LEVERAGE STRATEGIC

MANAGEMENT REQUEST LIST & DATA REQUEST TRACKER

Luminos Skin Co.

Buy-Side Quality of Earnings · Engagement Ref. LS-2025-047 · Diligence Document

Prepared By	Leverage Strategic
Date Issued	Q2 2025 · Last Updated: June 10, 2025
Data Room	Secure link, folder structure below

This Management Request List and Data Request Tracker has been prepared by Leverage Strategic in connection with a buy-side Quality of Earnings engagement for Luminos Skin Co. Items marked Outstanding or Partial are required before final QoE conclusions can be issued; see the Diligence Process Notes for context on delays encountered to date.

HIGH Required before final QoE conclusions; close should not proceed until resolved.
MED Required during the diligence period; should be addressed before LOI.
LOW Informational; requested at buyer discretion.

DILIGENCE FOLLOW-UP

Four HIGH-priority items remain Outstanding as of this version (Items 04, 05, 07, 21), and one is materially overdue against its original due date (Item 09 — Revolve Group PO, first requested April 2, 2025, now 41 days past the original response window). Item 32 (order-level refund/chargeback data) is Critical-priority and Outstanding; it must be resolved before final valuation multiples are set. Item 31 (income tax returns) is Outstanding and required to confirm the cash tax rate used in the FCF illustration.

A Financial Statements & Accounting

#	ITEM REQUESTED	PURPOSE	FLDR	REQUESTED	STATUS	FOLLOW-UP	PRIORITY
01	Monthly P&L statements — Jan 2023 through Mar 2025	Revenue trend analysis; EBITDA normalization	A	Apr 2, 2025	Received	—	High
02	Annual financial statements — FY2022–FY2024	Historical performance baseline; CAGR analysis	A	Apr 2, 2025	Received	—	High
03	Bank statements — all accounts, Jan 2023–Mar 2025	Revenue/expense verification; cash flow confirmation	A	Apr 2, 2025	Received	—	High
04	Chart of accounts + GL export (Jan 2024–Mar 2025)	Transaction-level testing; expense classification	A	Apr 9, 2025	Outstanding	Jun 6, 2025	High

#	ITEM REQUESTED	PURPOSE	FLDR	REQUESTED	STATUS	FOLLOW-UP	PRIORITY
05	Management balance sheet as of Mar 31, 2025 (restated)	NWC analysis; liability completeness	A	Apr 16, 2025	Outstanding	Jun 6, 2025	High
31	Federal and state income tax returns — FY2022–FY2024 (or FY2024 extension if not yet filed)	Cash tax rate verification; FCF illustration support	A	Apr 16, 2025	Outstanding	Jun 6, 2025	Med

Note on Item 04: requested twice (Apr 9 and May 5); management cited an ongoing transition to a new outsourced bookkeeper. A partial GL extract covering Jan–Sep 2024 only was received May 22 and did not include the Oct 2024–Mar 2025 period needed to complete NWC and EBITDA testing.

B Revenue & Customers

#	ITEM REQUESTED	PURPOSE	FLDR	REQUESTED	STATUS	FOLLOW-UP	PRIORITY
06	Customer-level revenue report — LTM Mar-25 (Shopify + Amazon + Wholesale)	Customer concentration analysis; revenue quality	B	Apr 2, 2025	Received	—	High
07	Subscription/recurring revenue schedule — active subscribers as of Mar 31, 2025	Subscription quality; deferred revenue verification	B	Apr 9, 2025	Outstanding	Jun 6, 2025	High
08	Deferred revenue / subscription liability schedule — Mar 31, 2025	NWC adjustment; GAAP compliance	B	Apr 16, 2025	Outstanding	Jun 6, 2025	High
09	Revolve Group executed PO agreement + all renewal correspondence	Concentration risk; contract risk assessment	C	Apr 2, 2025	Outstanding	Jun 2, 2025	High
10	Amazon vendor agreement + Jan 2025 amendment (fee renegotiation)	Revenue quality; channel fee analysis	C	Apr 9, 2025	Received	—	Med
11	Amazon listing compliance confirmation — 2025 ingredient policy	Platform risk; listing suspension exposure	B	Apr 23, 2025	Outstanding	Jun 9, 2025	Med
12	Shopify export: orders by month, Jan 2023–Mar 2025 (AOV, units, SKU)	Revenue disaggregation; subscription vs. one-time mix	B	Apr 9, 2025	Received	—	Med
32	12 months of order-level refund/chargeback data (Shopify + Amazon), with return reason codes	Revenue quality; return-rate testing	B	Apr 23, 2025	Outstanding — Critical	Jun 9, 2025	Critical

MANAGEMENT (FOUNDER/CEO) — VERBAL UPDATE, MAY 12, 2025 DILIGENCE CALL, RE: ITEM 09 · NO WRITTEN CORRESPONDENCE PROVIDED AS OF THIS VERSION

> *“Renewal conversations with Revolve are informally underway — our sense is they want to continue the relationship, but nothing is signed yet and I don't have anything in writing I can share right now.”*

D Payroll & Compensation

#	ITEM REQUESTED	PURPOSE	FLDR	REQUESTED	STATUS	FOLLOW-UP	PRIORITY
13	Payroll register — all employees, LTM Mar-25	Owner comp normalization; headcount verification	D	Apr 2, 2025	Received	—	**High**
14	Employment agreements — CEO/Founder and all current employees	Compensation verification; change of control clauses	D	Apr 2, 2025	Received	—	**High**
15	Executed offer letter — incoming COO (effective Apr 1, 2025)	Run-rate deduction; verified hire confirmation	D	Apr 9, 2025	Received	—	**High**
16	Contractor agreements and invoices — all 1099/freelancers (LTM)	Full labour cost picture; misclassification risk	D	Apr 16, 2025	Received	—	**Med**

Note on Item 16: received May 3, but the invoice population supplied did not tie out to the 1099 contractor total in the payroll register — a $6.4K reconciliation gap. A supporting invoice was subsequently located and the gap reduced to $1.1K, considered immaterial.

A Working Capital & Balance Sheet

#	ITEM REQUESTED	PURPOSE	FLDR	REQUESTED	STATUS	FOLLOW-UP	PRIORITY
17	AR aging report as of March 31, 2025	NWC analysis; bad debt and collectibility	A	Apr 2, 2025	Received	—	**High**
18	AP aging report as of March 31, 2025	NWC analysis; vendor terms verification	A	Apr 2, 2025	Received	—	**High**
19	Inventory aging report as of Mar 31, 2025 + write-down policy	NWC analysis; obsolescence reserve adequacy	A	Apr 16, 2025	**Outstanding**	Jun 6, 2025	**Med**
20	Pre-paid marketing and expense schedule as of Mar 31, 2025	NWC adjustment; recoverability assessment	A	Apr 16, 2025	**Outstanding**	Jun 6, 2025	**Med**

Reconciliation challenge: the trailing-twelve-month NWC average recomputed from Items 17–18 and Item 05 is $773K, versus $940K stated in management's original support materials. Management has been asked twice (Apr 30 and May 19) to walk LS through the derivation of the $940K figure; no supporting schedule has been provided. Treated as unresolved for purposes of the Executive Summary (Finding F-06).

E Legal, IP & Contracts

#	ITEM REQUESTED	PURPOSE	FLDR	REQUESTED	STATUS	FOLLOW-UP	PRIORITY
21	Legal representation letter from Company's outside counsel	Risk assessment; litigation completeness	E	Apr 16, 2025	**Outstanding**	Jun 4, 2025	**High**
22	Trademark registration certificates — US, Canada, EU (+ UK status)	IP risk; brand asset verification	E	Apr 9, 2025	*Partial*	Jun 9, 2025	**Med**
23	Settlement agreement — Q1 2024 trademark dispute	Verification; no ongoing exposure	E	Apr 9, 2025	Received	—	Low
24	All material contracts >$25K annually	Opex run-rate; change of control provisions	C	Apr 16, 2025	Received	—	**Med**
25	3PL agreement (current) + any pending amendments	Ops continuity; cost structure post-close	C	Apr 16, 2025	Received	—	**Med**
26	Cosmax supply agreement + pricing	COGS analysis; FX and supply	C	Apr 9,	Received	—	**Med**

#	ITEM REQUESTED	PURPOSE	FLDR	REQUESTED	STATUS	FOLLOW-UP	PRIORITY
	schedule	chain risk		2025			

Note on Item 21: outside counsel confirmed by phone (May 15) that a representation letter would be issued but was awaiting sign-off from the firm's conflicts group. Absent this item, LS is unable to confirm litigation completeness — a HIGH-priority open item for final QoE conclusions.

F Corporate & Transaction

#	ITEM REQUESTED	PURPOSE	FLDR	REQUESTED	STATUS	FOLLOW-UP	PRIORITY
27	Capitalization table (fully diluted)	Transaction structure; total consideration	F	Apr 2, 2025	Received	—	**High**
28	Corporate structure chart — all legal entities	Entity-level diligence scope	F	Apr 2, 2025	Received	—	**High**
29	Any existing LOI, term sheet, or NDA with other potential buyers	Exclusivity verification	F	Apr 16, 2025	**Outstanding**	Jun 4, 2025	**High**
30	Seller's representations and warranties disclosure schedules (draft)	Pre-SPA diligence alignment	F	Apr 23, 2025	*Requested*	Jun 13, 2025	**Med**

Diligence Process Notes

The items below reflect process-level challenges encountered during fieldwork that are not captured in the item-by-item tracker above. They are recorded for transparency and to give the deal team visibility into how the current data set was assembled.

- Missing / incomplete reports. The GL export requested under Item 04 was received in partial form only (Jan–Sep 2024); the Oct 2024–Mar 2025 period required to complete EBITDA and NWC testing for the most recent two quarters remains outstanding.
- Delayed management responses. Average response time across all Outstanding items as of this version is approximately 34 calendar days from initial request, against an original 10-business-day target. Three items (04, 09, 21) are now on their second follow-up request.
- Incomplete customer data. The customer-level revenue report (Item 06) was received at the channel level but excludes SKU-level detail for the Revolve Group account, limiting our ability to assess product-mix risk within the wholesale channel.
- Reconciliation challenges. Two variances remain open: the $167K NWC peg variance, and a $12K unexplained difference between bank statement deposits (Item 03) and GL-coded revenue for February 2025, pending the completed GL export under Item 04.
- Unsupported management claims. Management's verbal representation that Revolve renewal discussions are “informally underway” has not been corroborated by any written correspondence, term sheet, or email chain, despite two specific requests for supporting documentation.

> MANAGEMENT (CONTROLLER) — EMAIL, MAY 19, 2025, RE: ITEM 05
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> *“We're still finalizing the restated March balance sheet with our bookkeeper — there were a couple of reclass entries from the subscription platform migration that we want to get right before sending it over.”*

> LEVERAGE STRATEGIC DILIGENCE NOTE — RE: ITEM 22
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> *Unable to independently verify the timeline for the UK trademark application; management represented that counsel expects a decision “sometime this summer,” but no correspondence from UK counsel was provided to substantiate that estimate.*

Appx Sample Testing Schedules

The schedules below summarize the sample-based testing planned or performed against items in this request list once received. Full workpaper-level detail is retained in the engagement file; see Executive Summary, Appendix B, for results.

A. Revenue Testing Sample

DATA SOURCE	POPULATION	SAMPLE SIZE	TEST OBJECTIVE
Shopify order export (Item 12)	All DTC orders, Q4 2024–Q1 2025 boundary	15 orders	Agree shipment date to revenue recognition date; test cutoff
Amazon settlement reports	All Amazon orders, same period	10 orders	Agree settlement confirmation to GL revenue entry, net of fees
Revolve Group invoices (Item 09, pending)	All wholesale invoices, LTM	To be sized on receipt	Agree invoice to delivery acceptance date and GL entry; test concentration figure

B. EBITDA Adjustment Support Index

REF	ADJUSTMENT	SUPPORTING DOCUMENTS REQUIRED
ADJ-01	Owner / founder compensation	Payroll records (Item 13); employment agreement (Item 14); market compensation benchmarks
ADJ-02	One-time influencer campaign	Executed contract; wire transfer record; management non-renewal confirmation
ADJ-03	Legal settlement (trademark)	Settlement agreement (Item 23); legal expense ledger; counsel confirmation letter
ADJ-04	Incoming COO, net run-rate cost	Executed offer letter (Item 15); prior consultant agreement/invoices for cost being replaced
ADJ-05	Marketing agency onboarding fee	Agency services agreement; onboarding invoice
ADJ-06 (contested)	Founder product-development capitalization	Capitalization policy (not on file); technical feasibility documentation (not provided)

C. Working Capital Support Index

COMPONENT	SOURCE ITEM(S)
Accounts Receivable	AR aging report (Item 17); Revolve Group invoices (Item 09, pending)
Inventory	Inventory aging report + reserve policy (Item 19, pending)
Accounts Payable	AP aging report (Item 18)
Deferred Revenue (excluded from NWC)	Subscription liability schedule (Item 08, pending)
Prepaid Marketing (excluded from NWC)	Pre-paid expense schedule (Item 20, pending)

This request list is not exhaustive and may be supplemented with additional items as confirmatory diligence proceeds. Please upload all requested documents to the secure data room, filed under the folder reference indicated. Items marked Outstanding or Partial must be received and reviewed before Leverage Strategic can issue final normalized EBITDA and NWC conclusions; the buyer should not proceed to final LOI or SPA execution until all HIGH-priority items are resolved.