

2022 LuLaRoe Income Disclosure Statement

LuLaRoe empowers people by providing an opportunity to sell comfortable, affordable, and stylish clothing. We offer Independent Fashion Retailers (“Independent Retailers” or “Retailers”) flexibility; some Independent Retailers exclusively devote their time and talents to selling our products to retail customers while others also participate in the LuLaRoe Leadership Compensation Plan.

This Disclosure Statement contains information regarding the gross profits of any Independent Retailer who processed a transaction at any point in the year 2022, whether that was a wholesale purchase or a retail sale, regardless of their enrollment date or length of time as a Retailer.

For the purposes of this Income Disclosure Statement, gross profits (sometimes referred to simply as profit or profits) include 5 components:

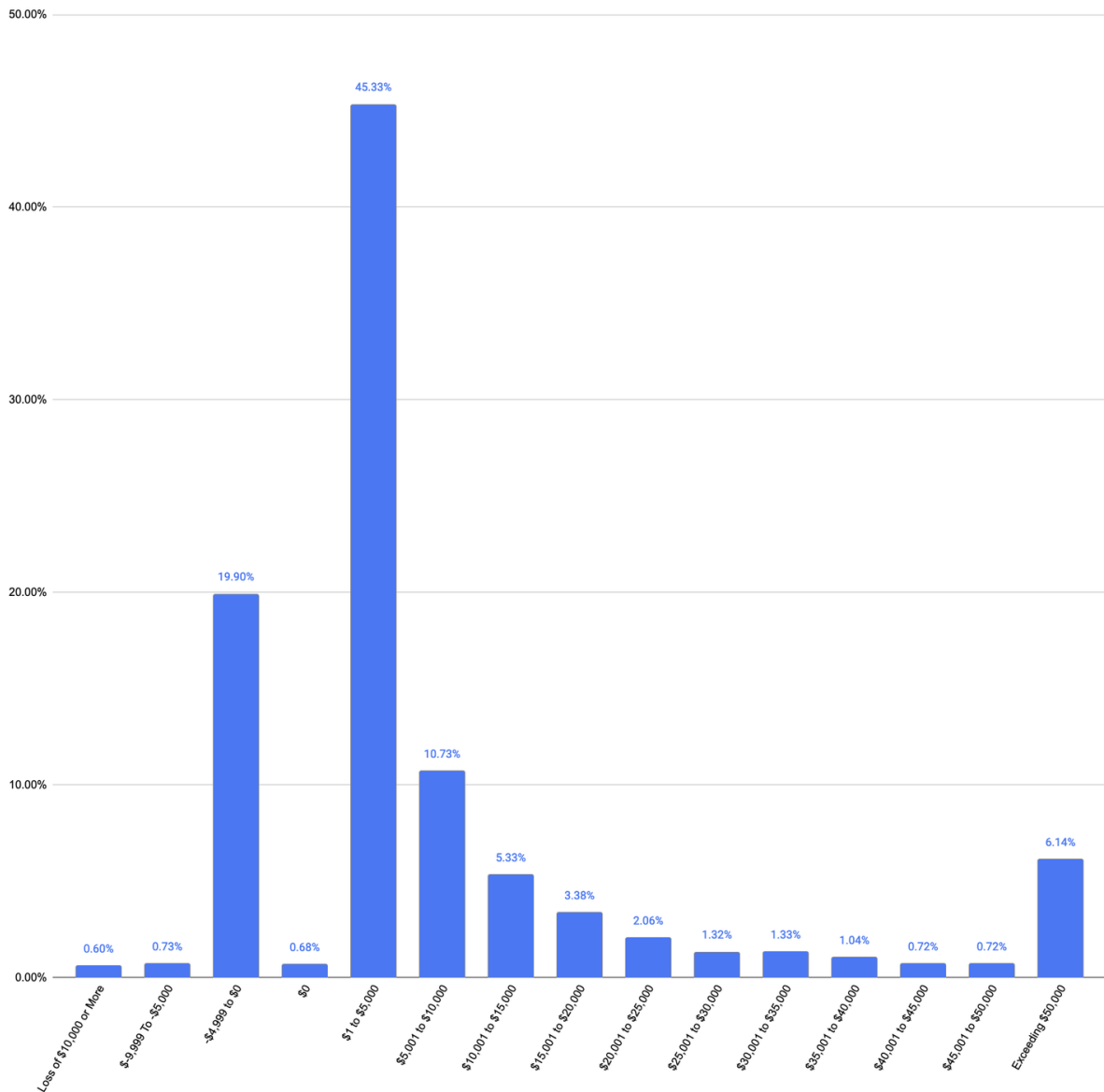
- (1) wholesale purchases directly from LuLaRoe,
- (2) retail sales,
- (3) wholesale purchases from other Retailers,
- (4) wholesale sales to other Retailers, and
- (5) earnings from the Leadership Compensation Plan.

Gross profit is calculated as follows:

The combined total of retail sales, wholesale sales to other Retailers, and compensation from the Leadership Compensation Plan, minus the combined total of wholesale purchases from LuLaRoe and from other Retailers.

For the year 2022, the average gross profit of all Retailers was **\$11,183.69** while the median gross profit of all Retailers was **\$1,636.50**. The distribution of all Retailers is represented by the following chart:

2022 Annual LuLaRoe Income Disclosure Statement
(Includes all Retail Profit and Leadership Compensation Plan Profits)

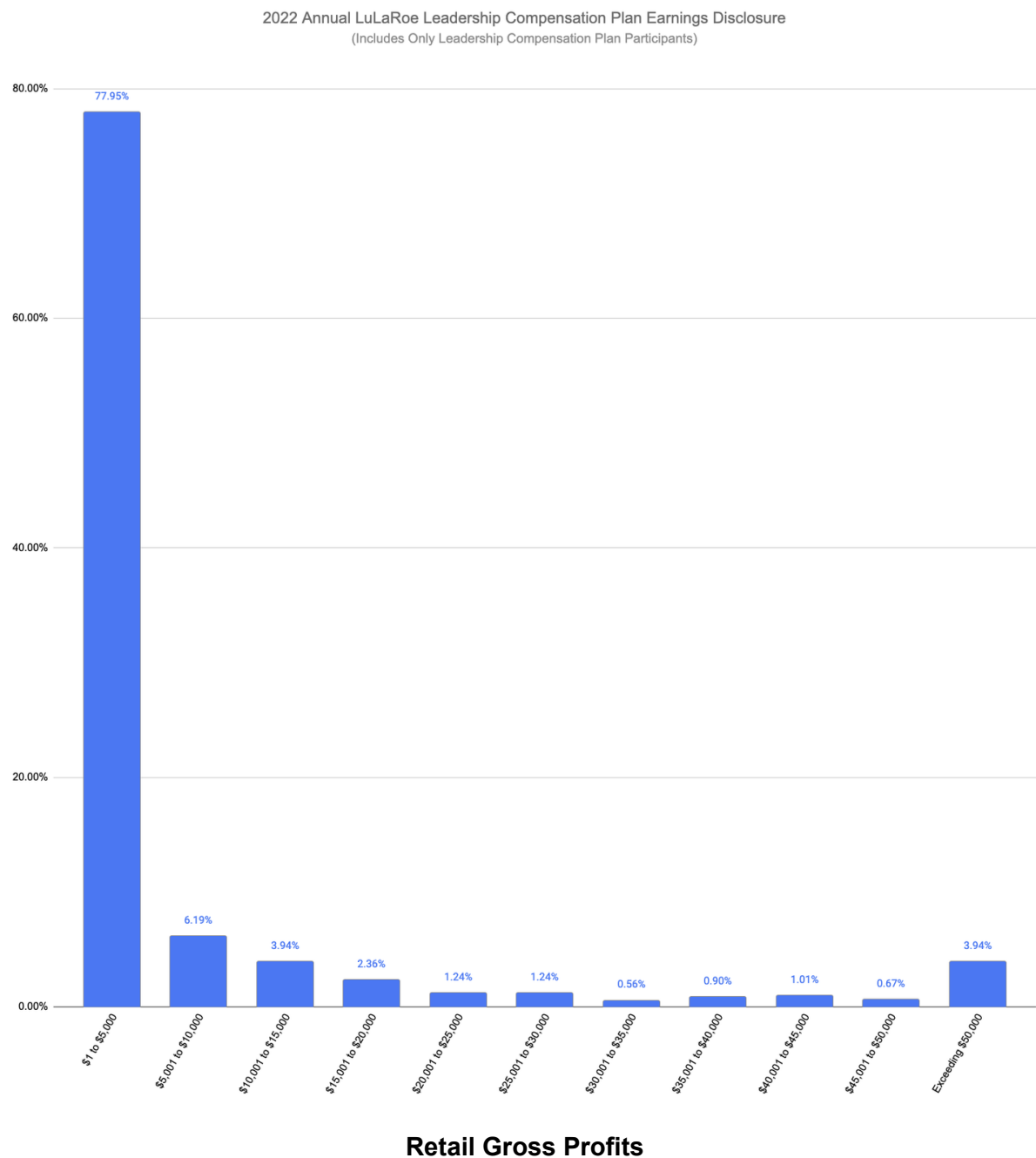


Leadership Compensation Plan Compensation

In 2022, **11.59%** of all Retailers participated in the Leadership Compensation Plan and received compensation through the Leadership Compensation Plan. Accordingly, **88.41%** of all retailers did not participate in the Leadership Compensation Plan in 2022. Those Retailers received profit only through the sale of LuLaRoe clothing to retail customers.

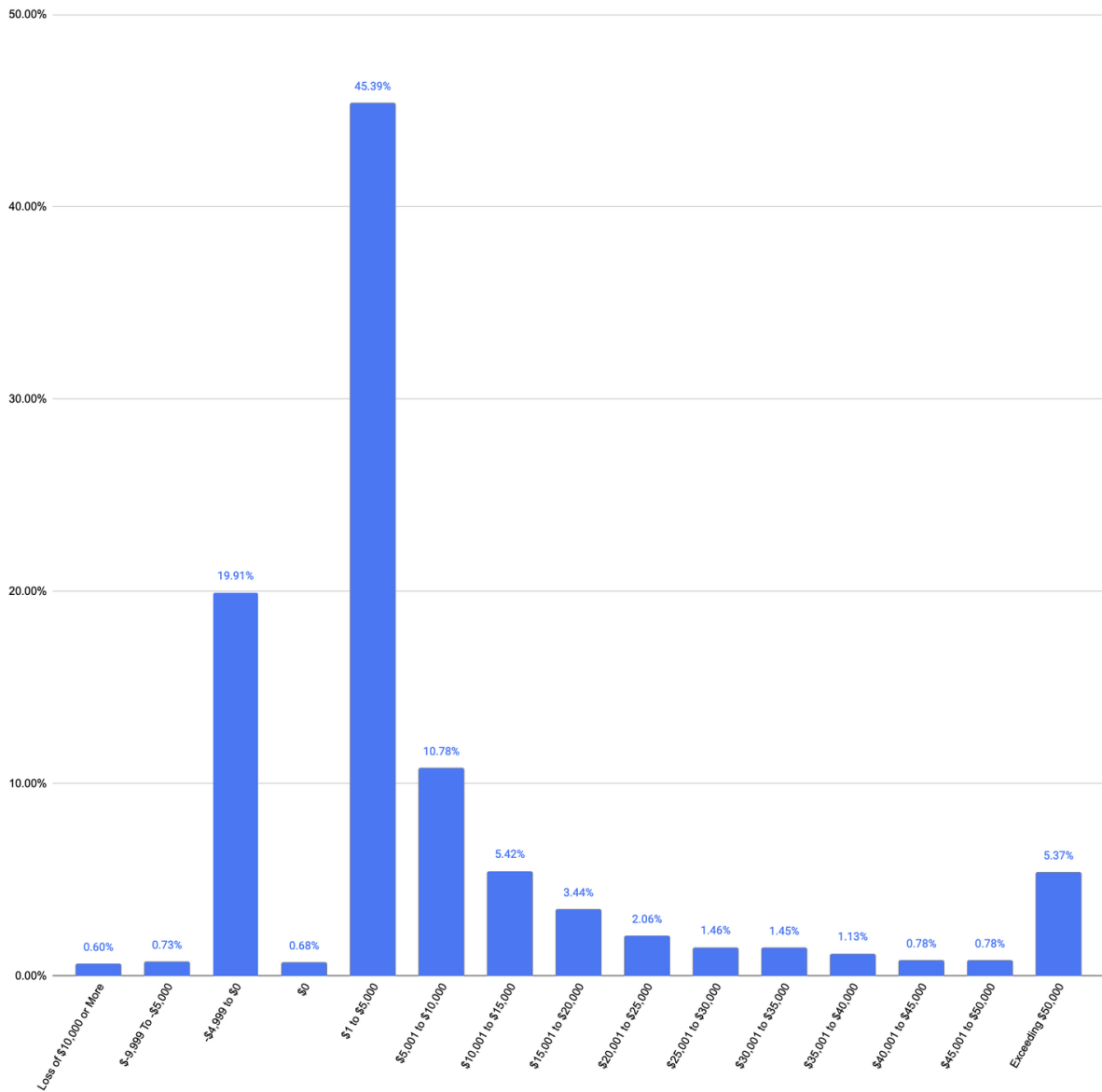
In 2022, the average Leadership compensation of all Retailers who participated in the Leadership Compensation Plan was **\$8,507.94** while the median compensation was **\$510.80**.

The profit distribution for the **11.59%** of all Retailers who participated in the Leadership Compensation Plan is represented in the following chart:



When only considering profits made through retail sales (not including profits through the Leadership Compensation Plan), the average gross profit of a Retailer in 2022 was **\$10,197.44** while the median gross profit was **\$1,635.91**. The profit distribution of all Retailers when only looking at sales profits is as follows:

2022 Annual LuLaRoe Retail Profit Disclosure
(Not Including Non-Product Expenses)



Expenses

The expenses an Independent Retailer incurs in operating a retail business selling LuLaRoe products can vary widely and can be several hundred dollars or thousands of dollars annually. Examples of additional non-product expenses that may be required to make retail sales include:

- Startup costs
 - Racks
 - Hangers

- Storage bins
- Mannequins
- Online sales equipment (camera, internet, computer/mobile phone)
- Printer for shipping labels
- Home office/warehouse
- Vehicle/trailer to transport merchandise
- Business cards
- Ongoing costs
 - Shipping
 - Packaging
 - Advertising (both traditional and online)
 - Promotional giveaways
 - Travel expenses (vehicle, mileage, gas)
 - To attend corporate events
 - To attend training
 - To host pop-ups
 - To deliver orders
 - Employees or assistants
 - Insurance
- Professional services
 - Accountant
 - Attorney
 - Bookkeeper

The gross profit data contained in this Income Disclosure Statement is not intended to be a promise, guarantee, prediction, or projection of your gross profits or whether you will derive any income as a Retailer. Any representation or guarantee of gross profit would be inaccurate. Successful retail sales of LuLaRoe products and earning income and gross profits result from factors within your control (i.e., hard work, dedication, diligence, creativity, business experience, perseverance, etc.) and factors outside of your control (i.e., market conditions, demand, etc.). As with any independently owned business, individual results will vary.

(1) Median is defined as the middle point in a dataset that is organized in either ascending or descending value.

(2) Qualification for participation is determined pursuant to the Leadership Compensation Plan. Not all Retailers who built a Team in 2022 qualified to participate in the Leadership Compensation Plan.