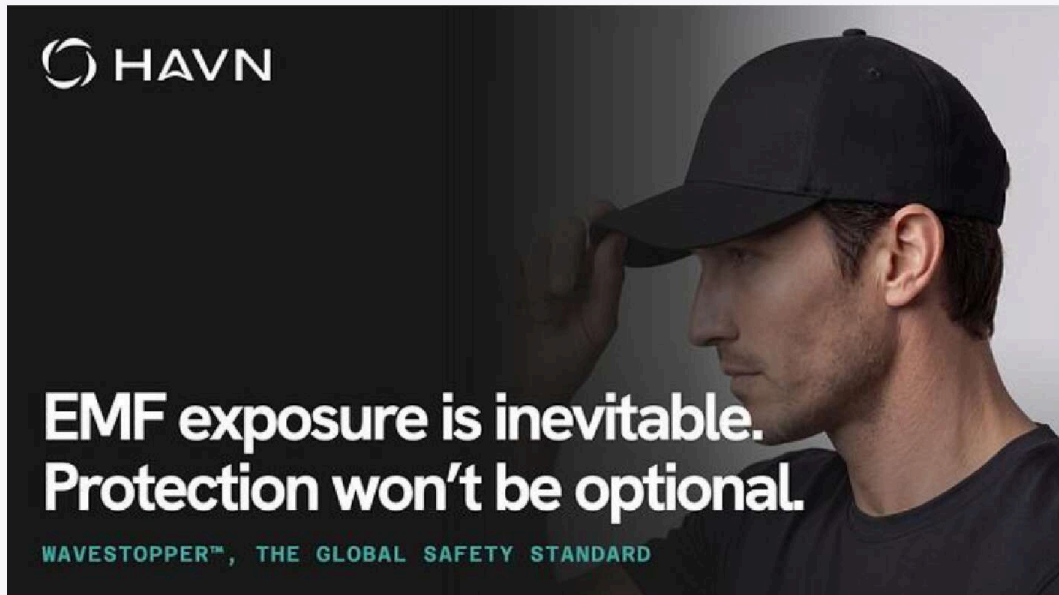


2025 REPORT

Havn



LETTER



Dear investors,

To our 434 Wefunder investors - thank you. 2025 was the year HAVN went from a product people liked to a brand people trust, and your capital made that possible. Rudy Gobert stood behind us as investor and brand ambassador. HAVN became HSA/FSA eligible. Doctors started recommending us to their patients. And the US Air Force awarded us a Phase II STTR contract - the strongest validation of WaveStopper we could ask for, and the start of what we believe can become a major defense business.

On the consumer side, we closed the year with our biggest Q4 ever and are tracking toward roughly 300% year-over-year growth in 2026. We have passed 130,000 customers, up from about 70,000 when you invested.

Next up: our next-generation WaveStopper products, deeper military work, and much more to come.

Thank you for betting on us early. We wouldn't be here without you.

Arthur & the HAVN team

We need your help!

The most valuable thing you can do is talk about HAVN - most of our customers find us through someone they trust.

Beyond that:

- Wear it and review it. An honest review or social post converts better than any ad we run.
- Open doors. We want introductions to doctors and health practitioners, pro athletes and teams, pilots and military or first responder communities, and retail or corporate wellness buyers.
- Connect us to media. If you know a podcast host, journalist or creator covering health, performance or defense, put us in touch.
- Use your HSA/FSA. HAVN is eligible - remind friends with unused dollars before year-end.
- Tell us what to build. Reply to any update with product feedback. We read all of it. Thanks for all your support!

Sincerely,

Arthur Menard de Calenge

CEO

Michael Jones

Director

How did we do this year?

REPORT CARD



😊 The Good

Closed \$2M contract with the US Air Force

Profitable year with 31% topline growth

Huge brand credibility boost: Rudy Gobert, HSA/FSA, doctor recommending the product...

😞 The Bad

One of our manufacturer went bankrupt and we had to rebuild part of our supply chain - resulting in out of stock issues

Growth was too fast in Q4 - lead to stock issues in Q1 2026

Silver price shot up with gold at the end of the year, impacting the cost of goods sold.

2025 At a Glance

January 1 to December 31



\$5,022,759 +29%

Revenue



\$61,928

Net Profit



\$1,707,920 +10%

Short Term Debt

\$6,052,087

Raised in 2025



\$1,157,894

Cash on Hand

As of 09/30/26

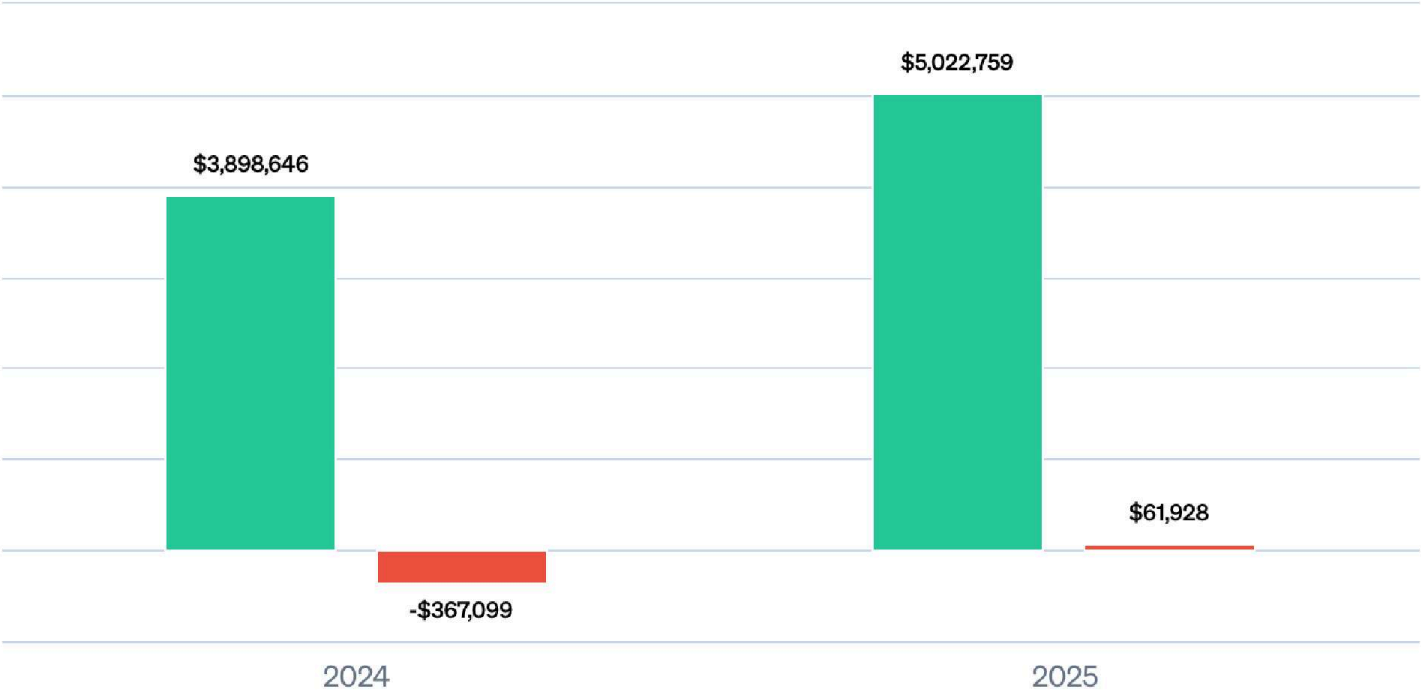
INCOME

BALANCE

NARRATIVE

Revenues

Profit



Net Margin: 1%

Gross Margin: 69%

Return on Assets: 2%

Earnings per Share: \$0.00

Revenue per Employee: \$1,674,253

Cash to Assets: 56%

Revenue to Receivables: 95,872

Debt Ratio: 211%



We ❤️ Our 436 Investors

Thank You For Believing In Us

Mike Panesis	Zemel Shropshire	Qwincy Houston	Roderick Herron	Adel Ali Al-Malki	Alicia Corven
Jared Jenson	Jacob Liljenquist	Bing Pang	James Rappold	George Limen	Sudhanshu & Chitra...
Lev Cooper	Philipp Von Gottberg	Tristin Chambers	Mary Carroll	Jared Cornell	Capital Department
Khori Whittaker	Teresa Hickle Veltri	Cheryl Moore	Kandi Clark	Santiago Romero	Ginger Sepulveda
Allen F	Liz Sparks	Dushyant Gothwal	Doug Drotzmann	Chad Bertrand	Juan Heredia
Christopher H	Kimberly Stuart	Lakhvir Ghuman	Alex Rosati	Bruce D Armstrong, DVM	Mark Arbelo
Tanya A Croxton	Scott Clough	Lynette Lillis	April Paine	David J. Campbell	Benjamin Hearst
Paula Pileggi	John Knudsen	Loves Laughter	Stewart Weaver	Ehud Sililtonga	Betty Herron
David Merwin	Filiberto Martinez	Kunal Shah	Jena Petraglia	William Fischer	Charlie White
Adrienne Lee	Vitor Oliveira	David Merwin	Michael Bhagat	Audrey Miller	Helena Ringo
David Wilson	Matthew H	Martin Brenner	Thomas SPYCHALSKI	Timothy McNerney	Anne Sturgill
Jeff Stucker	Louella D. Moreno	Heather Connell	J K	Patricia Skigen	Debbie Pryse
Daniel Works	Steffi Weryzynski	Heather Hurley	Martin Weilhamer	Jan M Maly	Michael Jones
R S	Mark Chasan	Tyler Harris	Moonshot DisruptX	Heidi Holland	Nickolas Allgood
Saugat Ghimire	Gregory Erb	Elliot Jemal	Casey Winsor	Jerry Eisenband	Jauder Diaz
Harvey's Market Of...	Boris Burshteyn	Kenneth L. Salmen Jr.	Ross Dillon	James Slaughter	Siri Deva Singh
M Roz	Tina Montgomery	Bradley Matthews	Javier Cote-Sierra	Richard S Arena	Vijay Arcot Prabhakar
Alex Devereux	Kelvin Smith	David De Kooker	Jodi Zapien	Carol Rumburg Clemmer	Prakash Bhambhani
Max Reisener	Gregory Cabral	Jack Jahnke	Ernesto Holguin	Cynthia Kay Cowden	Colleen Lindell
Shawn Westervelt	Nicki M	Marcelo Cunha	Chris Sullivan	Eric S	Tim Tramutt
Matt McDonagh	Ross Lehune	Kristofer Isaacs	Joshua Funk	Alberto Barajas	Hyunsook Miramontes
Shalika Shetty	Scott Covington	Sean Martin	Trena Stoddard	Sarah Brinkerhoff	Mary Lynn SHAYNE
Katelyn Viana	Elaine Wong	Herman Alfred	Kathleen Christopherson	Peter B Harre	Daniel Pessa
Kay Williams	Elizabeth Johnson	Linda True	Cristiano Donzelli	Christoph Heuermann	Gianina Cazan-London
Martin Johnstone	Elizabeth Abkes-Moore	Margarita Ukman	Heidi Hughey	Terry Schwartz	Heather Hruby
Lauren Bowser	Gabriel B Harris	Cheryl Fraley	Jeremy Wahl	Nick Hunley	Raphaelle Turnier
Eleanor Day	Russell Bolen	Dean Williamson	Greg Lindell	Lisa Rosenthal	Clifford Wayne Dunbar
Kathleen Mays	Heike Villalpando	Ben Alcorn	Memsudin Pasic	Robert Russell	Suzie Dollesin
Joseph Mufareh	Susan Karheim	Tanya McGowan	Shelly Fournier	Brinda C Smith	Simone M
Richard Grey	Jacob Brueckner	Melinda Alvarado	Roger A Herres	River Basile	Christian Hansen
Lois Gokals	Jamee Culbertson	R Gerber	Lydia Kimani	Jane King	Matt Gleason
Jonathan Matthews	Sandra Waxman	Sheena T	Elizabeth Straub	Megan Pribyl	Patricia Reich
Toby Gene Fruth	Amanda Hahn	Larry Brun	Nancy Jean Holland	Aaron Alexander	Simpuna LLC
Carmen E HOLLOWAY	Claire Cornett	Bertha Ponce	Joella Fosmo	Grier BOEDKER,SR.	Karen Nussbaumer
Mary Chavez	Landon Ash	Raymond Gilford	Josiah Hudec	Tim Lawler	Mary Osbach
David Wingler	Bryan Tomeo	Nicolle Walsh Lucas	Albie X Cortes	Kathleen Black	Juan Pelayo
Brad Dancer	Aaron French	Hans Ulrich Engel	Dana McCaulley	Tony Bergstrom	Sandy Toth
La Tina Thomas	Mary Jee De LEON-...	Matt McDonough	Kiarash Soroushiani	Nancy Frederick	Royden Wood
Antonio Soto Rodriguez	Casey Keefe	Gloria Clark	Rebecca Long	Andrew G Kirkhart	Liane Marguerite Kufchock
Aaron Cheng	Joseph Craig Achenbach	Marcie Walker	Floyd Mayes	Aaron Novak	Daniel Anugerah
Ajay Lalwani	Nicolle Zapien	Alice Yu	Richard Hale	James Merlini	Zahed Hossain
Robyn Young	Coreen Aghamoali	Tavo Gonzalez	Kyle Gates	Donoven DSouza	Sumit Kumar
Eric Williams	Jesse Wood	Nina Freeman	Chaitanya Jani	Rohit Patel	Deda Divine
Oscar Oruche	Diana Austin	James Erwin	Christie Ives	Carol H Chandler	Rajinder Sharma
Stacey Lamers-Bagabo	Reed Gossman	Jigar Gandhi	Rajiv Panta	Michael Peele	Mary White
Nico Vasquez	Patricia Gregor	Ricardo Oliveira Paes	Chukwulozia Okobi	G P	Zackary Adams
Chirag Thakkar	Joseph Chongpinitchai	Mark Veilleux	Peter Tait	Kaushik Vira	Antoinette Fowler
Kellene Klotzsch	Kavita Veng	Chad Tate	Leigh Davis	Mark Dunn	Gloria Dandeneau
Franz Coreth	Kelsie Van Deman	Serhii Shpirna	Mathias Blot	Tracey Beaver	Khushbu Trupenkumar...
Erika Kohl	Lokesh Allam	Richard Horan	Paul Sisson	Adam Brown	Malcolm Parker
Keedan Trotman	Logan Thore	Ryan Bickel	John BRUDERLIN	Sue Neeley	Khanh Tang
Arlene Griffin	Chrisdon Hall	Havden Avers	Ian Card	Patrice LACHANCE	John Perez

Richard Davidson
Eileen Huff
Danielle Goodson
Eva Green Horizons LLC
Jenny Owen
Blue Sky Group
Wendy Dunn
Tara Ezer
Serena Poon
Rubylynn Davis
Angelia Santiago
Amber Holt

Sally Davies
Gerald Nettleton
Go Gi Justice
Joshua Hibbard
Case Jemison
Senthamizhan Panneer...
Jonathon Lo Russo
Carl J Fuchs
Jacquelyn Paetzold
Jason Koschmeder
Jamal David Smith
Brock Allor

Barbara Rocco
Jeremy Finn
Robert Penno
Connie Mead
Amanda Goodwin
Sergei Sveshnikov
Michael Chang
Mehmedalija Pasic
Marilyn Sick
Joseph Ellerbrock
Chris Ford
Lynda Cafasso Inheritanc...

Renee Riley
Kate Hall
Dean Goodwin
Brandon Craig Hyde
Mike Brogdon
John Hilgendorf
Diane Le
Edward Kelly Medlock
Timo Klenk
Adam Johnson
Ryan L
Chad N Ava Vickrey

Christianne Wisinger
Tiphonie Jones
Kevin L Pottmeyer
Joshua Hicks
Diana Arena
Michael Head
Patricia McDonald
Bianca McGhie
Linh Stephens
Sylvain Mack
Hunter M

Caterina Zagoory
Talanna Ruffin
Ted Tidmore
Adam Schmidt
Shiny Liu
Jesse Bryan Christensen
Hallu Soreta
Joseph Karaisz
Carmen Paso
Tama Kott
Jacqueline Torres

Thank You!

From the Havn Team



Arthur Menard de Calenge in
CEO

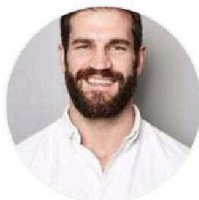
Healthtech visionary. 3x Founder with 1 exit. Forbes 30 under 30 and 200 media features. Co-inventor of 12 patents. Founded PwC's FR startup incubator. Startup investor with over 10x portfolio returns. AgroParisTech Biology ...



Gerrit Rindermann

Co-Founder & Head of Engineering

Technology innovator. Former lead at Mercedes-Benz Technology. Co-founder of OneApp, revolutionizing digital communication. AI healthcare researcher with multiple patents. Forbes Tech Council Memb...



Karl Brandt



Mike Jones

Chief Marketing Officer.

Scaled his own DTC brand past \$30M before joining HAVN. Now runs the engine behind 125K+ customers and <4% returns.

Director of the Board

High-growth expert. Founder of Science Inc. and former CEO of Myspace. Led \$2B+ in exits, including Dollar Shave Club (acquired by...



Brett Conrad

Advisory Board Member

Seasoned retail leader. Former President of Lululemon USA, launched the brand's first U.S. stores, driving its early expansion. Brings deep experi...

Details

The Board of Directors

Director	Occupation	Joined
Arthur Menard	CEO @ HAVN	2018
Michael Jones	Founding Partner @ Science Inc.	2019

Officers

Officer	Title	Joined
Arthur Menard	CEO	2018

Voting Power ?

Holder	Securities Held	Voting Power
Arthur Menard	3,558,308 Common Stock	28.4%
Science Ventures Fund II, LP	2,828,694 Preferred Stock (Series Seed 3, Series Seed 4, Series Seed 6, and Series Seed 7).	22.6%

Past Equity & Loan Fundraises

Date	Amount	Security	Exemption
04/2019	\$500,000		Section 4(a)(2)
08/2019	\$22,500	Safe	Section 4(a)(2)
08/2019	\$150,000		Section 4(a)(2)
09/2019	\$55,325	Safe	Section 4(a)(2)
12/2019	\$50,000		Section 4(a)(2)
03/2020	\$509,999	Preferred Stock	Section 4(a)(2)
03/2020	\$24,999	Preferred Stock	Section 4(a)(2)
04/2020	\$252,497	Preferred Stock	Section 4(a)(2)
01/2021	\$500,000		Section 4(a)(2)
01/2021	\$50,000		Section 4(a)(2)
04/2021	\$740,651		Section 4(a)(2)
09/2022	\$400,000		Section 4(a)(2)
10/2022	\$700,000	Safe	Section 4(a)(2)
11/2022	\$25,000	Safe	Section 4(a)(2)
12/2022	\$597,534		Section 4(a)(2)
03/2023	\$622,855	Safe	Regulation Crowdfunding
06/2024	\$2,431,507	Safe	Section 4(a)(2)
11/2024	\$5,000	Safe	Regulation D, Rule 506(c)
10/2025	\$4,761,436		Regulation D
12/2025	\$1,290,651		Regulation D
03/2026	\$618,000		4(a)(6)
08/2026	\$100,000		Regulation D
09/2026	\$100,000	Safe	Section 4(a)(2)
10/2026	\$65,000		Regulation D
10/2026	\$64,250		506(b)

The use of proceeds is to fund general operations.

Convertible Note Outstanding

Issued	Amount	Interest	Discount	Valuation Cap	Maturity
04/10/2019	\$500,000 ?	5.0%	0.0%	None	04/10/2021
08/27/2019	\$150,000 ?	5.0%	0.0%	\$5,000,000	08/27/2021
12/17/2019	\$50,000 ?	5.0%	0.0%	\$6,000,000	12/17/2021
01/28/2021	\$500,000 ?	2.0%	20.0%	\$13,500,000	02/01/2023
01/29/2021	\$50,000 ?	2.0%	20.0%	\$13,500,000	
04/22/2021	\$740,651 ?	2.0%	20.0%	\$13,500,000	02/01/2023
12/31/2025	\$1,290,651 ?	2.0%			12/31/2026 ?

Outstanding Debts

Lender	Issued	Amount	Oustanding	Interest	Maturity	Current?
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Shopify Capital ?	09/01/2022	\$400,000	\$0 ?	0.0%	04/01/2023
Shopify Capital ?	12/31/2022	\$597,534	\$0 ?	0.0%	06/01/2023

Related Party Transactions

None.

Capital Structure

Class of Security	Securities (or Amount) Authorized	Securities (or Amount) Outstanding	Voting Rights
Series Seed 1 Preferred (Ps1) Stock	526,566	526,566	Yes
Series Seed 2 Preferred (Ps2) Stock	1,137,422	1,137,422	Yes
Series Seed 3 Preferred (Ps3) Stock	1,051,394	1,051,394	Yes
Series Seed 4 Preferred (Ps4) Stock	249,175	249,175	Yes
Series Seed 5 Preferred (Ps5) Stock	12,517	12,517	Yes
Series Seed 6 Preferred (Ps6) Stock	1,942,532	1,942,532	Yes
Series Seed 7 Preferred (Ps7) Stock	1,000,000	462,665	Yes
Common Stock	15,500,000	7,575,678	Yes
Warrants:	0		
Options:	2		

Form C Risks:

Our future success depends on the efforts of a small management team. The loss of services of the members of the management team may have an adverse effect on the company. There can be no assurance that we will be successful in attracting and retaining other personnel we require to successfully grow our business.

Our sales and profitability may decline as a result of increasing product costs and decreasing selling prices. Our business is subject to significant pressure on costs and pricing caused by many factors, including intense competition, constrained sourcing capacity and related inflationary pressure, pressure from consumers to reduce the prices we charge for our products, and changes in consumer demand. These factors may cause us to experience increased costs, reduce our prices to consumers or experience reduced sales in response to increased prices, any of which could cause our operating margin to decline if we are unable to offset these factors with reductions in operating costs and could have a material adverse effect on our financial condition, operating results, and cash flows.

IN ADDITION TO THE RISKS LISTED ABOVE, RISKS AND UNCERTAINTIES NOT PRESENTLY KNOWN, OR WHICH WE CONSIDER IMMATERIAL AS OF THE DATE OF THIS FORM C, MAY ALSO HAVE AN ADVERSE EFFECT ON OUR BUSINESS.

We have a limited operating history upon which you can evaluate our performance, and accordingly, our prospects must be considered in light of the risks that any new company encounters. The Company is still in an early phase and we are just beginning to implement our business plan. There can be no assurance that we will ever operate profitably. The likelihood of our success should be considered in light of the problems, expenses, difficulties, complications and delays usually encountered by early stage companies. The Company may not be successful in attaining the objectives necessary for it to overcome these risks and uncertainties.

We may face potential difficulties in obtaining capital. We may have difficulty raising needed capital in the future as a result of, among other factors, our lack of revenues from sales, as well as the inherent business risks associated with our Company and present and future market conditions. We will require additional funds to execute our business strategy and

Company and present and future market conditions. We will require additional funds to execute our business strategy and conduct our operations. If adequate funds are unavailable, we may be required to delay, reduce the scope of or eliminate one or more of our research, development or commercialization programs, product launches or marketing efforts, any of which may materially harm our business, financial condition and results of operations.

Changes in consumer shopping preferences and shifts in distribution channels could materially impact our results of operations. We sell our products through a variety of channels. As strong e-commerce channels emerge and develop, we are evolving towards an omni-channel approach to support the shopping behavior of our customers. This involves country and region-specific websites, social media, product notification emails, and mobile apps. Our failure to successfully integrate our digital and physical channels and respond to these risks might adversely impact our business and results of operations, as well as damage our reputation and brands.

Our results of operations could be materially harmed if we are unable to accurately forecast customer demand for our products. To ensure adequate inventory supply, we must forecast inventory needs and place orders with our manufacturers based on our estimates of future demand for particular products. Our ability to accurately forecast demand for our products could be affected by many factors, including an increase or decrease in customer demand for our products or for products of our competitors, our failure to accurately forecast customer acceptance of new products, product introductions by competitors, unanticipated changes in general market conditions and weakening of economic conditions or consumer confidence in future economic conditions. If we fail to accurately forecast customer demand, we may experience excess inventory levels or a shortage of products available for delivery to customers. Inventory levels in excess of customer demand may result in inventory write-downs or write-offs and the sale of excess inventory at discounted prices, which would cause our gross margin to suffer and could impair the strength and exclusivity of our brand. Conversely, if we underestimate customer demand for our products, our manufacturers may not be able to deliver products to meet our requirements, and this could result in damage to our reputation and customer relationships.

Our business is affected by seasonality. Our business is affected by the general seasonal trends common to the retail apparel industry. This seasonality may adversely affect our business and cause our results of operations to fluctuate.

The amount of capital the Company currently has may not be enough to sustain the Company's current business plan. In order to achieve the Company's near and long-term goals, the Company may need to procure funds additional to those raised in past securities offerings. There is no guarantee that the Company will be able to raise such funds on acceptable terms or at all. If we are not able to raise sufficient capital in the future, we may not be able to execute our business plan, our continued operations may be in jeopardy, and we may be forced to cease operations and sell or otherwise transfer all or substantially all of our remaining assets. We may also be required to delay, reduce the scope of or eliminate one or more of our research, development or commercialization programs, product launches or marketing efforts, any of which may materially harm our business and may result in an investor to lose all or a portion of their investment in the Company.

We may not have enough authorized capital stock to issue shares of common stock to investors upon the conversion of any security convertible into shares of our common stock, including the Securities. Currently, our authorized capital stock consists of 17,000,000 shares of common stock, of which 7,159,172 shares of common stock are issued and outstanding and 5,919,606 shares of preferred stock, of which 5,382,271 shares of preferred stock are issued and outstanding. Unless we increase our authorized capital stock, we may not have enough authorized common stock to be able to obtain funding by issuing shares of our common stock or securities convertible into shares of our common stock. We may also not have enough authorized capital stock to issue shares of common stock to investors upon the conversion of any security convertible into shares of our common stock, including the Securities.

We may implement new lines of business or offer new products and services within existing lines of business. As an early-stage company, we may implement new lines of business at any time. There are substantial risks and uncertainties associated with these efforts, particularly in instances where the markets are not fully developed. In developing and marketing new lines of business and/or new products and services, we may invest significant time and resources. Initial timetables for the introduction and development of new lines of business and/or new products or services may not be

achieved, and price and profitability targets may not prove feasible. We may not be successful in introducing new products and services in response to industry trends or developments in technology, or those new products may not achieve market acceptance. As a result, we could lose business, be forced to price products and services on less advantageous terms to retain or attract clients or be subject to cost increases. As a result, our business, financial condition or results of operations may be adversely affected.

We rely on other companies to provide components and services for our products. We depend on suppliers and contractors to meet our contractual obligations to our customers and conduct our operations. Our ability to meet our obligations to our customers may be adversely affected if suppliers or contractors do not provide the agreed-upon supplies or perform the agreed-upon services in compliance with customer requirements and in a timely and cost-effective manner. Likewise, the quality of our products may be adversely impacted if companies to whom we delegate manufacture of major components or subsystems for our products, or from whom we acquire such items, do not provide components which meet required specifications and perform to our and our customers' expectations. Our suppliers may be unable to quickly recover from natural disasters and other events beyond their control and may be subject to additional risks such as financial problems that limit their ability to conduct their operations. The risk of these adverse effects may be greater in circumstances where we rely on only one or two contractors or suppliers for a particular component. Our products may utilize custom components available from only one source. Continued availability of those components at acceptable prices, or at all, may be affected for any number of reasons, including if those suppliers decide to concentrate on the production of common components instead of components customized to meet our requirements. The supply of components for a new or existing product could be delayed or constrained, or a key manufacturing vendor could delay shipments of completed products to us adversely affecting our business and results of operations.

We rely on various intellectual property rights, including trademarks, in order to operate our business. The Company relies on certain intellectual property rights to operate its business. The Company's intellectual property rights may not be sufficiently broad or otherwise may not provide us a significant competitive advantage. In addition, the steps that we have taken to maintain and protect our intellectual property may not prevent it from being challenged, invalidated, circumvented or designed-around, particularly in countries where intellectual property rights are not highly developed or protected. In some circumstances, enforcement may not be available to us because an infringer has a dominant intellectual property position or for other business reasons, or countries may require compulsory licensing of our intellectual property. Our failure to obtain or maintain intellectual property rights that convey competitive advantage, adequately protect our intellectual property or detect or prevent circumvention or unauthorized use of such property, could adversely impact our competitive position and results of operations. We also rely on nondisclosure and noncompetition agreements with employees, consultants and other parties to protect, in part, trade secrets and other proprietary rights. There can be no assurance that these agreements will adequately protect our trade secrets and other proprietary rights and will not be breached, that we will have adequate remedies for any breach, that others will not independently develop substantially equivalent proprietary information or that third parties will not otherwise gain access to our trade secrets or other proprietary rights. As we expand our business, protecting our intellectual property will become increasingly important. The protective steps we have taken may be inadequate to deter our competitors from using our proprietary information. In order to protect or enforce our patent rights, we may be required to initiate litigation against third parties, such as infringement lawsuits. Also, these third parties may assert claims against us with or without provocation. These lawsuits could be expensive, take significant time and could divert management's attention from other business concerns. The law relating to the scope and validity of claims in the technology field in which we operate is still evolving and, consequently, intellectual property positions in our industry are generally uncertain. We cannot assure you that we will prevail in any of these potential suits or that the damages or other remedies awarded, if any, would be commercially valuable.

The Company's success depends on the experience and skill of the board of directors, its executive officers and key employees. We are dependent on our board of directors, executive officers and key employees. These persons may not devote their full time and attention to the matters of the Company. The loss of our board of directors, executive officers and key employees could harm the Company's business, financial condition, cash flow and results of operations.

Although dependent on certain key personnel, the Company does not have any key person life insurance policies on any such people. We are dependent on certain key personnel in order to conduct our operations and execute our business plan, however, the Company has not purchased any insurance policies with respect to those individuals in the event of their death or disability. Therefore, if any of these personnel die or become disabled, the Company will not receive any compensation to assist with such person's absence. The loss of such person could negatively affect the Company and our operations. We have no way to guarantee key personnel will stay with the Company, as many states do not enforce non-competition agreements, and therefore acquiring key man insurance will not ameliorate all of the risk of relying on key personnel.

Damage to our reputation could negatively impact our business, financial condition and results of operations. Our reputation and the quality of our brand are critical to our business and success in existing markets and will be critical to our success as we enter new markets. Any incident that erodes consumer loyalty for our brand could significantly reduce its value and damage our business. We may be adversely affected by any negative publicity, regardless of its accuracy. Also, there has been a marked increase in the use of social media platforms and similar devices, including blogs, social media websites and other forms of internet-based communications that provide individuals with access to a broad audience of consumers and other interested persons. The availability of information on social media platforms is virtually immediate as is its impact. Information posted may be adverse to our interests or may be inaccurate, each of which may harm our performance, prospects or business. The harm may be immediate and may disseminate rapidly and broadly, without affording us an opportunity for redress or correction.

Our business could be negatively impacted by cyber security threats, attacks and other disruptions. We may face advanced and persistent attacks on our information infrastructure where we manage and store various proprietary information and sensitive/confidential data relating to our operations. These attacks may include sophisticated malware (viruses, worms, and other malicious software programs) and phishing emails that attack our products or otherwise exploit any security vulnerabilities. These intrusions sometimes may be zero-day malware that are difficult to identify because they are not included in the signature set of commercially available antivirus scanning programs. Experienced, computer programmers and hackers may be able to penetrate our network security and misappropriate or compromise our confidential information or that of our customers or other third parties, create system disruptions, or cause shutdowns. Additionally, sophisticated software and applications that we produce or procure from third parties may contain defects in design or manufacture, including "bugs" and other problems that could unexpectedly interfere with the operation of the information infrastructure. A disruption, infiltration or failure of our information infrastructure systems or any of our data centers as a result of software or hardware malfunctions, computer viruses, cyber-attacks, employee theft or misuse, power disruptions, natural disasters or accidents could cause breaches of data security, loss of critical data and performance delays, which in turn could adversely affect our business.

Security breaches of confidential customer information, in connection with our electronic processing of credit and debit card transactions or confidential employee information may adversely affect our business. Our business requires the collection, transmission and retention of personally identifiable information, in various information technology systems that we maintain and in those maintained by third parties with whom we contract to provide services. The integrity and protection of such data is critical to us. The information, security and privacy requirements imposed by governmental regulation are increasingly demanding. Our systems may not be able to satisfy these changing requirements and customer and employee expectations or may require significant additional investments or time in order to do so. A breach in the security of our information technology systems or those of our service providers could lead to an interruption in the operation of our systems, resulting in operational inefficiencies and a loss of profits. Additionally, a significant theft, loss or misappropriation of, or access to, customers' or other proprietary data or other breach of our information technology systems could result in fines, legal claims or proceedings.

The use of individually identifiable data by our business, our business associates and third parties is regulated at the state, federal and international levels. The regulation of individual data is changing rapidly, and in unpredictable ways. A change

in regulation could adversely affect our business, including causing our business model to no longer be viable. Costs associated with information security - such as investment in technology, the costs of compliance with consumer protection laws and costs resulting from consumer fraud - could cause our business and results of operations to suffer materially. Additionally, the success of our online operations depends upon the secure transmission of confidential information over public networks, including the use of cashless payments. The intentional or negligent actions of employees, business associates or third parties may undermine our security measures. As a result, unauthorized parties may obtain access to our data systems and misappropriate confidential data. There can be no assurance that advances in computer capabilities, new discoveries in the field of cryptography or other developments will prevent the compromise of our customer transaction processing capabilities and personal data. If any such compromise of our security or the security of information residing with our business associates or third parties were to occur, it could have a material adverse effect on our reputation, operating results and financial condition. Any compromise of our data security may materially increase the costs we incur to protect against such breaches and could subject us to additional legal risk.

The Company is not subject to Sarbanes-Oxley regulations and may lack the financial controls and procedures of public companies. The Company may not have the internal control infrastructure that would meet the standards of a public company, including the requirements of the Sarbanes Oxley Act of 2002. As a privately-held (non-public) Company, the Company is currently not subject to the Sarbanes Oxley Act of 2002, and its financial and disclosure controls and procedures reflect its status as a development stage, non-public company. There can be no guarantee that there are no significant deficiencies or material weaknesses in the quality of the Company's financial and disclosure controls and procedures. If it were necessary to implement such financial and disclosure controls and procedures, the cost to the Company of such compliance could be substantial and could have a material adverse effect on the Company's results of operations.

We operate in a highly regulated environment, and if we are found to be in violation of any of the federal, state, or local laws or regulations applicable to us, our business could suffer. We are also subject to a wide range of federal, state, and local laws and regulations, such as local licensing requirements, and retail financing, debt collection, consumer protection, environmental, health and safety, creditor, wage-hour, anti-discrimination, whistleblower and other employment practices laws and regulations and we expect these costs to increase going forward. The violation of these or future requirements or laws and regulations could result in administrative, civil, or criminal sanctions against us, which may include fines, a cease and desist order against the subject operations or even revocation or suspension of our license to operate the subject business. As a result, we have incurred and will continue to incur capital and operating expenditures and other costs to comply with these requirements and laws and regulations.

Our success depends on our ability to maintain the value and reputation of our brand. Maintaining, promoting, and positioning our brand will depend largely on the success of our marketing and merchandising efforts and our ability to provide a consistent, high-quality product, and customer experience. We rely on social media, as one of our marketing strategies, to have a positive impact on both our brand value and reputation. Our brand and reputation could be adversely affected if we fail to achieve these objectives, if our public image was to be tarnished by negative publicity, which could be amplified by social media, if we fail to deliver innovative and high-quality products acceptable to our customers, or if we face or mishandle a product recall. Our reputation could also be impacted by adverse publicity, whether or not valid, regarding allegations that we, or persons associated with us or formerly associated with us, have violated applicable laws or regulations, including but not limited to those related to safety, employment, discrimination, harassment, whistleblowing, privacy, corporate citizenship, improper business practices, or cybersecurity. Additionally, while we devote considerable effort and resources to protecting our intellectual property, if these efforts are not successful the value of our brand may be harmed. Any harm to our brand and reputation could have a material adverse effect on our financial condition.

If any of our products are unacceptable to us or our customers, our business could be harmed. We have occasionally received, and may in the future receive, shipments of products that fail to comply with our technical specifications or that fail to conform to our quality control standards. We have also received, and may in the future receive, products that are

otherwise unacceptable to us or our customers. Under these circumstances, unless we are able to obtain replacement products in a timely manner, we risk the loss of net revenue resulting from the inability to sell those products and related increased administrative and shipping costs. Additionally, if the unacceptability of our products is not discovered until after such products are sold, our customers could lose confidence in our products or we could face a product recall and our results of operations could suffer and our business, reputation, and brand could be harmed.

We operate in a highly competitive market and the size and resources of some of our competitors may allow them to compete more effectively than we can, resulting in a loss of our market share and a decrease in our net revenue and profitability. The market for technical athletic apparel is highly competitive. Competition may result in pricing pressures, reduced profit margins or lost market share, or a failure to grow or maintain our market share, any of which could substantially harm our business and results of operations. We compete directly against wholesalers and direct retailers of athletic apparel, including large, diversified apparel companies with substantial market share and established companies expanding their production and marketing of technical athletic apparel, as well as against retailers specifically focused on women's athletic apparel. We also face competition from wholesalers and direct retailers of traditional commodity athletic apparel, such as cotton T-shirts and sweatshirts. Many of our competitors are large apparel and sporting goods companies with strong worldwide brand recognition. Because of the fragmented nature of the industry, we also compete with other apparel sellers, including those specializing in yoga apparel and other activewear. Many of our competitors have significant competitive advantages, including longer operating histories, larger and broader customer bases, more established relationships with a broader set of suppliers, greater brand recognition and greater financial, research and development, marketing, distribution, and other resources than we do. Our competitors may be able to achieve and maintain brand awareness and market share more quickly and effectively than we can. In contrast to our grassroots community-based marketing approach, many of our competitors promote their brands through traditional forms of advertising, such as print media and television commercials, and through celebrity endorsements, and have substantial resources to devote to such efforts. Our competitors may also create and maintain brand awareness using traditional forms of advertising more quickly than we can. Our competitors may also be able to increase sales in their new and existing markets faster than we do by emphasizing different distribution channels than we do, such as catalog sales or an extensive franchise network.

If we are unable to anticipate consumer preferences and successfully develop and introduce new, innovative, and differentiated products, we may not be able to maintain or increase our sales and profitability. Our success depends on our ability to identify and originate product trends as well as to anticipate and react to changing consumer demands in a timely manner. All of our products are subject to changing consumer preferences that cannot be predicted with certainty. If we are unable to introduce new products or novel technologies in a timely manner or our new products or technologies are not accepted by our customers, our competitors may introduce similar products in a more timely fashion, which could hurt our goal to be viewed as a leader in technical athletic apparel innovation. Our new products may not receive consumer acceptance as consumer preferences could shift rapidly to different types of athletic apparel or away from these types of products altogether, and our future success depends in part on our ability to anticipate and respond to these changes. Our failure to anticipate and respond in a timely manner to changing consumer preferences could lead to, among other things, lower sales and excess inventory levels. Even if we are successful in anticipating consumer preferences, our ability to adequately react to and address those preferences will in part depend upon our continued ability to develop and introduce innovative, high-quality products. Our failure to effectively introduce new products that are accepted by consumers could result in a decrease in net revenue and excess inventory levels, which could have a material adverse effect on our financial condition.

If we continue to grow at a rapid pace, we may not be able to effectively manage our growth and the increased complexity of our business and as a result our brand image and financial performance may suffer. If our operations continue to grow at a rapid pace, we may experience difficulties in obtaining sufficient raw materials and manufacturing capacity to produce our products, as well as delays in production and shipments, as our products are subject to risks associated with overseas sourcing and manufacturing. We could be required to continue to expand our sales and marketing, product development and distribution functions, to upgrade our management information systems and other processes and technology, and to

obtain more space for our expanding workforce. This expansion could increase the strain on our resources, and we could experience operating difficulties, including difficulties in hiring, training, and managing an increasing number of employees. These difficulties could result in the erosion of our brand image which could have a material adverse effect on our financial condition.

Our reliance on suppliers to provide fabrics for and to produce our products could cause problems if we experience a supply chain disruption and we are unable to secure additional suppliers of fabrics or other raw materials, or manufacturers of our end products. We do not manufacture our products or the raw materials for them and rely instead on suppliers. Many of the specialty fabrics used in our products are technically advanced textile products developed and manufactured by third parties and may be available, in the short-term, from only one or a limited number of sources. We have no long-term contracts with any of our suppliers or manufacturers for the production and supply of our raw materials and products, and we compete with other companies for fabrics, other raw materials, and production. The following statistics are based on cost. We have experienced, and may in the future experience, a significant disruption in the supply of fabrics or raw materials and may be unable to locate alternative suppliers of comparable quality at an acceptable price, or at all. In addition, if we experience significant increased demand, or if we need to replace an existing supplier or manufacturer, we may be unable to locate additional supplies of fabrics or raw materials or additional manufacturing capacity on terms that are acceptable to us, or at all, or we may be unable to locate any supplier or manufacturer with sufficient capacity to meet our requirements or fill our orders in a timely manner. Identifying a suitable supplier is an involved process that requires us to become satisfied with its quality control, responsiveness and service, financial stability, and labor and other ethical practices. Even if we are able to expand existing or find new manufacturing or fabric sources, we may encounter delays in production and added costs as a result of the time it takes to train our suppliers and manufacturers in our methods, products, and quality control standards. Our supply of fabric or manufacture of our products could be disrupted or delayed by the impact of health pandemics and the related government and private sector responsive actions such as border closures, restrictions on product shipments, and travel restrictions. Delays related to supplier changes could also arise due to an increase in shipping times if new suppliers are located farther away from our markets or from other participants in our supply chain. Any delays, interruption, or increased costs in the supply of fabric or manufacture of our products could have an adverse effect on our ability to meet customer demand for our products and result in lower net revenue and income from operations both in the short and long term.

If we encounter problems with our distribution system, our ability to deliver our products to the market and to meet customer expectations could be harmed. We rely on our distribution facilities for substantially all of our product distribution. Our distribution facilities include computer controlled and automated equipment, which means their operations may be subject to a number of risks related to security or computer viruses, the proper operation of software and hardware, electronic or power interruptions, or other system failures. In addition, our operations could also be interrupted by labor difficulties, extreme or severe weather conditions or by floods, fires, or other natural disasters near our distribution centers. If we encounter problems with our distribution system, our ability to meet customer expectations, manage inventory, complete sales, and achieve objectives for operating efficiencies could be harmed.

The Company may never receive a future equity financing or elect to convert the Securities upon such future financing. In addition, the Company may never undergo a liquidity event such as a sale of the Company or an IPO. If neither the conversion of the Securities nor a liquidity event occurs, the Purchasers could be left holding the Securities in perpetuity. The Securities have numerous transfer restrictions and will likely be highly illiquid, with no secondary market on which to sell them. The Securities are not equity interests, have no ownership rights, have no rights to the Company's assets or profits and have no voting rights or ability to direct the Company or its actions.

Description of Securities for Prior Reg CF Raise

Additional issuances of securities. Following the Investor's investment in the Company, the Company may sell interests to additional investors, which will dilute the percentage interest of the Investor in the Company. The Investor may have the opportunity to increase its investment in the Company in such a transaction, but such opportunity cannot be assured. The

amount of additional financing needed by the Company, if any, will depend upon the maturity and objectives of the Company. The declining of an opportunity or the inability of the Investor to make a follow-on investment, or the lack of an opportunity to make such a follow-on investment, may result in substantial dilution of the Investor's interest in the Company.

Issuer repurchases of securities. The Company may have authority to repurchase its securities from shareholders, which may serve to decrease any liquidity in the market for such securities, decrease the percentage interests held by other similarly situated investors to the Investor, and create pressure on the Investor to sell its securities to the Company concurrently.

A sale of the issuer or of assets of the issuer. As a minority owner of the Company, the Investor will have limited or no ability to influence a potential sale of the Company or a substantial portion of its assets. Thus, the Investor will rely upon the executive management of the Company and the Board of Directors of the Company to manage the Company so as to maximize value for shareholders. Accordingly, the success of the Investor's investment in the Company will depend in large part upon the skill and expertise of the executive management of the Company and the Board of Directors of the Company. If the Board Of Directors of the Company authorizes a sale of all or a part of the Company, or a disposition of a substantial portion of the Company's assets, there can be no guarantee that the value received by the Investor, together with the fair market estimate of the value remaining in the Company, will be equal to or exceed the value of the Investor's initial investment in the Company.

Transactions with related parties. The Investor should be aware that there will be occasions when the Company may encounter potential conflicts of interest in its operations. On any issue involving conflicts of interest, the executive management and Board of Directors of the Company will be guided by their good faith judgement as to the Company's best interests. The Company may engage in transactions with affiliates, subsidiaries or other related parties, which may be on terms which are not arm's-length, but will be in all cases consistent with the duties of the management of the Company to its shareholders. By acquiring an interest in the Company, the Investor will be deemed to have acknowledged the existence of any such actual or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflict of interest.

Minority Ownership

An Investor in the Company will likely hold a minority position in the Company, and thus be limited as to its ability to control or influence the governance and operations of the Company.

The marketability and value of the Investor's interest in the Company will depend upon many factors outside the control of the Investor. The Company will be managed by its officers and be governed in accordance with the strategic direction and decision-making of its Board Of Directors, and the Investor will have no independent right to name or remove an officer or member of the Board Of Directors of the Company.

Following the Investor's investment in the Company, the Company may sell interests to additional investors, which will dilute the percentage interest of the Investor in the Company. The Investor may have the opportunity to increase its investment in the Company in such a transaction, but such opportunity cannot be assured.

The amount of additional financing needed by the Company, if any, will depend upon the maturity and objectives of the Company. The declining of an opportunity or the inability of the Investor to make a follow-on investment, or the lack of an opportunity to make such a follow-on investment, may result in substantial dilution of the Investor's interest in the Company.

Exercise of Rights Held by Principal Shareholders

As holders of a majority-in-interest of voting rights in the Company, the shareholders may make decisions with which the

Investor disagrees, or that negatively affect the value of the Investor's securities in the Company, and the Investor will have no recourse to change these decisions. The Investor's interests may conflict with those of other investors, and there is no guarantee that the Company will develop in a way that is optimal for or advantageous to the Investor. For example, the shareholders may change the terms of the articles of incorporation for the company, change the terms of securities issued by the Company, change the management of the Company, and even force out minority holders of securities. The shareholders may make changes that affect the tax treatment of the Company in ways that are unfavorable to you but favorable to them. They may also vote to engage in new offerings and/or to register certain of the Company's securities in a way that negatively affects the value of the securities the Investor owns. Other holders of securities of the Company may also have access to more information than the Investor, leaving the Investor at a disadvantage with respect to any decisions regarding the securities he or she owns. The shareholders have the right to redeem their securities at any time. Shareholders could decide to force the Company to redeem their securities at a time that is not favorable to the Investor and is damaging to the Company. Investors' exit may affect the value of the Company and/or its viability. In cases where the rights of holders of convertible debt, SAFES, or other outstanding options or warrants are exercised, or if new awards are granted under our equity compensation plans, an Investor's interests in the Company may be diluted. This means that the pro-rata portion of the Company represented by the Investor's securities will decrease, which could also diminish the Investor's voting and/or economic rights. In addition, as discussed above, if a majority-in-interest of holders of securities with voting rights cause the Company to issue additional stock, an Investor's interest will typically also be diluted.

Restrictions on Transfer

The securities offered via Regulation Crowdfunding may not be transferred by any purchaser of such securities during the one year period beginning when the securities were issued, unless such securities are transferred:

to the issuer;

to an accredited investor  ;

as part of an offering registered with the U.S. Securities and Exchange Commission; or

to a member of the family of the purchaser or the equivalent, to a trust controlled by the purchaser, to a trust created  for the benefit of a member of the family of the purchaser or the equivalent, or in connection with the death or divorce of the purchaser or other similar circumstance.

Valuation Methodology for Prior Reg CF Raise

The offering price for the securities offered pursuant to this Form C has been determined arbitrarily by the Company, and does not necessarily bear any relationship to the Company's book value, assets, earnings or other generally accepted valuation criteria. In determining the offering price, the Company did not employ investment banking firms or other outside organizations to make an independent appraisal or evaluation. Accordingly, the offering price should not be considered to be indicative of the actual value of the securities offered hereby. The initial amount invested in a SAFE is determined by the investor, and we do not guarantee that the SAFE will be converted into any particular number of shares of Preferred Stock . As discussed in Question 13, when we engage in an offering of equity interests involving Preferred Stock , Investors may receive a number of shares of Preferred Stock calculated as either (i) the total value of the Investor's investment, divided by the price of the Preferred Stock being issued to new Investors, or (ii) if the valuation for the company is more than the Valuation Cap, the amount invested divided by the quotient of (a) the Valuation Cap divided by (b) the total amount of the Company's capitalization at that time. Because there will likely be no public market for our securities prior to an initial public offering or similar liquidity event, the price of the Preferred Stock that Investors will receive, and/or the total value of the Company's capitalization, will be determined by our board of directors . Among the factors we may consider in determining the price of Preferred Stock are prevailing market conditions, our financial information, market valuations of other companies that we believe to be comparable to us, estimates of our business potential, the present state of our development and other factors deemed relevant. In the future, we will perform valuations of our stock (including both common stock and Preferred Stock) that take into account, as applicable, factors such as the

following:

unrelated third party valuations;
the price at which we sell other securities in light of the relative rights, preferences and privileges of those securities;
our results of operations, financial position and capital resources;
current business conditions and projections;
the marketability or lack thereof of the securities;
the hiring of key personnel and the experience of our management;
the introduction of new products;
the risk inherent in the development and expansion of our products;
our stage of development and material risks related to our business;
the likelihood of achieving a liquidity event, such as an initial public offering or a sale of our company given the prevailing market conditions and the nature and history of our business;
industry trends and competitive environment;
trends in consumer spending, including consumer confidence;
overall economic indicators, including gross domestic product, employment, inflation and interest rates; and
the general economic outlook.

We will analyze factors such as those described above using a combination of financial and market-based methodologies to determine our business enterprise value. For example, we may use methodologies that assume that businesses operating in the same industry will share similar characteristics and that the Company's value will correlate to those characteristics, and/or methodologies that compare transactions in similar securities issued by us that were conducted in the market.

Company

Faraday Labs Inc.

Delaware Corporation

Organized July 2018

3 employees

1447 2nd St

Santa Monica CA 90401 <http://havnwear.com>

Business Description

Refer to the Havn profile.

EDGAR Filing

The Securities and Exchange Commission hosts the official version of this annual report on their EDGAR web site. It looks like it was built in 1989.

Compliance with Prior Annual Reports

Havn has previously not complied with the reporting requirements under Rule 202 of Regulation Crowdfunding.

Late filing

All prior investor updates

You can refer to the company's updates page to view all updates to date. Updates are for investors only and will require you

to log in to the Wefunder account used to make the investment.

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