WOODSON SPIRITS, INC.

Risk Factors and Disclosures

An investment in the securities offered by Woodson Spirits, Inc. involves a high degree of risk. Prospective investors should carefully consider the following risk factors, together with all other information contained in the offering materials, subscription documents, SAFE, and related disclosures, before purchasing the Company's securities. These risk factors contain forward-looking statements that involve risks and uncertainties; actual results may differ materially from those anticipated in such forward-looking statements. The risks described below are not the only risks facing the Company. Additional risks and uncertainties not presently known to the Company, or that the Company currently believes are immaterial, may also impair the Company's business, financial condition, results of operations, prospects, and the value of the securities offered hereby. If any of the following risks occur, the Company's business, financial condition, results of operations, prospects, and investor returns could be materially and adversely affected, and investors could lose all or part of their investment.

A. Offering and Securities Risks

The securities offered are speculative and involve a high degree of risk.

The Company is an early-stage private company operating in the highly regulated and competitive alcoholic beverage industry. An investment in the Company should be considered only by persons who can afford the loss of their entire investment. The Company's future performance will depend on numerous factors, many of which are outside of its control, including consumer demand, regulatory compliance, supply availability, access to capital, distributor and retailer relationships, brand performance, management execution, and general economic conditions.

The Company intends to conduct Regulation D and Regulation CF offerings on a sequential basis.

The Company intends to conduct offerings of SAFEs first under Regulation D, Rule 506(b), and, following the close of the Regulation D offering, under Regulation CF. The Company is seeking to raise an aggregate of up to $1,600,000, consisting of up to $600,000 in the Regulation D offering and up to $1,000,000 in the Regulation CF offering. The SAFEs are expected to have the same economic terms in both offerings, subject to side letters or investor-specific arrangements. The Company may raise more or less than the intended amount in either offering. Because the Company currently intends to close the Regulation D offering before the Regulation CF offering commences, delays in the Regulation D offering, including as a result of investor qualification, subscription, or closing mechanics, could delay or adversely affect the timing and success of the Regulation CF offering.

The SAFEs will convert into preferred stock upon a qualifying financing, but may never convert.

The securities being offered are Simple Agreements for Future Equity, or SAFEs. The SAFEs are expected to convert into preferred stock upon a qualifying financing. If the Company does not complete a qualifying financing or other conversion event, SAFE holders may remain holders of contractual rights rather than equity for an indefinite period. A SAFE holder is not a stockholder of the Company and, solely by virtue of holding a SAFE, will not have voting rights, rights to elect

directors, rights to approve corporate actions, rights to receive notices of stockholder meetings, rights to receive dividends, subscription rights, or other rights of a stockholder unless and until conversion shares are issued pursuant to the SAFE. Accordingly, while the SAFEs remain outstanding, SAFE investors will have limited contractual rights and no governance control over the Company.

The Company's valuation is difficult to assess.

The Company is a private company, and there is no public market price for its securities. The valuation cap and other economic terms of the SAFEs have been established by the Company and may not reflect an independent appraisal, arm's-length market pricing, or the value that might be assigned by future investors or acquirers. Unlike publicly traded companies, whose valuations are informed by market trading, private company valuations are inherently uncertain. There can be no assurance that the valuation cap reflects the current or future fair market value of the Company, and investors bear the risk that the value of the securities may be less than the price paid. The valuation cap should not be interpreted as a guarantee of future value.

SAFE holders are senior to capital stock only in limited circumstances and are not senior to creditors.

In a dissolution while the SAFE is outstanding, the Company is contractually obligated under the SAFE to pay the SAFE holder an amount equal to the investment amount immediately prior to or concurrently with the dissolution, subject to the availability of assets after satisfaction of creditor claims, and that obligation ranks senior to holders of the Company's capital stock. However, the SAFE does not provide that SAFE holders are senior to the Company's creditors. Secured creditors, lenders, trade creditors, tax authorities, and other claimants may be paid before any amount is available to SAFE holders. As disclosed elsewhere in these risk factors, the Company has outstanding indebtedness to Endeavor Bank as well as insider and affiliate debt owed to Kettner Distillery and Ronald Fornaca, totaling approximately $663,000 in the aggregate as of the date of this disclosure. All such creditors, including insider and affiliate creditors, would rank ahead of SAFE holders in any dissolution scenario. The Company's aggregate indebtedness may increase or decrease over time. If the Company has insufficient assets after satisfying creditor claims, SAFE holders may receive little or nothing.

The SAFEs and any conversion shares are restricted securities and may be held indefinitely.

The SAFEs and the securities issuable upon conversion have not been registered under the Securities Act or applicable state securities laws. Investors should expect that there may be no public market or practical resale market for the SAFEs or any shares issued upon conversion. The Company has no obligation to register or qualify the securities for resale.

B. Use of Proceeds Risks and Disclosures

The Company expects to allocate proceeds among working capital, operations, and sales and marketing.

These allocations are based on current expectations and may change based on actual funds raised, offering expenses, debt obligations, inventory needs, regulatory requirements, licensing costs, marketing performance, and business conditions. The Company will have discretion over the use of proceeds. Actual use of proceeds may differ from the allocation described in offering materials. The

Company may reallocate proceeds among categories based on business conditions, actual amounts raised, loan requirements, permit costs, inventory needs, marketing results, operating expenses, or unforeseen circumstances. Such expenditures may not produce expected results.

A portion of offering proceeds may be used to repay existing indebtedness.

The Company expects to use a portion of offering proceeds to repay the outstanding Endeavor Bank line of credit in order to restore borrowing availability. Using offering proceeds to repay existing indebtedness may reduce the amount available for inventory purchases, marketing, personnel, distribution expansion, product development, and working capital. Although repayment may restore borrowing availability, there can be no assurance that the Company will be able to draw on the line of credit in the future, remain in compliance with loan requirements, or use future borrowings successfully.

C. Capitalization, Conversion, and Corporate Structure Risks

The Company is converting from a California limited liability company into a Delaware corporation.

Woodson Spirits, LLC, a California limited liability company, is being converted into Woodson Spirits, Inc., a Delaware corporation. Following the conversion, investors will be investing in a Delaware corporation, not a California limited liability company. At the effective time of the conversion, the Company will continue its existence in the organizational form of a Delaware corporation, and the LLC's articles of organization and LLC agreement will be terminated and superseded by the Delaware corporation's certificate of incorporation, bylaws, and other stockholder arrangements. As a result, governance, fiduciary duties, voting, transfer restrictions, distributions, indemnification, information rights, and other matters will be governed by Delaware corporate law and the Company's corporate documents rather than by California LLC law and the prior LLC agreement. The plan of conversion provides that the rights, property, privileges, debts, liabilities, causes of action, creditor rights, and liens of Woodson Spirits, LLC will remain attached to or vested in Woodson Spirits, Inc. after the conversion. Accordingly, the conversion will not eliminate existing indebtedness, security interests, trade payables, tax obligations, regulatory obligations, contractual obligations, or other claims against the business. The conversion requires filings in both California and Delaware and may require updates to bank records, contracts, insurance policies, tax registrations, vendor accounts, distributor records, intellectual property records, employment records, and other business arrangements. If required filings, consents, notices, assignments, tax registrations, or corporate actions are delayed, defective, disputed, or not completed, the Company may experience operational, financing, tax, contractual, or regulatory issues.

Existing ownership is concentrated among a small number of holders.

The current stock is held by three stockholders. Existing holders may continue to control or substantially influence the Company after the offering. Their interests may differ from those of SAFE investors. Because ownership is expected to remain concentrated, existing holders, directors, and officers may be able to influence significant corporate decisions, including future financings, related-party transactions, compensation, issuance of securities, option grants, sale of the Company, changes in strategy, debt repayment, and other matters. SAFE investors will not have stockholder voting rights

unless and until their SAFEs convert. Even after conversion, investors may hold a minority position and may have limited ability to influence the Company's affairs.

D. Debt, Liquidity, and Financial Risks

The Company has existing bank debt that may materially affect its liquidity.

Woodson Spirits, LLC is party to a **$500,000** line of credit with **Endeavor Bank**. As of the March 18, 2026 change in terms agreement, the line of credit had a current outstanding principal balance of **$388,938.98**. The loan balance must be paid down to **$0 by August 30, 2026**. If the Company is unable to raise sufficient capital or otherwise generate sufficient cash to satisfy this requirement, it may face adverse consequences under the loan documents, loss of access to credit, default risk, increased financial pressure, or the need to restructure indebtedness on less favorable terms.

The Endeavor Bank loan is secured by substantially all business assets.

The Endeavor Bank loan is secured by a security interest in all business property assets described in the Company's commercial security agreement. If the borrower defaults, Endeavor Bank may have rights to exercise remedies against the collateral, which could materially impair the Company's ability to operate, sell inventory, maintain working capital, or realize value for investors.

The Company has insider and affiliate debt.

In addition to the Endeavor Bank line of credit, the Company has outstanding indebtedness owed to insiders or affiliates. Debt owed to insiders or affiliates may create conflicts of interest regarding repayment timing, use of proceeds, related-party transactions, and allocation of cash.

The Company may need additional capital beyond this offering.

The Company's planned raise may not be sufficient to repay debt, maintain inventory, support marketing, expand distribution, hire personnel, fund working capital, obtain permits, transition toward a direct-revenue model, or execute its business plan. The spirits business can be capital intensive, particularly where products must be sourced, aged, bottled, packaged, shipped, promoted, and sold through regulated distribution channels. If the Company cannot obtain additional capital when needed, it may be required to delay, scale back, or abandon growth plans; reduce marketing spend; limit inventory purchases; defer payments; seek additional debt; enter into disadvantageous strategic arrangements; or cease operations.

E. Business, Operating, and Growth Risks

The Company has a limited operating history and may not be able to sustain or expand prior growth.

There can be no assurance that the Company will return to, sustain, or exceed its prior growth rates. Investors should not rely on past sales growth as an indication of future results.

The Company may not achieve its business plan or financial projections.

Any projections, forecasts, growth plans, or other forward-looking information provided to investors are based on assumptions that may prove incorrect. The Company's ability to grow depends on continued market acceptance of Woodson Whiskey, successful execution of marketing and distribution strategies, availability of inventory, access to capital, the continued value of brand affiliations, regulatory compliance, and the Company's ability to operate through third-party licensed partners. Actual results may differ materially from projected results, and no assurance can be given that the Company will achieve any projected revenue, profitability, bottle sales, distribution, or brand expansion objectives.

The Company's premium brand positioning may limit its pricing flexibility and competitive resilience.

The Company's products are positioned in the premium whiskey segment. This positioning may limit the Company's ability to reduce prices in response to competitive pressure without damaging brand perception. Premium brand positioning may also result in greater revenue sensitivity to distributor or retailer decisions to deprioritize premium SKUs, reduce shelf space, or increase promotional requirements. If the Company is forced to reduce prices, increase promotional spending, or accept unfavorable distributor or retailer terms in order to maintain sales volume, its margins and financial results may be adversely affected. The Company may have limited ability to reduce product costs without affecting product quality or brand identity.

The Company may be unable to expand distribution successfully.

Growth in the spirits industry often depends on obtaining and maintaining distribution, retailer acceptance, shelf placement, promotional support, and repeat consumer purchases. The Company may be unable to expand beyond existing markets or may be unable to secure favorable distributor or retailer relationships. Even where products are placed with distributors or retailers, there can be no assurance that those partners will prioritize the Company's products, achieve sell-through, or continue purchasing.

The Company depends on third-party vendors and service providers.

The Company may rely on third-party vendors and service providers for production, sourcing, bottling, packaging, warehousing, shipping, accounting, legal work, marketing, public relations, distribution, retail execution, and other functions. Any failure, delay, dispute, price increase, quality issue, regulatory issue, or termination involving these third parties could materially affect the Company's operations, financial condition, and results. The Company may have limited control over third-party performance and may have limited recourse for losses.

The Company does not currently hold all licenses necessary to operate independently, depends on Kettner-related and other third-party production, licensing, and supply arrangements, and faces potential conflicts of interest arising from those related-party relationships.

The Company does not currently hold all alcoholic beverage licenses that may be required to operate independently across all contemplated future activities and currently obtains products and operational support through lawful arrangements with Kettner and other licensed third parties. As a result, the Company's ability to produce, source, bottle, store, fulfill, market, distribute, and sell its products may depend on Kettner and other licensed third parties. Any disruption in those relationships, failure by such parties to maintain required licenses or permits, disagreement regarding pricing, product specifications, production scheduling, minimums, supply, inventory handling, payment terms,

compliance responsibilities, intellectual property usage, or quality standards, or any suspension, breach, dispute, nonrenewal, or termination of those arrangements, could materially and adversely affect the Company's operations.

The Company's planned transition from a Kettner-dependent royalty or licensed-partner model to a more direct operating model may not be successful.

The Company's current plans contemplate a transition from a royalty model to a direct-revenue model. There can be no assurance that the Company will obtain the necessary permits, approvals, facility rights, operational capabilities, insurance, personnel, systems, or regulatory infrastructure to complete this transition. The transition may require the Company to modify, replace, supplement, or terminate existing Kettner-related production, supply, licensing, warehousing, fulfillment, or service arrangements. Any such transition may require more time and capital than expected and may expose the Company to additional regulatory, tax, operational, inventory, compliance, counterparty, and liability risks.

F. Brand, Marketing, and Key Person Risks

The Company is dependent on the Woodson brand and the reputation, public profile, and limited availability of Charles Woodson.

The Company's brand identity is closely associated with Charles Woodson, a Pro Football Hall of Fame athlete and the founder of Woodson Whiskey. If Mr. Woodson reduces his involvement, becomes unable or unwilling to promote the brand, experiences adverse publicity, suffers reputational harm, or terminates or limits his relationship with the Company, the Company's brand, marketing strategy, consumer engagement, distribution relationships, and sales could be materially and adversely affected.

Charles Woodson is involved only part-time and has other commitments.

Charles Woodson serves the Company only on a part-time basis as an officer and director and has numerous other professional and personal commitments. The majority of the Company's day-to-day work is expected to be performed by other owners, employees, contractors, and service providers. There is risk in investing in a company whose brand is substantially associated with a founder or public figure who is not working full-time for the business. If Mr. Woodson's other commitments limit his availability, or if he is unable or unwilling to devote sufficient time and attention to the Company, the Company's business may suffer.

The death or long-term incapacity of Charles Woodson could materially and adversely affect the Company, and the Company does not maintain key person life or disability insurance on Mr. Woodson. The Company's brand identity, product positioning, marketing strategy, social media reach, consumer engagement, and sports partnership relationships are substantially dependent on the name, likeness, reputation, and continued personal association of Charles Woodson. In the event of Mr. Woodson's death or long-term incapacity, the Company may lose the right or practical ability to use his name, likeness, image, or endorsement in connection with its products and marketing, may experience a significant loss of consumer confidence and brand recognition, and may be unable to maintain existing sports partnerships, distributor relationships, or retail placement. Because the Company does not maintain key person insurance, there would be no insurance proceeds available to fund transition costs, marketing restructuring, or operational disruptions arising from the loss of Mr.

Woodson's involvement. The loss of Mr. Woodson's association with the brand could materially and adversely affect the Company's operations, valuation, and investor returns, and there can be no assurance that the Company could replace his brand contribution through any alternative marketing strategy or individual.

Strategic partnerships may not continue or produce expected benefits.

The Company identifies strategic relationships with the University of Michigan Athletics, the Pro Football Hall of Fame, and other high-profile partners. These partnerships and collaborations may be important to consumer awareness, credibility, and marketing. There can be no assurance that these relationships will continue, be renewed on favorable terms, result in anticipated sales, or remain free of restrictions. If any partnership is terminated, reduced, not renewed, challenged, or subject to negative publicity, the Company's brand and sales may be adversely affected.

G. Industry, Competition, and Market Risks

The alcoholic beverage industry is highly competitive.

The Company competes with large global spirits companies, established whiskey brands, celebrity-backed brands, craft distilleries, private label products, ready-to-drink beverages, and other premium spirits brands. Many competitors have greater financial resources, broader distribution networks, larger marketing budgets, stronger retailer and distributor relationships, established consumer loyalty, and greater production capacity than the Company. The Company's ability to compete will depend on brand strength, product quality, pricing, shelf placement, distribution access, marketing execution, and the continued value of its relationship with Charles Woodson and other brand partners.

Consumer preferences in alcoholic beverages may change.

Consumer preferences in the alcoholic beverage industry are difficult to predict and may change rapidly. Demand for whiskey may be affected by trends favoring tequila, ready-to-drink cocktails, non-alcoholic beverages, cannabis products, wellness-oriented products, lower-alcohol products, or other categories. The Company's ability to maintain and grow sales will depend on its ability to anticipate and respond to changing consumer tastes, price sensitivity, packaging preferences, brand perceptions, and purchasing channels. If consumer interest in the Company's products or the broader whiskey category declines, the Company's business may suffer.

H. Regulatory and Compliance Risks

The alcoholic beverage industry is extensively regulated.

The production, bottling, labeling, storage, transportation, marketing, distribution, and sale of alcoholic beverages are subject to extensive federal, state, and local regulation, including regulation by the Alcohol and Tobacco Tax and Trade Bureau and state alcohol beverage control agencies. Compliance obligations may include permits, licenses, label approvals, tax payments, trade practice rules, advertising rules, recordkeeping, reporting, franchise laws, tied-house laws, direct-shipping restrictions, distributor rules, and age-verification requirements. Noncompliance could result in fines, penalties, license suspension or revocation, product seizure, forced product changes, restricted sales, reputational harm, or business interruption.

Because the Company relies on Kettner-related and other third-party licensed parties, it depends on their compliance and operational performance.

The Company does not currently hold all alcoholic beverage licenses that may be required for all contemplated future activities and relies on Kettner-related and other third-party licensed entities for product-related activities. The Company's operations may be affected by the compliance status, licensing, tax payments, recordkeeping, inventory practices, quality controls, labeling practices, shipping procedures, and other operational practices of those parties, including parties operating under production and supply agreements with the Company. If a licensed partner fails to comply with applicable law, loses a license, fails to obtain label approvals, miscalculates taxes, violates trade practice rules, mishandles inventory, fails to maintain required records, or experiences a regulatory issue, the Company's ability to produce, distribute, market, or sell products may be impaired, and the Company may suffer indirect liability, delay, cost, or reputational harm.

The Company may face increased compliance burdens if it becomes directly licensed.

If the Company obtains its own alcohol permits or licenses, it may become directly responsible for additional compliance obligations, including federal and state alcohol excise taxes, recordkeeping, reporting, product registrations, label approvals, trade practice compliance, inventory controls, premises compliance, distribution restrictions, age-verification procedures, and audits. These obligations may require additional personnel, systems, legal support, compliance procedures, and working capital. Noncompliance could result in fines, penalties, permit suspension or revocation, product holds, delayed shipments, or business interruption.

Alcohol advertising and marketing are subject to strict regulation.

The Company's marketing of alcoholic beverages is subject to federal, state, and local laws and industry standards governing advertising, labeling, promotions, sponsorships, endorsements, social media, age-gating, sweepstakes, giveaways, claims, and responsible drinking messaging. These rules may limit the Company's ability to market through sports partnerships, celebrity endorsements, digital platforms, social media, giveaways, and event activations. Violations could result in fines, required corrective action, suspension of marketing campaigns, reputational harm, or regulatory scrutiny.

Direct-to-consumer alcohol sales are highly regulated and may not be available in all markets.

The Company's growth plan may include increased investment in online direct-to-consumer channels. Direct-to-consumer alcohol sales are subject to complex and varying federal, state, and local laws, including licensing, shipping, fulfillment, age verification, tax collection, reporting, carrier restrictions, product registration, and state-by-state eligibility requirements. Some states prohibit or restrict direct shipment of spirits. The Company may need to rely on licensed third-party platforms, retailers, fulfillment partners, or other service providers to conduct online sales. If laws change, partners terminate services, compliance costs increase, or the Company cannot lawfully ship to desired markets, the Company's direct-to-consumer strategy may not succeed.

Product labeling and claims may create regulatory risk.

Alcohol product labels, packaging, origin statements, age statements, flavor descriptions, health-related statements, sports-related references, endorsements, and other claims may be subject to regulatory review and restrictions. If any label, marketing material, or product claim is deemed misleading, noncompliant, or improperly approved, the Company may be required to relabel products,

suspend sales, withdraw inventory, modify marketing, incur additional costs, or face regulatory action.

Public claims regarding awards, retailers, partnerships, and performance must be accurate and current.

The Company's offering materials may reference awards, retail placements, revenue growth, partnerships, social media reach, product lineup, and other business claims. If any public claim is inaccurate, outdated, incomplete, or misleading, the Company may face investor complaints, reputational harm, platform issues, regulatory scrutiny, or potential liability. The Company endeavors to verify all material claims before publication, but there can be no assurance that all information will be accurate or current at all times.

I. Product Liability, Insurance, and Safety Risks

The Company may face product liability and alcohol-related claims.

As a seller of alcoholic beverages, the Company may be exposed to claims involving product defects, contamination, labeling, failure to warn, consumer protection, advertising, alcohol-related injury, misuse of products, or other theories of liability. Even if claims are meritless, defending them may be expensive and time-consuming, may divert management attention, and may harm the Company's reputation. Insurance may not be available on acceptable terms or may not cover all claims, damages, regulatory investigations, recalls, defense costs, or reputational losses.

Product quality problems could harm the Company's reputation and sales.

The Company's brand depends on consumer perception of product quality, consistency, authenticity, and safety. Poor quality, inconsistent batches, contamination, bottling defects, packaging failures, flavor inconsistency, or negative reviews could result in product returns, lost sales, retailer dissatisfaction, regulatory issues, or reputational harm. Because spirits brands rely heavily on repeat purchases and consumer loyalty, quality problems could have long-term adverse effects.

Insurance coverage may be insufficient.

The Company may maintain general liability, product liability, liquor liability, inventory, property, directors and officers liability, cyber, or other insurance, but such coverage may be unavailable, insufficient, subject to exclusions, or expensive. Certain losses may be uninsurable or not economically insurable. If the Company incurs a significant uninsured or underinsured loss, its business, financial condition, and investor returns may be materially adversely affected.

J. Intellectual Property and Technology Risks

The Company's intellectual property and brand rights are critical to its business.

The Company's value depends significantly on the Woodson name, trademarks, logos, product names, label designs, domain names, social media accounts, trade dress, formulas, marketing materials, partnership rights, and other intellectual property. Certain rights may be licensed from or dependent on Charles Woodson, affiliates, contractors, sports organizations, or other third parties, and there can be no assurance that the Company will be able to maintain or secure all rights that may be necessary for its future business activities. If the Company fails to maintain, register, enforce, or

renew its intellectual property rights, or if third parties challenge or infringe those rights, the Company's ability to market and sell products could be materially impaired.

Cybersecurity and technology failures may harm the Company.

The Company may rely on websites, social media accounts, e-commerce partners, email systems, customer data, investor data, accounting systems, cloud services, and third-party technology providers. Cyber-attacks, hacking, phishing, malware, data breaches, account takeovers, system failures, or third-party outages could disrupt operations, compromise confidential information, harm consumer or investor trust, cause legal or regulatory exposure, and damage the Company's reputation.

K. Management, Personnel, and Governance Risks

The Company depends on management, employees, contractors, and service providers.

The Company's success depends on the performance of its management team, employees, contractors, distributors, service providers, and affiliated operating partners. If the Company is unable to attract, retain, and motivate qualified personnel and service providers, or if key personnel make poor decisions, the Company's business may suffer. The Company may also make hiring or contractor mistakes, which can be costly and disruptive.

The Company may lack public-company controls and infrastructure.

The Company is a private, early-stage company and may not have the accounting, financial reporting, legal, compliance, human resources, cybersecurity, investor relations, and internal control infrastructure of larger or public companies. Weaknesses in internal controls, financial reporting, budgeting, compliance, or governance could lead to errors, misstatements, poor decision-making, regulatory issues, or investor disputes.

Conflicts of interest may arise.

Conflicts of interest may arise among the Company, its officers, directors, founders, existing holders, affiliates, Kettner-related entities, suppliers, creditors, and investors. These conflicts may relate to compensation, related-party transactions, allocation of opportunities, pricing, product sourcing, debt repayment, management time, equity issuances, financing terms, or strategic decisions. The Company may not resolve conflicts in a manner favorable to SAFE investors.

The Company may enter into future transactions that affect investor rights.

The Company may issue additional securities, incur debt, grant equity awards, enter into strategic partnerships, sell assets, acquire businesses, merge, reorganize, or change its business plan. These transactions may dilute investors, change the Company's risk profile, impose restrictions on operations, or alter the economic value of the SAFEs or conversion shares.