

VALUE MASTERS MERCHANT CAPITAL

VMM Capital | Strategic Advisory & Merchant Banking

INDEPENDENT VALUATION ASSESSMENT

OnQ

U.S. Phygital Display & Retail Fixture Solutions

Prepared By	Value Masters Merchant Capital (VMM Capital)
Document Reference	VMM-ONQ-VA-2026-001
Date of Issue	March 2026
Classification	Strictly Private & Confidential
Basis of Assessment	Disclosed CIM Financials — FY2022 through Projected FY2026

This document is prepared exclusively for the intended recipient and contains commercially sensitive analysis. Reproduction or distribution without prior written consent of VMM Capital is strictly prohibited.

I. EXECUTIVE SUMMARY

Value Masters Merchant Capital (**VMM Capital**) has been engaged to conduct an independent assessment of the market value of OnQ, a U.S.-based provider of phygital display systems and retail fixture solutions. This assessment is grounded exclusively in the financial data disclosed within OnQ's Confidential Information Memorandum (CIM), covering fiscal years 2022 through 2025 (audited actuals) and the projected fiscal year 2026.

The purpose of this assessment is to provide the recipient with a disciplined, market-referenced valuation range against which any proposed transaction price may be evaluated. VMM Capital brings to this analysis the methodology and standards applied by institutional buyers — private equity sponsors, strategic acquirers, and family office capital — in underwriting transactions of this nature in the current U.S. macroeconomic environment.

Based on our analysis, the assessed fair market value of OnQ, under three defined scenarios, is as follows:

Scenario	Valuation Range	EBITDA Basis & Multiple	Probability Weight
Pessimistic	\$12M – \$16M	LTM Adj. EBITDA at 3.5x – 4.5x	35%
Realistic (Base Case)	\$18M – \$24M	LTM Adj. EBITDA at 5.0x – 7.0x	45%
Optimistic	\$26M – \$32M	Fwd. Adj. EBITDA at 6.5x – 8.0x	20%
Probability-Weighted Central Estimate	\$18M – \$22M		

These ranges reflect current market conditions, including elevated cost of capital, heightened buyer diligence standards regarding adjusted EBITDA quality, and the observed multiple compression in the U.S. retail fixtures manufacturing sector during 2024–2026.

II. FINANCIAL PERFORMANCE REVIEW

The following tables reproduce the key financial data as disclosed in the OnQ CIM. VMM Capital has not audited or independently verified these figures. Our analysis treats the adjusted EBITDA figures presented by management with appropriate scrutiny, as detailed in Section III.

2.1 Summary Income Statement

(\$ in 000s)	FY 2022	FY 2023	FY 2024	FY 2025	Proj. 2026
Revenue	\$47,935	\$42,109	\$32,354	\$49,037	\$55,000
Revenue Growth	28.2%	(12.2)%	(23.2)%	51.6%	12.2%
Gross Profit	\$19,819	\$18,655	\$13,533	\$18,483	\$21,160
Gross Margin	41.3%	44.3%	41.8%	37.7%	38.5%
Operating Income	\$459	\$870	\$(4,632)	\$1,444	\$2,340
EBITDA	\$788	\$1,011	\$(4,275)	\$2,477	\$3,378
Adjusted EBITDA	\$3,809	\$2,171	\$(1,159)	\$3,472	\$4,099
Adj. EBITDA Margin	7.9%	5.2%	N.M.	7.1%	7.5%

2.2 Key Financial Observations

Revenue Volatility. OnQ's revenue trajectory over the four-year historical period is materially non-linear. A significant contraction of 23.2% in FY2024 — the most recent completed year of operation — represents a substantial impairment to the normalized earnings power narrative. The subsequent recovery of 51.6% in FY2025, while encouraging, will be assessed by institutional buyers as partially cyclical and subject to reversion risk. Disciplined acquirers will apply a normalized or trough-adjusted revenue lens to their underwriting assumptions.

Gross Margin Stability. Gross margins have remained within a range of 37.7% to 44.3% across the historical period, reflecting reasonable operational consistency at the production level. The most recent year (FY2025) at 37.7% represents a tightening that will require explanation in any due diligence process.

EBITDA Quality. The magnitude and consistency of EBITDA adjustments — averaging approximately \$2.0M per annum across the four-year period — will attract heightened scrutiny from any institutional buyer. The gap between reported EBITDA and adjusted EBITDA is material relative to the company's scale and requires substantive documentation of each adjustment item to survive due diligence.

2.3 EBITDA Adjustment Bridge

Adjustment Item (\$ in 000s)	FY 2022	FY 2023	FY 2024	FY 2025	Proj. 2026
One-Time Systems Implementation	417	153	89	—	—
One-Time Personnel Expenses	267	58	283	431	35
Extraordinary Stock Option Expenses	175	233	197	159	205
One-Time Facility Move Expenses	—	23	1,293	48	75
Above-Market Compensation	349	344	185	78	100
Extraordinary Board Fees	113	72	75	67	78
Other One-Time & Miscellaneous	1,700	277	993	212	228
Total Adjustments	\$3,021	\$1,160	\$3,115	\$995	\$721

VMM Capital notes that the recurring nature of certain adjustment categories — most notably stock option expenses, above-market compensation, and extraordinary board fees — across all four historical periods and into the projected year raises substantive questions as to their characterization as non-recurring. Buyers will assess these items on a case-by-case basis and are likely to add back only a portion of the total adjustments in their underwriting EBITDA.

III. VALUATION METHODOLOGY

VMM Capital has applied three standard valuation methodologies commonly employed in the acquisition of privately held U.S. industrial and technology-enabled manufacturing companies in the mid-market. Each methodology yields a range of enterprise values, which are then aggregated into the scenario framework presented in Section I.

3.1 EV / EBITDA Multiple Analysis

The EV/EBITDA multiple remains the primary valuation metric for transactions in the retail fixtures and adjacent manufacturing sectors. VMM Capital has surveyed recent comparable transactions and observable public-company trading multiples to establish the applicable range for OnQ.

Comparable Transaction Reference Points:

- ITAB Group AB acquisition of HMY Group — strategic acquisition in the shopfitting and retail display sector at multiples consistent with the 6x–8x range on forward EBITDA, supported by synergy capture and European market consolidation rationale.
- Private equity acquisitions of U.S. mid-market fixture manufacturers (IBISWorld NAICS 33721x) have historically transacted at 4x–6x EBITDA for non-platform, operationally independent targets.
- Companies with demonstrable phygital or technology-integrated revenue streams have commanded modest premium multiples of 6x–9x where sustainable SaaS-adjacent recurring revenue is documented — a characteristic that must be substantiated in OnQ's case through due diligence.

3.2 EBITDA Normalization — The Underwriting Basis

Any institutional buyer will apply a normalized EBITDA to their underwriting model, which may differ materially from the management-adjusted EBITDA presented in the CIM. VMM Capital applies three normalization levels to arrive at a buyer-adjusted EBITDA range:

Normalization Basis	FY 2025 LTM	Proj. FY 2026
Management Adj. EBITDA (as presented)	\$3,472K	\$4,099K
Conservative Buyer Adj. EBITDA (~50% haircut on addbacks)	\$2,740K	\$3,350K
Moderate Buyer Adj. EBITDA (~25% haircut on addbacks)	\$3,110K	\$3,725K
Full Accept of Adj. EBITDA (management basis)	\$3,472K	\$4,099K

It is VMM Capital's assessment that the majority of institutional and strategic buyers will apply a haircut of between 25% and 50% to the total EBITDA addbacks presented by management, given the recurring nature of several line items. This assessment is a central driver of the valuation gap identified in Section IV.

3.3 Discounted Cash Flow Considerations

VMM Capital has reviewed the projected FY2026 revenue of \$55.0M (representing 12.2% growth from FY2025) and the projected adjusted EBITDA of \$4.1M in the context of a discounted cash flow framework. The following macro conditions are relevant to any terminal value calculation:

- The current U.S. risk-free rate (10-year Treasury) is approximately 4.2%–4.5%, elevating the weighted average cost of capital for acquirers in this sector to an estimated 10.5%–13.0%.
- The cost of acquisition debt financing for leveraged buyout structures in this sector is currently ranging from 8.0% to 9.5% annually, materially compressing the returns available to financial sponsors and thereby suppressing the prices they can rationally pay.
- A DCF analysis applying a 12% discount rate and a 3.0x–4.0x terminal EBITDA exit multiple yields an enterprise value consistent with the Realistic scenario range of \$18M–\$24M.

3.4 Asset Replacement Value

As a supplementary check, VMM Capital has considered the cost of assembling OnQ's operational capacity organically — including U.S. entity establishment, talent acquisition, customer relationship development, and technology platform integration. This approach is particularly relevant for strategic buyers who would otherwise need to build rather than buy. The replacement cost framework supports a floor value of approximately \$12M–\$15M, consistent with the Pessimistic scenario floor.

IV. SCENARIO VALUATION ANALYSIS

4.1 Pessimistic Scenario — \$12M to \$16M

The Pessimistic scenario applies the perspective of a disciplined financial sponsor or value-oriented strategic buyer, anchoring to the trough revenue environment of FY2024 and applying maximum haircuts to EBITDA adjustments.

Parameter	Value / Assumption
EBITDA Basis	LTM FY2025 — with 50% haircut on addbacks
Buyer-Adjusted EBITDA	~\$2.7M
Applied Multiple Range	3.5x – 4.5x
Implied Enterprise Value	\$9.5M – \$12.2M
Scenario Range (with limited premium for platform optionality)	\$12M – \$16M

This scenario is the most likely outcome from a standard sell-side auction process driven by financial buyers. The 2024 revenue contraction serves as the primary anchor, and the elevated adjustment burden suppresses the multiple that can be justified.

4.2 Realistic Scenario (Base Case) — \$18M to \$24M

The Base Case scenario reflects the offer range that a well-prepared strategic acquirer with genuine synergy rationale — or a specialized mid-market private equity firm with sector expertise — would be expected to present following a thorough due diligence process.

Parameter	Value / Assumption
EBITDA Basis	LTM FY2025 — with 25% haircut on addbacks
Buyer-Adjusted EBITDA	~\$3.1M – \$3.5M
Applied Multiple Range	5.0x – 7.0x
Implied Enterprise Value	\$15.5M – \$24.5M
Scenario Range (central base case)	\$18M – \$24M

This range represents the most likely clearing price in a competitive process where at least two or three credible strategic or hybrid buyers are present and able to articulate an integration thesis. Achieving the upper end of this range (\$22M–\$24M) would require demonstrated recurring revenue components, strong customer concentration disclosure, and a clean due diligence process.

4.3 Optimistic Scenario — \$26M to \$32M

The Optimistic scenario contemplates a transaction in which OnQ is acquired by a well-capitalized strategic buyer who attributes significant synergy value to the platform — either through supply chain integration, phygital technology capability capture, or U.S. market entry acceleration — and who accepts the projected FY2026 earnings on a substantially unhaircut basis.

Parameter	Value / Assumption
EBITDA Basis	Projected FY2026 — minimal haircut on addbacks
Forward Adjusted EBITDA	~\$3.7M – \$4.1M
Applied Multiple Range	6.5x – 8.0x
Implied Enterprise Value	\$24.0M – \$32.8M
Scenario Range	\$26M – \$32M

Achieving this outcome is contingent upon a competitive tension between multiple serious strategic buyers, a clean quality of earnings process that validates substantially all EBITDA adjustments, and a demonstrated forward revenue pipeline that supports the projected FY2026 growth rate. VMM Capital assigns this scenario a probability weight of 20%, reflecting the conditions that must align simultaneously.

V. KEY VALUE DETERMINANTS & DUE DILIGENCE FOCUS AREAS

The following factors will materially influence where within — or outside — the stated ranges any specific transaction ultimately prices. These are the focal points that experienced buyers will examine in their due diligence processes and that will drive their final offers.

5.1 Factors That Support Value

- FY2025 revenue recovery to \$49.0M and projected FY2026 revenue of \$55.0M, if validated by a signed forward order book, meaningfully supports the upper end of the Base Case range.
- Phygital display capabilities, if supported by documented recurring service or technology revenue, attract a premium multiple versus pure-play fixture manufacturing businesses.
- Established U.S. operational infrastructure, client relationships, and vendor qualifications represent intangible platform value that a greenfield entrant cannot quickly replicate.
- Gross margin stability in the 38%–44% range indicates product defensibility and pricing power at the production level.

5.2 Factors That Constrain Value

- A 23.2% revenue contraction in FY2024 — the most recently completed fiscal year — is the single most significant value constraint. Buyers will pressure-test the cause and remediation of this contraction extensively.
- The aggregate EBITDA adjustment burden of \$1.0M–\$3.1M annually across all four historical years will reduce buyer-accepted EBITDA materially below management's adjusted figures.
- The Stock Option Expense adjustment of \$159K–\$233K annually and the Extraordinary Board Fee adjustment of \$67K–\$113K annually appear in every year of the historical record, including the forward projection. These items will likely be treated as recurring by buyers and excluded from any addback credit.

- Payroll and benefits of approximately \$10.1M–\$11.4M per annum represent 21%–24% of revenue — a level that experienced buyers will benchmark against peer operators and that creates sensitivity to volume-based revenue fluctuations.
- The current U.S. lending environment at 8.0%–9.5% interest on acquisition debt substantially reduces the leverage capacity available to financial sponsors, compressing the prices they can pay relative to the 2021–2022 transaction environment.

5.3 Critical Due Diligence Items

- Quality of Earnings (QoE) report on all EBITDA adjustments — particularly the classification of recurring vs. genuinely one-time items.
- Customer concentration analysis — the top 5 and top 10 customer revenue concentration as a percentage of total revenue.
- Forward order book and pipeline visibility supporting the FY2026 revenue projection.
- Capital expenditure requirements — maintenance vs. growth capex distinction.
- Working capital normalization — NWC peg analysis and seasonality patterns.
- Technology and IP ownership — extent to which phygital capabilities are proprietary vs. third-party licensed.

VI. TRANSACTION PRICE CONTEXT

VMM Capital presents below a structured comparison between the assessed fair market value range and alternative reference points, for the sole purpose of providing the recipient with an objective analytical framework.

Reference Point	Enterprise Value	Implied LTM EBITDA Multiple
VMM Capital — Pessimistic Scenario	\$12M – \$16M	3.5x – 4.6x
VMM Capital — Realistic Scenario (Base Case)	\$18M – \$24M	5.2x – 6.9x
VMM Capital — Optimistic Scenario	\$26M – \$32M	7.5x – 9.2x
VMM Capital — Probability-Weighted Central Estimate	\$18M – \$22M	5.2x – 6.3x
U.S. Retail Fixture Sector Transaction Comp. Range	—	4.0x – 7.0x

VMM Capital has conducted this assessment on a strictly analytical and market-referenced basis. This document does not constitute an offer to purchase, an offer to sell, or a fairness opinion within the meaning of any applicable securities regulation. The valuation ranges expressed herein represent VMM Capital's professional assessment of the range of enterprise values that informed institutional and strategic market participants would be expected to underwrite for a business with OnQ's financial profile under prevailing market conditions as of March 2026.

VII. QUALIFICATIONS & DISCLAIMERS

Basis of Information. This assessment is based exclusively on the financial information disclosed in the OnQ Confidential Information Memorandum as provided to VMM Capital. VMM Capital has not conducted an independent audit, quality of earnings review, or legal due diligence of OnQ. The accuracy of the underlying data is the responsibility of OnQ and its advisors.

No Solicitation. This document does not constitute a solicitation of any offer to buy or sell any security or business interest, and should not be construed as such. It is prepared for informational purposes only and for the exclusive use of the intended recipient.

Forward-Looking Statements. The projected FY2026 financial data included in this assessment represents management's forward-looking projections as disclosed in the CIM. Such projections involve inherent uncertainty and are not guaranteed. VMM Capital makes no representation as to the achievability of any projected financial result.

Market Conditions. Valuation ranges expressed in this document reflect VMM Capital's assessment of prevailing market conditions as of March 2026. Conditions may change, and actual transaction prices may differ from the ranges stated herein. The current interest rate environment and the availability of acquisition financing are materially influential on achievable transaction multiples.

Confidentiality. This document is strictly private and confidential. It is intended solely for the use of the named recipient. Any reproduction, distribution, or disclosure of this document — in whole or in part — to any third party without the prior written consent of VMM Capital is strictly prohibited.

VALUE MASTERS MERCHANT CAPITAL

Strategic Advisory | Merchant Banking | Capital Markets

Document Reference: VMM-ONQ-VA-2026-001 | March 2026