

# A LEVEL ALLIANCES LLC

Phyigital Elements · Atmosphere™ · 5th Wall | Legal counsel: Cole-Frieman & Mallon LLP | Ref: ALA-ONQ-OFFER-2026-002

STRICTLY PRIVATE & CONFIDENTIAL · NON-BINDING OFFER LETTER · 19 OCTOBER 2026

|                    |                                                                |
|--------------------|----------------------------------------------------------------|
| To                 | Paul Chapuis, Founding Principal, OnQ Solutions, Inc.          |
| From               | M. Memedi Narin, Founder, A Level Alliances LLC                |
| Date               | 19 October 2026                                                |
| Subject            | Two-option offer for 100% of the equity of OnQ Solutions, Inc. |
| Consideration      | \$40,500,000 under both options                                |
| Response requested | By 21 November 2026                                            |
| Status             | Non-binding, save for the provisions at Section 7              |

Dear Paul,

Our offer of 30 March 2026 expired on 1 September. We let it lapse rather than withdraw it, and in the seven weeks since your process returned its result we have not come back to you with a lower number. We are not coming back with a higher one either. The consideration under both options below is **\$40,500,000** — the base price your own process established, plus the 35% strategic premium we committed to in March.

There is one difference between the two options, and only one. **Option One is conditional. Option Two is guaranteed.** Everything else that differs between them follows from that single choice, and we explain below why it does rather than asking you to accept it.

## At a glance

|                                                  | Option One — Conditional              | Option Two — Guaranteed                            |
|--------------------------------------------------|---------------------------------------|----------------------------------------------------|
| Consideration                                    | \$40 . 5M                             | \$40 . 5M                                          |
| Cash at closing                                  | \$26 . 3M                             | \$10 . 5M                                          |
| Deferred                                         | \$14.2M earn-out                      | \$30.0M note                                       |
| Schedule                                         | Three tranches over 24 months         | Five instalments: \$4M · \$5M · \$6M · \$7M · \$8M |
| Nature of the deferred portion                   | Contingent on three performance tests | Guaranteed and unconditional                       |
| Transferable                                     | No                                    | Yes                                                |
| Who carries the turnaround risk                  | Shared with you                       | Us, entirely                                       |
| Final payment                                    | Month 24                              | Year 5                                             |
| Weighted average life of the deferred portion    | 1.65 years                            | 3.33 years                                         |
| Weighted average life of the whole consideration | 0.58 years                            | 2.47 years                                         |
| Condition precedent                              | ALA Legal Team due diligence approval | Verification of OnQ forward manufacturing capacity |

## Option One — Conditional: the March structure, unchanged

The 30 March 2026 Letter of Intent, ALA-ONQ-LOI-2026-001, reinstated on identical terms with no amendment other than the dates. The price is not ours to set; it is produced by the formula at Section 2.1 of that letter, applied to the bids your process returned.

### 1.1 The formula, applied

| Step                   | Calculation                  | Result    |
|------------------------|------------------------------|-----------|
| Highest qualifying bid | Subject to §2.4 verification | \$35 . 0M |

| Step                                | Calculation                                           | Result         |
|-------------------------------------|-------------------------------------------------------|----------------|
| Lowest qualifying bid               | Subject to \$2.4 verification                         | \$25.0M        |
| Step 1 — Base Price                 | $(\$35.0M + \$25.0M) \div 2$                          | \$30.0M        |
| <b>Step 2 — ALA Committed Offer</b> | <b>Base Price <math>\times</math> 1.35</b>            | <b>\$40.5M</b> |
| Closing payment                     | 65% of Committed Offer, cash at closing               | \$26.3M        |
| Earn-out                            | 35% of Committed Offer, three tranches over 24 months | \$14.2M        |

## 1.2 Earn-out conditions, unchanged from March

| Tranche | Amount | Measured               | Condition                                                                             |
|---------|--------|------------------------|---------------------------------------------------------------------------------------|
| 1       | \$5.0M | 12 months post-closing | Revenue $\geq$ projected FY2026 levels AND adjusted EBITDA $\geq$ \$3.8M              |
| 2       | \$5.0M | 24 months post-closing | Revenue growth $\geq$ 10% over tranche 1 period AND gross margin $\geq$ 38%           |
| 3       | \$4.2M | Within 24 months       | ALA or strategic-partner-originated purchase orders through OnQ $\geq$ \$5M aggregate |

Tranche 3 remains an obligation on us rather than on you. It pays when we deliver \$5M of orders into your factory.

## 1.3 Condition precedent

**Approval by the ALA Legal Team following due diligence.** Our legal team, led by Cole-Frieman & Mallon LLP, must complete and approve a review covering quality of earnings, customer contracts and change-of-control provisions, intellectual property chain of title, related-party transactions, and the financial and balance-sheet schedules set out in our Confirmatory Diligence Information Request of 19 October 2026. Forty-five calendar days from execution and delivery of a complete data room.

This condition is ours to satisfy, not yours. It is the only thing standing between this option and a definitive agreement.

## 1.4 Two matters to settle before this option can operate

**Bid verification.** Section 2.4 of the March letter requires written certification from you, through Northern Edge, of the highest and lowest qualifying bids, the name and entity type of each bidder, and the date each was received, with bids from non-arms-length parties excluded. Until that certification is delivered, the figures above are our calculation of what the formula should produce and not a determined price. The same applies to Option Two, which is priced off the same base.

**A drafting defect in our own letter.** Sections 2.1 and 2.2 of the March document do not agree with each other. Section 2.1 Step 3 and the §2.3 floor arithmetic both make Total Consideration equal the Committed Offer plus a further 35%. Section 2.2 states that the closing payment and the earn-out together equal the Committed Offer. We drafted it and the ambiguity is ours. We are raising it now rather than leaving your counsel to find it, and we will accept whichever reading counsel determines the document supports. Both options in this letter take the conservative reading: \$40.5M is the whole consideration, not a figure to which a further 35% is added.

## Option Two — Guaranteed: the same \$40.5M, with the deferred portion guaranteed

The same consideration, with the deferred portion carried by a promissory note guaranteed by an acceptable guarantor rather than by an earn-out. You carry no turnaround risk and no performance condition. The schedule below is longer than Option One's, and Section 2.2 explains why that follows from the guarantee rather than from a preference of ours.

### 2.1 Consideration and payment

| Component                  | Amount         | Timing                                                  |
|----------------------------|----------------|---------------------------------------------------------|
| Cash at closing            | \$10.5M        | At closing, in full, with nothing withheld or set off   |
| Guaranteed promissory note | \$30.0M        | Five annual instalments at the end of years one to five |
| <b>Total consideration</b> | <b>\$40.5M</b> | —                                                       |

| Instalment | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Total   |
|------------|--------|--------|--------|--------|--------|---------|
| Amount     | \$4.0M | \$5.0M | \$6.0M | \$7.0M | \$8.0M | \$30.0M |

A word on how to read that schedule. Five annual instalments is not a five-year obligation, and we would rather set the arithmetic out than let the headline do the work. Because each instalment discharges part of the principal as it falls, the measure that matters is the weighted average life: **3.33 years** for the note, and **2.47 years** for the whole consideration once the cash at closing is counted. The equivalent figures under Option One are 1.65 and 0.58 years. The back-loaded profile costs about four months of average life against a level \$6.0M instalment, which would run to 3.00 years, and buys the coverage set out below.

The note bears interest at the Applicable Federal Rate applicable to an obligation of this profile, determined at closing on the advice of counsel and fixed thereafter, payable annually with each instalment. We should be straightforward about what that rate is and is not: it is the statutory minimum required so that interest is not imputed under the United States original issue discount rules, and it is materially below a commercial borrowing rate. The consideration is the \$40.5M; the rate exists so that neither of us has a tax problem.

## 2.2 Why the instalments are shaped this way

A guaranteed instrument has to satisfy a guarantor as well as you. That constrains both the size of each instalment and the term, because no guarantor will stand behind an obligation the business cannot demonstrably meet out of its own earnings. The conditional structure in Option One answers to neither constraint, which is why it pays faster and leaves more cash at closing. The difference in schedule is not a preference of ours. It is what the guarantee costs.

The instalments step with the company's own earnings rather than sitting level across them:

| Year                                                       | Base-case adj. EBITDA | Instalment | Cover | Surplus | Cumulative |
|------------------------------------------------------------|-----------------------|------------|-------|---------|------------|
| 1                                                          | \$6.9M                | \$4.0M     | 1.73x | \$2.9M  | \$2.9M     |
| 2                                                          | \$8.4M                | \$5.0M     | 1.68x | \$3.4M  | \$6.3M     |
| 3                                                          | \$10.0M               | \$6.0M     | 1.67x | \$4.0M  | \$10.3M    |
| 4                                                          | \$11.8M               | \$7.0M     | 1.69x | \$4.8M  | \$15.1M    |
| 5                                                          | \$13.3M               | \$8.0M     | 1.66x | \$5.3M  | \$20.4M    |
| Cumulative five-year surplus after debt service, base case |                       |            |       |         | \$20.4M    |

Coverage holds at roughly 1.7 times in every year. A level instalment of \$6.0M would produce 1.15 times in year one, which is positive on paper and thin in cash once maintenance capital expenditure, tax and working capital are taken out. We would rather give you a schedule the business clears comfortably than one it clears on paper, because the first instalment under a guaranteed note is drawn on the guarantor if it is missed, and neither of us wants that in year one.

*Base-case figures are OnQ's own CIM 2026 projection grown at 8% a year, the rate consistent with the POS display market CAGR the CIM itself cites. They assume none of the supply, category or product leverage in our forward plan. Figures are before tax, interest and working capital movements, and are our calculation rather than OnQ management's.*

## 2.3 The instrument

The note is issued by the acquiring vehicle and guaranteed by a guarantor acceptable to you. That guarantor need not be a bank: a fund, insurer or corporate whose credit standing your advisers accept as equivalent to a bank aval is equally acceptable to us, and the instrument takes whichever form — aval, guarantee or surety — that guarantor's standing supports. The guarantee is unconditional and payable on first demand, the note is irrevocable and freely transferable and carries no right of set-off or counterclaim in our favour, and non-renewal entitles you to draw immediately. We propose rolling cover for the next two scheduled instalments at any time, renewed annually and reducing as the balance amortises; on the schedule above that is a peak exposure of \$15.0M in year four, against adjusted EBITDA of \$11.8M in that year.

**You are not asked to take security over the assets.** The guarantor takes first-priority security over the OnQ shares, the Akron production equipment and the receivables, together with customary covenants restricting further indebtedness, the disposal of material assets and the payment of distributions. Your position rests on the guarantor's undertaking rather than on a lien, which we believe is the stronger place for it to rest.

What the instrument is worth to you today, and whether you choose to hold it or transfer it, is a calculation for you and your advisers. We are not making it.

## 2.4 Condition precedent

**Verification of OnQ's forward manufacturing capacity and possibility.** A guaranteed schedule rests on a view of what the Akron facility can produce under the plan we intend to put behind it, and the guarantor will test that view before it signs. Before closing we would need to establish, with your cooperation:

- Current capacity utilisation by work centre, and the identified constraint.
- The second-shift position: available labour in the Akron market, wage rates, lead time to recruit and train approximately 30 operatives, and the certifications required — electrical assembly, Underwriters Laboratories, and any customer-mandated accreditation.
- Equipment required for a second shift that is not presently held, with cost and lead time, and deferred maintenance on what is.
- The December 2028 Akron lease renewal: terms, options, notice dates and the rent payable on renewal.
- Programme-level cost of goods on the three largest programmes delivered in each of the last three years, so that the cost base can be measured rather than assumed.
- Whether existing customer contracts permit the additional volume contemplated, and any exclusivity or category restriction that would prevent it.

This condition is about the asset rather than about you, and we have set it out in full so that it reads as a list of things to establish and not as a reservation we might later widen. The schedules behind it are F.2, F.6, F.7, F.15 and F.17 of our Confirmatory Diligence Information Request.

## Section 3 — The choice, stated plainly

Both options pay \$40,500,000. Neither is a discount on the other. The choice is between a faster, larger payment at closing that carries risk, and a certain payment that takes longer and leaves less at closing.

|                                            | Option One       | Option Two                                  |
|--------------------------------------------|------------------|---------------------------------------------|
| <b>Consideration</b>                       | <b>\$40 . 5M</b> | <b>\$40 . 5M</b>                            |
| At risk                                    | \$14 . 2M        | Nil                                         |
| Cash at closing                            | \$26 . 3M        | \$10 . 5M                                   |
| Guarantee                                  | None             | Aval or equivalent, rolling two instalments |
| Performance conditions                     | Three            | None                                        |
| Final payment                              | Month 24         | Year 5                                      |
| Weighted average life, whole consideration | 0.58 years       | 2.47 years                                  |

**Option One suits you if you believe in the turnaround and want the larger sum at closing.** You take \$26.3M on the day, and the remaining \$14.2M depends on three outcomes, one of which depends on us rather than on OnQ.

**Option Two suits you if you would rather be certain and are content to be paid over five years.** Nothing is at risk, nothing is conditional on performance, and a guarantor stands behind the instalments.

We have not weighted the two. If we had wanted you to take one of them we would have priced them differently, and we have not.

## Section 3a — A word about the price itself

You should know that we considered revising our number, in both directions, and did not.

We did not revise it downward. Your process returned a range below the figure we put in front of you in March, and the conventional move at that point is to reprice. We have not, because our view of what OnQ is worth to *us* was never derived from what OnQ is worth to a financial buyer. It rests on a category finding that eighteen months of field work produced and that nothing since has contradicted.

We also did not revise it upward, and that matters more. It would have been easy to meet a higher expectation by stretching the term and calling the larger nominal figure an improved offer. A longer schedule at the same annual payment produces a bigger headline and a smaller real price, and both parties can pretend otherwise. We are not doing that. Both options pay the same \$40.5M, and the longer of the two is longer because a guarantor requires it, not because we wanted a bigger number to put at the top of a letter.

Our position is the one we took in March 2026 and, before that, in the 2025 work that preceded it. It has not moved in eighteen months. We would rather be measured against a consistent number than a flattering one.

## Section 4 — Terms common to both options

| Term                     | Position                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transaction              | 100% of the issued and outstanding equity of OnQ Solutions, Inc., free and clear of all liens, encumbrances and third-party claims                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Basis                    | Cash-free, debt-free. Financial debt, shareholder loans and capital lease obligations retired from closing proceeds or deducted from the closing payment; net working capital true-up against an agreed peg                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Your ALA subscription    | <p>Your subscription for 40% of A Level Alliances LLC is \$4.0M, governed by a separate agreement between you and M. Memedi Narin personally, as seller of the founder shares. It sits outside this transaction and outside both companies: \$400,000 on execution of that subscription agreement, and the \$3.6M balance in four rising annual instalments thereafter, unsecured and without aval.</p> <p><b>It is not set off against the consideration for OnQ.</b> You receive the full closing payment and the full deferred consideration under whichever option you select, with nothing withheld or deducted. The subscription agreement is executed simultaneously with, or prior to, the definitive agreement.</p> |
| Founding principal       | Transition and advisory agreement with you for a minimum of 24 months on commercially reasonable terms                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Key personnel            | Employment agreements of not less than 18 months with key employees identified in diligence, including the design and engineering function                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Beko consent             | Written consent from Beko Corporation under the Grand Source Investment partnership agreement is a condition precedent to closing under both options. We raise it ourselves because it is capable of terminating our side of the structure without notice.                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Related-party disclosure | We are the prospective purchaser and you hold a 40% interest in A Level Alliances LLC. Independent valuation and full disclosure will be procured before any definitive agreement, under both options.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Exclusivity              | 20 business days from your written acceptance of either option, to negotiate and execute a definitive agreement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Governing law            | State of Nevada                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

## Section 5 — Funding

We will not ask you to take our funding on trust. On acceptance of either option, and in any event before a definitive agreement is signed, we will deliver evidence of funds sufficient for the closing payment under the option selected — \$26.33M in cash under Option One, \$10.5M in cash under Option Two — and, under Option Two, a commitment letter from the guarantor. If we cannot produce that evidence, you should not sign, and we would not ask you to.

## Section 6 — Timetable

| Step                                                                       | Timing                                     | Party                      |
|----------------------------------------------------------------------------|--------------------------------------------|----------------------------|
| Written indication of which option you wish to pursue                      | By 21 November 2026                        | You                        |
| Bid verification per §2.4 of the March letter                              | Within 10 business days of your indication | You, through Northern Edge |
| Response to the Confirmatory Diligence Information Request, priority items | Within 10 business days                    | You                        |
| Evidence of funds, and guarantor commitment under Option Two               | Within 15 business days of your indication | Us                         |

| Step                                             | Timing                                                 | Party       |
|--------------------------------------------------|--------------------------------------------------------|-------------|
| Due diligence period                             | 45 calendar days from delivery of a complete data room | Both        |
| Exclusivity and definitive agreement negotiation | 20 business days                                       | Both        |
| <b>Target closing</b>                            | <b>31 March 2027</b>                                   | <b>Both</b> |

## Section 7 — Status of this letter

This letter is non-binding and creates no obligation on either party, save that the confidentiality obligations of the March letter continue to apply and that both options stated here remain open and irrevocable by us until **21 November 2026**. After that date we will act on whatever we have, as we did before.

Neither option is conditional on the other. You may accept either; you may reject both; you may tell us that neither works and what would. What we would ask is that you do not let this one expire in silence as the last one did. If the answer is no, say no, and we will shake hands on a long effort and part as friends.

## Why we are still here

Between March 2025 and June 2026 we scanned the United States market across three manufacturer categories — retail fixtures, trade show booth, and street furniture — looking for a supplier rather than a target. We did not find a single firm positioned to do what Phygital Elements requires. The manufacturers are near-identical, each defending one narrow capability: digital poster printing at one, wood capacity at another, both metal and wood at a third held up by price policy rather than capability. One name came back as the only firm with the potential to blend the physical and the digital in a single contract, and it was yours.

That is why the premium has not moved. It was never a view about OnQ's standalone earnings; it is the price of a category we could not find anywhere else. In the same period we watched Wisconsin Built change hands for its founders' debts, and watched the retail display half of RCS Innovations fail to find any buyer at all while its machines were sold one auction lot at a time. Those are the outcomes for capacity without category. We are not offering a premium despite that evidence. We are offering it because of it.

What made this gap visible was the way we looked. We examined the sector rather than the companies in it, and the weak link was precise. A fixture manufacturer condemned to one-time revenue on one side; a European manufacturer with no shelf position in America on the other; and between them, a category with no supplier. Assembling the parties who solve that for each other is what A Level Alliances does, and it is the part of this transaction that no consideration can buy.

We have put both options on the table because we would rather you chose than be persuaded. Take whichever serves you, and tell us when you are ready.

With respect and full intention —

**M. Memedi Narin**

Founder, A Level Alliances LLC

19 October 2026

**Enclosures.** Confirmatory Diligence Information Request, 19 October 2026 · Project Polaris document set: comparative analysis, the ALA formula, and the March 2025–2026 archive.

This letter is a non-binding offer letter and does not constitute an offer of securities, a binding agreement, or legal, tax or accounting advice. The bid figures used to derive the consideration reflect indications understood to have been received in the Northern Edge process and are subject to verification under Section 2.4 of ALA-ONQ-LOI-2026-001; until that verification is delivered the consideration is a calculation, not a determined price. The interest rate on the Option Two note is determined at closing. Base-case earnings and weighted average life figures are Value Masters Academy's own calculations for A Level Alliances, are not independently verified, and explain the shape of the schedule rather than assert fact. Historical OnQ figures are as stated in the Project Polaris Confidential Information Memorandum and remain subject to OnQ's non-disclosure agreement.