

ARKAY ZERO PROOF LLC

PRIVATE PLACEMENT MEMORANDUM AND SUBSCRIPTION AGREEMENT

CLASS C MEMBERSHIP UNITS / SHARES

Offering Price: \$5.00 per Class C Unit

Effective Date: April 1, 2026

CONFIDENTIAL PRIVATE OFFERING DOCUMENT

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IMPORTANT SECURITIES NOTICE

THE SECURITIES DESCRIBED IN THIS PRIVATE PLACEMENT MEMORANDUM AND SUBSCRIPTION AGREEMENT HAVE NOT BEEN REGISTERED WITH OR APPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, NOR HAS THE SEC OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THE SECURITIES MAY NOT BE RESOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF UNLESS THE TRANSACTION IS REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

Company Address: 129 West Hibiscus Blvd, Suite Q, Melbourne, FL 32901, USA
Website: www.arkaybeverages.com / www.arkayzeroproof.com

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1. OFFERING SUMMARY

| Term | Description |
|------------------------|---|
| Issuer | ARKAY ZERO PROOF LLC, a Florida limited liability company (the "Company"). |
| Security Offered | Class C Membership Units / Shares of the Company (the "Class C Units" or the "Units"). Because the issuer is an LLC, the legal security may be described as membership units; the Company may use the word shares in commercial communications where appropriate. |
| Offering Price | \$5.00 per Class C Unit. |
| Offering Exemption | Rule 506(c) of Regulation D under the Securities Act of 1933, as amended. Sales are limited to verified accredited investors. |
| Effective Date | April 1, 2026. |
| Investor Qualification | Each investor must be an accredited investor under Rule 501 of Regulation D and must provide documentation or third-party verification reasonably acceptable to the Company. |
| Transferability | The Units are restricted securities. Transfers require prior written consent of the Company and compliance with applicable securities laws and the Operating Agreement. |
| No Public Market | There is currently no public market for the Units and no assurance that any public market will develop. |
| Risk Level | This investment is speculative, illiquid, and involves a high degree of risk, including possible loss of 100% of the investment. |

This merged document supersedes the prior prior detailed subscription format for purposes of the April 2026 Class C offering and incorporates the shorter Class C terms, including the \$5.00 purchase price, Rule 506(c) accredited investor verification, AML/KYC certification, bad actor disqualification certification, and investor risk acknowledgments.

1.1 Offering Size and Implied Company Valuation

The Company is offering up to 30,000,000 Class C Membership Units at a purchase price of \$5.00 per Unit, for a maximum aggregate offering amount of \$150,000,000.

Based on the Company's current internal valuation estimate of approximately \$1.5 billion, the maximum offering amount would represent approximately 10% of the Company's implied valuation, before giving effect to transaction expenses, future issuances, dilution, option pools, convertible securities, or other adjustments.

The stated valuation is an internal company estimate and has not been independently appraised, audited, or approved by any governmental or regulatory authority. No assurance can be given that the Company will achieve or maintain such valuation, that any future financing or public offering will occur at such valuation, or that investors will realize any return on their investment.

2. COMPANY OVERVIEW

ARKAY ZERO PROOF LLC is engaged in the development, marketing, sale, and distribution of alcohol-free spirits and related zero-proof beverages under the ARKAY brand. The Company positions ARKAY as a pioneer in zero-proof spirits, with products designed to provide an alcohol-like taste and drinking experience without alcohol.

The Company intends to use investor capital to support growth initiatives, including product inventory, retail and marketplace expansion, marketing, advertising, working capital, logistics, international development, and general corporate purposes. Any descriptions of future plans, commercial relationships, production, distribution, public listing objectives, revenues, forecasts, or valuations are forward-looking and subject to substantial risks and uncertainties.

No prospective investor should rely on oral statements, summaries, emails, advertising materials, or third-party communications unless they are expressly incorporated into this Private Placement Memorandum or confirmed in writing by the Company.

3. TERMS OF THE CLASS C OFFERING

3.1 Sale and Purchase of Class C Units

Subject to the terms and conditions of this document and in reliance upon the representations and warranties of the respective parties contained herein, the Company agrees to sell to the undersigned investor, and the investor irrevocably subscribes for and agrees to purchase from the Company, Class C Units at a purchase price of \$5.00 per Unit. The investor shall be admitted as a member or equity holder of the Company only upon acceptance by the Company, receipt of cleared funds, completion of required investor verification, and satisfaction of all conditions precedent.

3.2 Other Subscriptions

The Company may enter into separate but substantially similar subscription agreements with other purchasers. Each subscription is a separate transaction, and the Company may accept or reject any subscription in whole or in part in its sole discretion.

3.3 Closing

The closing of the sale of Units and admission of the investor shall occur at the discretion of the Company. At closing, and upon satisfaction of the conditions set forth herein, the Company will record the investor in the Company records as holder of the purchased Class C Units.

3.4 No Minimum Offering Unless Stated by the Company

Unless separately stated in writing by the Company, the Company may accept subscriptions as received and may conduct one or more closings. The Company is not obligated to raise any minimum amount before accepting subscriptions.

4. INVESTOR ELIGIBILITY AND RULE 506(c) VERIFICATION

The Class C offering is intended to be conducted pursuant to Rule 506(c) of Regulation D. Accordingly, every purchaser must be an accredited investor, and the Company must take reasonable steps to verify accredited investor status before accepting the subscription.

- For individuals, verification may include tax returns, IRS forms, brokerage statements, bank statements, credit reports, or a written verification letter from a licensed attorney, certified public accountant, registered investment adviser, or registered broker-dealer.
- For entities, verification may include organizational documents, financial statements, asset statements, cap table certifications, investor questionnaires, or counsel/CPA verification.
- The Company may require identity documents, proof of address, source-of-funds information, sanctions screening, and any other information reasonably necessary to satisfy AML/KYC procedures.
- The Company may reject an investment or return funds if verification is incomplete, unsatisfactory, or inconsistent with applicable law.

5. RISK FACTORS

An investment in the Company is speculative and involves a high degree of risk. Prospective investors should carefully consider the following risk factors, together with all other information provided by the Company and the investor's own advisers, before investing.

5.1 Loss of Entire Investment

Investors may lose 100% of their investment. The Company can provide no assurance of profitability, liquidity, dividends, distributions, public listing, or return of capital.

5.2 No Public Market; Illiquidity

There is currently no public market for the Units. Investors should expect to hold the Units indefinitely. The Company has no obligation to register the Units for resale or create a market for the Units.

5.3 Early-Stage and Growth Risks

The Company's future performance depends on successful execution of sales, distribution, production, marketing, marketplace operations, inventory planning, logistics, cash management, and brand development.

5.4 Market Acceptance and Competition

The zero-proof beverage market is competitive and evolving. Consumer preferences, pricing pressure, competitor advertising, retail buyer decisions, marketplace algorithms, and distribution limitations may materially affect the Company.

5.5 Regulatory Risks

The Company operates in food, beverage, labeling, advertising, import/export, marketplace, securities, tax, and consumer protection environments that may change or be interpreted differently across jurisdictions.

5.6 Dependence on Key Personnel

The Company depends heavily on its founder, management, contractors, consultants, suppliers, distribution partners, and marketplace service providers. The loss or underperformance of key persons or vendors could harm operations.

5.7 Operational and Supply Chain Risks

Manufacturing, bottling, packaging, warehousing, fulfillment, returns, shipping delays, quality control, product availability, and supplier performance may materially affect the Company.

5.8 Advertising and Customer Acquisition Risks

Advertising campaigns may not generate profitable sales. Media placement, influencer campaigns, podcast, radio, TV, print, billboard, and social-media promotions may fail to produce expected returns.

5.9 Marketplace Risks

Sales through Amazon, Walmart, international marketplaces, and other digital platforms depend on platform rules, account health, logistics, reviews, pricing, advertising systems, compliance, and algorithm changes.

5.10 Forward-Looking Statements

Statements about expected revenues, valuation, potential NASDAQ listing, distribution growth, brand expansion, investor returns, or future financing are forward-looking and are not guarantees.

5.11 Dilution

The Company may issue additional equity, options, warrants, incentives, convertible securities, or other rights in the future, which may dilute existing investors.

5.12 Tax Consequences

Each investor should consult independent tax advisers. The investment may generate federal, state, local, or foreign tax consequences, including UBTI or other matters for retirement or tax-exempt investors.

5.13 Economic Downturn and Geopolitical Risks

Inflation, interest rates, consumer spending, wars, trade restrictions, supply disruptions, currency changes, and recessionary conditions may materially affect the Company.

5.14 No Assurance of Exit or IPO

Any discussion of a future public listing, acquisition, buyback, or liquidity event is aspirational and subject to market, regulatory, financial, operational, and corporate conditions.

6. TRANSFER RESTRICTIONS AND NO PUBLIC MARKET

The Units have not been registered under the Securities Act or any state securities laws and are being offered and sold in reliance on exemptions from registration. The Units may not be sold, assigned, pledged, hypothecated, transferred, or otherwise disposed of unless the transaction is registered or an exemption is available, the transfer complies with all applicable securities laws, the transfer complies with the Operating Agreement, and the Company provides prior written consent, which may be withheld in the Company's sole discretion.

The investor understands that there is no public market for the Units, that no such market may ever develop, and that the investor must bear the economic risk of the investment for an indefinite period.

7. USE OF PROCEEDS

The Company currently expects to use proceeds from the Class C offering for one or more of the following purposes, subject to management discretion and business needs:

- Inventory, production, packaging, and supply chain support.
- Digital marketplace operations, retail expansion, and distribution development.
- Advertising, public relations, media buying, social media, events, tastings, and promotional activations.
- Technology, e-commerce, compliance, professional fees, legal, accounting, investor relations, and working capital.
- General corporate purposes and strategic growth initiatives.

The Company reserves broad discretion in the use of proceeds. Actual use may vary based on market conditions, timing of closings, business priorities, available financing, and management judgment.

8. SUBSCRIPTION AGREEMENT

To the undersigned purchaser: please review and execute the following Subscription Agreement. Capitalized terms not otherwise defined have the meanings set forth in this document and the Company's operating agreement, as amended from time to time (the "Operating Agreement").

8.1 Subscription for Class C Units

The investor hereby subscribes for and agrees to purchase Class C Units of ARKAY ZERO PROOF LLC at \$5.00 per Unit, in the amount indicated on the signature page. The Company's obligation to issue Units is conditioned upon acceptance of the subscription, receipt of cleared funds, completion of accredited investor verification, completion of AML/KYC review, and satisfaction of all requirements determined by the Company.

8.2 Conditions Precedent to Investor Obligations

The investor's obligation to subscribe for Units is subject to the Company being duly formed and authorized, the Operating Agreement being in effect, and the Company's representations being true and correct in all material respects as of closing.

8.3 Conditions Precedent to Company Obligations

The Company's obligation to issue Units is subject to the investor's representations and warranties being true and correct, the investor's performance of all obligations, the investor's completion of all subscription documents, and the Company's acceptance of the investor.

8.4 Company Representations

The Company represents that it is organized under the laws of the State of Florida, has authority to enter into this Agreement, and is not knowingly taking action that would require registration of the Units under the Securities Act in connection with this private offering. The Company makes no representation that any investor will receive profit, liquidity, dividends, distributions, tax benefits, public listing benefits, or any return of capital.

8.5 Investor Representations - Information and Advice

The investor represents that all information provided to the Company is true, correct, and complete; that the investor has had the opportunity to ask questions and receive answers; that the investor has consulted, or had the opportunity to consult, independent legal, tax, accounting, and investment advisers; and that the investor is not relying on any statement outside this document, the Operating Agreement, and written materials expressly provided by the Company.

8.6 Investment Purpose

The investor is acquiring the Units for the investor's own account for investment purposes only, not with a view to resale, distribution, subdivision, or other disposition in violation of securities laws.

8.7 Accredited Investor Status

The investor certifies that the investor is an accredited investor under Rule 501 of Regulation D and agrees to provide verification documents reasonably requested by the Company for purposes of Rule 506(c). The investor acknowledges that the Company will rely upon this certification and verification in accepting the subscription.

8.8 Ability to Bear Risk

The investor has sufficient financial sophistication, knowledge, and experience to evaluate the merits and risks of the investment and can bear the economic risk of the investment, including loss of the entire investment and indefinite illiquidity.

8.9 Transfer Restrictions

The investor will not directly or indirectly transfer, sell, assign, pledge, hypothecate, or otherwise dispose of all or any part of the Units except in compliance with the Securities Act, applicable state or foreign securities laws, the Operating Agreement, and the prior written consent of the Company.

8.10 AML/KYC; Sanctions; Source of Funds

The investor certifies that the investment funds are not derived from illegal activities; that the investor is not subject to sanctions; that the investor is not listed on any prohibited, restricted, terrorist, money laundering, or sanctions list; and that the investor will provide identity, source-of-funds, ownership, and control information reasonably requested by the Company.

8.11 Bad Actor Disqualification

The investor represents that neither the investor nor, to the investor's knowledge, any person affiliated with or controlling the investor in connection with this investment is subject to any disqualifying event under Rule 506(d) of Regulation D.

8.12 ERISA and Retirement Plan Matters

If the investor is an employee benefit plan, IRA, Keogh plan, pension trust, retirement account, plan fiduciary, or entity holding plan assets, the investor represents that the investment is authorized and does not constitute a non-exempt prohibited transaction. The investor should consult independent ERISA and tax counsel before investing.

8.13 No Investment Company Representation by Investor

If the investor is an entity, the investor represents that it was not formed for the specific purpose of acquiring the Units unless otherwise disclosed to and accepted by the Company, and that the investment complies with all applicable organizational documents and laws.

8.14 Taxes

The investor understands that the Company has made no representation regarding tax consequences. The investor is relying solely on independent tax advisers regarding federal, state, local, and foreign tax matters.

8.15 Acceptance; Irrevocability

The investor's subscription is irrevocable unless rejected by the Company or unless withdrawal is required by applicable law. No subscription is accepted until the Company expressly accepts it, receives required funds, and completes required verification.

8.16 Indemnification

The investor agrees to indemnify and hold harmless the Company, its manager, officers, members, affiliates, agents, and professional advisers from losses, liabilities, claims, damages, costs, and expenses, including reasonable attorney fees, arising from any misrepresentation, breach of warranty, breach of covenant, or unlawful resale or transfer by the investor.

8.17 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without regard to conflict-of-law principles, except to the extent federal securities laws or applicable state securities laws control.

8.18 Entire Agreement; Amendments

This Agreement, the Operating Agreement, and any written materials expressly incorporated by the Company constitute the entire agreement regarding the investor's subscription. Amendments must be in writing and signed by the Company and the investor, except as otherwise permitted under the Operating Agreement.

8.19 Counterparts and Electronic Signatures

This Agreement may be executed in counterparts and by electronic signature. Each counterpart is deemed an original, and all counterparts together constitute one instrument.

9. INVESTOR INITIALS AND ACKNOWLEDGMENTS

| Acknowledgment | Description | Investor Initials |
|---|---|-------------------|
| PPM received and reviewed | The investor confirms receipt and review of this Private Placement Memorandum and Subscription Agreement. | _____ |
| Accredited investor status | The investor certifies accredited investor status and agrees to provide verification. | _____ |
| Risk of loss | The investor understands the investment is speculative and may result in total loss. | _____ |
| Illiquidity and no public market | The investor understands there is no current public market and the Units are illiquid. | _____ |
| Transfer restrictions | The investor understands transfers require Company consent and legal compliance. | _____ |
| AML/KYC and sanctions | The investor certifies lawful source of funds and agrees to provide verification. | _____ |
| Bad actor disqualification | The investor certifies no applicable Rule 506(d) disqualification. | _____ |
| No guaranteed IPO or exit | The investor understands there is no guarantee of NASDAQ listing, acquisition, buyback, or liquidity event. | _____ |

10. SIGNATURES AND SUBSCRIBER INFORMATION

10.1 Execution by the Company

ARKAY ZERO PROOF LLC

By: _____

Name: _____

Title: _____

Date: _____

10.2 Completion and Execution by Investor Subscriber

Registered Account Name: _____

Registered Account Address: _____

City / State / ZIP / Country: _____

Mailing Address, if different: _____

Email Address: _____

Primary Phone: _____

Social Security / Taxpayer ID / Passport No.:

State or Country where signed: _____

Total Equity Investment (USD): _____

Total Class C Units Purchased at \$5.00 per Unit:

Investor Subscriber Signature: _____

Print Name of Subscriber / Authorized Representative:

Title, if entity: _____

Date: _____

10.3 Final Acknowledgment

By signing below, the investor acknowledges that the investor has read, understood, and agreed to all terms of this Private Placement Memorandum and Subscription Agreement, including the risk factors, transfer restrictions, accredited investor verification requirements, AML/KYC requirements, and legal obligations.

Investor Initials: _____

11. CUSTODIAL OWNERSHIP

Check which applies, if any:

_____ Traditional IRA - owner and custodian signatures required.

_____ Roth IRA - owner and custodian signatures required.

_____ Simplified Employee Pension / Trust (SEP) - owner and custodian signatures required.

_____ Keogh - owner and custodian signatures required.

_____ Other custodial or retirement account - owner and custodian signatures required.

Owner Signature: _____

Custodian Name: _____

Custodian Mailing Address: _____

Custodian Tax ID Number: _____

Custodian Account Number: _____

Custodian Phone Number: _____

12. SUITABILITY STATEMENT - INDIVIDUAL INVESTORS

The truth, correctness, and completeness of the following information is warranted by the investor. Mark true or false, as applicable.

| Item | Statement | True | False |
|---------------------------------|--|-------|-------|
| Net worth qualification | You are a natural person whose individual net worth, or joint net worth with spouse or spousal equivalent, exceeds \$1,000,000, excluding primary residence as required by Regulation D. | _____ | _____ |
| Income qualification | You had individual income over \$200,000 in each of the two most recent years, or joint income with spouse or spousal equivalent over \$300,000 in each of those years, and reasonably expect the same income level in the current year. | _____ | _____ |
| Company insider | You are a director, executive officer, manager, or equivalent executive of the Company. | _____ | _____ |
| Financial sophistication | You have such knowledge and experience in financial and business matters that you are capable of evaluating the merits and risks of investing in the Units. | _____ | _____ |
| Foreign citizenship | You are a citizen of a | _____ | _____ |

| | | | |
|--|---|--|--|
| | country other than the United States. If true, specify country below. | | |
|--|---|--|--|

Country of citizenship, if applicable: _____

13. SUITABILITY STATEMENT - ENTITY INVESTORS

To be completed by corporations, LLCs, partnerships, trusts, funds, employee benefit plans, and other entities.

| Item | Statement | True | False |
|--|---|-------|-------|
| Institutional accredited investor | The entity is a bank, broker-dealer, insurance company, investment company, business development company, SBIC, qualified employee benefit plan, or other institution qualifying as an accredited investor. | _____ | _____ |
| Entity assets over \$5,000,000 | The entity is a corporation, LLC, partnership, business trust, 501(c)(3) organization, or similar entity, not formed for the specific purpose of acquiring the Units, with total assets over \$5,000,000. | _____ | _____ |
| All equity owners accredited | All equity owners of the entity are accredited investors. | _____ | _____ |
| Trust qualification | The entity is a trust not formed for the specific purpose of acquiring the Units, with total assets over \$5,000,000, and the purchase is directed by a sophisticated person. | _____ | _____ |
| ERISA / plan assets | The entity is, or is acting on behalf of, an employee benefit plan, IRA, Keogh plan, governmental plan, or entity deemed to hold plan assets. | _____ | _____ |
| Foreign entity | The entity is organized under laws outside the United States or is controlled by non-U.S. persons. | _____ | _____ |
| Not formed to invest | The entity was not formed, and is not being used, primarily for the purpose of investing in the Company, unless disclosed to and accepted by the Company. | _____ | _____ |

14. EXHIBIT A - CERTIFICATE FOR PARTNERSHIP OR LIMITED LIABILITY COMPANY

Certificate of _____ (the "Entity").

13. The Entity was formed under the laws of _____ on _____.
14. The undersigned authorized persons have determined that the investment in ARKAY ZERO PROOF LLC is of benefit to the Entity and have authorized the investment.
15. _____ is authorized to execute all documents in connection with the Entity's investment.

Entity Name: _____

Authorized Signature: _____

Name: _____

Title: _____

Date: _____

15. EXHIBIT B - CERTIFICATE FOR TRUST

Certificate of _____ (the "Trust").

16. The Trust was established pursuant to a trust agreement dated _____.

17. The trustee(s) have determined that the investment in ARKAY ZERO PROOF LLC is of benefit to the Trust and have authorized the investment.

18. _____ is authorized to execute all documents in connection with the Trust's investment.

Trust Name: _____

Trustee Signature: _____

Trustee Name: _____

Date: _____

16. EXHIBIT C - CERTIFICATE FOR CORPORATION

Certificate of _____ (the "Corporation").

19. The Corporation was incorporated under the laws of _____.

20. The Board of Directors or authorized officers have determined that the investment in ARKAY ZERO PROOF LLC is of benefit to the Corporation and have authorized the investment.

21. The following officer(s) are authorized to execute documents in connection with the Corporation's investment.

Corporation Name: _____

Authorized Officer Signature: _____

Name: _____

Title: _____

Date: _____