INFERENTIAL

Entertainment Group™

EXECUTIVE SUMMARY

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https://INFERENTIALMgmt.com

For Accredited Investors Only — *A full Executive Summary / Longform Investment Memorandum is available upon request.*

INVESTMENT HIGHLIGHTS — OCTOBER, 2026			
Investment Sought — Discounted SAFE	**$10.0M**	Year #7 Projected Valuation	**$796M**
Equity Offered	**33.33%**	Year #7 Projected Investor IRR	**59.76%**
Year #7 Projected EBITDA	**$37M**	Valuation Comp.	**~ 20x EBITDA**
Year #7 Projected Owners' Assets	**$50M**	Break-Even	**Year #3 / #4**

General Overview

INFERENTIAL Entertainment Group™ is a technology-enabled entertainment corporation designed to restore, expand, and future-proof the economic value of creative intellectual property. INFERENTIAL™ modernizes music-industry rights management, sync licensing, and decentralized content monetization — increasing profits for rights holders while accelerating sustainable career development for recording artists and visual creatives.

The 2026 inaugural edition of INFERENTIAL™ combines a *Music-Industry Rights Management & Sync Licensing Engine* with *Brand Affinity* implications, and a *New Music Delivery & Content Management Technology* that substantially increases rights-holder revenue by monetizing the fanaticism of *High-Value Fans* across both developing and established artists.

The model is ***defendable*** through proprietary EDEC™ coding, ***replicable*** through systematic expansion of exclusive assets, and ***scalable*** through field-tested asset licensing and fractional-rights management.

Market Opportunity

The contemporary music industry is undergoing a fundamental revaluation, driven by the market's evolving ability to recognize and monetize the underlying components of intellectual property ownership. As recently as May 2026, Reuters and The Guardian reported that Pershing Square Capital had made an offer to acquire Universal Music Group for ~$64B — an approximate 20x multiple of EBITDA — while BMG's cash-and-stock merger with Concord Music Group implied a ~19x EBITDA multiple. Both proposed transactions reinforce the unrealized hidden value beneath the surface of rights-holder catalogs, and the opportunity for a technology-enabled new entrant.

$25B+ Current DLT & Digital-Asset Mkt	**$68B** Projected Growth Through 2028 *(Technavio)*	**~20x** Comparable EBITDA Multiples	**~$64B** Pershing Sq. 2026 Offer for UMG

Central to this transformation is the emergence of the *High-Value-Fan* as a primary economic driver; an audience that, when properly engaged across streaming, merchandise, live experience, and direct-to-consumer channels, represents a predictable and scalable revenue base. INFERENTIAL™ is purpose-built to close the gap between potential and realized value through structured, technology-enabled pathways for engagement and monetization.

The INFERENTIAL™ Solution & Competitive Advantage

INFERENTIAL™ is engineered to become the music industry's first defendable, replicable, and scalable rights-management and sync-licensing platform; a *new-paradigm music & entertainment group,* removing legacy gatekeepers through:

- **Predictive A.I. Licensing** — A.I.-driven artist and sync-supervision discovery.
- **EDEC™ Technology** *(Enhanced Dimensionality & Expanded Capacity)* — proprietary, fully-traversable decentralized coding for original & repurposed 2D/3D art and expanded short-form content, enabling lucrative affinity platforms through proprietary coding and coupling of smart contract technology.
- **Scalable Ecosystem** — DLT-Albums, collectibles, affinity memberships, and B2B/B2C licensing applications.
- **Blockchain Rights Verification** — fractional rights management of samples, interpolations, and A.I.-generated content.

The Results:

- Brand integration through affinity marketing,
- Accelerated *new-artist* development,
- Increased transactional margins,
- Accelerated monetization through direct rights-holder access, and
- Restored long-term value to multimedia intellectual property.

Revenue Model — Eight Diversified Streams

Recurring, scalable revenue with embedded smart contract commissions in perpetuity. Each stream reinforces the others, *owned* and *participation-based* income, diversifying revenue while rewarding upside.

Revenue Category	Description & Growth Driver
In-House Visual & Multimedia Arts	EDEC™-powered DLT-Collectibles with embedded royalty smart contracts — minting, primary sales, and secondary-market commissions.
In-House Recording Artist	Streaming, DLT-Album, enhanced sync licensing, touring, and merchandise royalties anchored by the Music Supervision & Licensing System™ supported by social media app stacks and proprietary engagement protocols.
Affinity Platform	DLT-based fan engagement — VIP access, ticketing, and experiential marketing revenue, built on brand-relationships and proprietary affinity platforms.
Content Licensing Rights	Blockchain-authenticated short & long-form content licensing for broadcast, cable, streaming & gaming, and decentralized ledger distribution & management.
Outside Marketplace Commissions	Commissioned revenue from third-party rights-holders and curated DLT-Album sales.
Branded Merchandise & Online Gallery	Ubiquitous online DLT-Collectibles marketplace and INFERENTIAL-branded merchandise.
B2B & B2C App Subscriptions	Recurring subscription revenue from music supervisors, broadcast executives, and rights-holders.
Ad Agency + Artist Touring & Merch Revenue and Miscellaneous Revenue	Dominance in sync-licensing to support music licensed into commercials, supported through music industry & advertising agency relationships. Innovative, proprietary social media and digital marketing strategies supporting the generation & sharing of artist touring/merch revenue.

Financial Summary — Years 1 through 7

Metric ($)	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7
Total Revenue	$0.07M	$0.77M	$2.62M	$5.53M	$11.96M	$25.43M	$46.18M
Projected EBITDA	($4.25M)	($3.59M)	($2.05M)	$0.67M	$5.17M	$17.55M	$37.33M
Year-End Cash-On-Hand	$5.7	$2.2M	$0.1M	$0.7M	$5.2M	$20.5M	$50.2M

Break-Even is projected between Year #3 and Year #4, as diversified revenue streams scale and the Affinity Platform & DLT Collectibles reach critical mass.

Valuation & Projected Investor Returns

Metric	Year 4	Year 5	Year 6	Year 7
Annual EBITDA	**$0.67M**	**$5.17M**	**$17.55M**	**$37.33M**
Enterprise Value (20x EBITDA)	**$14.10M**	**$108.53M**	**$371.53M**	**$796.86M**
Investor Value (33.33%)	**$10.00M**	**$36.18M**	**$123.84M**	**$265.62M**
Projected IRR on $10.0M SAFE	**0.00%**	**29.33%**	**52.11%**	**59.76%**

Valuation applies a 20x multiple to projected EBITDA plus existing shareholder assets, consistent with recent comparable offers and transactions (Universal Music Group, BMG–Concord Music Group).

Use of Funds

Projected expense allocation by category, as a share of total operating expenses for the stated phase.

Expense Category	Years 1–2	Years 3–4	Years 5–7
Salaries & Sub-Contractors	47.2%	52.8%	37.8%
Record Label Operations	37.3%	33.9%	48.9%
Office, Phones, Rent & Utilities	4.6%	4.1%	2.2%
Travel & Entertainment	1.5%	2.0%	3.7%
PR, Marketing & Advertising	3.5%	2.9%	1.8%
Production Expenses	0.8%	0.9%	0.7%
Outside Commissions	1.2%	0.7%	1.6%
Legal, Accounting & Insurance	3.9%	2.7%	3.3%
Total Operating Expenses	**$8.67M**	**$9.54M**	**$23.52M**

Investment Thesis & Deal Terms

INFERENTIAL™ is a tech-enabled infrastructure platform — *not speculation* — designed to modernize rights management, capture accelerating sync demand, expand transactional margins, and scale across entertainment and adjacent industries, while supporting community impact through its *75 Price of Love™* at-risk young-adult initiative.

- **Instrument:** Discounted Simple Agreement for Future Equity *(SAFE)*
- **Amount Sought:** $10,000,000
- **Equity Offered:** 33.33%
- **Projected Year #7 EBITDA:** $37.33M
- **Projected Year #7 Valuation:** $796.86M *(~20x EBITDA + existing shareholder assets)*
- **Projected Year #7 Investor IRR:** 59.76%
- **Break-Even:** Between Year #3 and Year #4

Management Team

Pat O'Connor — Co-Founder / CEO

Three decades building POC Media, Inc. into a leading alternative-media distribution company, including the POC Media Music Supervision & Licensing System™ and the POC Media LRE™ License Record Editing System. Clients have included FOX Sports, Universal Music Group, NFL, Coca-Cola, Amazon Prime, Nestle, NHL, Wrangler, Heinz, and NASCAR, among others, with 20,000+ song clearances and several million dollars in sync licenses generated. B.A. & S. in Biophysics, University of Pennsylvania.

Christian O'Connor — Co-Founder / Chief Technology Maven

Pioneer in blockchain integration within the music industry; developer of the *EDEC™* technology coding platform expanding 2D/3D art dimensionality and decentralized ledger smart contract technology perimeters. Recording artist with sync placements including the NHL Stanley Cup Playoffs, NCAA Final Four, NFL *Thursday Night Football*, NASCAR & commercials. B.B.A., Drexel University.

Selected Risk Factors

- Forward-looking financial projections are based on management estimates and are not guaranteed; actual results may differ materially.
- The Company will require the successful execution of its technology roadmap and artist-development pipeline to achieve projected scale.
- Revenue is dependent on continued growth of *DLT-Delivery*, decentralized delivery of music, and entertainment content fueling the digital-collectible markets; supporting efforts by the leveraging of its proprietary *Predictive A.I. Licensing* technology to fulfill current & anticipated sync-licensing demand.
- While not planned or anticipated, additional financing may be required beyond the current raise to achieve full projected scale.
- The Company operates in a competitive and evolving regulatory environment for digital assets and securities, although for now, leveraging of decentralized ledger technology as described herein, is not intended to enter into the ecosystem of securities.

Next Steps

Qualified, accredited investors interested in reviewing the full Longform Investment Memorandum, detailed financial model, and a 20-minute overview video, are invited to contact the Company directly.

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