

Management Report

Nadine West

For the period ended December 31, 2019



Prepared on

June 8, 2020

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Balance Sheet

As of December 31, 2019

| | Total |
|--|-----------------------|
| ASSETS | |
| Current Assets | |
| Bank Accounts | |
| Bill.com Money Out Clearing | 54,627.23 |
| Comerica Checking(6436) | 173,384.29 |
| Comerica CheckingSavings(3803) | 5,000.00 |
| Comerica Savings(6445) | 100,118.79 |
| Total Bank Accounts | 333,130.31 |
| Other Current Assets | |
| Deposit Paid | 14,000.00 |
| Inventory Asset | 1,411,705.32 |
| Prepaid Expenses | 1,535.15 |
| Total Other Current Assets | 1,427,240.47 |
| Total Current Assets | 1,760,370.78 |
| Fixed Assets | |
| Fixed Assets | |
| Equipment | 1,349.80 |
| Total Fixed Assets | 1,349.80 |
| Leasehold Improvements | 18,890.23 |
| Total Fixed Assets | 20,240.03 |
| TOTAL ASSETS | \$1,780,610.81 |
| LIABILITIES AND EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| Accounts Payable | 706,643.81 |
| Total Accounts Payable | 706,643.81 |
| Credit Cards | |
| Chase CC 7922 | 50,788.54 |
| Credit Cards | 0.00 |
| Amex (1002) | 102,214.20 |
| Amex (21008) | 13,008.88 |
| Ben's Comerica Credit Card 0050 | 11,646.37 |
| Capital One 9534 | 195,214.17 |
| Capital One Spark 8774 (4536) | 32,354.07 |
| Chase CC 7144 | 172,013.52 |
| Chase M.Cruz (0991) | -2,198.85 |
| Chase Southwest Credit Card(7183) | -3,792.31 |
| Chase M.Cruz (0991) | 3,792.31 |
| Total Chase Southwest Credit Card(7183) | 0.00 |
| Total Credit Cards | 524,252.36 |

| | Total |
|--|-----------------------|
| Main Master Card(0035) | |
| Comerica Credit Card(0043) | 38,729.45 |
| Total Main Master Card(0035) | 38,729.45 |
| Total Credit Cards | 613,770.35 |
| Other Current Liabilities | |
| Able Lending Loan 3 | 48,435.32 |
| Commercial Loan- Line of Credit2 | 5,469.00 |
| Payroll Liabilities | 0.00 |
| TX Unemployment Tax | -1,598.00 |
| Total Payroll Liabilities | -1,598.00 |
| Sales Tax Payable | 11,029.96 |
| Total Other Current Liabilities | 63,336.28 |
| Total Current Liabilities | 1,383,750.44 |
| Total Liabilities | 1,383,750.44 |
| Equity | |
| Inventory Investment | 5,000.00 |
| Opening Balance Equity | 2,533.88 |
| Retained Earnings | -1,224,357.98 |
| Round 1 Equity | 56,315.07 |
| Round 2 Equity | 73,649.32 |
| Round 3 Equity | 165,139.95 |
| Seed Series | 1,471,521.94 |
| Net Income | -152,941.81 |
| Total Equity | 396,860.37 |
| TOTAL LIABILITIES AND EQUITY | \$1,780,610.81 |

Profit and Loss

January - December 2019

| | Total |
|--|----------------------|
| INCOME | |
| Sales | 28,432,512.00 |
| Sales Returns | -3,455,549.88 |
| Total Income | 24,976,962.12 |
| COST OF GOODS SOLD | |
| Cost of Goods Sold | 5,483,898.92 |
| Credit Card Processing Fee | 809,715.51 |
| Freight & delivery - COGS | |
| DHL | 2,300,963.82 |
| Endica | 762,241.15 |
| Newgistics | 3,590,080.46 |
| Shipping - Inventory Orders | 168,502.45 |
| Total Freight & delivery - COGS | 6,821,787.88 |
| Lost or Stolen Merchandise | 1,222,986.78 |
| Packaging Supplies | 863,150.12 |
| Sales Tax | 211,585.46 |
| Total Cost of Goods Sold | 15,413,124.67 |
| GROSS PROFIT | 9,563,837.45 |
| EXPENSES | |
| Commercial Loan Fees | 5,469.00 |
| Dues & Subscriptions | 1,366.89 |
| Education | 1,277.28 |
| Fuel Expense | 263.24 |
| General & Administration | |
| Bank Charges | 4,156.40 |
| Foreign Transaction Fee | 97.51 |
| Total Bank Charges | 4,253.91 |
| Hardware Expense | 91,188.82 |
| Inventory Samples | 1,002.41 |
| Office Expenses | 3,354.84 |
| Employee Welfare | 4,729.35 |
| Office Supplies | 6,595.31 |
| Total Office Expenses | 14,679.50 |
| Postage and Delivery | |
| Non-COGS Postage | 3,370.63 |
| Total Postage and Delivery | 3,370.63 |
| Professional Services | |
| Accounting | 66,692.98 |
| HR | 1,665.00 |
| Legal | 26,857.47 |
| Strategy | 5,279.00 |
| Warehouse | 40,007.26 |

| | Total |
|---|---------------------|
| Total Professional Services | 140,501.71 |
| Recruiting Fees | 47,786.87 |
| Rent Expense | 194,071.13 |
| Software & Web Services | 109,792.01 |
| Stationery & Printing | 69,526.57 |
| Taxes & Licenses | 3,025.48 |
| Travel | 35,459.98 |
| Meals and Entertainment | 11,814.71 |
| Total Travel | 47,274.69 |
| Utilities | 53,657.70 |
| Warehouse Supplies | 65,538.28 |
| Total General & Administration | 845,669.71 |
| Insurance | |
| Insurance - Liability | 8,885.77 |
| Total Insurance | 8,885.77 |
| Marketing & Advertising | 175,907.50 |
| Adroll | 2,777.00 |
| Adwords | 276,222.48 |
| Affiliate Commissions | 210.00 |
| Consulting Services | 28,851.00 |
| Facebook | 3,149,439.09 |
| Marketing Software | 72,694.94 |
| Other Marketing | 2,442.17 |
| pinterest | 11,341.02 |
| ShareASale | 24,000.00 |
| Twilio | 10,173.55 |
| Total Marketing & Advertising | 3,754,058.75 |
| Miscellaneous | 59.56 |
| Payroll Expenses | |
| Benefits | 157,565.19 |
| Payroll Processing Fees | 22,652.20 |
| Payroll Taxes | 282,952.50 |
| Wages | 0.00 |
| Corporate | |
| Contract Labor | 552,330.70 |
| Employees | 294,000.20 |
| Total Corporate | 846,330.90 |
| Customer Service | |
| Contract Labor (Upwork & Check) | 294,177.67 |
| Total Customer Service | 294,177.67 |
| Styling | |
| Contract Labor | 181,220.01 |
| Total Styling | 181,220.01 |
| Warehouse | 0.00 |

| | Total |
|-------------------------------|-----------------------|
| Contract Labor | 299,423.63 |
| Employees | 2,974,491.96 |
| Total Warehouse | 3,273,915.59 |
| Total Wages | 4,595,644.17 |
| Total Payroll Expenses | 5,058,814.06 |
| Product Testing | 1,980.46 |
| Repair & Maintenance | 13,371.16 |
| Storage | 14,537.80 |
| Total Expenses | 9,705,753.68 |
| NET OPERATING INCOME | -141,916.23 |
| OTHER INCOME | |
| Interest Earned | 31.86 |
| Other Miscellaneous Income | 315.01 |
| Total Other Income | 346.87 |
| OTHER EXPENSES | |
| Interest Expense | |
| Interest Paid - Able Loan 3 | 8,740.73 |
| Total Interest Expense | 8,740.73 |
| Loan Fees | 2,631.72 |
| Total Other Expenses | 11,372.45 |
| NET OTHER INCOME | -11,025.58 |
| NET INCOME | \$ -152,941.81 |

Statement of Cash Flows

January - December 2019

| | Total |
|--|-------------------|
| OPERATING ACTIVITIES | |
| Net Income | -152,941.81 |
| Adjustments to reconcile Net Income to Net Cash provided by operations: | |
| Inventory Asset | -18,318.97 |
| Prepaid Expenses | 2,631.72 |
| Accounts Payable | 77,455.78 |
| Chase CC 7922 | 50,788.54 |
| Credit Cards:Amex (1002) | -209,320.48 |
| Credit Cards:Amex (21008) | -35,327.09 |
| Credit Cards:Ben's Comerica Credit Card 0050 | 11,646.37 |
| Credit Cards:Capital One 9534 | 195,214.17 |
| Credit Cards:Capital One Spark 8774 (4536) | 32,354.07 |
| Credit Cards:Chase CC 7144 | 74,106.57 |
| Credit Cards:Chase M.Cruz (0991) | -2,198.85 |
| Credit Cards:Chase Southwest Credit Card(7183) | -66,377.21 |
| Credit Cards:Chase Southwest Credit Card(7183):Chase M.Cruz (0991) | 1,398.77 |
| Main Master Card(0035):Comerica Credit Card(0043) | 38,729.45 |
| Able Lending Loan 3 | -66,258.19 |
| Commercial Loan- Line of Credit2 | 5,469.00 |
| Payroll Liabilities:TX Unemployment Tax | -1,598.00 |
| Sales Tax Payable | 11,029.96 |
| Total Adjustments to reconcile Net Income to Net Cash provided by operations: | 101,425.61 |
| Net cash provided by operating activities | -51,516.20 |
| INVESTING ACTIVITIES | |
| Fixed Assets:Equipment | -1,349.80 |
| Leasehold Improvements | -18,890.23 |
| Net cash provided by investing activities | -20,240.03 |
| FINANCING ACTIVITIES | |
| Opening Balance Equity | 2,533.88 |
| Net cash provided by financing activities | 2,533.88 |

| | Total |
|------------------------------|--------------|
| NET CASH INCREASE FOR PERIOD | -69,222.35 |
| Cash at beginning of period | 402,352.66 |
| CASH AT END OF PERIOD | \$333,130.31 |