the Founder's existing businesses into the Company simply to create the appearance of operating history.

Traditional trailing-revenue or EBITDA multiples therefore have limited usefulness at formation.

Early-stage valuation should instead consider:

- Founder-market fit and human capital
- intellectual and operating architecture
- market opportunity
- Commercial Services revenue architecture
- Artist-level and portfolio economics
- capital efficiency
- scalability beyond the Founder
- management depth created by the financing
- strategic optionality
- quality of investor protections and governance

4. CURRENT PRIVATE-MARKET CONTEXT

PitchBook and the National Venture Capital Association reported a median U.S. seed pre-money valuation of approximately \$18.4M in Q1 2026 and a median seed deal size of approximately \$3.0M.

PROJECT:ONE's \$24M pre-money valuation is above that reported seed median, and the proposed \$8M financing is materially larger than the reported median seed round.

That comparison should not be hidden. It means the Company must justify a premium through the size of the opportunity, the amount of institutional capital being deployed, the developed operating architecture, the dual revenue model, the Founder case, the Artist economics, the larger management build, and the amount of strategic runway being created.

The venture market is not a direct comparable for a music development company. The data is market context, not proof of value.

5. MARKET ECONOMICS SUPPORT THE OPPORTUNITY

The existing Market Opportunity framework identifies a growing recorded-music market, meaningful independent-Artist economics, and a large live-performance ecosystem. These figures demonstrate the scale of the commercial environments in which PROJECT:ONE Artists can participate, not PROJECT:ONE's direct addressable revenue.

The core valuation argument is therefore not that PROJECT:ONE owns a percentage of the global music market. It is that the Company is being built inside large and durable commercial ecosystems where development, rights, live performance, and Artist services can generate meaningful enterprise value.

6. THE FOUNDER VALUE

PROJECT:ONE is Founder-led because its initial competitive advantage depends heavily on judgment.

The Founder brings multidisciplinary experience across music production, songwriting, creative direction, Artist development, business strategy, commercial development, media, branding, performance, leadership, and operating businesses around creative talent.

The intended role is Founder, Chief Executive, Creative Authority, senior A&R; judgment, and Artist Development Strategist.

The \$8M plan is designed to use that Founder advantage while institutionalizing it faster through senior operations, A&R; systems, Artist Partnerships leadership, commercial growth, production standards, financial controls, additional creative leadership, and portfolio history.

PROJECT:ONE begins Founder-led. It is being designed not to remain Founder-dependent.

7. THE BUSINESS HAS BEEN ARCHITECTED BEFORE CAPITALIZATION

Investor capital is not being requested to discover what the business should be. PROJECT:ONE has already developed an integrated working architecture governing:

- Company Philosophy: Company Constitution
- Artist Relationship Structure: Artist Partnership Model
- Artist-Level Economics: Artist Partnership Economics
- Artist Acquisition: A&R; Strategy
- Capital Deployment: \$8M Capital Strategy and Use of Proceeds
- Operating Structure: 30-Month Operating Model
- Commercial Revenue: Commercial Services Model and Revenue Plan
- Investor Economics: \$8M Investor Return Architecture
- Financial Planning: 30-Month Consolidated Financial Model
- Founder / Management Institutionalization: Founder & Management Case

This work does not substitute for execution. It does reduce a meaningful category of early-stage risk: business-model ambiguity.

8. TWO REVENUE ENGINES REDUCE DEPENDENCE ON A SINGLE OUTCOME

Commercial Services

Premium fee-generating revenue from Artists, managers, labels, and professional teams.

Company-Funded Artist Partnerships

Selected Artists create potential longer-term Company participation through live revenue, master revenue, publishing, sync, sponsorship, and directly created commercial opportunities.

The commercial business carries the machine. The Artist portfolio creates the upside.

9. COMMERCIAL SERVICES CREATE MORE THAN REVENUE

Commercial Services also create an economically useful Artist acquisition funnel. A paid relationship allows PROJECT:ONE to observe talent, professionalism, work ethic, creative compatibility, audience response, live ability, management quality, rights clarity, execution speed, and commercial potential before investment capital is deployed.

Paid Relationship -> Operating Evidence -> Investment Decision

In some cases, PROJECT:ONE can be paid while performing the diligence that informs a future Artist investment decision.

10. CAPITAL EFFICIENCY

PROJECT:ONE does not initially require ownership of a studio, expensive real estate, large permanent touring infrastructure, or a vertically integrated version of every music-industry function.

The operating model uses remote production, partner studios, contract specialists, outside producers, licensed booking infrastructure, and specialist commercial partners while keeping the Company's highest-value capabilities internal.

The \$8M capitalization is therefore directed primarily toward people, Artist capital, Artist acceleration, acquisition, commercial infrastructure, rights and financial systems, and strategic reserves rather than depreciating physical infrastructure.

11. ARTIST CAPITAL IS STAGED

PROJECT:ONE does not automatically invest \$50,000 into every selected Artist.

The standard initial authorization remains up to \$50,000, released through evidence-based gates.

The current \$8M capital plan provides approximately \$2.0M of Artist Investment Capital and a separate \$1.6M Artist Acceleration Reserve.

An Artist may stop after a smaller validation deployment. A stronger opportunity may receive the full initial authorization. Artists producing compelling evidence can receive additional \$25K, \$50K, \$100K+ tranches from the Acceleration Reserve.

Capital follows evidence.

12. ARTIST-LEVEL UNIT ECONOMICS

The approved Artist Partnership Economics continue to illustrate three potential commercial outcomes. These are illustrative Artist-level cases, not historical PROJECT:ONE returns or Company forecasts.

Developmental	\$30K	~\$16.8K	~0.56x
Sustainable	\$50K	~\$137K	~2.74x
Breakout	\$50K	~\$214K	~4.28x

The Company does not require permanent Artist captivity to create meaningful unit-level economics.

13. PORTFOLIO ECONOMICS MATTER MORE THAN HIT PREDICTION

PROJECT:ONE should not be valued on the assumption that management can consistently predict global superstars.

The 30-month financial model uses a Base Case of approximately 8 Company-Funded Artists: 2 developmental, 5 sustainable, and 1 breakout. The broader operating plan targets approximately 15 to 20 active Artist relationships across funded and Commercial pathways.

The working 30 to 36 month outcome target is approximately 4 to 6 funded Artists demonstrating sustainable professional economics and approximately 1 to 2 Artists demonstrating breakout-level evidence.

These are management planning targets, not guarantees.

14. THE \$8 MILLION ROUND PROVIDES STRATEGIC OPTIONALITY

The \$8M capitalization is designed to materially expand PROJECT:ONE's ability to act.

- Compete for stronger Artists already receiving market attention
- Deploy substantially more follow-on capital behind evidence-backed winners
- Recruit stronger senior operators earlier
- Build Artist and client acquisition deliberately rather than relying only on Founder relationships
- Scale Commercial Services toward a multi-million-dollar annual run rate
- Maintain longer runway and negotiate from financial strength
- Avoid premature follow-on fundraising
- Preserve Artist-friendly economics during periods of revenue volatility

15. CLEAN-START ASSUMPTIONS INCREASE FORECAST CREDIBILITY

The operating model assumes \$0 of transferred Commercial Services revenue from the Founder's existing companies.

The current 30-month Base Case models approximately \$3.25M of Commercial Services revenue and approximately \$1.95M of Commercial Services contribution after direct service-delivery costs.

Company Artist Partnership receipts are modeled at approximately \$487K during the same 30-month period.

The model intentionally attributes no incremental Artist Partnership receipts to Acceleration Reserve deployments during the 30-month horizon. That preserves potential acceleration upside outside the base underwriting.

16. BASE-CASE CAPITAL POSITION

	Conservative Case
Opening Capital	\$8.00M
Commercial Services Revenue	~\$3.25M
Commercial Services Contribution	~\$1.95M
Company Artist Partnership Receipts	~\$487K
Artist Capital + Acceleration Deployed	~\$1.21M
Core Team + Operations + Founder Compensation	~\$2.30M
Marketing + Commercial Revenue Infrastructure	~\$1.10M
Legal, Rights, Finance + Technology	~\$300K
Modeled Contingency Utilization	~\$200K
Ending Cash	~\$5.33M
Protected / Undeployed Reserves	~\$2.89M

These figures are management planning assumptions rather than guaranteed outcomes. Their significance is that the current Base Case preserves substantial liquidity while building the operating platform and funded-Artist portfolio.

17. DOWNSIDE RESILIENCE

The current Conservative Case assumes approximately \$2.0M of Commercial Services revenue over 30 months, approximately \$1.10M of Commercial Services contribution, and approximately \$281K of Company Artist Partnership receipts.

Under that case, modeled ending cash is approximately \$4.69M.

This does not make the investment low-risk. It indicates that the larger capitalization provides meaningful operating resilience if Commercial Services and Artist receipts develop more slowly than the Base Case.

The Company is designed so that insufficient early Artist returns do not immediately become an existential financing event.

18. MARKET VALIDATION FOR ARTIST-FIRST INFRASTRUCTURE

The market has demonstrated institutional appetite for businesses that provide alternatives to traditional record-label infrastructure.

UnitedMasters has raised institutional capital around independent Artist distribution, data, brand opportunities, and Artist control of masters.

gamma launched as an alternative music company combining Artist development, recording, distribution, services, and technology. In 2024, a \$100M financing was reported at an approximately \$400M valuation.

Create Music Group completed a financing of more than \$450M in March 2026 at a reported \$2.2B valuation, following a prior 2024 minority investment at a \$1B valuation.

These are not direct valuation comparables for PROJECT:ONE. Their relevance is directional: institutional capital has financed Artist services, ownership-oriented infrastructure, music technology, rights participation, and commercialization businesses at meaningful enterprise values.

19. WHAT THESE COMPARABLES DO NOT PROVE

PROJECT:ONE should never argue that another music company is worth hundreds of millions or billions of dollars and therefore PROJECT:ONE must be worth \$24M.

Scale, maturity, revenue, assets, technology, customer base, and capital history differ materially.

The narrower conclusion is that the market can assign significant enterprise value to modern music infrastructure when it proves strategic relevance and scale.

20. THE DIFFERENTIATION

- Exceptional human talent as the primary selection filter
- Artist-owned underlying funded masters
- Company-financed development for selected Artists
- \$2.0M initial Artist Investment Capital
- \$1.6M evidence-based Artist Acceleration Reserve
- Human-first AI standards
- Professional safety standards
- Artist education and strategic consultancy
- Live-show development as a central operating function
- Transparent financial reporting
- Progressive Artist economics
- Commercial Services for fee-paying Artists and industry partners
- Portfolio investment in selected Artists
- Manager, distribution, publishing, booking, touring, and specialist partnerships rather than attempting to replace every industry function

PROJECT:ONE is building the central Artist-development operating layer connecting those functions.

21. TRUST AS ECONOMIC INFRASTRUCTURE

PROJECT:ONE's Artist-facing principles are not separate from its economics. They are intended to create a sourcing and retention advantage.

If successful, those principles should increase the likelihood that exceptional Artists seek out the Company, refer other talented Artists, remain voluntarily connected to the ecosystem, and trust the Company's commercial guidance.

Trust lowers acquisition friction. Reputation improves talent access. Better talent improves portfolio quality. Better portfolio performance strengthens the brand.

22. DILUTION SENSITIVITY

The table below is ownership math, not a recommended negotiation range. It illustrates how valuation changes affect dilution for the same \$8M financing.

\$24M	\$32M	25.0%
\$22M	\$30M	26.7%
\$20M	\$28M	28.6%
\$18M	\$26M	30.8%
\$16M	\$24M	33.3%

The current proposition remains \$24M pre-money. PROJECT:ONE should not pre-negotiate against itself by treating lower valuations as an internal target range.

23. WHY NOT PRICE THE \$8M ROUND AT THE OLD \$16M PRE-MONEY

At a \$16M pre-money valuation, an \$8M financing would purchase approximately one-third of the Company before any separately negotiated option-pool mechanics.

That level of initial institutional dilution would materially reduce Founder and existing-owner participation while the Company still needs capacity for senior-team incentives, strategic partners, future financings, acquisitions, and long-term alignment.

The larger raise is specifically intended to build substantially more enterprise capacity. Pricing the round at a materially lower pre-money valuation would increase investor ownership while discounting the expanded operating architecture and would materially change control and dilution outcomes.

24. WHY \$24M REQUIRES A STRONGER CASE THAN \$16M DID

A \$24M pre-money valuation is a more ambitious proposition than the former \$16M case.

PROJECT:ONE remains a clean-start enterprise without transferred recurring revenue, a mature funded-Artist portfolio, several years of audited Company history, or demonstrated Company-level portfolio returns.

The valuation therefore cannot be defended merely by citing market growth or Founder experience.

The stronger case is cumulative: a larger and more resilient capitalization, a substantially larger Commercial Services plan, a dedicated acquisition budget, deeper management institutionalization, a \$1.6M acceleration reserve, explicit portfolio targets, updated financial modeling, and a financing structure that gives investors 25% of the Company at entry.

The valuation is defensible only if the Company can explain why the \$8M builds a materially more valuable enterprise than the earlier plan.

25. INVESTOR RETURN AT THE PROPOSED ENTRY PRICE

Assuming 25% ownership and ignoring future dilution for illustration:

\$32M	\$8M	1.0x
\$50M	\$12.5M	1.56x
\$100M	\$25M	3.13x
\$250M	\$62.5M	7.81x
\$500M	\$125M	15.63x
\$1.0B	\$250M	31.25x

These figures are illustrative. They do not include future dilution, preference interactions, taxes, transaction costs, or time-to-exit effects and do not represent guaranteed returns.

26. WHAT MUST BE TRUE FOR \$24M TO BE JUSTIFIED

- Identify exceptional Artists consistently
- Generate Commercial Services revenue from a clean start
- Scale Commercial Services toward the modeled multi-million-dollar annual run rate
- Deploy Artist capital selectively
- Use the Acceleration Reserve only where evidence supports it
- Maintain professional and trusted Artist relationships
- Convert recorded work into live opportunity
- Produce sustainable working Artists
- Recover capital from successful Artist relationships
- Develop strong manager, agent, venue, festival, distribution, publishing, sync, brand, and strategic relationships
- Maintain disciplined Company overhead despite larger capitalization
- Build an 8 to 10 person core team with real functional ownership
- Reduce routine Founder dependency while preserving Founder-led A&R, culture, capital allocation, and high-value creative judgment
- Preserve the trust and ownership principles that differentiate PROJECT:ONE

If PROJECT:ONE cannot accomplish these things, the valuation thesis weakens. The \$24M valuation is the proposed price at which investors are being offered participation in that execution opportunity.

27. VALUATION DEFENSE

If asked, "How can a clean-start Company be worth \$24 million?" the response should be:

We are not asking you to value historical revenue that does not exist. We are asking you to value the platform being capitalized, the people capable of building it, the economics already designed underneath it, the commercial engine we intend to build, the portfolio architecture, and the size of the opportunity in which it will operate.

The \$8M is not being used to find a business model. The model has been architected. The capital is being used to execute it with greater speed, stronger senior leadership, more competitive Artist acquisition, a larger commercial engine, and sufficient reserves to accelerate the Artists that prove the thesis.

At \$24M pre-money, the investor owns 25% of the enterprise. PROJECT:ONE believes that appropriately balances the risk being taken by new capital with Founder contribution, developed business architecture, future dilution requirements, and the enterprise value that can be created if the system works.

28. NEGOTIATING PRINCIPLE

Valuation must never be considered separately from terms.

A \$24M valuation with participating preferred stock, multiple liquidation preferences, permanent revenue participation, excessive Board control, punitive anti-dilution, inappropriate Artist-IP rights, or mandatory redemption can be economically worse than a lower valuation with clean terms.

Management should optimize for capital, valuation, control, investor alignment, and clean economics as a package.

29. RECOMMENDED POSITION

\$8,000,000 Raise | \$24,000,000 Pre-Money | \$32,000,000 Post-Money | 25% New Investor Ownership

Supported by the \$8M Capital Strategy, 30 to 36 months of planned operating capacity, two revenue engines, staged Artist investment, a \$1.6M Artist Acceleration Reserve, defined Artist unit economics, a \$3.25M 30-month Commercial Services Base Case, a larger senior management build, clean-start assumptions, Founder-market fit, current music-market fundamentals, and a differentiated Artist proposition.

Management should be prepared to defend the proposition. It should not apologize for presenting it.

30. CORE VALUATION THESIS

PROJECT:ONE is valuable because it is attempting to solve an expensive and persistent problem.

Exceptional musicians frequently possess the hardest component of a music career: talent.

What they often lack is capital, production infrastructure, quality control, commercial knowledge, trusted development, professional live preparation, industry relationships, and an aligned operating partner.

The traditional solution frequently asks Artists to exchange ownership and control for access. PROJECT:ONE's thesis is that those things can be separated.

Artists can own more. Investors can still participate in enterprise value. PROJECT:ONE can earn meaningful returns. Audiences can discover exceptional performers. And live performance can become the commercial destination around which the development system is built.

The \$24M pre-money valuation reflects the proposed price of the Company capable of proving that thesis at materially greater institutional scale.

SELECTED SOURCE NOTES

PROJECT:ONE, 30-Month Consolidated Financial Model v2 - \$8M capitalization. Base Case: \$3.25M Commercial Services revenue, ~\$1.95M Commercial Services contribution, ~\$487K Artist Partnership receipts, ~\$5.33M ending cash, ~\$2.89M protected / undeployed reserves.

PROJECT:ONE, Artist Partnership Economics v3 - illustrative developmental, sustainable, and breakout Artist-level economics. These are modeled cases, not realized PROJECT:ONE returns.

PitchBook-NVCA Venture Monitor, Q1 2026 - median U.S. seed pre-money valuation approximately \$18.4M; median seed deal value approximately \$3.0M.

<https://nvca.org/pitchbook-nvca-venture-monitor/>

Create Music Group, March 4, 2026 - more than \$450M of new equity and debt capital at a reported \$2.2B valuation.

<https://createmusicgroup.com/news/create-music-group-at-2-2-billion-valuation-completes-450-million-fundraise>

Music Business Worldwide, February 2, 2024 - gamma reported \$100M investment led by Alpha Wave at an approximately \$400M valuation.

<https://www.musicbusinessworldwide.com/gamma-now-worth-400m-confirms-100m-investment-led-by-alpha-wave/>

UnitedMasters / TechCrunch - institutional financings supporting an independent-Artist platform model centered on distribution, data, brand opportunity, and Artist ownership.

<https://news.unitedmasters.com/blog/appledeal>

Research note: external companies above are directional examples of institutional appetite for modern music infrastructure. They are not direct valuation comparables for PROJECT:ONE.

Working document. This framework is intended for investor positioning and negotiation planning. Definitive valuation, securities, tax, governance, and financing terms should be reviewed by qualified counsel and advisers.