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Confidential Information Memorandum

STRICTLY PRIVATE & CONFIDENTIAL

Northern Edge

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Northern Edge is acting solely as the Company's financial advisor in connection with a Potential Transaction and will not be deemed to have any duties or responsibilities toward, or to be advising or owing any fiduciary duty to, the Recipient or any other person. Northern Edge and its affiliates may provide services to, or have business relationships with, other parties that may have interests that differ from or conflict with those of the Recipient.

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By accepting this Information Memorandum, the Recipient agrees to be bound by the foregoing and by the confidentiality, use and other restrictions set forth in the NDA.

All communications related to the Potential Transaction should be directed to the Northern Edge professionals listed below:

Northern Edge Advisors LLC

Paul B. Daitz
(212) 520-8373
pdaitz@northernedgeadvisors.com

Usmaan Kitchlew
(212) 231-0065
ukitchlew@northernedgeadvisors.com

Derek Yamamoto
(212) 231-0183
dyamamoto@northernedgeadvisors.com

David Ryan
(212) 231-0072
dryan@northernedgeadvisors.com

Built on **innovation that shows up** in the real world: smarter display ideas, faster execution, and results that hold up on the retail floor. That kind of delivery earns trust — and **trust earns repeat programs**.

OnQ is a custom retail display agency with value-added capabilities, and has reached a point where partnering with the right buyer could **accelerate growth**.

Letter from the Founder & CEO



Twenty-two years ago, I founded OnQ with a simple belief: if a product is going to improve people's lives, the moment customers first encounter it in a store should be just as compelling as the product itself.

That belief has guided everything we've built. Today, OnQ manages miles of in-store displays that include thousands of connected screens delivering billions of shopper impressions across retailers like Walmart, Target and Costco, helping the world's most innovative brands translate complex products into retail experiences that educate, engage and convert.

We built this Company by earning the trust of the retailer first. By managing category-level fixture programs for the world's largest retailers, OnQ becomes embedded in the retail environment and that position creates a powerful gateway to the brands competing for attention within those stores. Companies like Sony, Apple, Meta, Google and Microsoft turn to OnQ because we already understand the retailer's priorities, standards and infrastructure. That model is difficult to replicate and is the foundation of everything we do.

Throughout our history, OnQ's growth has been driven by successive waves of product innovation from digital cameras and smartphones to connected home devices, wearables and now AI-enabled products. Each wave created new categories requiring thoughtful retail experiences, and each one expanded our business. Today, that opportunity is broadening beyond consumer electronics into connected home, healthcare, personal wellness and other high-consideration categories — anywhere the product is complex and the purchase requires confidence.

The principles that made OnQ the leader in consumer electronics retail engagement are directly transferable to these categories. As innovation continues to bring new products to market, the importance of the physical retail experience will only grow and OnQ is uniquely positioned to lead that moment.

After more than two decades building OnQ, I am immensely proud of what our team has accomplished. The Company is stronger today than at any point in its history, with a seasoned leadership team, long-standing customer partnerships and a clear runway for continued growth.

For that reason, I believe this is the right moment to begin the next chapter. Many of the most successful leaders choose to pass the baton while their organizations are performing at their peak, ensuring the business continues to grow and evolve under new leadership. I see this moment in the same way. I am deeply optimistic about OnQ's future and confident that the Company's leadership team and new ownership will build on this strong foundation and take the business to even greater heights.

Paul Chapuis
Founder & CEO, OnQ

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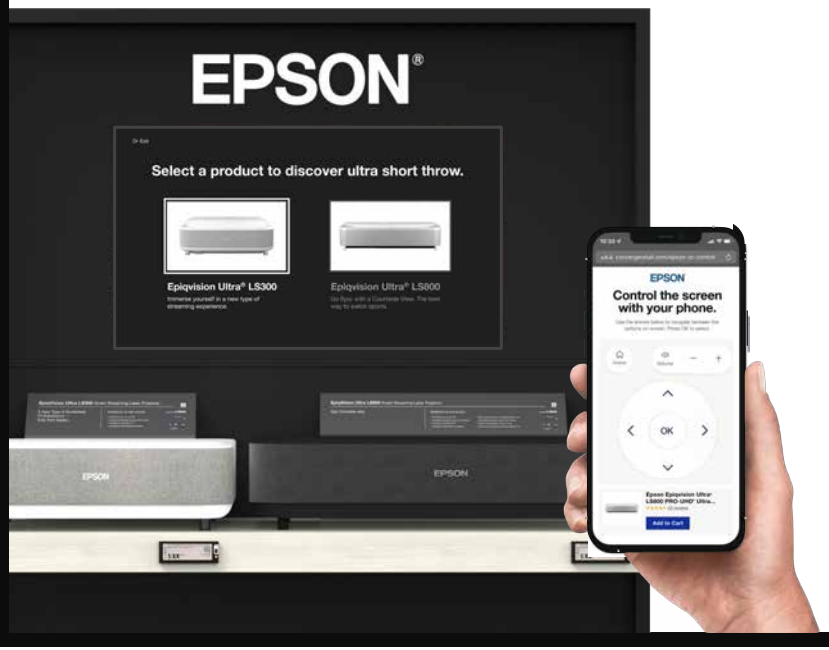


Business Overview

Northern Edge

Mission

To lead the evolution of retail by delivering **innovative, scalable** in-store experiences that **foster growth** for brands and retailers worldwide.



Company Overview

OnQ Solutions, Inc. ("OnQ" or the "Company") is a leading provider of custom retail display solutions for complex, high-value product categories where execution, durability, and security matter. For more than two decades, OnQ has delivered large-scale merchandising programs for the world's largest retailers (including Walmart, Best Buy, Costco, and Lowe's) and leading brands (including Apple, Sony, Google, Meta, Amazon, Samsung, and Starlink), creating innovative and interactive in-store experiences designed to improve engagement and performance at the point of sale.

OnQ manages end-to-end retail display programs through an integrated operating model spanning ideation, design, engineering, sourcing/production management, shipping, deployment, and ongoing support. This "value-added" approach enables the Company to execute programs reliably across broad store footprints and **supports recurring refresh cycles and program expansions**. Since inception, OnQ has completed 3,500+ retail display projects.

Beyond service quality, the Company's key differentiators include its technology-enabled display platform and comprehensive theft prevention solutions. The Company's connected displays are enabled by Converge™, **a proprietary software platform** that supports remote management of deployed displays and captures engagement data from consumer interactions. In addition, OnQ provides **retail asset protection solutions through its proprietary Dfi™ system**, supported by approximately 50 patents, helping retailers secure high-value electronics and reduce theft.

With deep relationships across retailers and global brands, a demonstrated ability to **deliver complex, large-scale rollouts,** and differentiated capabilities in connected displays and asset protection, OnQ has reached an inflection point where partnering with the right buyer could accelerate growth through expanded scale, broader global customer penetration, and continued investment in technology-enabled retail experiences.

Key Facts

Headquarters	Hayward, California
Production and Warehousing	Akron, Ohio
Main Business	Retail Merchandising Solutions
Market Position	Leading designer and producer of custom displays and security solutions for the retail industry
Employees	101 employees
Year Founded	2004
Ownership (Common) [1]	Paul Chapuis – 83.9% Laura Metz – 16.1%
Legal Structure	• OnQ Solutions, Inc. - California C corporation • Converge Retail, Inc. - (wholly-owned subsidiary) Delaware C corporation
Website	www.onqsolutions.com

Awards, Recognitions, Certifications

ISO & SOC 2 Certified 2022-2025

ICX Elevate 2024

SF Bay Area 2021 - 2025
Northeast Ohio 2023 - 2025

[1] Certain executives of the Company have been granted stock options that vest upon a change of control.

BUSINESS OVERVIEW

Completed Projects Showcasing OnQ's Work



Chip Readers



Lighting



Projectors



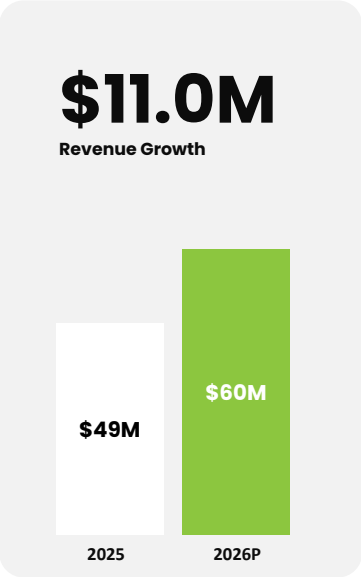
Laptops

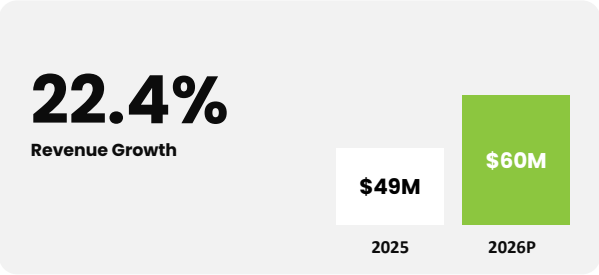
Full Service

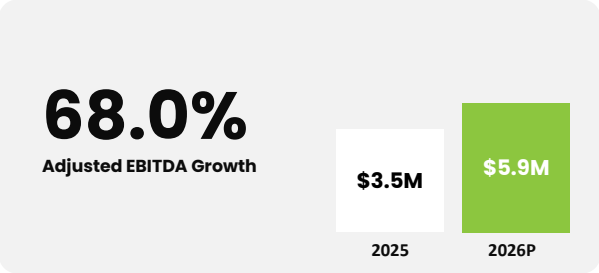
- Project Management
- Design
- Prototyping
- Sourcing and Production
- Logistics
- Assembly
- Kit Packing
- Fulfillment
- Tech Provisioning
- Warehousing
- MDM, CMS and Engagement Analytics

Financial Highlights

($ in 000s)	Reviewed Historical Fiscal Years Ended December 31, 2022	2023	2024	2025	Projected FYE Dec 31, 2026
Revenue	$47,935	$42,109	$32,354	$49,037	$60,000
Growth %	*28.2%*	*(12.2)%*	*(23.2)%*	*51.6%*	*22.4%*
Gross Profit	19,819	18,655	13,533	18,483	23,441
Gross Margin	*41.3%*	*44.3%*	*41.8%*	*37.7%*	*39.1%*
Adjusted EBITDA	$3,809	$2,171	$(1,159)	$3,532	$5,934
Adjusted EBITDA Margin	*7.9%*	*5.2%*	*(3.6)%*	*7.2%*	*9.9%*







Note: Please see the section "Selected Financial Information" commencing on page 58 for additional detail.

Financial Summary

Resilience Despite Macroeconomic Challenges (2023 to 2025)

In 2023 and 2024, revenue declined as inflationary pressures and economic uncertainty led retailers to prioritize essential spending, however the Company's strong market position allowed it to attract new customers and diversify its overall customer base. During this period, the Company maintained its gross margin by actively managing its costs and incorporating new operational efficiency initiatives. Notably, OnQ made a major investment in 2024 to streamline its operations by consolidating its two Ohio facilities into one purpose-built facility in Akron, Ohio and moving its headquarters into a smaller collaborative office space in Hayward, California. In 2025, OnQ experienced a significant growth year with revenue increasing by 51.6%, however the Company faced temporary margin pressure due to tariff increases (as a percentage of the total cost) and the strategic decision to take on certain lower margin projects to secure business and position OnQ for future growth.

Return to a High Growth Trajectory (2026 and Beyond)

The outlook for 2026 and beyond is very promising and supported by robust year-to-date performance and the strongest pipeline in the Company's history. For the fiscal year ending December 31, 2026, the Company projects revenue of $60.0 million and adjusted EBITDA of $5.9 million. Additionally, the Company already has several multi-million-dollar projects committed for 2027.

Company History — Marked by continuous investment, innovation, and achievements

2004
Driven by the recognition that customers desire a better retail experience, Paul Chapuis founded OnQ

2007
OnQ opens its first office in San Bruno, CA



2010
Moves to client-facing office space

Early Years

$20M+ of annual revenue

2013
Expands to a 53,000 sf facility in Akron, OH to open in-house assembly, kit packing and fulfillment

2014
Founded Converge Retail, Inc. to develop in-house retail technology capabilities

2015
Moves to a 28,000 sf office in Hayward, CA

$30M+ of annual revenue

2019
Opens its second facility in Ohio to meet the increased demand



$40M+ of annual revenue

2022
OnQ Dfi™
Ships its one-millionth retail security bracket

2022-25
Obtains **ISO & SOC 2 Type II** certifications and becomes tech-vendor approved for Costco

Growth

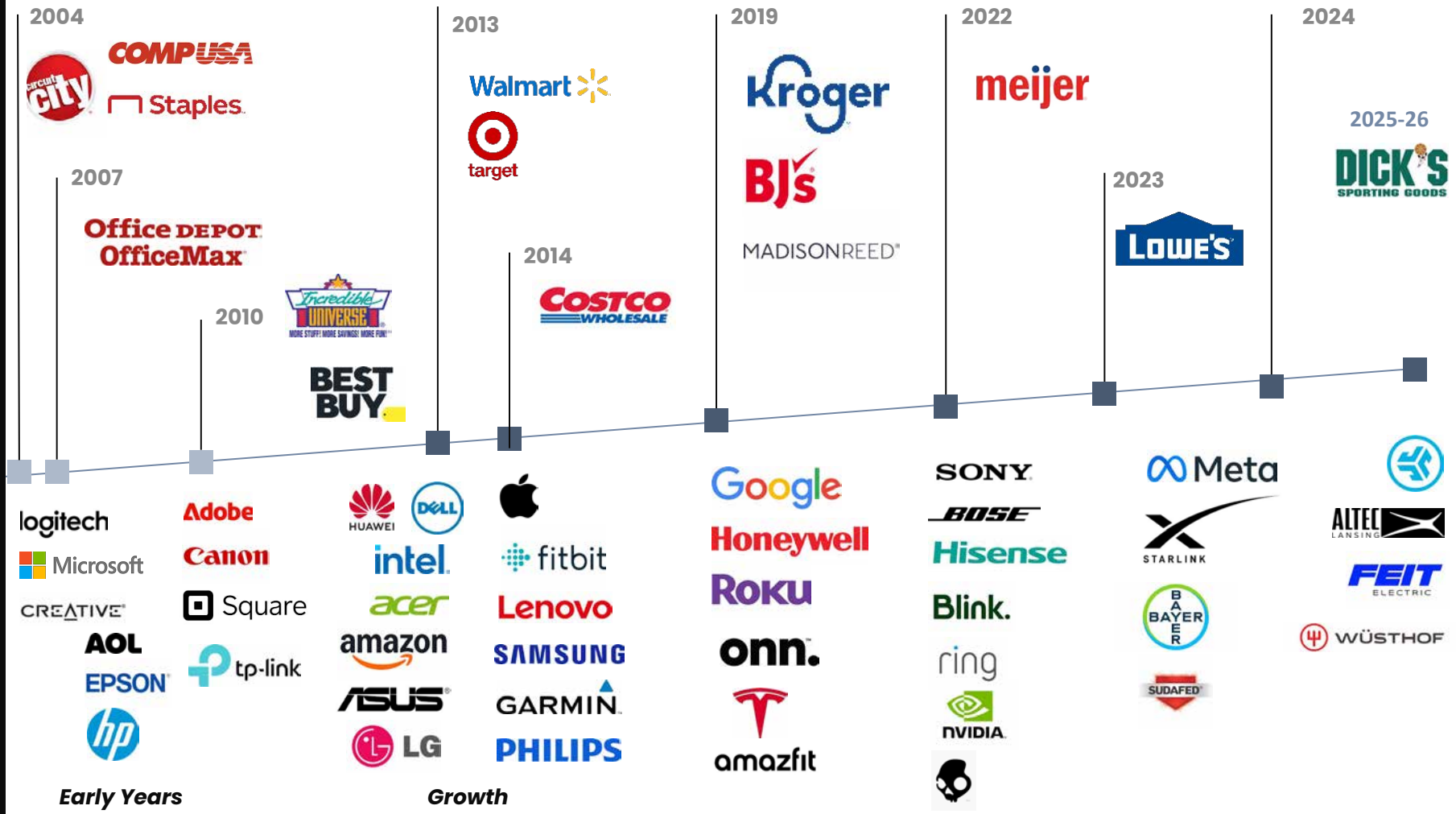
2024
Consolidates operations into a 213,000 sf facility in Akron, OH and 9,100 sf space in Hayward, CA

20th ANNIVERSARY

2025
Achieved **record revenue** while closing the year with the strongest pipeline in the Company's history

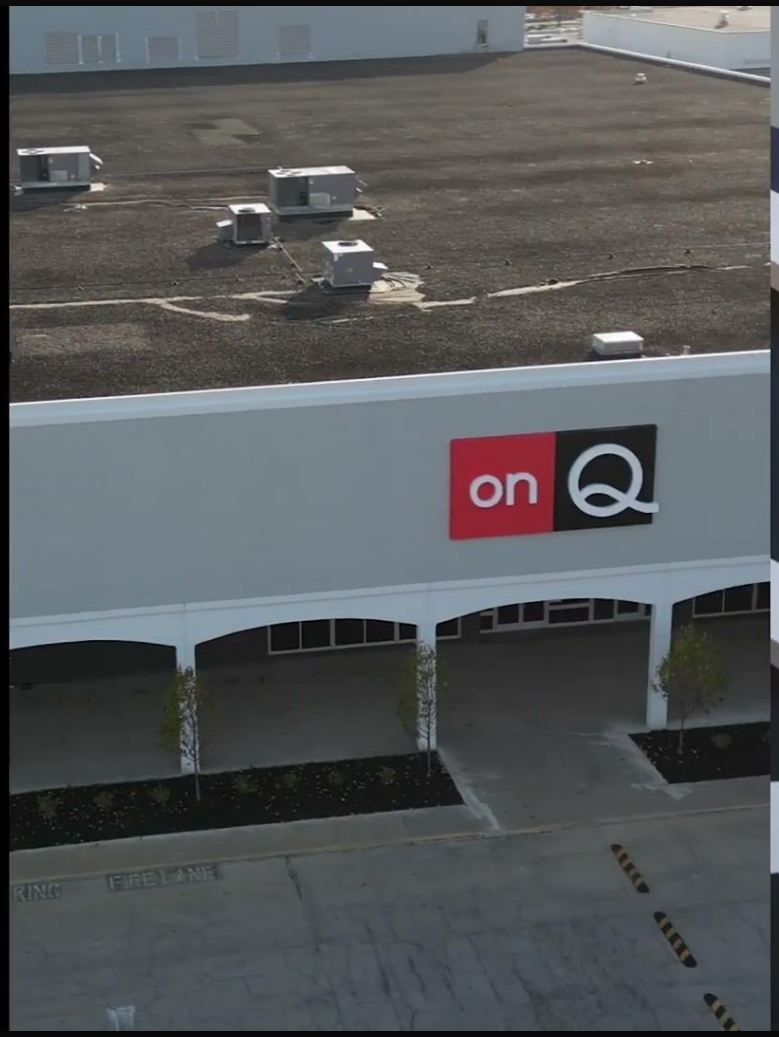
CONTINUED: Company History — Proven track record of establishing and maintaining long-term relationships

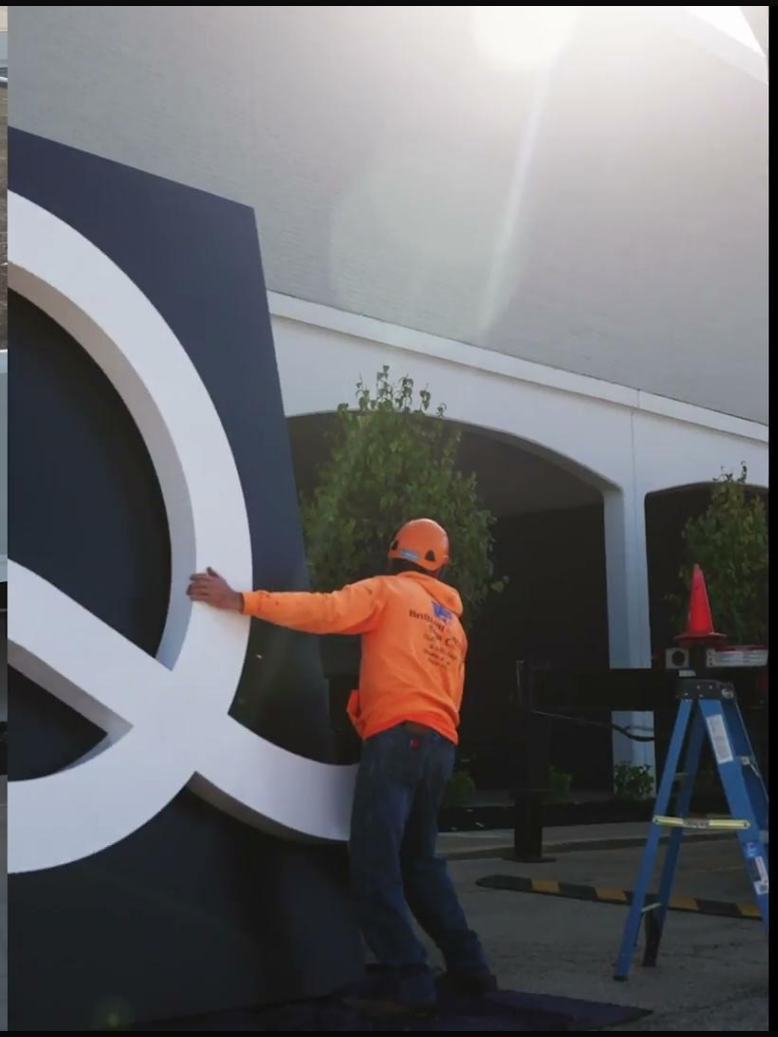
BUSINESS OVERVIEW



*Represents a subset of the Company's customers.

Click on Video to Watch





Background to a Potential Transaction

The Company and its owners (the "Owners") have retained Northern Edge as their exclusive financial advisor to explore a potential sale of the Company.

After twenty years of investment and growth, the Owners believe the Company has reached a point in its development where the value creation opportunity would be greater for a purchaser with more extensive resources. Management is bullish on the Company's growth potential arising from the dynamics in the retail display market, as large retailers continue to invest in creating memorable and secure retail experiences for their customers. Accordingly, the Owners are seeking a partner with the resources and strategic alignment to accelerate the Company's next phase of growth and to support continued investment in innovation and scale.

OnQ represents an opportunity for an acquirer to build on existing relationships and an established platform with multiple levers for expansion.

The senior executive team is aware of a potential transaction and are interested in remaining with the Company to support the transition and potentially beyond.

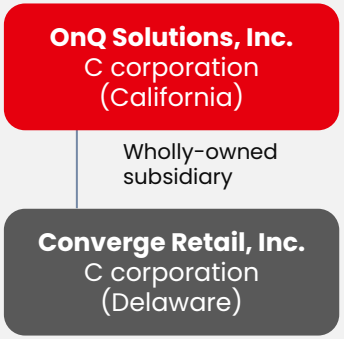
The expectation is that all other members of the management team and employees (who are not aware of a potential sale) will remain with the Company.

Ownership (Including Option Holders)

Name	Common Ownership	Fully-Diluted Ownership[(1)(2)]
Paul Chapuis Founder and CEO	83.9%	**59.4%**
Laura Metz Minority Owner	16.1%	**11.4%**
Management and Board	-	**29.2%**

[(1)]There are additional shares available for issuance under the Company's equity incentive plan, representing up to 12.1% of the fully-diluted ownership.

[(2)]All outstanding stock options will vest upon a change of control which is reflected in the "Fully-Diluted Ownership" column of the table.



Company Structure

Converge Retail, Inc., a wholly-owned subsidiary of OnQ Solutions, Inc., provides digital experience dashboards, analytics, and content management for the Company's connected displays.



Selected Investment Highlights

Northern Edge

SELECTED INVESTMENT HIGHLIGHTS

A Leading Retail Display Solutions Company

The key Investment Highlights are summarized below and described in further detail on the following pages.



1 Unmatched Capabilities

Trusted to transform the in-store experience by managing the ideation, production, and logistics of complex, custom retail displays at significant scale.

2 Entrenched Blue-Chip Relationships

Entrenched with major retailers and brands. The "sticky" nature of category programs guarantee a strong, high margin revenue base in addition to lucrative new opportunities.



3 Favorable Market Trends

Recognized for quality and reliability, the Company will directly benefit from growth in the retail and theft-prevention industries, as well as increasing demand for AI-enabled hardware.



4 Near-Term Growth Potential

Robust pipeline for 2026 and beyond, with margin improvements from operational efficiency initiatives.



5 Attractive Growth Opportunities

Multiple growth opportunities, including expanding with existing and new customers, international growth, and bolstering revenue streams.



6 Seasoned Leadership Team

The executive leadership team is exceptional and consists of a broad roster of veterans from the retail, technology, and business services industries, all dedicated to ensuring a successful transition.

SELECTED INVESTMENT HIGHLIGHTS

1 Unmatched Capabilities

Three Pillars of Differentiation

#1 Vendor *



Exceptional
Customer Service

Innovative



Leading Retail
Transformation at Scale

Deep Program Expertise



Complex & Large Multi-Brand Programs
- Design, Rollouts and Maintenance

*Per 2025 vendor ratings from one of the Company's top customers.

Serving Thousands of Stores

OnQ is the established leader in producing innovative display solutions for retailers and brands, and enjoys an outstanding reputation for exceptional service, creative design, and program management. The Company transforms in-store experiences by designing attractive displays that captivate consumers, integrating technology to personalize the content presented, and improving visual cues to focus consumers' attention on key information based on an analysis of their habits and trends. Retailers and brands value OnQ's capability to enhance the in-store experience and boost sales, while reducing breakage and theft, thereby maximizing their overall program return on investment (ROI).

OnQ provides fully integrated solutions that deliver unique, large-scale, in-store display programs to customers. The end-to-end approach encompasses market insight, design, engineering, prototyping, software development, tech provisioning, production, assembly, and fulfillment services. This is in addition to managing all the sophisticated logistics to facilitate its customers' implementation and ongoing management of the full lifecycle of these complex, large-scale retail programs across thousands of unique store environments.

OnQ's sophisticated project management capabilities are a key differentiator as complex store environments require detailed qualification, validation, and coordination across multiple stakeholders and timelines. Furthermore, each store layout demands a highly customized solution, requiring meticulous planning and coordination at all stages. Components for the display, as well as all of the product samples that come from the various participating brands, must be received, tested, staged in a production line, provisioned with demo technology as required, and packaged in store-specific kits for consolidated distribution to stores. Additionally, the analysis of planograms and store traits is a vital, extensive part of the distribution planning process. This project management regimen is performed with rigorous quality control processes to ensure the correct components arrive exactly when and where they are needed to assemble transformative displays.

OnQ installs displays across thousands of retail locations globally, supporting connected programs that generate **~5 million consumer interactions** annually.

CONTINUED: Unmatched Capabilities — Proprietary Systems that Drive Ongoing Revenue Streams

Dfi™ Security System

Proprietary System



OnQ is constantly developing its range of patented security brackets. The Dfi™ system provides top notch physical security and loss prevention on the retail display shelf, while offering flexibility to accommodate changes to the retail display and product mix.

Currently, the Company has high theft security display solutions in over 15 different product categories across over 20 different retailers - each with multiple brands who have multiple product transitions (with multiple form factor changes) every year. The organic growth that is facilitated by this ongoing revenue stream is both valuable and envied across the industry.



Converge™ Software Platform

Proprietary Software



Converge™ is integrated into OnQ's connected, tech-enabled displays. Converge™ enables OnQ to create and deploy customized in-store digital experiences to provide efficient **remote device management**, **content management and troubleshooting** of global store experiences. The technology exclusively provided by OnQ can be leveraged to **track impressions and engagement** and to **generate data driven insights** such as validating in-store behavior and sales drivers.

OnQ is ISO and SOC II certified, providing an unmatched level of information security in its industry. Multiple large technology brands provide the Company with access to **pre-release products**, enabling OnQ to differentiate itself and deliver custom solutions at launch.

CONTINUED: Unmatched Capabilities

Click on Video to Watch

Additional Video: Converge™ Control
Additional Video: Circana



Costco & Apple

US, Canada, Mexico

2 Entrenched Blue-Chip Relationships





The Trusted Facilitator

OnQ's relentless focus on quality, reliability, and collaboration with its customers has led to long-lasting relationships with many of the largest, well-known retailers and brands in the world, including Walmart, Costco, Lowe's, Apple, Meta, Amazon, Garmin, Target and Google (among many others). In many cases, OnQ has managed categories for these customers for over 15 years.

At the core of the Company's success is its differentiated ability to seamlessly **facilitate complex approvals between brands and retailers while executing large-scale programs with meticulous attention to every single detail at each retail store**. This attention to detail and expertise has established a trust unmatched in the industry. In many cases, OnQ's dedicated account teams know more about the in-store retail landscape than the customers themselves, making them indispensable.

As a testament to OnQ's outstanding performance and reliability, the Company has an on-time, in-full (OTIF) **delivery score of over 99%** with its largest customer. OnQ manages approximately 80% of the electronics category for this retailer and has recently expanded to health and beauty, and is in discussions about home appliances and pets. Continued expansion in this and other retailers is planned in 2026 and 2027.

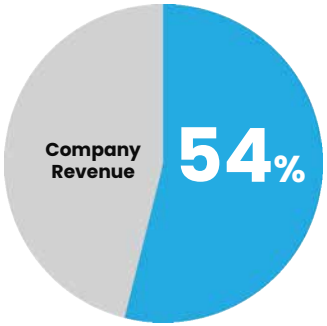
As OnQ continues to scale its business, management expects revenue generated from its largest customer to increase, but the percentage of total revenue to decrease based on wider diversification into new brand categories and retailers.

CONTINUED: Entrenched Blue-Chip Relationships

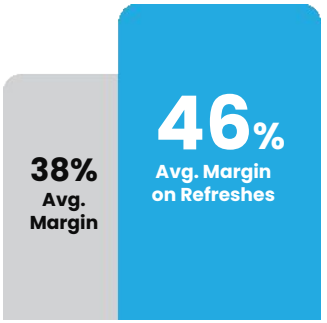
Once OnQ implements a retail display program for a customer, the Company is advantageously positioned to enjoy an ongoing stream of recurring revenue through the supply of replacement parts, refreshing existing displays, and collaborating on new product launches.

A key advantage for the Company is its unique approach in providing retail customers with **a full category display solution** that involves multiple brands on a display and significant refresh opportunities. OnQ's executives and in-house sales teams maintain proactive communication with the retail merchants and participating brands, who are often executive-level or strategic-level personnel, to determine the optimal timing for display refreshes. OnQ works hard to qualify the scope and execution desired (these refreshes may occur as often as quarterly). OnQ manages everything from design, engineering, planogram and trait analysis, and product demo testing to production of the new necessary parts to refresh the displays. This results in an extremely sticky business model which facilitates robust organic growth of the business. Furthermore, OnQ leverages its relationship with each brand to expand into new retail chains and categories.

Recurring Revenue



54% of revenue over the past three years is from **recurring refresh projects** and fulfillment programs



Refresh & fulfillment programs generate **higher margins**





Walmart Connected Home (over 4,000 stores)

- ✔ OnQ managing this category since 2018 (8+ years)
- ✔ 40 refreshes to date and counting
- ✔ Includes Dfi™ brackets, graphics, and digital content

3

Favorable Market Trends

Growth of Brick-and-Mortar Market
Growth in brick-and-mortar, or "offline" retail sales in the US and Europe-5 countries is expected to continue its upward trajectory through 2029. Major retailers such as Walmart are reasserting the significance of their physical presence and investing more into creating memorable in-store experiences, also citing increased engagement from higher-income consumers seeking greater value. OnQ stands to be a direct beneficiary as these retailers ensure the square footage they commit to displays and experiences are optimized, and their return on investment is maximized.

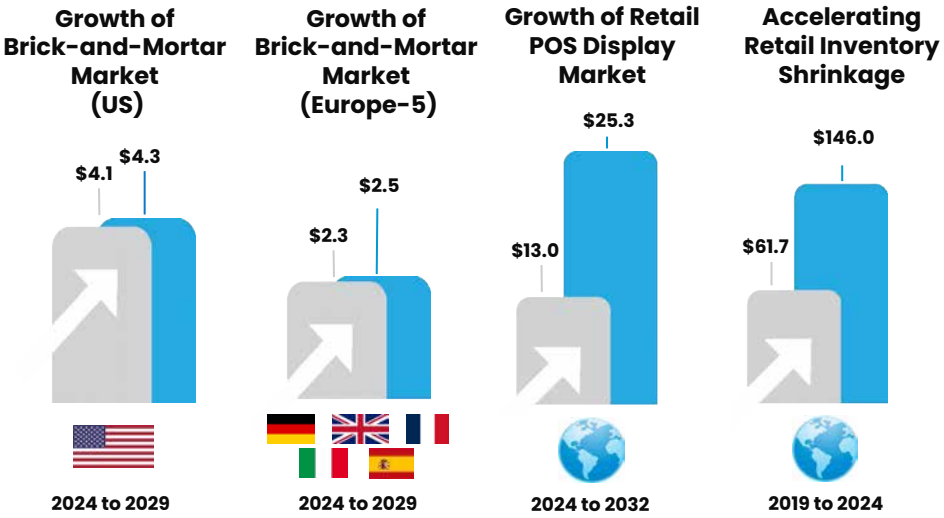
Growth of Retail POS Display Market
The global point-of-sale (PoS) display market is projected to almost double by 2032, as consumers seek much more than just a transactional shopping experience; they want to be engaged, entertained, and emotionally connected with brands prior to making purchases. OnQ, with its creative custom solutions, enables its retailers to engage, entertain, and emotionally connect their consumers with brands in-store.

Retail Anti-Theft Trends
Theft is a growing problem for retailers as they maintain that organized retail crime materially increased in recent years. Retailers are looking to implement innovative solutions which deter theft, while not detracting from the in-store consumer experience. They look to OnQ as the Company that produces leading edge solutions, including OnQ's patented retail security system (Dfi™) that elegantly secures high-value products, ensuring the user engagement experience is not negatively impacted.

Retail Market Growth

Well-positioned to capitalize on retail market tailwinds.

$4.3 Trillion	$2.5 Trillion	$25.3 Billion	$146.0 Billion



Sources: Forrester, Solomon, Digital Commerce 360, Verified Market Research, Solomon National Retail Federation

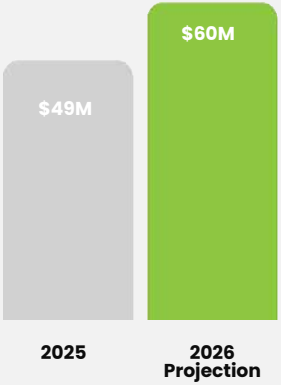
*Detailed industry overview can be found starting on page 52

Near-Term Revenue and Margin Growth

22.4%

Projected Revenue Growth

Robust pipeline for 2026 paired with new sales Initiatives





The Company's sales efforts have been focused on identifying and securing substantial future projects to drive continued growth. In particular, OnQ has been **selected to produce "Next Generation"** displays for a major retailer that reimagine the entire electronics department, including gaming, audio, internet of things (IoT) devices, health, AI, etc. OnQ's unique display proposal leverages its keen eye for design, Dfi™ security system, and Converge™ connected display technology to produce the most turn-key solution, which is critical for large scale projects.

The Company is also in late-stage discussions for several other large opportunities. These new opportunities are predominantly focused on expanding into new product categories, showcasing that retailers and brands are increasingly relying on OnQ to enhance and expand their brick-and-mortar retail presence. With its full-service capabilities and proven processes, OnQ is advantageously positioned to win these large opportunities. As such, the Company will continue to seek out and pursue these types of large-scale, multi-year opportunities. This pipeline of identified projects gives management extremely high confidence that OnQ will achieve its projection of **$60 million in revenue in 2026.**

Operational Savings Initiatives

In 2024, after extensive review and planning, the Company consolidated its Ohio and California production operations into a purpose-built facility in Akron, Ohio. This facility consolidation has delivered **3 immediate measurable benefits.**



1. Cost Savings of $1.2M: In conjunction with moving into the facility in Akron, the Company vacated two locations in Ohio representing an **annualized facility cost savings of $250,000.** Additionally, the Company realized labor cost savings as roles have been optimized in Ohio where market salary rates are much lower (average of 20% lower than in CA), resulting in **annualized labor cost savings of $950,000.**



2. Process Optimization: The Company's facility consolidation led to a reduction in intercompany shipping from California to Ohio. Additionally, OnQ improved efficiency by **implementing standardized production processes** & now uses **Smartsheets to manage workflow**. These process optimization efforts reduced the Company's overhead, contributing to a stronger bottom line (which will continue as the Company scales).



3. Increased Capacity: The new facility has significant square footage and production capacity. As the Company scales its revenue, facility expenses as a percentage of revenue will shrink, leading to continuing operating margin improvements. Due to several large, long-term projects in the pipeline for 2026 and 2027, OnQ will also be adding approximately 65K square feet in an adjacent space to the Ohio facility.

Additionally, OnQ will strategically be expanding partnerships with external kit packing facilities to cost-efficiently manage spiking production capacity needs when outsourcing makes sense.

Attractive Growth Opportunities

Expand Share of Wallet with Existing Customers



There is an immediate and sizeable opportunity for organic growth within its existing customer base to expand its presence to additional categories and locations, take on larger refresh/replacement opportunities, and assume more technical provisioning responsibilities. For example, the Company recently expanded its relationship with BJ's, working with their transformation team to expand into a number of additional categories, including **cookware, batteries, small appliances, audio,** etc. Furthermore, there are several other large new category programs being pitched such as a proposal for a **large health and beauty display in Costco**. Given the strength of the Company's relationships with its existing customers, and recent success with expansion efforts, there is a high probability of success.

Replicate Success with Other Retailers and Brands



While the Company serves many of the largest retailers and brands in the world, management believes there is an opportunity for OnQ to work with other specialty retailers and brands outside the technology and consumer electronics industry, and the Company is actively pursuing multiple opportunities. These retailers and brands have the same need to engage consumers by creating memorable in-store experiences and protect products from theft. OnQ's expertise, innovation, systems, processes and services are transferable to any type of retail environment.

Leverage Relationships to Grow Internationally



The Company has largely been focused on working with U.S.-based retail locations (although they are in 14 countries with one customer). Management believes there is a vast opportunity to expand their successful business model of category and brand "land and expand" internationally. With the right partner, OnQ can further capitalize on the increasing demand for secure engaging retail displays. Expansion of the sourcing and logistics expertise with additional in-country presence would allow OnQ to be even more competitive in the global marketplace.

CONTINUED: Attractive Growth Opportunities

Bolster Revenue Streams



OnQ's Converge™ Platform, has significant potential to monetize the interaction analytics collected at the shelf. This includes offering customers personalized, data-driven insights into consumer behavior and loss prevention to aid in operational decision making. The Company has already integrated with two retailers' POS platforms to provide live pricing and inventory data. Converge helps customers improve execution and guarantees a higher ROI on the display spend. In addition to monetizing the analytics, the recurring SaaS revenue has the potential to further boost OnQ's margin as more and more digital implementations occur.



The Company's Dfi™ system features a line of adjustable security brackets that offers the ability for brands/retailers to swap one product to the next on their display. The system involves no alarms which are known to be both expensive and ineffective. In addition to rising theft in the US market, there are international markets that are increasingly struggling with display theft where the Company sees potential for growth.

Technical Provisioning Services: The Company is seeing an increased demand for technical provisioning services as part of its full-service offering. This involves loading demos on products such as wearable technology and smart home hubs in preparation for the in-store experience. This underserved market creates a new growing stream of revenue.



Integrate Ad-Supported Displays
OnQ's displays are installed in many high foot-traffic retail stores. Current in-store retail media represents less than 1% of total U.S. retail media, signaling a long runway for growth. By selling ad space to agencies and retail media networks, OnQ can create a new revenue stream for itself, or use that income to reduce the cost of the display for the retailer, which will make OnQ's solution more enticing. There is an emerging trend known as store-as-a-medium (SaaM), which is all about creating memorable in-store experiences and using physical stores as a tool for communicating targeted messaging with consumers through the use of interactive digital signage. Integrating ad-supported displays is a key step for retailers to position themselves at the forefront of the SaaM trend.

Increase Artificial Intelligence Capabilities

Displays for AI-Products
Burgeoning Category



- Wave of AI hardware driving merchandising innovation
- Smart glasses (Meta Ray-Ban, Apple Vision) requiring secure try-on stations with charging infrastructure
- AI wearables needing entirely new display formats
- AI-enabled phones demanding interactive demo fixtures to showcase on-device capabilities
- Home AI devices requiring lifestyle vignette displays
- OnQ has existing relationships with all of the major suppliers

Meta AI

Gemini

Claude

perplexity

Electronics integrate with existing chat agents and universal checkout protocols allowing customers to seamlessly integrate AI in their shopping journey.

Internal Use of AI
Sales & Services

Sales & Design

- Accelerated proposal generation using AI tools and OnQ's database of 5,000+ completed programs
- Faster concept development through AI-assisted renderings and product comparisons
- Reduced time-to-quote while maintaining design quality

Customer Insights

- Wayfinding and store flow optimization recommendations based on display performance data
- Consumer engagement analytics supporting omnichannel retail strategies
- Positions OnQ as strategic advisor beyond display manufacturing

Service & Operations

- AI-powered store audit analysis and preventive maintenance scheduling
- Custom inventory management system in development to handle multi-SKU kitting complexity
- Optimized R&M routing and parts forecasting

Exceptional Leadership

The executive leadership team consists of a broad roster of **veterans from the retail, technology, and business services industries**, all dedicated to ensuring a successful transition.



Paul Chapuis
Founder and Chief Executive Officer



Carolyn Nolan
Chief Strategy Officer



Jack Lester
Chief Financial Officer



Pauline Prideaux
VP of Customer Success

Paul founded OnQ in 2004 based on the recognition of the meaningful disconnect between the in-store experience offered by retailers compared to what customers sought. Paul's passion for helping retailers and brands create memorable in-store experiences has been implanted in the Company's cultural fabric. Today, Paul's responsibilities include oversight of the Company and managing customer relationships.

Carolyn initially collaborated with Paul to establish the category display business and officially joined OnQ in 2007. After leaving in 2009 to lead a software company to a successful sale in 2014, she returned as Chief Strategy Officer. Carolyn is responsible for developing and implementing company processes and systems, physical and information security, and is actively involved in new initiatives and strategic growth opportunities.

Jack joined OnQ in 2014 and is responsible for all financial-related matters including financial planning, analysis, accounting, and reporting. In addition, Jack has also taken on a significant role in HR and operations. Prior to OnQ, Jack was CFO at Nielsen NeuroFocus and Vodafone Americas.

Pauline leads OnQ's creative direction, product development, and sales strategy. She originally joined the Company in 2013, departed in 2017 to serve as Head of Product at a financial technology services firm, and rejoined OnQ in 2020. Her return underscores the strength of OnQ's culture and growth trajectory.



Business Review

Northern Edge

Custom Displays and Proprietary Dfi™ System



Display Programs. OnQ designs and produces category and brand focused displays that showcase multiple brands within a retail department. The Company is typically engaged by the retailer as the preferred vendor, then coordinates with 5-10+ participating brands to develop unified fixture standards and messaging. This multi-stakeholder coordination represents a core competitive capability most display vendors cannot execute. OnQ then capitalizes on those category relationships and frequently works with the participants on branded displays in other retailers.

Pricing and Funding. The Company bills for design, production, provisioning, project management and logistics, applying markup to materials and labor. Displays ship either as store-specific parcels/pallets or in bulk to retailer distribution centers. Category programs require complex funding structures with multiple brand budget approvals and co-op advertising compliance—administrative complexity and know how that create barriers to competitor entry.

Dfi™ Security System. OnQ produces a patented fixture system that secures demonstration devices to retail displays while preserving full consumer interaction. The solution has been deployed across thousands of retail locations globally. Walmart adopted Dfi™ across multiple categories (laptops, tablets, phones, wearables, connected home, etc.). After experiencing significant shrink in its tablet department—3,000 stolen devices per month representing $18 million in annual losses, they looked to OnQ for help.

Following Dfi™ installation, theft dropped to **3 devices** over the subsequent **three-month period, a 99%+ reduction.** OnQ continues to manage this program today, over a decade later. Dfi™ is included in OnQ's full-service offering and provides a proprietary mechanical hardware advantage that helps differentiate the Company in competitive bids.



Technical Provisioning and Converge™

Technical provisioning capabilities. OnQ configures consumer electronics demo units (wearables, smart home devices, tablets, etc.) for in-store demo environments. Services range from firmware updates to complex multi-device configurations requiring network setup and demo software loading. The Company operates dedicated secure facilities with isolated Wi-Fi networks to handle pre-release products. ISO 9001 and SOC 2 Type II certifications provide the security infrastructure required to access confidential product roadmaps and pre-release hardware — credentials that exclude most display competitors from this higher-margin work.

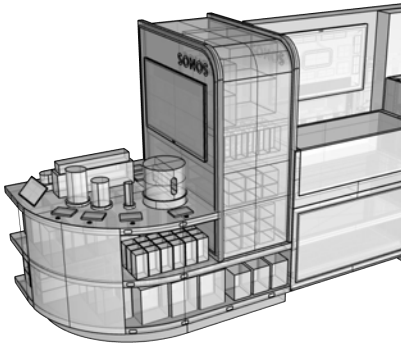
Emerging standalone revenue stream. OnQ recently launched technical provisioning as a standalone service (decoupled from display projects), generating monthly retainer fees plus per-unit provisioning charges. Early traction validates demand for OnQ's security-certified infrastructure as an independent offering, creating a new vector for account expansion and customer acquisition.

Converge™ Platform. OnQ's proprietary software powers connected retail displays, combining mobile device management (MDM), content management (CMS), and analytics in a single cloud-hosted platform. The Company developed Converge™ in-house and easily configures it for each customer's specific display requirements.

The platform captures consumer interaction data (engagement duration, product touches, video completions), enabling brands to measure in-store behavior and validate display ROI. Converge™ is ISO and SOC compliant and meets enterprise data security standards required by Tier 1 technology customers.

Economics. Converge™ generates SaaS-based annual recurring revenue through per-display licensing fees billed upfront (annually or quarterly). Software licensing represented 2.4% of 2025 revenue with gross margins at 87%—a high-margin segment with significant expansion potential. OnQ is alone in the industry in providing custom display structure, security devices and an in-house digital display platform.

OnQ qualifies, validates, and manages each program roll-out



Design and Engineering

May include any/all of:

- Conceptual renderings
- 3D renders and short animations
- Design and tech specifications
- UI/UX for digital engagement
- Material and finish selections
- Initial engineering



Prototype & Approvals

May include any/all of:

- Engineering release to prototype
- Preliminary pricing
- Prototype production & testing
- Packaging development
- Customer reviews and walkthroughs
- Budget approvals



Production, Assembly, Packout

May include any/all of:

- Bill of materials
- Engineering release to production
- Materials production
- Demo product receipt/processing
- First article review
- Quality control
- Planogram and store list analysis
- Assembly, kitting, packout
- Domestic & international logistics
- Instruction sheets/videos and Installer package overview

Design & Engineering Phase



Design and Engineering. OnQ's design team supports the full commercial cycle—from lead qualification through production. When an opportunity emerges, the Company scopes requirements by analyzing store layouts and product assortments to determine modularity needs and establish preliminary budgets. The team develops concepts through customer research, sketches, CAD renderings, and physical prototypes built in OnQ's in-house shop. This iterative process confirms requirements and refines pricing before engineering finalizes production drawings.

OnQ cross-sells its Converge™ platform during the design phase, integrating digital components and UI/UX design into physical displays where applicable.

SERVICE DIFFERENTIATORS

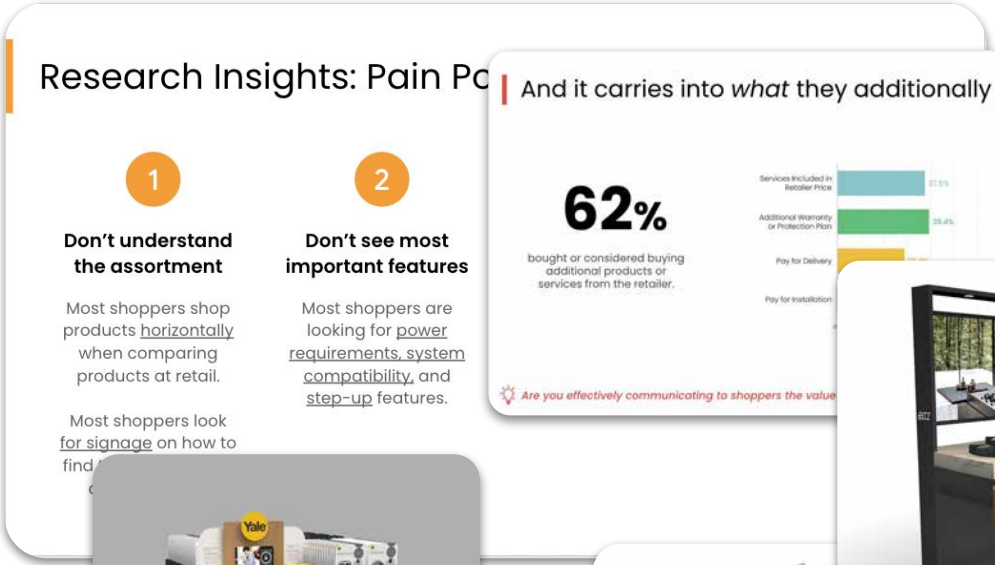
Design capabilities. OnQ maintains a proprietary database of thousands of completed programs, enabling rapid iteration on new concepts using proven components and configurations. Design cycles are 30-40% faster than typical industry timelines.

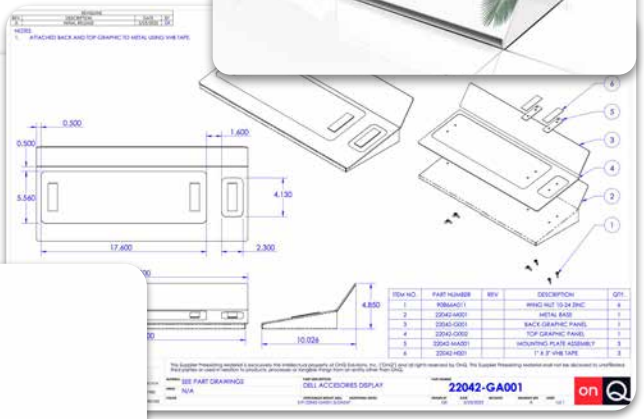
Institutional knowledge & Tenure. Average industry experience of Designers and Engineers exceeds 15 years. These employees, once joining the OnQ team, stay with the Company. This long-tenured staff maintains customer-specific playbooks covering approval workflows, technical specifications, and retailer system integrations. Retention of a long term design and engineering workforce leads to client familiarity and efficiencies associated with minimal rework.

BUSINESS REVIEW

Design and Engineering - Research and Concepts

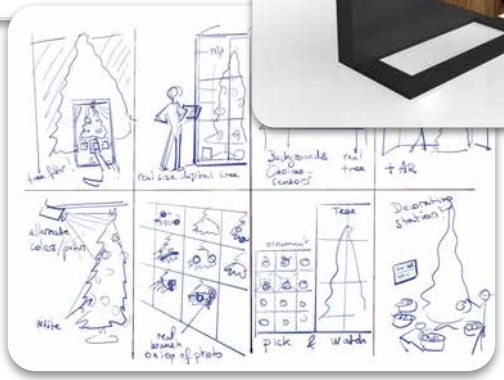


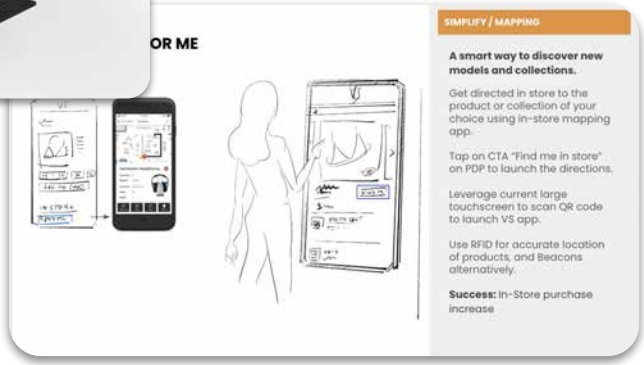












BUSINESS REVIEW

Prototyping and Approvals Phase



Prototype and Approvals. Following design and pricing approval, OnQ manages prototype development and program approvals including asset protection (AP) testing. The Company sources custom components (metal, acrylics, graphics, electronics, etc.) from its supplier network based on CAD specifications and then builds, assembles and tests all aspects of the display. OnQ's competitive advantage emerges in complex program management. Individual displays can require dozens of unique SKUs with specific display security and presentation configurations—a level of complexity most competitors cannot profitably handle. The Company has built proprietary systems and processes to manage multi-variant programs at scale.

For customers requiring technical provisioning (device configuration & software loading), OnQ operates dedicated clean (secure) rooms with isolated networks and specialized labor teams.

The AP testing process begins with strong internal testing. Retailers like Walmart also require intense on-site testing. OnQ has become skilled in preparations for these tests and normally achieves a passing status on the first attempt.

SERVICE DIFFERENTIATOR

Complex stakeholder management. OnQ navigates the entire multi-party approval processes involving brand managers, retail merchandising teams, store operations, and AP teams — coordinating requirements across stakeholders that often have competing priorities. This coordination capability accelerates time-to-market and reduces program failure rates.

Change order execution. The Company manages scope changes and unforeseen issues without timeline slippage or budget overruns—a capability built over decades that protects customer P&Ls and drives repeat business.

Art Approvals. OnQ regularly must obtain all assets and product specifications for dozens of products in a category. Each brand (with multiple parties per brand) must approve of these assets. Additionally, there are frequently multiple stakeholders in the retailer that also must approve. Keeping projects on schedule through all of these acquisitions and approvals is a skill many competitors simply do not have.

Prototype & Rigorous Asset Protection Approvals





BUSINESS REVIEW

Production and Shipping Phase



Kitting and Installation. As materials are received for the production line, a stringent quality control process ensures all components are ready for assembly. After final assembly, OnQ ships kitted displays to retail locations with tracking systems and detailed installation guides. While third-party installers typically handle physical setup, OnQ provides step-by-step instructions and remote support to ensure proper execution across thousands of store locations. Post-implementation, each display enters OnQ's inventory management system. Stores order replacement components on-demand through various EDI ordering systems (signage updates, replacement parts, seasonal refreshes). OnQ has built interfaces with all of the customized retailer ordering systems to receive in orders, send out materials, invoice for orders, and report on inventory levels, managing programs that often run for 3-5+ years in the field (some even longer). OnQ coordinates all product refresh cycles tied to new launches, handling component sourcing, logistics, and installation coordination. In interactive displays, OnQ also formats and manages the dissemination of new product content through the Converge platform.

SERVICE DIFFERENTIATOR

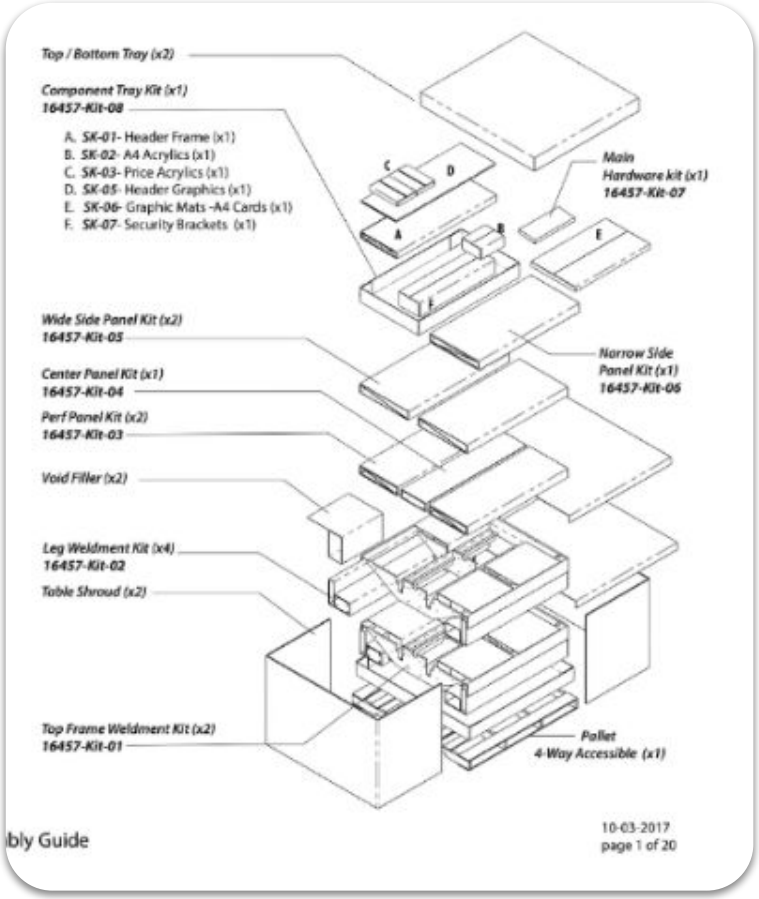
Technical provisioning. OnQ's ISO and SOC 2 certifications enable safe receipt and secure configuration of pre-release products, recently monetized as a standalone service generating monthly retainer revenue.

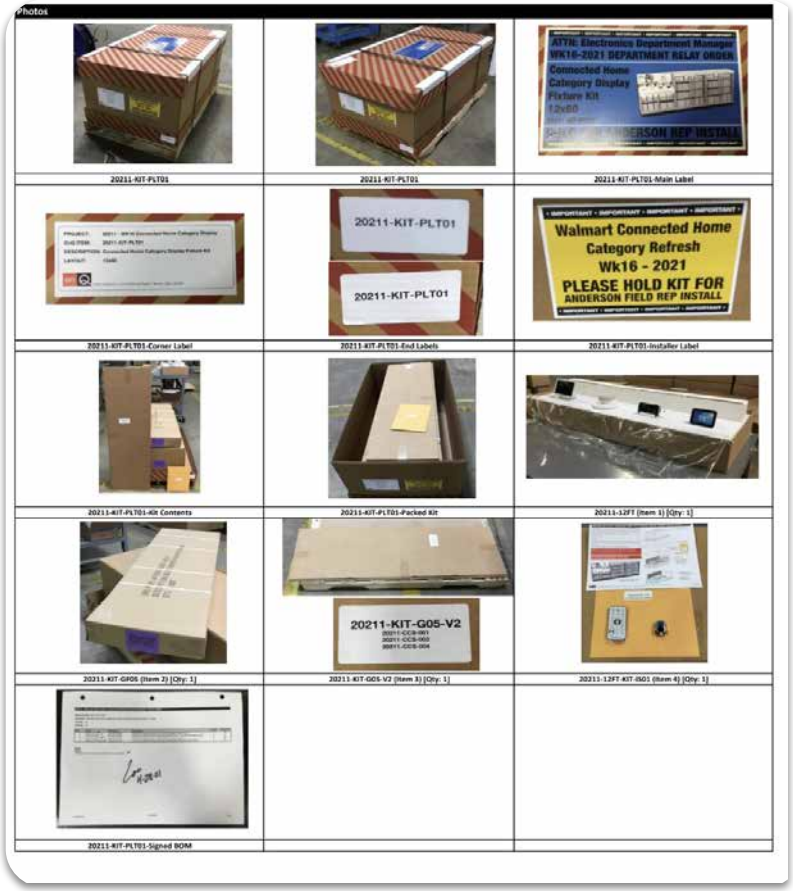
End-to-end service model: The Company develops institutional knowledge of each retailer's systems, store formats, and operational requirements. This entrenches OnQ in the retailer ecosystem - in many cases the retailer depends on OnQ to ensure accuracy of planograms, trait lists, and store distribution.

Ongoing support. Post-installation support generates recurring revenue through R&M orders. The Company manages parts inventory (to min/max levels) for all major retail customers, creating annual recurring revenue streams with 40%+ gross margins. Average R&M contract duration is 5+ years (with some as long as 15+ years).

BUSINESS REVIEW

Production, Assembly, Packout, Ship, Support





#1 — Apple Display Experience in Big-Box Retailers

BUSINESS REVIEW



Apple Displays

Highly Successful	Maintained **sub-0.1%** shrink rate across all retail locations **1,116% sales increase** in Apple product sales in Costco over a two-year period
Recurring Revenue	Active displays in **6,000+** stores Averages **4** refreshes per year across all chains
Program Expansion	From **1 to 6** retailers Expanded from **3 to 14** countries From **2 to 5** product lines

$3M+ refresh and licensing revenue annually

In 2014, Walmart engaged OnQ to create interactive iPhone displays that allowed consumer engagement while preventing theft. Apple had never before agreed to allow Walmart to display Apple products. OnQ designed a custom fixture incorporating its **patented Dfi™ security system**, which provided device protection without the alarm cables used in other retail installations. Apple recognized the solution as superior to existing alternatives for this channel - offering both enhanced consumer experience and improved security.

Following successful rollouts at Walmart and Target, Costco commissioned OnQ in 2016 to design Apple displays for its warehouse format. The project required navigating competing aesthetic requirements from both Apple (premium minimalist design intent and materials) and Costco (warehouse-appropriate aesthetic and durability). OnQ **coordinated approvals between Apple and Costco executives** to deliver a solution that satisfied both brands.

Walmart · Costco Wholesale · Target · meijer · BJ's Wholesale Club · Fred Meyer

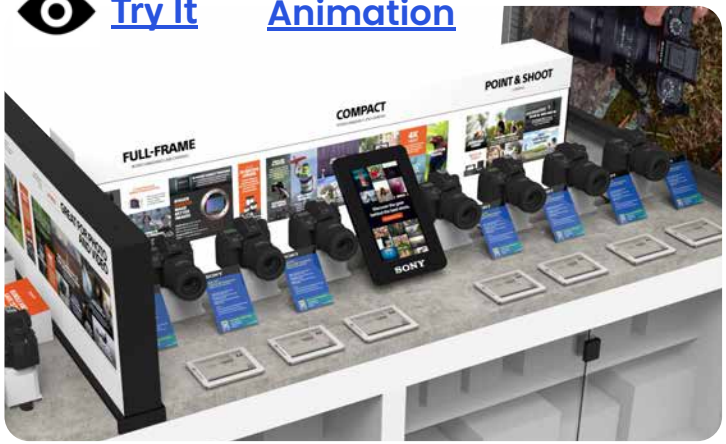


The Apple program expanded to 6+ retailers and scaled worldwide to thousands of Costco locations. It remains active today, with **ongoing enhancements** including digital and interactive demo experiences. The Apple display program demonstrates OnQ's ability to manage complex multi-stakeholder approvals while delivering solutions that expand across multiple major retailers for a broad array of products.

#2 — Reimagining Sony Digital Imaging in Best Buy

BUSINESS REVIEW

Try It Animation



Sony Digital Imaging — Hero Video

Highly Successful	**16%** increase in camera, lens and accessories sales **2 min+** average engagement time per customer session
Recurring Revenue	**$300,000+** of yearly Converge™ licensing software revenue Averages **12** digital content refreshes per year
YOY Expansion	From **1 to 4** retailers Retailer-specific assortments From **1 to 4** web-formats regional content, promotions and more

$3M+ refresh and licensing revenue annually

In 2023, Sony engaged OnQ to retrofit existing camera displays across Best Buy locations to drive higher conversion rates. Traditional displays organized products by technical specifications, creating decision paralysis for amateur photographers unfamiliar with lens specs and sensor sizes.

OnQ redesigned the experience around use cases rather than features—organizing cameras by photography objectives (travel, sports, portraits, wildlife) instead of megapixels and ISO ranges. The initial deployment featured a 27" interactive screen that guided customers through product selection based on intended use.

The retrofit deployed to 50+ Best Buy locations and delivered measurable results: 16% increase in camera sales and strong customer engagement. The interactive displays provide Sony with real-time analytics on product engagement, enabling continuous optimization.



ICX Elevate 2024 Award Winner

Multi-Platform Expansion: The success of the 27" displays led Sony to expand OnQ's software, generating incremental, Converge™ licensing fees

QR-to-mobile: Customers scan displays to continue shopping on their phones

Tablet kiosks: Touchscreen tablets in specialty retailers and tabletop formats

Retailer website integration: OnQ's selection tool embedded directly into retail e-commerce sites

Portable displays: "On-the-go" formats for events and smaller retail footprints

Competitive Landscape



OnQ occupies a differentiated position combining physical display manufacturing, proprietary security systems (Dfi™), technical provisioning infrastructure, and software technology (Converge™). Most competitors operate in only one or two of these areas - display fabrication firms lack software capabilities and security certifications, while technology providers do not manufacture physical fixtures.

The Company's **end-to-end service model**—from design through multi-year program management including R&M, refresh cycles, and on-demand fulfillment—creates operational integration that competitors who exit after installation cannot replicate. Category display programs at major retailers (coordinating 5-10+ brands within a single department) further demonstrate capabilities most display vendors lack.

OnQ is the only display company with both ISO 9001 and SOC 2 Type II certifications, enabling access to pre-release products from Tier 1 technology brands and creating a structural barrier to competition in high-value consumer electronics categories.

	Custom Displays	Security Solutions	Tech Platform	Interactive Digital	Category Management	Tech Provisioning	ISO/SOC II
onQ	✔	✔	✔	✔	✔	✔	✔
OUTFORM	✔			✔			
LG&P	✔		✔	✔			
LYNX INNOVATION	✔		✔	✔			
darko	✔		✔	✔		✔	
inVue		✔	✔				
MTI		✔					
SCORPION SECURITY PRODUCTS		✔					

Business Development Process

Lead → Qualify Opportunity → Discovery Meeting → Initial Scope of Work → SoW Signed

OnQ's business development team qualifies opportunities through discovery sessions to understand the customer's retail challenges and program objectives. The team conducts upfront research on the target retailer's store formats, shopper demographics, and competitive landscape to inform initial proposals.

Staged Investment Approach. OnQ de-risks the sales process through progressive commitment: early-stage ideation sessions with prospective customer stakeholders generate concept sketches that demonstrate understanding of their needs. These sketches are developed into CAD renderings with preliminary pricing to move opportunities forward. Physical prototypes are produced only for high-probability deals to secure final approval. This staged approach allows customers to validate direction before significant investment while demonstrating OnQ's capabilities at each stage.

Sales Cycle

1 Account Expansion

1-4 Months

from initial contact to contract signing

2 New Business Development

3-9 Months

from initial contact to contract signing



Relationship Advantage

Existing customers close significantly faster because OnQ already understands their calendars, approval workflows, technical requirements, and decision-maker preferences. This embedded knowledge compresses sales cycles and provides a meaningful edge when competing for time-sensitive product launches where speed-to-market matters.

Business Development Strategy: Land & Expand

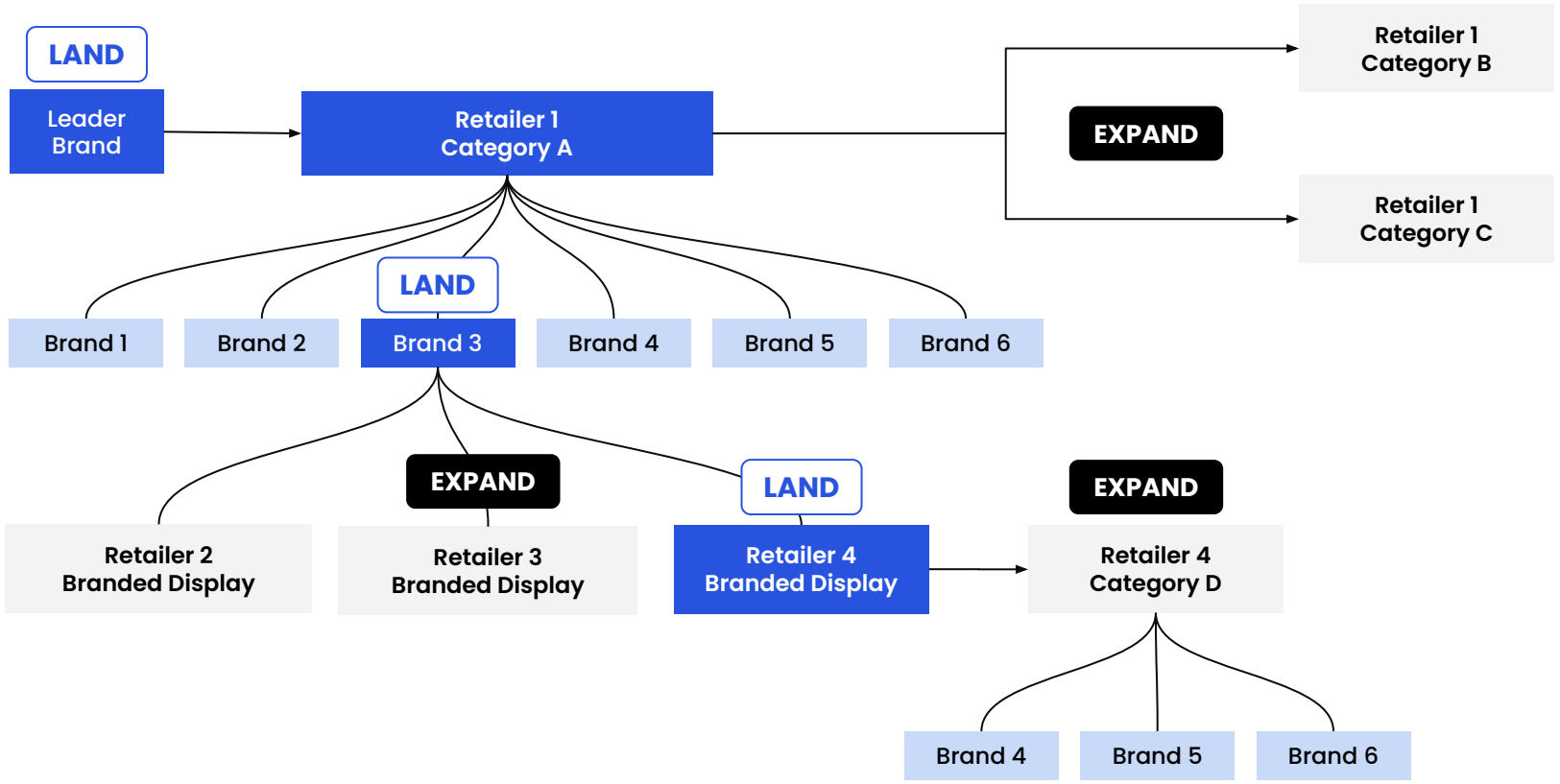
Land & Expand Strategy: OnQ's growth model leverages successful category programs to expand in three directions:

- **Retailer Expansion.** OnQ leverages successful brand partnerships to expand into new retail channels. Example: Apple display success at Walmart and Target enabled expansion to Costco, BJ's, Meijer, and Fred Meyer—each requiring customized solutions while leveraging the core relationship with Apple.
- **Brand Expansion.** OnQ uses category expertise at major retailers to start meaningful relationships and win additional opportunities with participating brands. Working with Garmin in the wearables category at Walmart has led to opportunities to manage all of their tech provisioning and retail display business in other chains.
- **Category Expansion.** When OnQ runs a successful category in a retailer, the Company uses that experience to expand to other categories within that retailer (the first category in Lowe's was Connected Security - OnQ since has expanded into Doorbells, Thermostats, and Safety and Security Lighting).

Retailer Expansion	Brand Expansion
• Drive expansion within existing brand and retail relationships • Identifying new categories, refreshes, and cross-selling opportunities • Consolidating streams of recurring revenue with Converge™, Tech Provisioning, and Fulfillment	• Leverage retailer referrals and success stories to land new brands • Leverage brand referrals to land new retail partnerships • Creating new expansion vectors

Self-reinforcing referral engine and successful execution of complex programs generates organic inbound leads from customers

Compounding Growth Model (Land & Expand)

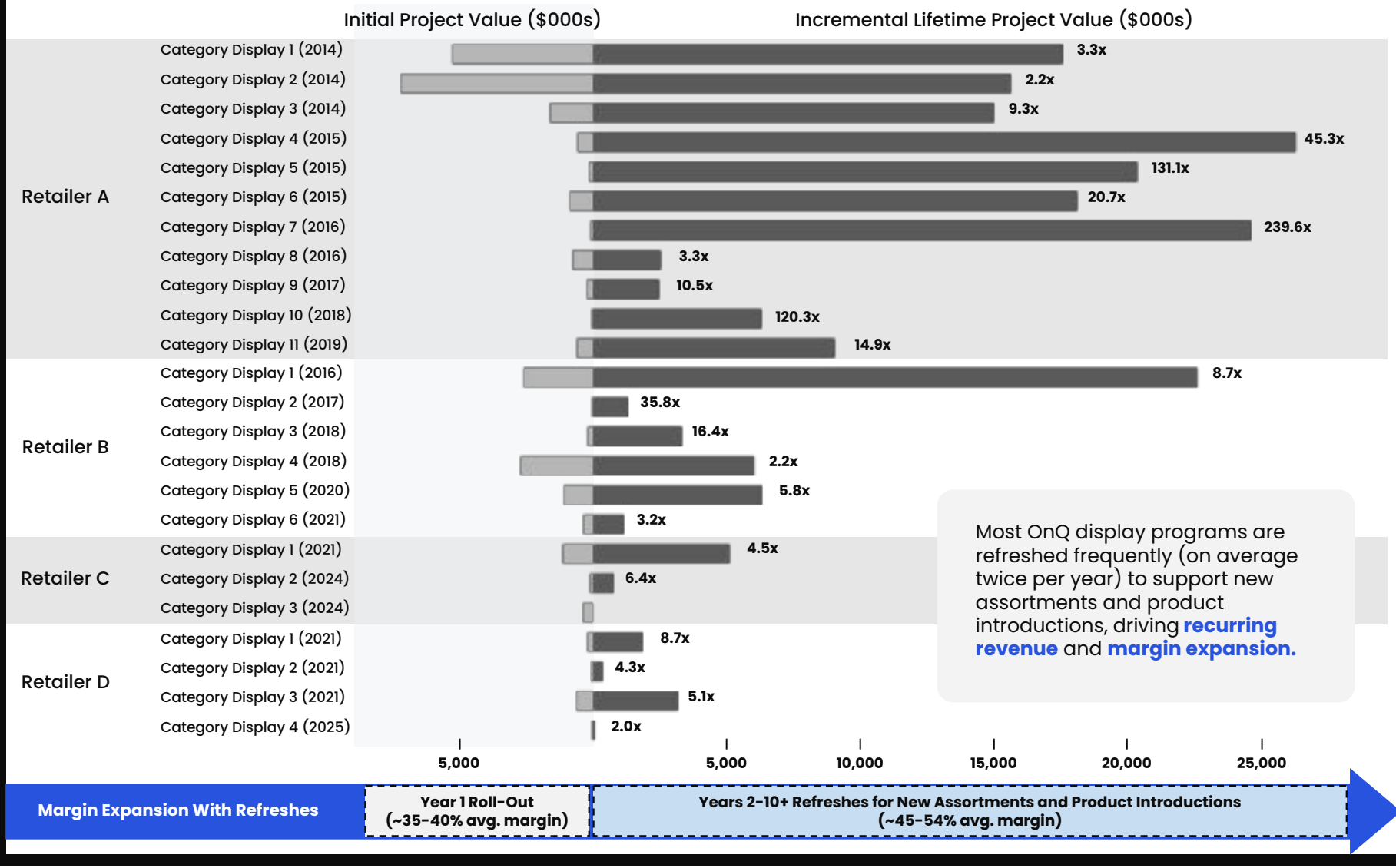


Compounding Growth Model (Land & Expand) - Example



Revenue Growth Strategy

Long-Term Revenue Tail



Most OnQ display programs are refreshed frequently (on average twice per year) to support new assortments and product introductions, driving **recurring revenue** and **margin expansion.**

Suppliers and Purchasing



OnQ sources precision metal components, printed graphics, plastics, and related inputs for its custom retail display programs from a diversified vendor base made of hundreds of suppliers annually, including both domestic and international partners. Typical inbound lead times are 2–6 weeks for domestic or near-shore shipments and 6–8 weeks for international shipments, providing predictable planning windows for production scheduling and project execution. Certain ocean freight lanes can extend total inbound time to 12-14 weeks.

Supplier concentration is actively managed and has improved as the Company scales. In 2025, purchases from the Company's #1 and #4 suppliers were temporarily elevated due to one-time device/hardware procurement tied to a large customer program. Going forward, OnQ does not expect this purchasing pattern to recur as the customer has transitioned to purchasing devices directly and shipping units to OnQ for provisioning, reducing both supplier concentration and working-capital intensity for OnQ.

In 2025, the Company further expanded the global supplier base and has strengthened purchasing processes, with the objective of improving pricing, lead times, and supplier performance.

Top Suppliers (FY 25)

The Company has developed an extensive and diverse supplier network and has recently undertaken an initiative to further diversify its supply chain.

Supplier	Location	Purchases ($000s)	% of Total Purchases
Supplier A	USA	**$3,352**	**14.8%**
Supplier B	China	**$2,571**	**11.4**
Supplier C	USA	**$2,227**	**9.8**
Supplier D	USA	**$1,628**	**7.2**
Supplier E	China	**$1,491**	**6.6**

OnQ typically purchases on a purchase-order basis without long-term supplier contracts, and pricing is generally market-based. Where input costs increase, the Company has historically been able to pass through cost changes to customers, supporting gross profit dollars, particularly on customized, engineered programs.

To further reduce concentration and tariff exposure and enhance near-shore capability, OnQ has expanded its supplier network. Following a competitive sourcing process initiated in late 2023, the Company qualified a Mexico-based supplier through vetting and prototyping, and successfully completed a production rollout with strong quality and faster turnaround times. OnQ has since awarded additional projects to this supplier and is evaluating a second Mexico-based partner to support upcoming 2026 programs. These near-shore relationships provide alternative capacity for key plastic and metal components and materially reduce exposure to China-related tariff volatility.

Company Facilities



Strategically-Centered in Akron, Ohio



Main Production & Warehouse

Address	1907 Buchholzer Boulevard, Akron, Ohio
Total Size	Approximately 213,000 square feet (+65,000 square feet addition in 2026)
Space Allocation	Office (17%); Production and Warehouse (83%)
Expiration Date	December 2028
Annual Rent (incl. CAM charges)	$1.1 million (amount to increase once the contract for the 65,000 square foot expansion space is in place)
Agreement	Triple Net Lease
Lessee	OnQ Solutions, Inc.

OnQ moved into a purpose-built facility in Akron, Ohio with an optimized production and warehouse layout. The Company moved its production team to the new location in April 2024, followed by its operations team in September 2024. The interior space is designed to foster creativity and collaboration. The facility also caters to customer visits with an entrance way leading to the offices that showcase the history and major achievements of the Company.

The production schedule is typically from 9 to 5, five days a week, but occasionally increases to six or seven days a week during peak periods. There is an opportunity to expand production in the future by running a second or even third shift. Due to a significant increase in fulfillment programs and the size requirements of the “Next Generation” program, OnQ has expanded into an additional 65K square feet of space in the facility. The lease will be co-terminus with the existing lease.

The Company’s Hayward office lease is month-to-month and can be terminated resulting in approximately **$450,000 in annualized operating cost savings.**

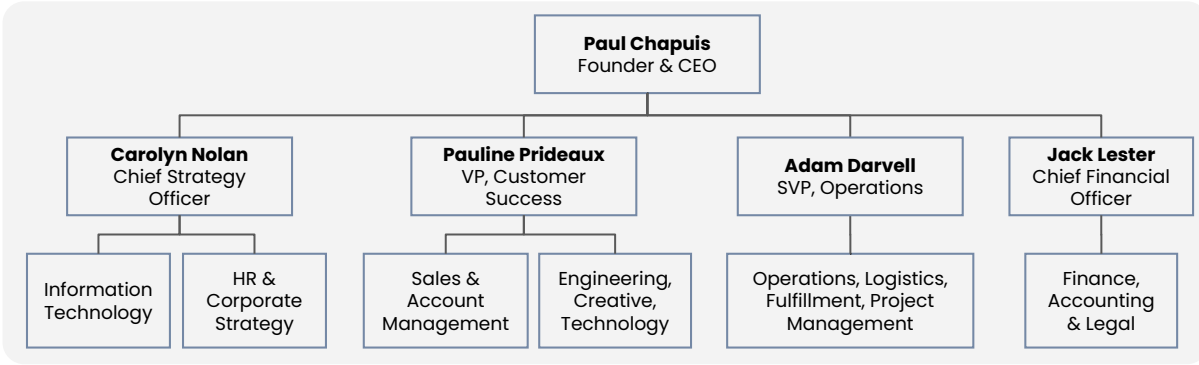
Management Organizational Chart



Full-Time Employee Breakdown*	
Executive Leadership	5
Production	38
Design/Engineering	15
Project Management	14
Business Development	16
Technology	7
Finance, HR, IT	6
Total	**101**

Location Employee Breakdown*	
Ohio	63
California	11
Remote	27
Total	**101**

*As of August 2026



OnQ is led by a five-member executive leadership team comprised of Paul Chapuis, Carolyn Nolan, Jack Lester, Pauline Prideaux, and Adam Darvell. The executive leadership team sets the overall strategic direction, goals and policies for the Company. The executive leadership team has an impressive average tenure of eleven years working together.

The Company has a deep leadership team reporting into Carolyn, Jack, Pauline, and Adam, including the Manager of Operations, IT Manager, HR Manager, Manager of Client Success, and Controller. The leadership team implements the strategic direction set by the executive team and executes on organizational goals.

In June 2021, Stuart (Stu) Armstrong, a veteran in the retail industry, joined OnQ's board of directors. Stu has held leadership positions at a range of companies servicing the retail and consumer packaged goods industries. The board is comprised of Stu, Paul, Carolyn and Jack. The board's objective is to provide governance and financial oversight, as well as approving the overall strategic direction and goals.

Management strives to foster a culture of proactivity and collaboration with an overarching goal to constantly redefine the retail environment for its customers. As a result, management believes that the employees appreciate the unique qualities that set OnQ apart from its competitors, such as meticulous attention to detail, rapid turnaround, and focus on quality. This appreciation is reflected in the attention to detail and pride that the workforce demonstrates in serving the Company's customers.

Information Technology and Business Processes

The Company prioritizes prudent investments in technology and process improvement to drive efficiency and scalability.

ERP & Systems Infrastructure. To support scale and strengthen financial controls, OnQ migrated its ERP from QuickBooks to NetSuite, completing full implementation in early 2023. NetSuite is integrated with Salesforce (CRM), Concur (expense), and Insperity (HR/payroll), enabling streamlined reporting, improved visibility into project-level profitability, and more accurate estimating and margin management. Total one-time implementation cost was approximately $500,000.

Training. As a reflection of the Company's focus on management training and retaining a high-quality team of senior executives, in 2022, the Company hired Vistage to host numerous training sessions for the leadership team. The sessions facilitated a tighter relationship for the managers and helped them develop a formalized process workflow that continues to aid the Company. The total cost of the training sessions was approximately $110,000.

Information Security & Certifications (SOC 2 Type II / ISO 27001). To meet enterprise customer security requirements associated with technology-enabled, connected displays and cloud-hosted data, OnQ invested proactively in information security and formal certifications. The Company engaged Prescient (third-party) beginning in 2022 (with annual certification audits) and maintains the following (both achieved every year with zero exceptions):

SOC 2 Type II report (covering Security / Availability / Confidentiality / etc.)

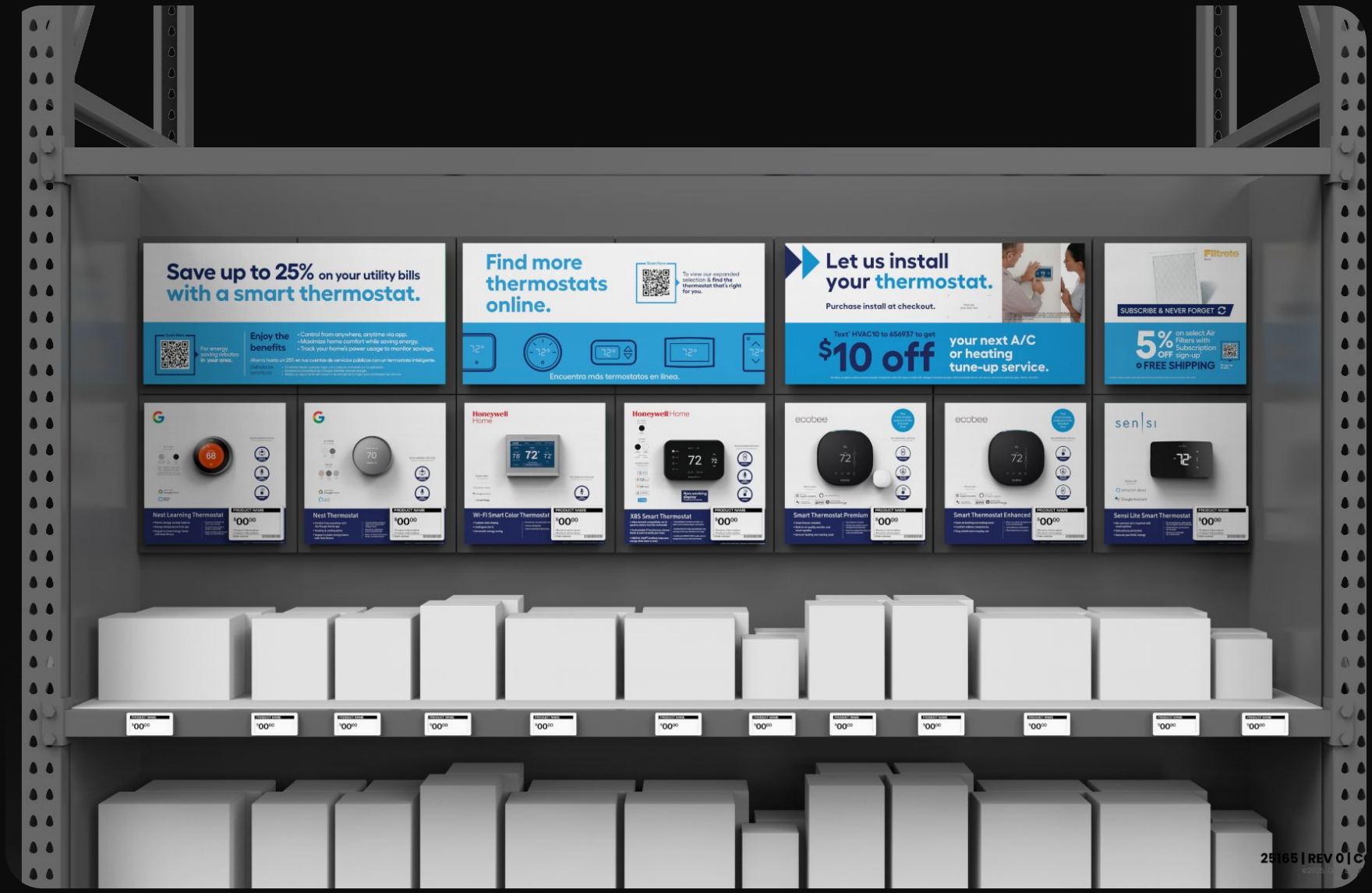
ISO/IEC 27001 certification (certificate No. 122106)

These credentials are increasingly required by large enterprise brands and represent a meaningful competitive advantage in RFPs and vendor qualification processes. Costs included approximately $110,000 in one-time spend and approximately $50,000 annually for ongoing audits and renewal activities.

Processes. Management has made it a strategic priority to operate the Company according to rigorous, intentional and consistent standards. Accordingly, the Company has undertaken a major initiative to document its key operating procedures and processes. This effort has required employees throughout the organization to adhere to the documented processes, resulting in greater consistency, productivity and more efficient project management. OnQ uses Smartsheet to manage the entire workflow of the business.

CONTINUED: Information Technology and Business Processes

Financials & HRIS	Description
ORACLE NetSuite	ERP for financial management and detailed financial reporting. Enables leaders to review key financial information such as visibility into project specific P&Ls to track project performance against budget.
CONCUR	Accounts payable and expense management seamlessly integrated with NetSuite.
Insperity	Human resource information system and time tracking integrated with NetSuite through Celigo.
Sales & Operations	
smartsheet	Provides a centralized way for the Company to track, manage, and communicate on all projects and project-related tasks to improve accountability and process consistency.
salesforce	Sales process flow integrated with NetSuite through Celigo.
IT Security	
DRATA	Compliance management software (ISO & SOC II certifications).
SOPHOS	Antivirus, email security, and device monitoring.
LastPass	Password management.
ThreatDown Powered by Malwarebytes	Managed malware detection and response.


Save up to 25% on your utility bills with a smart thermostat.
Enjoy the benefits
Find more thermostats online.
Encuentra más termostatos en línea.
Let us install your thermostat.
Purchase install at checkout.
Text HVAC10 to 656937 to get
$10 off your next A/C or heating tune-up service.
Filtrete
SUBSCRIBE & NEVER FORGET
5% OFF on select Air Filters with Subscription sign-up
FREE SHIPPING
Nest Learning Thermostat
Nest Thermostat
Wi-Fi Smart Color Thermostat
X8S Smart Thermostat
Smart Thermostat Premium
Smart Thermostat Enhanced
Sensi Lite Smart Thermostat

Retail Industry Overview

Industry Size and Outlook. The portion of U.S. retail sales conducted in traditional physical stores (also referred to as "brick-and-mortar" or "offline" retail), is stronger than ever and expected to remain strong as consumers increasingly value the ability to try products in-store and the immediacy of receiving purchased products. In 2024, offline retail accounted for $4.1 trillion, as resilient U.S. consumers navigated rising prices, and economic and geopolitical uncertainty. By 2029, Forrester expects brick-and-mortar retail sales to reach $4.3 trillion. Additionally, Forrester forecasts offline retail sales for the "Europe-5" countries (comprising the top five economies in Europe including Germany, the UK, France, Italy, and Spain) will increase to $2.5 trillion by 2029 from $2.3 trillion in 2024.

Consumer Demand for Experiences and Overall Increase in Retail Investment. Brands are actively thinking about re-imagining and investing in their in-store experience to meet evolving customer preferences and are recognizing that physical experiences remain a powerful differentiator for engaging consumers and strengthening brand identity. To develop and grow loyalty, brands such as Nike are strategically prioritizing both digital and physical interaction to engage and retain consumers, evident through its investment in creating immersive experiential retail spaces. Additionally, retailers and quick service restaurants recognize that a unique shopping experience can only be offered in-store and are reasserting the importance of their physical presence. For example, major retailers such as Walmart and Dick's Sporting Goods are introducing concept stores (Dick's introducing "House of Sport" concept stores and Walmart introducing its "Store of the Future" concept) to offer consumers a memorable experience, while Starbucks is reinvesting in its physical spaces to deepen the human connection with customers.

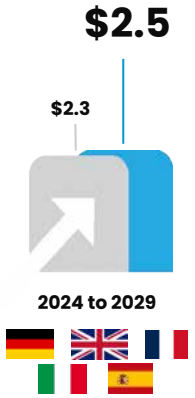
Even brands outside of traditional brick-and-mortar are investing in retail experiences. Netflix is launching three large, permanent retail spaces called "Netflix Houses" in an effort to create immersive story-driven experiences. Also, Meta is reported to be planning several retail locations – another signal that leading brands are investing in creating immersive, in-person experiences.

The continued boom in artificial intelligence investment positions OnQ for significant growth as brands and retailers will allocate increasing amounts of resources into showcasing their new AI related products through the creation of unique in-store experiences. The increased demand for AI powered device and AI assistant-related displays will directly benefit OnQ, as the Company has existing relationships with all AI hardware providers.

Growth of U.S. Brick-and-Mortar Market ($ Trillions)



Growth of Europe-5 Brick-and-Mortar Market ($ Trillions)



Sources: Forrester, Solomon, Digital Commerce 360

The future of retail lies in the seamless integration of in-store and online experiences.

Retail Strategy: Tech, Personalization, and Physical Space Utilization. According to Lightspeed Commerce, the future of retail lies in the seamless integration of in-store and online experiences. To thrive in the coming years, retailers must assert their brick-and-mortar presence by giving consumers tangible experiences, immediate in-person gratification, physical product comparison, social interaction, and personalized assistance. As large retailers invest a growing amount in creating memorable retail experiences for their customers, they will turn to market leaders like OnQ to maximize the return on their investment and preserve or even grow their market share.







Retail POS Display Industry Overview



The Company is well-positioned to capitalize on the rapid projected growth of the global point-of-sale (POS) display market, which is expected to almost double to over $25 billion by 2032.

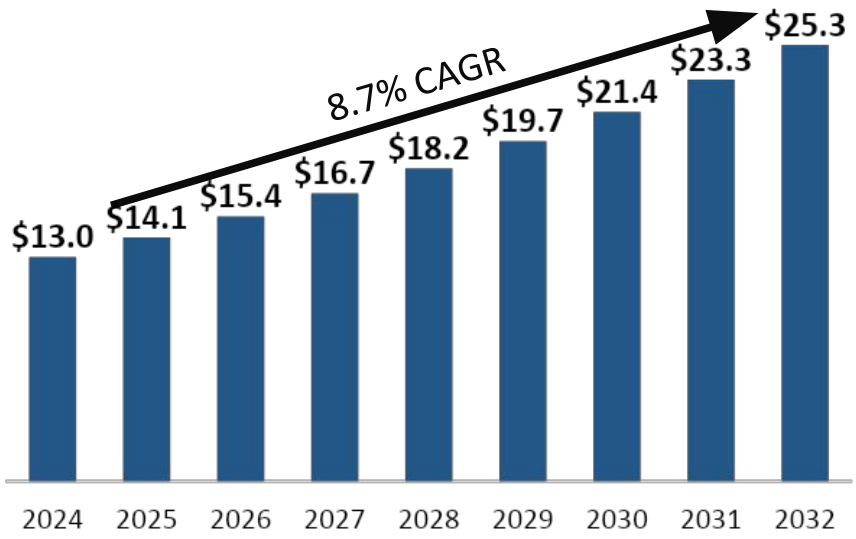
Industry Size and Outlook

As of 2024, the global point-of-sale (POS) display market was valued at $13.0 billion and is expected to grow rapidly over the coming years to approximately $25.3 billion by 2032 with the North American market expected to experience the highest growth.

Consumer Demand for Experiences

The projected growth of the global POS market is in part due to the rise of experiential retail. As consumers crave experiences they can share on social media, the immersive, shareable nature cultivated by experiential retail is the key to winning the competition for foot traffic. Consumers seek much more than just a transactional shopping experience; they want to be engaged, entertained, and emotionally connected with brands prior to making purchases. As a result, retailers will allocate an increasing number of resources into innovating in-store displays, which is a major driver for this market.

Global POS Display Market ($ in billions)



Source: Data Bridge Market Research



Retail is becoming measurable. The store is turning into a data channel—and displays are the interface

Retail Strategy: Tech, Personalization, and Physical Space Utilization

- Large retailers such as Walmart are focused on creating more in-store experiences by enhancing existing displays such as those at the point-of-sale, expanding in-store demo stations and sampling, and testing more areas to reach customers, boost awareness and drive consideration. Additionally, the allocation of physical space in a store is increasingly skewed towards these in-store experiences.
- Moreover, retailers are recognizing that consumer products and retail technology continue to evolve; in particular, retail digital displays are being integrated with more technology. Touchscreen panels, interactive mirrors, and artificial intelligence elements can provide customers with immersive product experiences.
- Interactive retail display technologies, such as those provided by OnQ, not only capture attention but offer valuable consumer data to retailers to drive strategic decisions and help create a dynamic and modern shopping environment. OnQ's ability to create top-tier retail experiences through data-driven design decisions fuels demand as retailers strive to stay at the leading edge of retail innovation and give consumers the best retail experience possible. Providing actionable data from the interaction statistics of the interactive displays enhances the ROI on this spend.

Retail Industry Trends – Retail Theft

Management believes demand for the Company's asset protection solutions (Dfi™) will continue to increase as retailers seek new security solutions to reduce product breakage and theft.

There has been a concerning rise in theft and product breakage affecting retailers globally in recent years. According to the National Retail Federation's (NRF) survey of approximately sixty retail member companies, shrink is a rapidly ballooning issue. In 2024, retail shrink hit **$146.0 billion**, a **137% jump from 2019,** as retailers maintain that organized retail crime (which refers to large-scale retail theft and fraud by groups of professional shoplifters who conspire to steal and resell stolen merchandise) has materially increased as online marketplaces such as Amazon have made it easier for criminals to quickly resell stolen merchandise.

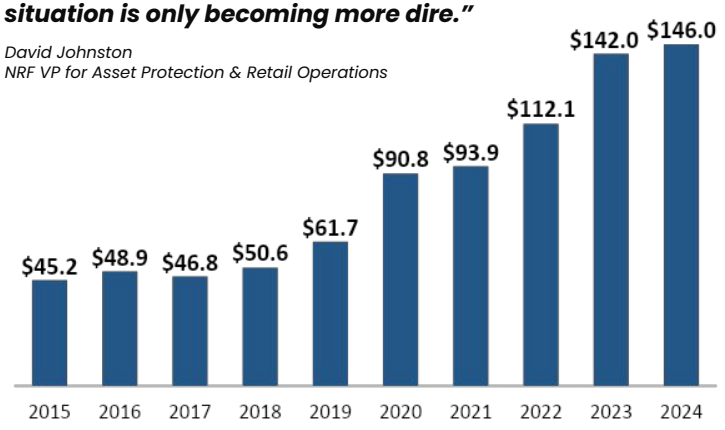
Several large international retailers such as Walmart and Target have pointed to elevated shrinkage as the underlying reason for adjusting their profit expectations, reporting lower margins during recent earnings announcements. In addition, it is likely that retailers who are unable to implement stronger security measures will be forced to close specific store locations, reduce operating hours or alter in-store product selection to deal with the increases in retail crime.

Retailers can engage with OnQ for innovative solutions that reduce retail theft while enhancing the in-store customer experience. OnQ's Take-a-Ticket Solutions reduce theft for all product categories as high value inventory can be held in more secure, less visible areas of the store and celebrated digitally.

The Take-a-Ticket system boosts in-store engagement and gives customers additional valuable information to inform their purchases such as product reviews, how-to videos, and comparison tools. The Company's Dfi™ Security Solutions, which are primarily consumer electronics focused, secure high-ticket items to the displays, materially reducing theft in an aesthetically pleasing and engaging way.

"Retailers are seeing unprecedented levels of theft coupled with rampant crime in their stores, and the situation is only becoming more dire."

David Johnston
NRF VP for Asset Protection & Retail Operations



Source: National Retail Federation

Increased inventory shrink reserve to $427 million as of January 31, 2025







Sources: Securitas, RTF Global, CNBC



Selected Financial Information

Basis of Preparation







The following pages present selected historical financial information based on the Company's internal financial reports and from the Company's historical financial statements, reviewed by an independent accounting firm, for the fiscal years ended December 31, 2022, 2023, 2024, and 2025. The reviewed financial information has been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP).

The financial information has been prepared on a consolidated basis and includes the accounts of OnQ Solutions Inc. and its wholly-owned subsidiary, Converge Retail, Inc. All significant intercompany accounts and transactions have been eliminated.

Prior to 2023, the Company applied an overhead percentage to each job, which was recorded as a credit entry to operating expenses (reducing operating expenses) and a debit entry to cost of goods sold (increasing cost of goods sold). These entries were undertaken for the purpose of calculating commissions for the sales employees, which was previously measured by gross profit. In 2023, the Company eliminated this allocation, resulting in the cost of goods sold and operating expense numbers reflecting their actual values for the year. The historical financial information presented herein has been adjusted to conform with the current accounting methodology (i.e., the entries made prior to 2023 have been reversed).

In addition, the following pages include projected financial information for the Company for the fiscal year ending December 31, 2026 prepared by management. No representation or warranty is given by any party as to the achievability or reasonableness of, and no reliance should be placed on any projections, targets, estimates, or forecasts, and they should not be relied on as a promise or representation of the future.

In 2022, OnQ generated revenue of $47.9 million, representing 28.2% growth versus the prior year, driven by a post-pandemic rebound in retailer demand for in-store display programs and theft-reduction solutions. Expansion within the existing customer base was strong, with revenue from the top five customers in 2022 increasing by 41% year-over-year, supported by new program rollouts, increased store count, and broader product adoption.

Operating expenses increased as the Company strategically invested in technology infrastructure and headcount to support growth, ending the year with 96 employees (+12% versus the prior year). Despite the cost increases, OnQ generated adjusted EBITDA of $3.8 million, representing an adjusted EBITDA margin of 7.9%.

In 2023, OnQ successfully navigated a challenging macro environment as inflationary pressures and retailer caution reduced discretionary spend across the retail display category. The Company generated revenue of $42.1 million, representing a 12.2% decline compared to the prior year, primarily driven by lower retailer project activity. Retailers prioritized essential operating expenses and loss-prevention initiatives, while deferring complex category resets and large-scale, in-store build outs—trends that impacted the entire retail display industry and increased competitive intensity.

Despite these headwinds, OnQ maintained a strong position in its niche by emphasizing loss-prevention and tech-enabled display solutions. The Company expanded its customer base in 2023, adding meaningful new relationships including Starlink, Luxottica, Sony, and Tesla.

These new-customer wins represented approximately 6% of 2023 revenue and reduced reliance on legacy accounts, with the top customer representing 40% of revenue (versus 46% in 2022) and the top ten representing 83%.

Operationally, OnQ maintained headcount (with 97 employees at the end of the year), reflecting deliberate investments to preserve capacity and support a growing mix of higher-security, tech-enabled deployments. The Company achieved adjusted EBITDA of $2.2 million.



Starlink Retail Launch in 2023

Laying the foundation for scalable profitability.

In 2024, OnQ executed a series of operational initiatives to strengthen efficiency and position the Company for improved profitability. The Company completed two major facility actions: (i) relocating its headquarters to a new office in Hayward, California, and (ii) consolidating two Ohio facilities into a new purpose-built site in Akron, Ohio. These moves were designed to improve workflow, enhance capacity utilization, and support long-term growth, while also simplifying the Company's operating footprint. One-time transition costs totaled approximately $1.3 million in 2024, with annualized savings of $0.5 million going forward.

As part of the footprint optimization, OnQ realigned its workforce by transferring approximately 10 roles from California to Ohio, contributing to ongoing labor cost savings of $0.2 million annually. In addition, management streamlined the organization through a 10% headcount reduction to 87 employees, while maintaining operational capacity to serve core customer programs. These actions delivered an annualized operating expense savings of approximately $0.5 million.

From a demand standpoint, macroeconomic and political uncertainty persisted in 2024, and certain large customers (including Walmart and Costco) deferred select strategic investments in large-scale in-store projects as they prioritized cost management and operational efficiency. Importantly, these opportunities remained in OnQ's active pipeline, deploying instead in 2025.

For the year, OnQ generated revenue of $32.4 million and adjusted EBITDA of $(1.2) million, reflecting temporary lower project volume and pricing pressure. Despite near-term industry headwinds, OnQ continued to win new business and diversify its customer base, supported by its differentiated value-added services and capabilities within its Dfi™ system and Converge™ Platform.



The takeover of Lowe's Connected Home, featuring over 12 brands started in 2024

The start of substantial growth.

In 2025, OnQ delivered a meaningful rebound in performance despite continued macroeconomic uncertainty and a difficult operating backdrop for the retail display industry, with many competitors downsizing or exiting the market. Key sales initiatives implemented in 2024, including a restructuring of the sales team, resulted in a material expansion of the project pipeline and increased win activity, including several multi-million dollar programs. The pipeline expanded with new projects for Lowe's, Walmart, Costco, and other major retailers, supporting an increase in identified projects for 2025 and continuing into 2026.

Gross margin benefited from the operational efficiencies achieved through the 2024 facility consolidation and footprint optimization in California and Ohio. However, reported gross margin was impacted by two main factors. First, the Company, like others in the industry, was subject to higher tariffs (higher as a percentage of material costs). Additionally, a new strategic client required OnQ to purchase and pass through a significant amount of hardware that was to be provisioned with technical demos. This procurement initiative generated a lower-margin. Excluding the impact of tariff pass-through and the strategic lower-margin projects, normalized gross margin was approximately 41%.

Importantly, in 2026 and beyond, OnQ will be passing these hardware fees through to the client, charging a procurement and processing fee associated with any client-initiated hardware purchases. This new accounting treatment will reduce the impact to margin on jobs involving screen and tablet procurement.

For the year, OnQ generated revenue of $49.0 million and adjusted EBITDA of $3.5 million, with profitability supported by the leaner cost structure and efficiency measures implemented in the prior years. Overall, the Company exited 2025 with improved operating leverage and a strengthened competitive position, underpinned by a broader customer base and a larger, higher-quality project pipeline.



International digital header roll-out in 2025

Revenue

2026 is projected to be a robust growth year, with revenue expected to reach $60.0 million, representing 22.4% year-over-year growth. The revenue projection is supported by robust year-to-date performance and the strongest identified pipeline in the Company's history. Additionally, the Company already has several multi-million-dollar projects committed for 2027.

Gross Margin

The 2026 gross margin is projected to improve from 2025, despite lingering tariff effects. OnQ won three multi-million dollar strategic new projects, accepting lower margins in order to win the business (these jobs will run at an average gross margin of 39%). All three programs will involve years of higher margin refresh business. The select use of third-party logistics providers to support these large-scale projects, also required a slight reduction in the projected margin, but gives the Company the flexibility to temporarily expand capabilities without expanding its in-house cost structure.

The Company has a strong track record of converting initial lower-margin engagements into significantly more profitable follow-on projects. For example, the Company completed an initial electronic product display for a large brand in 2024 at 32.0% gross margin, followed by an expansion project at 49.2% gross margin, and then a refresh of the display at 59.7% gross margin. The margin progression reflects the upfront cost required to design, engineer and implement the project, with subsequent phases benefiting from the existing structure that does not to be recreated for refreshes.

Operating Expenses

The Company projects operating expenses to increase slightly from 2025, driven by thirty (30) planned headcount additions. These planned hires will support the execution of the increased project pipeline and pursuit of additional large-scale projects, as well as expansion to the additional space in the Ohio facility. The planned hires include business development, design, production, and product management roles.

The increase in headcount is expected to be partially offset by cost savings resulting from a thorough review and elimination of unnecessary software subscriptions and the strategic decision to not renew the Hayward, California facility lease.

Outlook

Overall, 2026 is expected to be a very strong growth year, with projected adjusted EBITDA of $5.9 million, representing a positive step in the Company's longer-term growth trajectory. The outlook beyond 2026 remains highly favorable as OnQ is well-positioned to capitalize on new revenue opportunities driven by its long-standing customer relationships and deep industry expertise in producing transformative retail displays. Margins are expected to continue to grow as the Company benefits from recurring, high-margin refresh opportunities. In addition, OnQ expects to further enhance supply chain efficiency through expanded vendor relationships improving pricing, lead times, and overall profitability.

Summary Statements of Income

($ in 000s)	Reviewed Historical Fiscal Years Ended December 31, 2022	2023	2024	2025	Projected FYE Dec 31, 2026
Revenue	$47,935	$42,109	$32,354	$49,037	$60,000
Growth %	*28.2%*	*(12.2)%*	*(23.2)%*	*51.6%*	*22.4%*
Cost of Goods Sold	28,116	23,454	18,821	30,554	36,559
Gross Profit	19,819	18,655	13,533	18,483	23,441
Gross Margin	*41.3%*	*44.3%*	*41.8%*	*37.7%*	*39.1%*
Operating Expenses	19,360	17,785	18,165	16,980	19,131
Operating Income	459	870	(4,632)	1,503	4,310
Interest	98	11	48	276	157
Depreciation & Amortization	232	130	310	757	746
EBITDA	788	1,011	(4,275)	2,536	5,213
EBITDA Adjustments	3,021	1,160	3,115	995	721
Adjusted EBITDA	$3,809	$2,171	$(1,159)	$3,532	$5,934
Adjusted EBITDA Margin	*7.9%*	*5.2%*	*N.M.*	*7.2%*	*9.9%*

Details of Operating Expenses

($ in 000s)	Reviewed Historical Fiscal Years Ended December 31, 2022	2023	2024	2025	Projected FYE Dec 31, 2026
Payroll & Benefits	$11,440	$11,300	$11,327	$10,145	$11,969
Sales & Marketing	151	121	84	42	28
Facility	1,369	1,215	1,835	1,588	2,180
Utilities	265	297	280	198	225
Office	1,727	1,273	1,825	1,468	1,295
Travel & Entertainment	765	543	506	363	338
Professional Fees	857	508	332	328	346
Outside Labor	1,039	1,068	881	719	840
Insurance	63	214	246	240	247
Miscellaneous	1,355	1,105	492	856	762
Interest	98	11	48	276	157
Depreciation & Amortization	232	130	310	757	746
Total Operating Expenses	$19,360	$17,785	$18,165	$16,980	$19,131

Certain Adjustments to EBITDA

($ in 000s)	Reviewed Historical Fiscal Years Ended December 31, 2022	2023	2024	2025	Projected FYE Dec 31, 2026
EBITDA	$788	$1,011	$(4,275)	$2,536	$5,213
Adjustments					
One-Time Systems Implementation[1]	417	153	89	-	-
One-Time Company Wide Event[2]	100	-	-	-	-
Discretionary Leadership Expenses[3]	112	45	30	26	7
One-Time Personnel Expenses[4]	267	58	283	431	35
Extraordinary Board Fees[5]	113	72	75	67	78
One-Time Consulting Expenses[6]	129	71	40	25	-
Extraordinary Stock Option Expenses[7]	175	233	197	159	205
One-Time Legal[8]	67	7	-	-	-
One-Time Facility Move Expenses[9]	-	23	1,293	48	75
WIP Adjustment[10]	-	(275)	275	-	-
Other One-Time Expenses[11]	640	200	648	162	222
Discretionary Bonus[12]	653	229	-	-	-
Above-Market Compensation[13]	349	344	185	78	100
Total Adjustments	3,021	1,160	3,115	995	721
Adjusted EBITDA	$3,809	$2,171	$(1,159)	$3,532	$5,934

CONTINUED: Certain Adjustments to EBITDA

1. One-time expenses related to the implementation of new systems, including NetSuite ERP (2022-2024), Converge platform assessment (2022), Salesforce (2022-2023), and Smartsheet project management system (2022-2023). Also includes non-recurring costs associated with the initial ISO-SOC certification (2022-2023).
2. One-time expenses incurred to host a company-wide, in-person meeting in California.
3. Discretionary leadership expenses, including professional development training (2022-2023) and participation in the Vistage CEO group (2022-2026).
4. One-time personnel-related expenses, including exit costs associated with the former CTO role (2022-2023), severance costs arising from restructuring initiatives (2023-2025), and a signing bonus paid to the SVP of Operations (2026).
5. Extraordinary consulting fees paid to Stu Armstrong for board advisory services that will not continue post-transaction.
6. One-time consulting expenses that will not continue post-transaction.
7. Extraordinary stock option expenses that will not continue post-transaction.
8. One-time legal expenses related to isolated employee matters.
9. Non-recurring expenses associated with the California / Ohio facility move and the Ohio facility expansion.
10. WIP adjustment for costs that were recorded in 2024 but should have been recognized in 2023.
11. Other one-time expenses outside of the normal course of business, including the review of a potential acquisition (2022), R&D supplies (2022-2026), sales tax audit fees (2023-2024), one-time costs (2022-2025), expenses related to a potential transaction (2023-2026), and bank transfer costs (2025-2026).
12. Represents the discretionary portion of the year-end bonuses paid to employees of the Company.
13. Reflects above-market compensation calculated as compensation paid to Paul Chapuis (CEO) and the former President and COO that was replaced by the SVP of Operations, less the market rate compensation for the CEO position ($350K) and the compensation for the current SVP of Operations ($265K).

Historical Balance Sheets

($ in 000s)	Reviewed Historical December 31, 2024	Reviewed Historical December 31, 2025
Current Assets:		
Cash	$18	$2,505
Accounts Receivable	8,607	12,371
ERC Receivable	-	-
Inventory	4,814	5,486
Other Receivables and Prepaids	386	729
Refundable Income Taxes	196	192
Total Current Assets	14,020	21,284
Long Term Assets:		
Property and Equipment, Net [1]	3,115	2,560
Right of Use Asset [2]	4,779	4,223
Intangible Assets	740	740
Deferred Income Taxes	4,045	3,563
Note Receivable from Shareholder	825	820
Total Long Term Assets	13,504	11,906
Total Assets	**$27,525**	**$33,190**

	Reviewed Historical December 31, 2024	Reviewed Historical December 31, 2025
Current Liabilities:		
Accounts Payable	$2,614	$3,493
Accrued Liabilities	1,449	2,096
Income Tax Payable	-	-
Customer Deposits [3]	1,222	1,975
Operating Lease Liability (Current) [2]	532	453
Total Current Liabilities	5,816	8,016
Line of Credit	1,206	4,457
Operating Lease Liability (Non-Current) [2]	4,403	3,982
Note Payable	1,219	-
Total Liabilities	12,644	16,455
Equity	14,881	16,735
Total Liabilities and Equity	**$27,525**	**$33,190**

[1] In 2024, Property and Equipment increased due to leasehold improvements completed at the Ohio and California facilities. The Company maintains minimal fixed assets for operational needs, such as a forklift for moving pallets of inventory and small equipment used to produce prototypes (e.g., 3D printer, mini laser cutter, and mini powder coater).

[2] To comply with US GAAP, the Company adopted the Accounting Standards Update 2016-02, Leases (Topic 842). This adoption created a Right of Use Asset and Operating Lease Liability on the balance sheet.

[3] In 2025, the Company increased its focus on securing larger deposits from customers to better manage cash flow.