

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**Form 10-Q**

**QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2024**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_**

**Commission file number 001-35647**

**LIFEVANTAGE CORPORATION**

(Exact name of Registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of incorporation or organization)

**90-0224471**  
(IRS Employer Identification No.)

**3300 Triumph Blvd, Suite 700, Lehi, UT 84043**  
(Address of principal executive offices, including zip code)

**(801) 432-9000**  
(Registrant's telephone number)

**Securities registered pursuant to Section 12(b) of the Act:**

**Common Stock, par value \$0.0001**  
Title of each class

**LFVN**  
Trading Symbol(s)

**The Nasdaq Stock Market LLC**  
Name of each exchange on which registered

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging Growth Company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares outstanding of the issuer's common stock, par value \$0.0001 per share, as of May 1, 2024 was 12,700,556.

#### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q, in particular “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and the information incorporated by reference herein contains “forward-looking statements” (as such term is defined in Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended). These statements, which involve risks and uncertainties, reflect our current expectations, intentions, or strategies regarding our possible future results of operations, performance, and achievements. Forward-looking statements include, without limitation: statements regarding future products or product development; statements regarding future selling, general and administrative costs and research and development spending; statements regarding the future performance of our network marketing efforts; statements regarding our expectations regarding ongoing litigation; statements regarding international growth; and statements regarding future financial performance, results of operations, capital expenditures and sufficiency of capital resources to fund our operating requirements. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and applicable rules of the Securities and Exchange Commission and common law.

These forward-looking statements may be identified in this report and the information incorporated by reference by words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “plan,” “predict,” “project,” “should” and similar terms and expressions, including references to assumptions and strategies. These statements reflect our current beliefs and are based on information currently available to us. Accordingly, these statements are subject to certain risks, uncertainties, and contingencies, which could cause our actual results, performance, or achievements to differ materially from those expressed in, or implied by, such statements.

The following factors are among those that may cause actual results to differ materially from our forward-looking statements:

- Inability to properly manage, motivate and retain our independent consultants (which we previously referred to as “distributors” in our prior filings) or to attract new customers and independent consultants on an ongoing basis;
- The widespread outbreak of an illness or communicable disease or any other public health crisis, similar to the recent COVID-19 pandemic, could adversely affect our business, results of operations and financial condition;
- Inability to protect against cyber security risks and to maintain the integrity of data;
- Inability to manage existing markets, open new international markets or expand our operations;
- Non-compliance by our independent consultants with applicable legal requirements or our policies and procedures, including making improper and/or illegal claims about our products or earnings opportunity;
- Inability of new products and technological innovations to gain customer or independent consultant or market acceptance;
- Our business and stock price may be adversely affected if our internal controls over financial reporting is not effective;
- Inability to execute our product launch process due to increased pressure on our supply chain, information systems and management;
- Inability to appropriately manage our inventory;
- Disruptions in our information technology systems;
- International trade or foreign exchange restrictions, increased tariffs, foreign currency exchange fluctuations;
- Inability to raise additional capital or complete desired acquisitions;
- Inability to comply with financial covenants imposed by our revolving line of credit and the impact of debt service obligations and restrictive debt covenants;
- Dependence upon a few products for revenue;
- We may be unable to retain our existing consultant force or customer base or attract additional customers and/or independent consultants;
- Changes to the Company’s independent consultant compensation plans;
- High quality materials for our products may become difficult to obtain or expensive;

- Improper actions by our independent consultants that violate laws or regulations could harm our business;
- Dependence on third parties to manufacture our products;
- Disruptions to the transportation channels used to distribute our products;
- We may be subject to a product recall;
- Unfavorable publicity on our business or products;
- Risks related to Global Not For Resale programs;
- Our direct selling program could be found to not be in compliance with current or newly adopted laws or regulations in various markets;
- The impact of actions by activist stockholders;
- Legal proceedings may be expensive and time consuming;
- Strict government regulations on our business;
- Regulations governing the production or marketing of our products;
- Risk of investigatory and enforcement action;
- Government authorities may question our tax positions or transfer pricing policies or change their laws in a manner that could increase our effective tax rate or otherwise harm our business;
- Failure to comply with anti-corruption laws;
- Loss of or inability to attract key personnel;
- We may be held responsible for certain taxes or assessments and other obligations relating to the activity of our independent consultants;
- Competition in the dietary supplement and personal care markets;
- Our inability to protect our intellectual property rights;
- Third party claims that we infringe on their intellectual property;
- Product liability claims against us;
- Consumer discretionary spending habits factor into our economic success;
- Economic, political, foreign exchange and other risks associated with international operations;
- Unfavorable global economic conditions, including high inflation, and other macroeconomic conditions;
- Potential delisting of our common stock due to non-compliance with Nasdaq's continued listing requirements;
- Volatility of the market price of our common stock; and
- Substantial sales of shares may negatively impact the market price of our common stock.

When considering these forward-looking statements, you should keep in mind the cautionary statements in this report and the documents incorporated by reference. Except as required by law, we have no obligation and do not undertake to update or revise any such forward-looking statements to reflect events or circumstances after the date of this report.

## LIFEVANTAGE CORPORATION

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**PART I. Financial Information**

**Item 1. Financial Statements**

LIFEVANTAGE CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(Unaudited)

<i>(In thousands, except per share data)</i>	March 31, 2024	June 30, 2023
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 17,377	\$ 21,605
Accounts receivable	2,135	1,612
Income tax receivable	360	241
Inventory, net	15,162	16,073
Prepaid expenses and other	2,763	4,753
Total current assets	37,797	44,284
Property and equipment, net	8,349	9,086
Right-of-use assets	9,382	8,738
Intangible assets, net	356	455
Deferred income tax asset	4,927	2,991
Other long-term assets	496	569
<b>TOTAL ASSETS</b>	<b>\$ 61,307</b>	<b>\$ 66,123</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable	\$ 6,954	\$ 3,505
Commissions payable	6,093	6,651
Income tax payable	772	—
Lease liabilities	1,675	1,521
Other accrued expenses	6,981	7,932
Total current liabilities	22,475	19,609
Long-term lease liabilities	11,852	11,566
Other long-term liabilities	211	299
Total liabilities	34,538	31,474
Commitments and contingencies - Note 7		
Stockholders' equity		
Preferred stock — par value \$0.0001 per share, 5,000 shares authorized, no shares issued or outstanding	—	—
Common stock — par value \$0.0001 per share, 40,000 shares authorized and 12,688 and 12,622 issued and outstanding as of March 31, 2024 and June 30, 2023, respectively	1	1
Additional paid-in capital	136,198	134,314
Accumulated deficit	(107,709)	(98,305)
Accumulated other comprehensive loss	(1,721)	(1,361)
Total stockholders' equity	26,769	34,649
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 61,307</b>	<b>\$ 66,123</b>

The accompanying notes are an integral part of these condensed consolidated financial statements.

LIFEVANTAGE CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)  
(Unaudited)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
<i>(In thousands, except per share data)</i>				
Revenue, net	\$ 48,245	\$ 53,741	\$ 151,233	\$ 159,177
Cost of sales	10,172	10,618	31,418	32,318
Gross profit	38,073	43,123	119,815	126,859
Operating expenses:				
Commissions and incentives	19,714	23,816	63,941	71,185
Selling, general and administrative	16,425	17,708	54,452	54,018
Total operating expenses	36,139	41,524	118,393	125,203
Operating income	1,934	1,599	1,422	1,656
Other income (expense):				
Interest income, net	76	59	352	91
Other income (expense), net	(89)	7	(135)	(304)
Total other income (expense)	(13)	66	217	(213)
Income before income taxes	1,921	1,665	1,639	1,443
Income tax expense	(262)	(643)	(7)	(869)
Net income	\$ 1,659	\$ 1,022	\$ 1,632	\$ 574
Net income per share:				
Basic	\$ 0.13	\$ 0.08	\$ 0.13	\$ 0.05
Diluted	\$ 0.13	\$ 0.08	\$ 0.13	\$ 0.05
Weighted-average shares outstanding:				
Basic	12,424	12,615	12,525	12,538
Diluted	12,986	12,770	13,010	12,555
Other comprehensive (loss) income, net of tax:				
Foreign currency translation adjustment	\$ (529)	\$ 14	\$ (360)	\$ 144
Other comprehensive (loss) income, net of tax	(529)	14	(360)	144
Comprehensive income	\$ 1,130	\$ 1,036	\$ 1,272	\$ 718

The accompanying notes are an integral part of these condensed consolidated financial statements.

LIFEVANTAGE CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY  
(Unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
	Shares	Amount				
<i>(In thousands, except per share data)</i>						
<b>Balances, June 30, 2023</b>	<b>12,622</b>	<b>\$ 1</b>	<b>\$ 134,314</b>	<b>\$ (98,305)</b>	<b>\$ (1,361)</b>	<b>\$ 34,649</b>
Stock-based compensation	—	—	978	—	—	978
Common stock issued under equity award plans	281	—	—	—	—	—
Shares canceled or surrendered as payment of tax withholding and other	(90)	—	(465)	—	—	(465)
Repurchase of company stock	(145)	—	—	(795)	—	(795)
Common stock issued under employee stock purchase plan	39	—	126	—	—	126
Cash dividends	—	—	—	(5,534)	—	(5,534)
Currency translation adjustment	—	—	—	—	(294)	(294)
Net income	—	—	—	629	—	629
<b>Balances, September 30, 2023</b>	<b>12,707</b>	<b>\$ 1</b>	<b>\$ 134,953</b>	<b>\$ (104,005)</b>	<b>\$ (1,655)</b>	<b>\$ 29,294</b>
Stock-based compensation	—	—	750	—	—	750
Common stock issued under equity award plans	495	—	—	—	—	—
Shares canceled or surrendered as payment of tax withholding and other	(34)	—	(213)	—	—	(213)
Repurchase of company stock	(288)	—	—	(1,876)	—	(1,876)
Cash dividends	—	—	—	(455)	—	(455)
Currency translation adjustment	—	—	—	—	463	463
Net loss	—	—	—	(656)	—	(656)
<b>Balances, December 31, 2023</b>	<b>12,880</b>	<b>\$ 1</b>	<b>\$ 135,490</b>	<b>\$ (106,992)</b>	<b>\$ (1,192)</b>	<b>\$ 27,307</b>
Stock-based compensation	—	—	796	—	—	796
Common stock issued under employee stock purchase plan	25	—	145	—	—	145
Common stock issued under equity award plans	113	—	—	—	—	—
Shares canceled or surrendered as payment of tax withholding and other	(38)	—	(233)	—	—	(233)
Repurchase of company stock	(292)	—	—	(1,928)	—	(1,928)
Cash dividends	—	—	—	(448)	—	(448)
Currency translation adjustment	—	—	—	—	(529)	(529)
Net income	—	—	—	1,659	—	1,659
<b>Balances, March 31, 2024</b>	<b>12,688</b>	<b>\$ 1</b>	<b>\$ 136,198</b>	<b>\$ (107,709)</b>	<b>\$ (1,721)</b>	<b>\$ 26,769</b>

The accompanying notes are an integral part of these condensed consolidated financial statements.

LIFEVANTAGE CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (CONTINUED)  
(Unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
	Shares	Amount				
<i>(In thousands, except per share data)</i>						
<b>Balances, June 30, 2022</b>	<b>12,493</b>	<b>\$ 1</b>	<b>\$ 131,075</b>	<b>\$ (98,437)</b>	<b>\$ (1,123)</b>	<b>\$ 31,516</b>
Stock-based compensation	—	—	602	—	—	602
Common stock issued under equity award plans	48	—	—	—	—	—
Shares canceled or surrendered as payment of tax withholding and other	(17)	—	(72)	—	—	(72)
Common stock issued under employee stock purchase plan	36	—	121	—	—	121
Cash dividends	—	—	—	(377)	—	(377)
Currency translation adjustment	—	—	—	—	(510)	(510)
Net income	—	—	—	610	—	610
<b>Balances, September 30, 2022</b>	<b>12,560</b>	<b>\$ 1</b>	<b>\$ 131,726</b>	<b>\$ (98,204)</b>	<b>\$ (1,633)</b>	<b>\$ 31,890</b>
Stock-based compensation	—	—	823	—	—	823
Common stock issued under equity award plans	152	—	—	—	—	—
Shares canceled or surrendered as payment of tax withholding and other	(5)	—	(19)	—	—	(19)
Cash dividends	—	—	—	(381)	—	(381)
Currency translation adjustment	—	—	—	—	640	640
Net loss	—	—	—	(1,058)	—	(1,058)
<b>Balances, December 31, 2022</b>	<b>12,707</b>	<b>\$ 1</b>	<b>\$ 132,530</b>	<b>\$ (99,643)</b>	<b>\$ (993)</b>	<b>\$ 31,895</b>
Stock-based compensation	—	—	817	—	—	817
Common stock issued under employee stock purchase plan	40	—	131	—	—	131
Common stock issued under equity award plans	38	—	—	—	—	—
Shares canceled or surrendered as payment of tax withholding and other	(14)	—	(54)	—	—	(54)
Cash dividends	—	—	—	(383)	—	(383)
Currency translation adjustment	—	—	—	—	14	14
Net income	—	—	—	1,022	—	1,022
<b>Balances, March 31, 2023</b>	<b>12,771</b>	<b>\$ 1</b>	<b>\$ 133,424</b>	<b>\$ (99,004)</b>	<b>\$ (979)</b>	<b>\$ 33,442</b>

The accompanying notes are an integral part of these condensed consolidated financial statements.



LIFEVANTAGE CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited)

	Nine Months Ended March 31,	
	2024	2023
<i>(In thousands)</i>		
<b>Cash Flows from Operating Activities:</b>		
Net income	\$ 1,632	\$ 574
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,775	2,678
Stock-based compensation	2,524	2,242
Non-cash operating lease expense	920	1,257
Loss on disposal of assets	—	24
Deferred income tax	(1,936)	(953)
Changes in operating assets and liabilities:		
Accounts receivable	(552)	975
Income tax receivable	(118)	1,090
Inventory, net	725	(1,947)
Prepaid expenses and other	1,983	1,859
Other long-term assets	59	55
Accounts payable	3,385	(1,642)
Income tax payable	772	(453)
Other accrued expenses	(1,549)	(1,301)
Lease liabilities	(1,120)	(1,274)
Other long-term liabilities	115	(119)
<b>Net Cash Provided by Operating Activities</b>	<b>9,615</b>	<b>3,065</b>
<b>Cash Flows from Investing Activities:</b>		
Purchase of property and equipment	(1,967)	(2,554)
<b>Net Cash Used in Investing Activities</b>	<b>(1,967)</b>	<b>(2,554)</b>
<b>Cash Flows from Financing Activities:</b>		
Repurchase of company stock	(4,599)	—
Payment of cash dividends	(6,437)	(1,141)
Shares canceled or surrendered as payment of tax withholding and other	(911)	(145)
Proceeds from common stock issued under employee stock purchase plan	271	252
<b>Net Cash Used in Financing Activities</b>	<b>(11,676)</b>	<b>(1,034)</b>
<b>Foreign Currency Effect on Cash</b>	<b>(200)</b>	<b>(138)</b>
<b>Decrease in Cash and Cash Equivalents:</b>	<b>(4,228)</b>	<b>(661)</b>
Cash and Cash Equivalents — beginning of period	21,605	20,190
<b>Cash and Cash Equivalents — end of period</b>	<b>\$ 17,377</b>	<b>\$ 19,529</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest	\$ 5	\$ 3
Cash paid for income taxes	\$ 1,381	\$ 977

The accompanying notes are an integral part of these condensed consolidated financial statements.

LIFEVANTAGE CORPORATION AND SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited)

These unaudited condensed consolidated financial statements and notes should be read in conjunction with the audited financial statements and notes of LifeVantage Corporation (“LifeVantage” or the “Company”) as of and for the year ended June 30, 2023 included in the annual report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) on August 28, 2023.

**Note 1 — Organization and Basis of Presentation**

LifeVantage is a company focused on nutrigenomics, the study of how nutrition and naturally occurring compounds affect human genes to support good health. The Company is dedicated to helping people achieve their health, wellness and financial goals. The Company provides quality, scientifically-validated products to customers and independent consultants as well as a financially rewarding commission-based direct sales opportunity to its independent consultants. LifeVantage sells its products in the United States, Mexico, Japan, Australia, Hong Kong, Canada, Thailand, the United Kingdom, the Netherlands, Germany, Taiwan, Austria, Spain, Ireland, Belgium, New Zealand, Singapore, and the Philippines. The Company sold its products in China through a China approved cross-border e-commerce business model until March 15, 2023, at which time the Company closed its e-commerce business in China.

The Company engages in the identification, research, development, formulation and sale of advanced nutrigenomic activators, dietary supplements, nootropics, pre- and pro-biotics, weight management, skin and hair care, bath & body, and targeted relief products. The Company’s line of scientifically validated dietary supplements includes its flagship Protandim® family of products, LifeVantage® Omega+, ProBio, IC Bright®, Daily Wellness, Rise AM, Reset PM and D3+ dietary supplements. TrueScience® is the Company’s Nrf2 enhanced line of skin, hair, and bath & body products. The Company also markets and sells Petandim®, its companion pet supplement formulated to combat oxidative stress in dogs, AXIO® its nootropic energy drink mixes, and PhysIQ™, its smart weight management system.

The condensed consolidated financial statements included herein have been prepared by the Company’s management, without audit, pursuant to the rules and regulations of the SEC. In the opinion of the Company’s management, these interim financial statements include all adjustments that are considered necessary for a fair presentation of its financial position as of March 31, 2024, and the results of operations for the three and nine months ended March 31, 2024 and 2023, and the cash flows for the nine months ended March 31, 2024 and 2023. Interim results are not necessarily indicative of results for a full year or for any future period.

The condensed consolidated financial statements and notes included herein are presented as required by Form 10-Q, and do not contain certain information included in the Company’s audited financial statements and notes for the fiscal year ended June 30, 2023, pursuant to the rules and regulations of the SEC. For further information, refer to the financial statements and notes thereto as of and for the year ended June 30, 2023, and included in the annual report on Form 10-K on file with the SEC.

**Note 2 — Summary of Significant Accounting Policies**

**Consolidation**

The condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany accounts and transactions are eliminated in consolidation.

**Use of Estimates**

The Company prepares the condensed consolidated financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America (“GAAP”). In preparing these statements, the Company is required to use estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ materially from those estimates and assumptions. On an ongoing basis, the Company reviews its estimates, including, but not limited to, those related to inventory valuation and obsolescence, sales returns, income taxes and tax valuation reserves, transfer pricing methodology and positions, impairment of assets, share-based compensation, and loss contingencies.

**Foreign Currency Translation**

A portion of the Company’s business operations occurs outside the United States. The local currency of each of the Company’s subsidiaries is generally its functional currency. All assets and liabilities are translated into U.S. dollars at exchange rates existing at the balance sheet dates, revenue and expenses are translated at weighted-average exchange rates and

stockholders' equity is recorded at historical exchange rates. The resulting foreign currency translation adjustments are recorded as a separate component of stockholders' equity in the condensed consolidated balance sheets and as a component of comprehensive income. Transaction gains and losses are included in other expense, net in the condensed consolidated statements of operations and comprehensive income. For the three months ended March 31, 2024 and 2023, net foreign currency losses of \$0.1 million and gains of \$36,000, respectively, are recorded in other income (expense), net. For the nine months ended March 31, 2024 and 2023, net foreign currency losses of \$0.2 million and \$0.2 million, respectively, are recorded in other income (expense), net.

#### Cash and Cash Equivalents

The Company considers only its monetary liquid assets with original maturities of three months or less as cash and cash equivalents.

#### Concentration of Credit Risk

Accounting guidance for financial instruments requires disclosure of significant concentrations of credit risk regardless of the degree of such risk. Financial instruments with significant credit risk include cash and investments. At March 31, 2024, the Company had \$13.1 million in cash accounts at one financial institution and \$4.3 million in accounts at other financial institutions. At June 30, 2023, the Company had \$17.0 million in cash accounts at one financial institution and \$4.6 million in accounts at other financial institutions. As of March 31, 2024 and June 30, 2023, and during the periods then ended, the Company's cash balances exceeded federally insured limits.

#### Accounts Receivable

The Company's accounts receivable as of March 31, 2024 and June 30, 2023 consist primarily of credit card receivables. Based on the Company's verification process for customer credit cards and historical information available, management has determined that an allowance for doubtful accounts on credit card sales related to its customer sales as of March 31, 2024 and June 30, 2023 is not necessary. No bad debt expense was recorded during the three and nine months ended March 31, 2024 and 2023.

#### Inventory

As of March 31, 2024 and June 30, 2023, inventory consisted of (in thousands):

	March 31, 2024		June 30, 2023	
Finished goods	\$	11,273	74.4 %	\$ 12,153
Raw materials		3,889	25.6 %	3,920
Total inventory	\$	<u>15,162</u>	<u>100.0 %</u>	<u>\$ 16,073</u>

Inventories are carried at the lower of cost or net realizable value, using the first-in, first-out method, which includes a reduction in inventory values of \$1.3 million and \$1.3 million at March 31, 2024 and June 30, 2023, respectively, related to obsolete and slow-moving inventory.

#### Fair Value of Financial Instruments

The Company accounts for assets and liabilities using a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the fair-value hierarchy below. This hierarchy requires the Company to minimize the use of unobservable inputs and to use observable market data, if available, when determining fair value.

- Level 1—Quoted prices for identical instruments in active markets;
- Level 2—Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets; and
- Level 3—Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

Our financial instruments, consisting primarily of cash and cash equivalents, accounts receivable, and accounts payable, approximate fair value due to their short-term nature.

## Revenue Recognition

Revenue is recognized when control of the promised goods or services are transferred to the customer, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. Sales, value-added, and other taxes the Company collects concurrent with revenue-producing activities are excluded from revenue.

The Company generates the majority of its revenue through product sales to customers. These products include the Protandim® line of dietary supplements, LifeVantage® Omega+, ProBio, IC Bright®, Daily Wellness, Rise AM, Reset PM, and D3+ dietary supplements, TrueScience® skin, hair, bath & body and targeted relief, Petandim®, Axio® nootropic energy drink mixes, and the PhysIQ™ smart weight management system. The Company ships most of its product directly to the consumer and receives substantially all payment for product sales in the form of credit card receipts. Revenue from direct product sales to customers is recognized upon shipment, which is when passage of title and risk of loss occurs. For items sold in packs and bundles, the Company determines the standalone selling price at contract inception for each distinct good, and then allocates the transaction price on a relative standalone selling price basis. Any discounts are accounted for as a direct reduction to the transaction price. Shipping and handling revenue is recognized upon shipment when the performance obligation is completed.

Contract liabilities, recorded as deferred revenue, include loyalty program credit deferrals with certain customers which are accounted for as a reduction in the transaction price and are generally recognized as credits which are redeemed for additional products at a later date. The Company also records deferred revenue when cash payments are received or due in advance of performance, including amounts which are refundable. In addition, the Company pre-sells tickets to its events. When cash payments are received in advance of events, the cash received is recorded to deferred revenue until the event is held, at which time the Company has performed its obligations under the contract and the revenue is recognized.

Deferred revenue is included in accrued expenses in the consolidated balance sheets. The balance of deferred revenue related to contract liabilities was \$0.7 million and \$0.8 million as of March 31, 2024 and June 30, 2023, respectively. The contract liabilities impact to revenue for the three months ended March 31, 2024 and 2023 was an increase of \$0.2 million and a decrease of \$0.1 million, respectively. The contract liabilities impact to revenue for the nine months ended March 31, 2024 and 2023 was an increase of \$0.1 million and a decrease of \$0.3 million, respectively.

Estimated returns are recorded when product is shipped. Subject to some exceptions based on local regulations, the Company's return policy is to provide a full refund for product returned within 30 days. After 30 days of purchase, only unopened product that is in a resalable and restockable condition may be returned within twelve months of purchase and shall receive a 100% refund, less a 10% handling and restocking fee and any shipping and handling costs. The Company establishes a refund liability reserve, and an asset reserve for its right to recover products, based on historical experience. The returns asset reserve and returns liability reserve are evaluated on a quarterly basis. As of March 31, 2024 and June 30, 2023, the returns liability reserve, net was \$0.1 million and \$0.1 million, respectively.

## Shipping and Handling

Shipping and handling costs associated with inbound freight and freight out to customers and independent consultants are included in cost of sales. Shipping and handling fees charged to customers and independent consultants are included in revenue.

## Research and Development Costs

The Company expenses all costs related to research and development activities, as incurred. Research and development expenses for the three months ended March 31, 2024 and 2023 were \$0.2 million and \$0.2 million, respectively. Research and development expenses for the nine months ended March 31, 2024 and 2023 were \$0.5 million and \$0.4 million, respectively.

## Leases

The Company accounts for leases in accordance with Accounting Standards Codification ("ASC") 842. The Company reviews all contracts and determines if the arrangement is or contains a lease, at inception. Operating leases are included in right-of-use ("ROU") assets, current lease liabilities and long-term lease liabilities on the condensed consolidated balance sheets. The Company does not have any finance leases.

Operating lease ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term. The Company uses its estimated incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. The operating lease ROU asset also includes any upfront lease payments made and excludes lease incentives and initial direct costs incurred. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for minimum

lease payments is recognized on a straight-line basis over the lease term. Leases with a term of 12 months or less are not recorded on the balance sheet. The Company's lease agreements do not contain any residual value guarantees.

Changes in the Company's strategies have resulted in operation modifications in certain Asia/Pacific markets resulting in the closure of showrooms and changes to selling models. As of December 31, 2022, the Company abandoned the ROU assets related to the Hong Kong and Singapore showroom leases. These leases were terminated in February 2023 and the Company has no remaining lease liability for these showrooms. Total expenses related to the abandonment of the ROU assets and costs associated with the change in operations in these markets for the nine months ended March 31, 2023 was \$0.4 million and is included in selling, general, and administrative expenses.

#### **Stock-Based Compensation**

The Company recognizes stock-based compensation by measuring the cost of services to be rendered based on the grant date fair value of the equity award. The Company recognizes stock-based compensation, net of any estimated forfeitures, over the period an employee is required to provide service in exchange for the award, generally referred to as the requisite service period. The Company estimates forfeitures based on historical information and other management assumptions. For awards with market-based performance conditions, the cost of the awards is recognized as the requisite service is rendered by employees, regardless of when, if ever, the market-based performance conditions are satisfied.

The Black-Scholes option pricing model is used to estimate the fair value of stock options and options under the Company's 2019 Employee Stock Purchase Plan. The determination of the fair value of options is affected by the Company's stock price and a number of assumptions, including expected volatility, expected life, risk-free interest rate and expected dividends. The Company uses historical data for estimating the expected volatility and expected life of stock options required in the Black-Scholes model. The risk-free interest rate assumption is based on observed interest rates appropriate for the expected terms of the stock options.

The fair value of restricted stock grants, including performance restricted stock units that include non-market based performance conditions, is based on the closing market price of the Company's stock on the date of grant less the Company's expected dividend yield. The Company recognizes compensation costs for awards with performance conditions when it concludes it is probable that the performance conditions will be achieved. The Company reassesses the probability of vesting at each balance sheet date and adjusts compensation costs accordingly.

#### **Income Taxes**

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using statutory tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled, updated as needed for changes in corporate tax rates. The effect on deferred tax assets and liabilities from a change in tax rates is recognized in income in the period that includes the effective date of the change. The Company recognizes tax liabilities or benefits from an uncertain position only if it is more likely than not that the position will be sustained upon examination by taxing authorities based on the technical merits of the issue. The amount recognized would be the largest liability or benefit that the Company believes has greater than a 50% likelihood of being realized upon settlement.

For the nine months ended March 31, 2024 and 2023, the Company recognized income tax expense of \$7,000 and \$0.9 million, respectively, which is reflective of the Company's current estimated federal, state and foreign effective tax rate. Realization of deferred tax assets is dependent upon future earnings in specific tax jurisdictions, the timing and amount of which are uncertain.

#### **Income Per Share**

Basic income per common share is computed by dividing the net income by the weighted-average number of common shares outstanding during the period, less unvested restricted stock awards. Diluted income per common share is computed by dividing net income by the weighted-average common shares and potentially dilutive common share equivalents using the treasury stock method.

For the three months ended March 31, 2024 and 2023, the effects of approximately 8,000 and 0.1 million common shares, respectively, issuable upon exercise of options and non-vested shares of restricted stock are not included in computations as their effect was anti-dilutive. For the nine months ended March 31, 2024 and 2023, the effects of approximately 34,000 and 0.3 million common shares, respectively, issuable upon exercise of options and non-vested shares of restricted stock are not included in computations as their effect was anti-dilutive.

The following is a reconciliation of net income per share and the weighted-average common shares outstanding for purposes of computing basic and diluted net income per share (in thousands, except per share amounts):

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
<b>Numerator:</b>				
Net income	\$ 1,659	\$ 1,022	\$ 1,632	\$ 574
<b>Denominator:</b>				
Basic weighted-average common shares outstanding	12,424	12,615	12,525	12,538
<b>Effect of dilutive securities:</b>				
Stock awards and options	562	155	485	17
Diluted weighted-average common shares outstanding	12,986	12,770	13,010	12,555
Net income per share, basic	\$ 0.13	\$ 0.08	\$ 0.13	\$ 0.05
Net income per share, diluted	\$ 0.13	\$ 0.08	\$ 0.13	\$ 0.05

### Segment Information and Disaggregated Revenue

The Company operates in a single operating segment by selling products directly to customers and through an international network of independent consultants that operates in an integrated manner from market to market. Commissions and incentives expenses are the Company's largest expense comprised of the commissions paid to its independent consultants. The Company manages its business primarily by managing its international network of independent consultants. The Company disaggregates revenue in two geographic regions: the Americas region and the Asia/Pacific & Europe region.

The following table presents the Company's revenue disaggregated by these two geographic regions (in thousands):

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
Americas	\$ 37,215	\$ 39,532	\$ 114,795	\$ 115,606
Asia/Pacific & Europe	11,030	14,209	36,438	43,571
Total revenue	\$ 48,245	\$ 53,741	\$ 151,233	\$ 159,177

Additional information as to the Company's revenue from operations in the most significant geographical areas is set forth below (in thousands):

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
United States	\$ 35,333	\$ 37,855	\$ 109,448	\$ 110,485
Japan	\$ 6,223	\$ 8,133	\$ 21,051	\$ 23,665

The following table presents the Company's long-lived assets for its most significant geographic markets (in thousands):

	March 31, 2024	June 30, 2023
United States	\$ 20,468	\$ 20,504
Japan	\$ 2,156	\$ 354

### Note 3 — Leases

The Company has operating leases for current corporate offices and certain equipment. These leases have remaining terms of approximately one to eight years. As of March 31, 2024, the weighted average remaining lease term and weighted average discount rate for operating leases was 7.28 years and 3.26%, respectively. As of June 30, 2023, the weighted average remaining lease term and weighted average discount rate for operating leases was 8.27 years and 3.25%, respectively.

For the three months ended March 31, 2024 and 2023, operating lease expense was \$0.5 million and \$0.6 million, respectively. For the nine months ended March 31, 2024 and 2023, operating lease expense was \$1.6 million and \$2.2 million, respectively.

The components of lease expense for the three and nine months ended March 31, 2024 and 2023, were as follows:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
Operating lease expense				
Operating lease cost	\$ 459	\$ 516	\$ 1,451	\$ 1,929
Variable lease cost	42	103	136	189
Short-term lease costs	12	18	35	63
Total lease expense	\$ 513	\$ 637	\$ 1,622	\$ 2,181

Supplemental cash flow information related to operating leases was as follows (in thousands):

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
Operating cash outflows from operating leases	\$ 560	\$ 782	\$ 1,651	\$ 2,288
Right-of-use assets obtained in exchange for lease obligations	\$ 265	\$ —	\$ 1,767	\$ —

Maturity of lease liabilities at March 31, 2024 are as follows (in thousands):

Year ended June 30,	Amount
2024 (remaining three months ending June 30, 2024)	\$ 550
2025	2,025
2026	2,068
2027	2,080
2028	2,057
Thereafter	6,394
Total	15,174
Less: imputed interest	(1,647)
Present value of lease liabilities	\$ 13,527

#### Note 4 — Long-Term Debt

On March 30, 2016, the Company entered into a loan agreement (the "2016 Loan Agreement") and a security agreement (the "Security Agreement"). The 2016 Loan Agreement provides for a term loan in an aggregate principal amount of \$10.0 million (the "2016 Term Loan") and a revolving loan facility in an aggregate principal amount not to exceed \$2.0 million (the "2016 Revolving Loan," and collectively with the 2016 Term Loan, the 2016 Loan Agreement and the Security Agreement, the "2016 Credit Facility" and together with the amendments described below, the "Credit Facility"). During the fiscal year ended June 30, 2020, the Company repaid, in full, the balance of the 2016 Term Loan.

On May 4, 2018 and February 1, 2019, the Company entered into loan modification agreements ("Amendment No. 1" and "Amendment No. 2", respectively). These loan modification agreements amended certain financial covenants and the available borrowing amount under the 2016 Revolving Loan.

On April 1, 2021, the Company entered into a loan modification agreement ("Amendment No. 3"), which amended the Credit Facility. Amendment No. 3, with an available borrowing amount of \$5.0 million, a revised maturity date from March 31, 2021 to March 31, 2024, and a modified variable interest rate based on the one-month United States Treasury Rate, plus a margin of 3.00%, with an interest rate floor of 4.00%. Amendment No. 3 also revised the debt (total liabilities) to tangible net worth ratio (as defined in Amendment No. 3) covenant to require that the Company maintain this ratio not in excess of 2.00 to 1.00, measured as of the end of each fiscal quarter, and revised the definition and calculation of the minimum fixed charge coverage ratio (as defined in Amendment No. 3). There were no other changes to the minimum fixed charge coverage ratio of 1.10 to 1.00 or the minimum working capital of \$6.0 million as set forth in previous amendments.

The Company entered into a loan modification agreement ("Amendment No. 4"), effective September 30, 2022, which further amended the Credit Facility. Amendment No. 4 revised the calculation of the minimum fixed charge coverage ratio (as defined in Amendment No. 4) and allows the Company to declare and pay dividends, up to \$500,000 per quarter, through September 30, 2023. There were no other changes to the covenants or revolving loan facility as set forth in Amendment No. 3.

If the Company borrows under the 2016 Revolving Loan, interest will be payable quarterly in arrears on the last day of each fiscal quarter.

On August 28, 2023, the Company received approval, without modifying Amendment No. 4, to declare and pay a one-time cash dividend of \$0.40 per share of common stock, to be paid on September 22, 2023. The Company also received approval to declare and pay dividends, up to \$750,000, per quarter, through September 30, 2024.

On March 31, 2024, the Credit Facility reached the maturity date and was terminated. As of March 31, 2024, there was no balance outstanding on this credit facility.

On April 12, 2024, the Company entered into a Loan Agreement (the "Loan Agreement") with Bank of America, N.A., as Lender (the "Lender"). In connection with the Loan Agreement and on the same date, the Company, Lifeline Nutraceuticals Corporation, as Guarantor (the "Guarantor"), and the Lender also entered into a Continuing and Unconditional Guaranty (the "Continuing and Unconditional Guaranty") and a Security and Pledge Agreement (the "Security and Pledge Agreement"). The Loan Agreement provides for a revolving line of credit in an aggregate principal amount not to exceed \$5.0 million (the "Line of Credit" and collectively with the Loan Agreement, Continuing and Unconditional Guaranty and the Security and Pledge Agreement the "2024 Credit Facility") (see Note 8 "Subsequent Events") for more details).

#### **Note 5 — Stockholders' Equity**

During the three months ended March 31, 2024 and 2023, the Company issued 0.1 million and 38,000 shares of common stock, respectively, under equity award plans. During the three months ended March 31, 2024 and 2023, the Company issued zero shares of common stock upon the exercise of stock options. During the three months ended March 31, 2024 and 2023, 38,000 and 14,000 shares of restricted stock, respectively, were canceled or surrendered as payment of tax withholding upon vesting.

During the nine months ended March 31, 2024 and 2023, the Company issued 0.9 million and 0.2 million shares of common stock, respectively, under equity award plans. During the nine months ended March 31, 2024 and 2023, the Company issued zero shares of common stock upon the exercise of stock options. During the nine months ended March 31, 2024 and 2023, 0.2 million and 36,000 shares of restricted stock, respectively, were canceled or surrendered as payment of tax withholding upon vesting.

On November 27, 2017, the Company announced a share repurchase program authorizing it to repurchase up to \$5 million in shares of the Company's common stock. The repurchase program permits the Company to purchase shares through a variety of methods, including in the open market, through privately negotiated transactions or other means as determined by the Company's management. As part of the repurchase program, the Company has entered into a pre-arranged stock repurchase plan which operates in accordance with guidelines specified under Rule 10b5-1 of the Securities Exchange Act of 1934, as amended. Accordingly, any transactions under such stock repurchase plan will be completed in accordance with the terms of the plan, including specified price, volume and timing conditions. The authorization may be suspended or discontinued at any time. On February 1, 2019, the Company's board of directors (the "Board of Directors") approved an amendment to increase the authorized share repurchase amount from \$5.0 million to \$15.0 million. On August 27, 2020, the Board of Directors approved an amendment to increase the authorized share repurchase amount from \$15.0 million to \$35.0 million and to extend the duration of the program through November 30, 2023 and, on February 17, 2022, the Board of Directors approved an amendment to increase the authorized share repurchase amount from \$35.0 million to \$60.0 million. On June 12, 2023, the Board of Directors approved an amendment to extend the duration of the repurchase program period to December 31, 2026. During the three and nine months ended March 31, 2024, the Company purchased 0.3 million shares and 0.7 million shares of common stock at an aggregate price of \$1.9 million and \$4.6 million under this repurchase program, respectively. During the three and nine months ended March 31, 2023, the Company purchased no shares of common stock under this repurchase program, respectively. At March 31, 2024, there is \$22.3 million remaining under this repurchase program.

On August 30, 2023, the Board of Directors approved a stockholder rights agreement (the "Rights Plan") and declared a dividend of one right for each outstanding share of common stock to stockholders of record on September 11, 2023. Each right entitles holders to purchase one newly issued share of preferred stock at an exercise price of \$20 per right, subject to adjustment. Initially, the rights are not exercisable and trade with shares of the Company's common stock.

In general, the rights become exercisable following a public announcement that a person acquires 12% (or, in the case of passive investors, 20%) or more of the outstanding shares of the Company's common stock. If a person becomes an acquiring person, each holder of rights (except the acquiring person) will have the right to purchase, for the purchase price, a number of shares of the Company's common stock at a 50% discount to the then-current trading price. Rather than allowing the rights to be exercised in those circumstances, the Board of Directors may exchange each right, other than the rights owned by the acquiring person, for a share of the Company's common stock. The agreement provides for exceptions and additional terms for other certain situations and circumstances.



The Rights Plan is intended to protect the interests of LifeVantage and its stockholders by reducing the likelihood that any entity, person or group gains control of the Company through open-market accumulation or other means without payment of an adequate control premium and expires August 24, 2024, unless it is earlier terminated or the rights are earlier redeemed or exchanged by the Board of Directors. There is currently no impact to the Company's Consolidated Financial Statements.

The Company's Certificate of Incorporation authorizes the issuance of preferred stock. However, as of March 31, 2024, none have been issued nor have any rights or preferences been assigned to the preferred stock by the Company's Board of Directors.

#### *Dividends*

In August 2023, the Board of Directors declared a quarterly cash dividend of \$0.035 per share of common stock and a one-time cash dividend of \$0.40 per share of common stock to be paid on September 22, 2023 to stockholders of record on September 8, 2023. In November 2023, the Board of Directors declared a quarterly cash dividend of \$0.035 per share of common stock to be paid on December 15, 2023 to stockholders of record on December 1, 2023. In January 2024, the Board of Directors declared a quarterly cash dividend of \$0.035 per share of common stock to be paid on March 15, 2024 to stockholders of record on March 1, 2024. Cash dividends for the three and nine months ended March 31, 2024 totaled \$0.4 million and \$6.4 million, or \$0.035 and \$0.51 per share, respectively. Cash dividends for the three and nine months ended March 31, 2023 totaled \$0.4 million and \$1.1 million, or \$0.03 and \$0.09 per share, respectively.

The declaration of dividends is subject to the discretion of the Board of Directors and will depend upon various factors, including the Company's earnings, financial condition, restrictions imposed by any indebtedness that may be outstanding, cash requirements, future prospects and other factors deemed relevant by the Board of Directors.

#### **Note 6 — Stock-Based Compensation**

##### Long-Term Incentive Plans

##### **Equity-Settled Plans**

The Company adopted, and the stockholders approved, the 2017 Long-Term Incentive Plan (the "2017 Plan"), effective February 16, 2017, to provide incentives to eligible employees, directors and consultants. The initial share pool approved was 650,000 shares. On November 9, 2023, the stockholders approved amendments to the 2017 Plan to increase the number of shares of the Company's common stock that are available for issuance under the 2017 plan by 1,138,000 shares. As of March 31, 2024, a maximum of 5.1 million shares of the Company's common stock can be issued under the 2017 Plan in connection with the grant of awards which is calculated as the sum of (i) 4,630,000 shares and (ii) up to 475,000 shares previously reserved for issuance under the Company's 2010 Long Term Incentive Plan, including shares returned upon cancellation, termination or forfeiture of awards that were previously granted under that plan. Outstanding stock options awarded under the 2017 Plan have exercise prices of \$4.44 per share, and vest over a three year vesting period. Awards expire in accordance with the terms of each award and, upon expiration of the award, the shares subject to the award are added back to the 2017 Plan. The contractual term of stock options granted is generally ten years. As of March 31, 2024, under the 2017 Plan, there were stock option awards outstanding, net of awards expired, for an aggregate of 0.1 million shares of the Company's common stock.

##### **Employee Stock Purchase Plan**

*General.* The Company's 2019 Employee Stock Purchase Plan ("ESPP") was adopted by the Board of Directors in September 2018 and the Company's stockholders approved it in November 2018. The ESPP is intended to qualify under Section 423 of the Internal Revenue Code.

*Share Reserve.* The Company has reserved 0.4 million shares of its common stock for issuance under the ESPP. As of March 31, 2024, 0.1 million shares were available for issuance. The number of shares reserved under the ESPP will automatically be adjusted in the event of a stock split, stock dividend or a reverse stock split (including an adjustment to the per-purchase period share limit).

*Purchase Price.* Employees may purchase each share of common stock under the ESPP at a price equal to 85% of the lower of the fair market values of the stock as of the beginning or the end of the six-month offering periods. An employee's contributions to the ESPP are limited to 15% of their regular hourly or salary compensation, and up to a maximum of 3,000 shares may be purchased during any offering period. A participant shall not be granted an option under the ESPP if such option would permit the participant's rights to purchase stock to accrue at a rate exceeding \$25,000 grant date fair market value of stock for each calendar year in which such option is outstanding at any time.

*Offering Periods.* Unless otherwise determined by the compensation committee, the ESPP will be operated through a series of successive six-month offering periods, which will begin each year on March 1 and September 1.

During the three months ended March 31, 2024 and 2023, approximately 25,000 and 40,000 shares of common stock were issued under the ESPP, respectively. During the nine months ended March 31, 2024 and 2023, approximately 64,000 and 76,000 shares of common stock were issued under the ESPP, respectively.

#### **Stock-Based Compensation**

For the three months ended March 31, 2024 and 2023, compensation of \$0.8 million and \$0.8 million, respectively, was reflected as an increase to additional paid-in capital, all of which was employee related. For the nine months ended March 31, 2024 and 2023, compensation of \$2.5 million and \$2.2 million, respectively, was reflected as an increase to additional paid-in capital, all of which was employee related.

### **Note 7 — Commitments and Contingencies**

#### *Contingencies*

The Company accounts for contingent liabilities in accordance with ASC 450, Contingencies. This guidance requires management to assess potential contingent liabilities that may exist as of the date of the financial statements to determine the probability and amount of loss that may have occurred, which inherently involves an exercise of judgment. If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's financial statements. If the assessment indicates that a potential material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, and an estimate of the range of possible losses, if determinable and material, would be disclosed. For loss contingencies considered remote, no accrual or disclosures are generally made. Management has assessed potential contingent liabilities as of March 31, 2024, and based on the assessment, there are no probable loss contingencies requiring accrual or disclosures within its financial statements.

#### *Legal Accruals*

In addition to commitments and obligations in the ordinary course of business, from time to time, the Company is subject to various claims, pending and potential legal actions, investigations relating to governmental laws and regulations and other matters arising out of the normal conduct of its business. Management assesses contingencies to determine the degree of probability and range of possible loss for potential accrual in the consolidated financial statements. An estimated loss contingency is accrued in the consolidated financial statements if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Because evaluating legal claims and litigation results are inherently unpredictable and unfavorable results could occur, assessing contingencies is highly subjective and requires judgments about future events. When evaluating contingencies, management may be unable to provide a meaningful estimate due to a number of factors, including the procedural status of the matter in question, the presence of complex or novel legal theories, and/or the ongoing discovery and development of information important to the matters. In addition, damage amounts claimed or asserted against the Company may be unsupported, exaggerated or unrelated to possible outcomes, and as such are not meaningful indicators of a potential liability. Management regularly reviews contingencies to determine the adequacy of financial statement accruals and related disclosures. The amount of ultimate loss may differ from these estimates. It is possible that cash flows or results of operations could be materially affected in any particular period by the unfavorable publicity or resolution of one or more of these contingencies. Whether any losses finally determined in any claim, action, investigation or proceeding or publicity related to such could reasonably have a material effect on the Company's business, financial condition, results of operations or cash flows will depend on a number of variables, including: the timing and amount of such losses; the structure and type of any remedies; the significance of the impact of any such losses, damages or remedies may have on the consolidated financial statements; and the unique facts and circumstances of the particular matter that may give rise to additional factors.

**Other Matters.** In addition to the matters described above, the Company also may become involved in other litigation and regulatory matters incidental to its business and the matters disclosed in this quarterly report on Form 10-Q, including, but not limited to, product liability claims, regulatory actions, employment matters and commercial disputes. The Company intends to defend itself in any such matters and does not currently believe that the outcome of any such matters will have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

### **Note 8 — Subsequent Events**

On April 12, 2024, the Company entered into the 2024 Credit Facility.

In the event the Company borrows under the Line of Credit, interest will be payable commencing May 31, 2024, and then on the last day of each month thereafter until payment in full of all principal outstanding under the Line of Credit, with all

unpaid principal and interest due on April 12, 2027 (the "Expiration Date"). The Line of Credit will bear interest at a rate per year equal to the sum of (i) the greater of the Term SOFR Daily Floating Rate (as defined in the Loan Agreement) or 0.00%, plus (ii) 2.00%. Amounts under the Line of Credit may be repaid and re-borrowed from time to time until the Expiration Date.

The Company's obligations under the Loan Agreement are secured by a security interest in substantially all of the assets of the Company and the Guarantor, as further provided for in the Security and Pledge Agreement. Pursuant to the Continuing and Unconditional Guaranty, the Guarantor guarantees and promises to pay promptly to the Lender all indebtedness of the Company when due.

The Loan Agreement contains customary covenants, including affirmative and negative covenants that in certain circumstances restrict the Company's ability to incur additional indebtedness, make certain investments, purchase or otherwise acquire all or substantially all the assets or equity interests of other companies, or transfer any part of the business or any assets of the Company or the Guarantor. The Loan Agreement requires that the Company maintain specified financial ratios and satisfy certain financial condition tests.

The Loan Agreement contains certain customary events of default, including, among other things, failure of the Company to make required payments under the Loan Agreement, certain breaches of representations made by the Company or the Guarantor, insolvency or bankruptcy of the Company or the Guarantor, failure to have an enforceable first lien or security interest in any property given as security for the Loan Agreement, or failure of the Company to comply with covenants set forth in the Loan Agreement. If an event of default occurs under the Loan Agreement, the obligation of the Lender to make any additional credit available to the Company may be terminated and the amounts outstanding may become immediately due and payable in the discretion of the Lender, provided that in the event of insolvency or bankruptcy of the Company or the Guarantor, all debts outstanding under the Loan Agreement will automatically become due and payable. Upon the occurrence of any default or after maturity, all amounts outstanding under the Loan Agreement will at the option of the Lender bear interest at a rate which is 2.00% higher than the rate of interest otherwise provided under the Loan Agreement.

As of the date of this report, the Company has not borrowed under the 2024 Credit Facility.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

### Overview

LifeVantage Corporation (the "Company," "we," "us," or "our") is a company focused on nutrigenomics, the study of how nutrition and naturally occurring compounds affect human genes to support good health. We are dedicated to helping people achieve their health, wellness and financial goals. We provide quality, scientifically validated products to customers and independent consultants as well as a financially rewarding commission-based direct sales opportunity to our independent consultants. We engage in the identification, research, development, formulation and sale of advanced nutrigenomic activators, dietary supplements, nootropics, pre- and pro-biotics, weight management, skin and hair care, bath & body, and targeted relief products. We currently sell our products to customers and independent consultants in two geographic regions that we have classified as the Americas region and the Asia/Pacific & Europe region.

The success and growth of our business is primarily based on the effectiveness of our independent consultants to attract and retain customers in order to sell our products and our ability to attract and retain independent consultants. When we are successful in attracting and retaining independent consultants and customers, it is largely because of:

- Our products, including our flagship Protandim® family of scientifically validated dietary supplements, LifeVantage® Omega+, ProBio, IC Bright®, Daily Wellness, Rise AM, Reset PM, and D3+ dietary supplements, our line of Nrf2 enhanced TrueScience® skin, hair, bath & body, and targeted relief products, Petandim®, our companion pet supplement formulated to combat oxidative stress in dogs, Axio®, our nootropic energy drink mixes, and PhysiQ™, our smart weight management system;
- Our sales compensation plan and other sales initiatives and incentives; and
- Our delivery of superior customer service.

As a result, it is vital to our success that we leverage our product development resources to develop and introduce compelling and innovative products and provide opportunities for our independent consultants to sell these products in a variety of markets. We sell our products in the United States, Mexico, Japan, Australia, Hong Kong, Canada, Thailand, the United Kingdom, the Netherlands, Germany, Taiwan, Austria, Spain, Ireland, Belgium, New Zealand, Singapore, and the Philippines. We sold our products in China through a China approved cross-border e-commerce business model until March 15, 2023, at which time we closed our e-commerce business in China. In addition, we sell our products in a number of countries for personal consumption only. Entering a new market requires a considerable amount of time, resources and continued support. If we are unable to properly support an existing or new market, our revenue growth may be negatively impacted.

## COVID-19 Influence on Business Operations and Work Environment

We maintain both virtual and in person business operations in hybrid form, which started in 2020 as a result of the COVID-19 pandemic. We have continued to provide successful virtual events and trainings for our independent consultants and have been successful in conducting day to day business operations both in person, and over virtual platforms. During the COVID-19 pandemic, we implemented and continue to operate, a hybrid model with our employees working from home a few days a week and in the office a few days a week. We believe that this has worked well for employee productivity. We remain focused on being digital first and committed to increasing our investments in digital technologies and tools for independent consultants and employees to function effectively in the current hybrid working environment.

## Our Products

Our products are the Protandim® line of scientifically-validated dietary supplements, LifeVantage® Omega+, ProBio, IC Bright®, Rise AM, Reset PM, D3+ and Daily Wellness dietary supplements, TrueScience®, our line of skin, bath & body, targeted relief, and hair care products, Petandim®, our companion pet supplement formulated to combat oxidative stress in dogs, AXIO®, our nootropic energy drink mixes, and PhysIQ™ our smart weight management system. The Protandim® product line includes Protandim® NRF1 Synergizer®, Protandim® Nrf2 Synergizer®, and Protandim® NAD Synergizer®. The Protandim® NRF1 Synergizer® is formulated to increase cellular energy and performance by boosting mitochondria production to improve cellular repair and slow cellular aging. The Protandim® Nrf2 Synergizer® contains a proprietary blend of ingredients and has been shown to combat oxidative stress and enhance energy production by increasing the body's natural antioxidant protection at the genetic level, inducing the production of naturally-occurring protective antioxidant enzymes, including superoxide dismutase, catalase, and glutathione synthase. The Protandim® NAD Synergizer® was specifically formulated to target cell signaling pathways involved in the synthesis and recycling of a specific molecule called NAD (nicotinamide adenine dinucleotide), and it has been shown to double sirtuin activity, supporting increased health, focus, energy, mental clarity and mood. Use of the three Protandim® products together, marketed as the Protandim® Tri-Synergizer®, has been shown to produce synergistic benefits greater than using the single products on their own. LifeVantage® Omega+ is a dietary supplement that combines DHA and EPA Omega-3 fatty acids, omega-7 fatty acids, and vitamin D3 to support cognitive health, cardiovascular health, skin health, and the immune system. LifeVantage® ProBio is a dietary supplement designed to support optimal digestion and immune system function. LifeVantage® Daily Wellness is a dietary supplement designed to support immune health. IC Bright® is a dietary supplement to help support eye and brain health, reduce eye fatigue and strain, support cognitive functions and may help support normal sleep patterns. Our Nrf2 enhanced TrueScience® line of anti-aging skin, hair, and bath & body products includes TrueScience® Perfecting Lotion, TrueScience® TrueRenew Daily Firming Complex, TrueScience® TruePout Advanced Lip Duo, TrueScience® TrueClean Refining Cleanser, TrueScience® TrueLift Illuminating Eye Cream, TrueScience® TrueHydrate Brightening Moisturizer, TrueScience® Hand Cream, TrueScience® TrueProtect Daily Mineral Sunstick, TrueScience® Invigorating Shampoo, TrueScience® Nourishing Conditioner, TrueScience® Scalp Serum, and TrueScience® Liquid Collagen. TrueScience® Liquid Collagen activates, replenishes, and maintains collagen to support firmness and elasticity from within. Petandim® is a supplement specially formulated to combat oxidative stress in dogs through Nrf2 activation. AXIO® is our line of our nootropic energy drink mixes formulated to promote alertness and support mental performance. PhysIQ™ is our smart weight management system, which includes PhysIQ™ Fat Burn, and PhysIQ™ Prebiotic, all formulated to aid in weight management. We believe our significant number of customers who regularly and repeatedly purchase our products is a strong indicator of the health benefits of our products.

We sell our products both individually and in stacks. A stack consists of multiple products bundled together that are designed to achieve a specific result. The Vitality Stack includes four of our nutrigenomics products — Protandim® NRF1 Synergizer®, Protandim® Nrf2 Synergizer®, LifeVantage® Omega+ and LifeVantage® ProBio. This product stack was designed to provide a foundation for wellness, supporting healthy organs, including the brain, heart, eyes, and other vitals. With the Ultimate Stack, we added Protandim® NAD Synergizer® and PhysIQ™ Prebiotic to our Vitality Stack to support gut health and increase sirtuin activity, supporting increased health, focus, energy, mental clarity and mood. The Protandim® Tri-Synergizer® consists of our Protandim® NRF1 Synergizer®, Protandim® Nrf2 Synergizer® and Protandim® NAD Synergizer®, and was designed to effectively and synergistically reduce oxidative stress, support mitochondria function, increase sirtuin activity, and target cell signaling pathways to fight the effects of aging. We also offer stacks that directly support the following consumer needs: immune support, heart health, energy, well-being, eye health, cognition and memory, metabolism, gut health, skin care, and hair care.

We currently have additional products in development. Any delays or difficulties in introducing compelling products or attractive initiatives or tools into our markets may have a negative impact on our revenue and our ability to attract new independent consultants and customers.

## Compensation Plan for our Independent Consultants

On March 1, 2023, we launched a new compensation plan for our Independent Consultants in the United States, Japan, Australia, and New Zealand markets. We refer to this compensation plan as our Evolve Compensation Plan. On February 1, 2024, we launched the Evolve Compensation Plan in the Canada, Mexico, and Europe markets.

#### Accounts

Because we primarily utilize a direct selling model for the distribution of a majority of our products, the success and growth of our business depends in large part on the effectiveness of our independent consultants to attract and retain customers to purchase our products and our ability to attract new and retain existing independent consultants. Changes in our product sales typically are the result of variations in product sales volume relating to fluctuations in the number of active independent consultants and customers purchasing our products. The number of active independent consultants and customers is, therefore, used by management as a key non-financial measure.

The following tables summarize the changes in our active accounts base by geographic region. These numbers have been rounded to the nearest thousand as of the dates indicated. For purposes of this report, we define "Active Accounts" as only those independent consultants and customers who have purchased from us at any time during the most recent three-month period, either for personal use or for resale.

	As of March 31,				Change from Prior Year	Percent Change
	2024		2023			
<b>Active Independent Consultants</b>						
Americas	31,000	63.3 %	36,000	62.1 %	(5,000)	(13.9)%
Asia/Pacific & Europe	18,000	36.7 %	22,000	37.9 %	(4,000)	(18.2)%
<b>Total Active Independent Consultants</b>	<b>49,000</b>	<b>100.0 %</b>	<b>58,000</b>	<b>100.0 %</b>	<b>(9,000)</b>	<b>(15.5)%</b>
<b>Active Customers</b>						
Americas	62,000	79.5 %	72,000	79.1 %	(10,000)	(13.9)%
Asia/Pacific & Europe	16,000	20.5 %	19,000	20.9 %	(3,000)	(15.8)%
<b>Total Active Customers</b>	<b>78,000</b>	<b>100.0 %</b>	<b>91,000</b>	<b>100.0 %</b>	<b>(13,000)</b>	<b>(14.3)%</b>
<b>Active Accounts</b>						
Americas	93,000	73.2 %	108,000	72.5 %	(15,000)	(13.9)%
Asia/Pacific & Europe	34,000	26.8 %	41,000	27.5 %	(7,000)	(17.1)%
<b>Total Active Accounts</b>	<b>127,000</b>	<b>100.0 %</b>	<b>149,000</b>	<b>100.0 %</b>	<b>(22,000)</b>	<b>(14.8)%</b>

#### Results of Operations

##### Three and Nine Months Ended March 31, 2024 and 2023

**Revenue.** We generated net revenue of \$48.2 million and \$53.7 million during the three months ended March 31, 2024 and 2023, respectively. We generated net revenue of \$151.2 million and \$159.2 million during the nine months ended March 31, 2024 and 2023, respectively. Foreign currency fluctuations negatively impacted our revenue \$0.8 million, or 1.5% and \$1.3 million, or 0.8%, during the three and nine months ended March 31, 2024, respectively.

**Americas.** The following table sets forth revenue for the three and nine months ended March 31, 2024 and 2023 for the Americas region (in thousands):

	Three Months Ended March 31,			Nine Months Ended March 31,		
	2024	2023	% Change	2024	2023	% Change
	\$	\$		\$	\$	
United States	35,333	37,855	(6.7)%	109,448	110,485	(0.9)%
Other	1,882	1,677	12.2 %	5,347	5,121	4.4 %
<b>Americas Total</b>	<b>\$ 37,215</b>	<b>\$ 39,532</b>	<b>(5.9)%</b>	<b>\$ 114,795</b>	<b>\$ 115,606</b>	<b>(0.7)%</b>

Revenue in the Americas region for the three and nine months ended March 31, 2024 decreased \$2.3 million, or 5.9%, and \$0.8 million, or 0.7%, respectively, from the prior year periods. Total Active Accounts decreased 13.9% in the region compared

to the prior year period. The average revenue per account increased due to changes in our product sales mix, driven primarily by our new TrueScience® Liquid Collagen product. Total TrueScience® Liquid Collagen related revenue, including the product when sold as part of a bundle, was approximately \$9.3 million and \$29.7 million for the three and nine months ended March 31, 2024, respectively, compared to approximately \$9.9 million and \$26.3 million in the prior year periods, respectively.

**Asia/Pacific & Europe.** The following table sets forth revenue for the three and nine months ended March 31, 2024 and 2023 for the Asia/Pacific & Europe region and its principal markets (in thousands):

	Three Months Ended March 31,			% Change	Nine Months Ended March 31,			% Change
	2024	2023			2024	2023		
Japan	\$ 6,223	\$ 8,133	(23.5)%	\$ 21,051	\$ 23,665	(11.0)%		
Australia & New Zealand	1,789	2,179	(17.9)%	6,200	6,295	(1.5)%		
Greater China	966	811	19.1%	2,163	2,810	(23.0)%		
Other	2,052	3,086	(33.5)%	7,024	10,801	(35.0)%		
Asia/Pacific & Europe Total	\$ 11,030	\$ 14,209	(22.4)%	\$ 36,438	\$ 43,571	(16.4)%		

Revenue in the Asia/Pacific & Europe region decreased \$3.2 million, or 22.4% and \$7.1 million, or 16.4%, for the three and nine months ended March 31, 2024, respectively, as compared to the prior year periods. Total Active Accounts in the region decreased 17.1% compared to the prior year period. Decreases in total Active Accounts, the closure of our e-commerce business in China, along with negative impacts from foreign currency exchange rate fluctuations, have contributed to the overall decrease in revenue within the Asia/Pacific & Europe region.

Overall, revenue in the Asia/Pacific & Europe region was negatively impacted by foreign currency exchange rate fluctuations in the amount of approximately \$0.9 million, or 6.3% and \$1.5 million, or 3.5%, during the three and nine months ended March 31, 2024, respectively, as compared to the prior year periods, mainly due to currency fluctuations in Japan. Revenue in Japan was negatively impacted by foreign exchange rate fluctuations in the amount of approximately \$0.8 million, or 9.3% and \$1.4 million, or 6.0%, during the three and nine months ended March 31, 2024, respectively, as compared to the prior year periods. On a constant currency basis, revenue in Japan decreased 14.5% and 5.2% for the three and nine months ended March 31, 2024, respectively, as compared to the prior year periods. The decrease in revenue on a constant currency basis in Japan during nine months ended March 31, 2024 was due to our Active Accounts in that region increasing their purchases in September 2022, ahead of price increases that went into effect on October 1, 2022. The decrease was offset by increases in the average revenue per account, primarily from TrueScience® Liquid Collagen related revenue which started selling in Japan in March 2023. Revenue related to TrueScience® Liquid Collagen was approximately \$0.8 million and \$3.7 million for the three and nine months ended March 31, 2024, respectively.

Globally, our sales and marketing efforts continue to be directed toward strengthening our core business through our fiscal year initiatives and building our worldwide revenue. In March 2024, we launched our TrueScience® TrueClean Refining Cleanser, TrueLift Illuminating Eye Cream, and TrueHydrate Brightening Moisturizer, which, together with the launch of TrueRenew Daily Firming Complex in October 2023, resulted in the completion of the launch of our new TrueScience® Activated Skin Care Collection. We also launched TrueScience® TrueProtect Daily Mineral Sunstick. During fiscal year 2024, we launched our TrueScience® Liquid Collagen in our Philippines, Canada, Mexico, and Europe markets. Revenue related to these products has offset decreases in our Active Accounts in these regions by increasing our overall average revenue per account. We have seen and continue to expect that these product launches will help drive revenue growth globally through increased average order size and increased ability to attract and retain new independent consultants and customers with a compelling product lineup.

**Cost of Sales.** Cost of sales were \$10.2 million and \$10.6 million for the three months ended March 31, 2024 and 2023, respectively, resulting in gross profit percentages of 78.9% and 80.2%, respectively. Cost of sales were \$31.4 million and \$32.3 million for the nine months ended March 31, 2024 and 2023, respectively, resulting in gross profit percentages of 79.2% and 79.7%, respectively. The increase in cost of sales as a percentage of revenue is primarily due to a shift in product mix, changes in raw material and manufacturing related costs, shipping to customer expenses, and warehouse fulfillment expenses during three and nine months ended March 31, 2024.

**Commissions and Incentives.** Commissions and incentives expenses during the three months ended March 31, 2024 were \$19.7 million or 40.9% of revenue as compared to \$23.8 million or 44.3% of revenue for the three months ended March 31, 2023. Commissions and incentives expenses during the nine months ended March 31, 2024 were \$63.9 million or 42.3% of revenue as compared to \$71.2 million or 44.7% of revenue for the nine months ended March 31, 2023. The decrease in commissions and incentives expenses as a percentage of revenue compared to the prior year periods is due to changes in sales mix, timing and magnitude of our various promotional and incentive programs, and decreases in commission expenses as a

result of the change to our Evolve Compensation Plan in March 2023 in the United States, Australia, New Zealand, and Japan markets, as well as in Canada, Mexico, and Europe markets in February 2024.

Commissions and incentives expenses, as a percentage of revenue, may fluctuate in future periods based on ability to hold incentive trips and events and the timing and magnitude of compensation, incentive and promotional programs.

*Selling, General and Administrative.* Selling, general and administrative expenses during the three months ended March 31, 2024 were \$16.4 million or 34.0% of revenue as compared to \$17.7 million or 33.0% of revenue for the three months ended March 31, 2023. Selling, general and administrative expenses during the nine months ended March 31, 2024 were \$54.5 million or 36.0% of revenue as compared to \$54.0 million or 33.9% of revenue for the nine months ended March 31, 2023. The increase in selling, general and administrative expenses as a percentage of revenue during the three and nine months ended March 31, 2024 compared to the prior year periods is primarily due to increased proxy contest related expenses. These increases have been partially offset by decreases in event costs, endorsement agreements, employee compensation related expenses, office lease and professional services expenses.

*Total Other Income (Expense).* During the three months ended March 31, 2024 we recognized total net other expense of \$13,000 as compared to income of \$0.1 million for the three months ended March 31, 2023. During the nine months ended March 31, 2024 we recognized total net other income of \$0.2 million as compared to expense of \$0.2 million for the nine months ended March 31, 2023. Total net other income (expense) for the three and nine months ended March 31, 2024 and 2023 consisted primarily of interest income, offset by foreign currency gains and losses.

*Income Tax Expense.* We recognized income tax expense of \$0.3 million and \$7,000 for the three and nine months ended March 31, 2024, respectively, as compared to income tax expense of \$0.6 million and \$0.9 million for the three and nine months ended March 31, 2023, respectively.

The change in the effective tax rate for the nine months ended March 31, 2024 compared to the prior year period was primarily due to changes in taxable income and the impact of discrete items.

We expect that our effective tax rate will fluctuate slightly during the remainder of fiscal 2024 as the impact of discrete items and other permanent differences are recognized during the year; however, our tax rate can be impacted by various book to tax differences and fluctuations in our stock price that occur during the year which are difficult to forecast.

#### **Liquidity and Capital Resources**

##### Liquidity

Our primary liquidity and capital resource requirements are to finance the cost of our planned operating expenses and working capital (principally inventory purchases), fund capital expenditures, and service our debt, which includes any outstanding balances under a credit facility. We have generally relied on cash flow from operations to fund operating activities and we have, at times, incurred long-term debt in order to fund stock repurchases and strategic transactions.

As of March 31, 2024, our available liquidity was \$17.4 million, which consisted of available cash and cash equivalents. This represents a decrease of \$4.2 million from the \$21.6 million in cash and cash equivalents as of June 30, 2023.

During the nine months ended March 31, 2024, our net cash provided by operating activities was \$9.6 million as compared to \$3.1 million during the nine months ended March 31, 2023.

During the nine months ended March 31, 2024, our net cash used in investing activities was \$2.0 million, as a result of the purchase of fixed assets. During the nine months ended March 31, 2023, our net cash used in investing activities was \$2.6 million, as a result of the purchase of fixed assets.

Cash used in financing activities during the nine months ended March 31, 2024 was \$11.7 million as a result of our payment of cash dividends, repurchases of common stock, and shares purchased as payment of tax withholding upon vesting of equity awards, partially offset by proceeds from stock issued under our employee stock purchase plan. Cash used in financing activities during the nine months ended March 31, 2023 was \$1.0 million as a result of our repurchase of common stock, and shares purchased as payment of tax withholding upon vesting of equity awards, partially offset by proceeds from stock issued under our employee stock purchase plan and stock option exercises.

At March 31, 2024 and June 30, 2023, the total amount of our foreign subsidiary cash was \$7.6 million and \$6.2 million, respectively. The federal tax reform legislation that was passed into law during December 2017 enacted a 100% dividend deduction for greater than 10% owned foreign corporations. Therefore, in the future, if needed, we expect to be able to repatriate cash from foreign subsidiaries without paying additional U.S. taxes.

At March 31, 2024, we had working capital (current assets minus current liabilities) of \$15.3 million, compared to working capital of \$24.7 million at June 30, 2023. We believe that our cash and cash equivalents balances and our ongoing cash flow from operations will be sufficient to satisfy our cash requirements for at least the next 12 months. The majority of our historical expenses have been variable in nature and as such, a potential reduction in the level of revenue would reduce our cash flow needs. In the event that our current cash balances and future cash flow from operations are not sufficient to meet our obligations or strategic needs, we would consider raising additional funds, which may not be available on terms that are acceptable to us, or at all. Our 2024 Credit Facility (as defined below), provides for a revolving line of credit in an aggregate principal amount not to exceed \$5.0 million. We would also consider realigning our strategic plans including a reduction in capital spending and expenses.

#### Capital Resources

##### *Shelf Registration Statement*

On March 31, 2023, we filed a shelf registration statement on Form S-3 (the "2023 Shelf Registration") with the SEC that was declared effective on April 6, 2023, which permits us to offer up to \$75 million of common stock, preferred stock, debt securities and warrants in one or more offerings and in any combination, including in units from time to time. Our 2023 Shelf Registration is intended to provide us with additional flexibility to access capital markets for general corporate purposes, which may include, among other purposes, working capital, capital expenditures, other corporate expenses and acquisitions of assets, licenses, products, technologies or businesses.

##### *Credit Facility*

On March 30, 2016, we entered into a loan agreement (the "2016 Loan Agreement") and a security agreement (the "Security Agreement"). The 2016 Loan Agreement provides for a term loan in an aggregate principal amount of \$10.0 million (the "2016 Term Loan") and a revolving loan facility in an aggregate principal amount not to exceed \$2.0 million (the "2016 Revolving Loan," and collectively with the 2016 Term Loan, the 2016 Loan Agreement and the Security Agreement, the "2016 Credit Facility" and together with the amendments described below, the "Credit Facility"). During the fiscal year ended June 30, 2020, we repaid, in full, the balance of the 2016 Term Loan.

On May 4, 2018 and February 1, 2019, we entered into loan modification agreements ("Amendment No. 1" and "Amendment No. 2", respectively). These loan modification agreements amended certain financial covenants and the available borrowing amount under the 2016 Revolving Loan.

On April 1, 2021, we entered into a loan modification agreement ("Amendment No. 3"), which further amended the Credit Facility, as previously amended, to provide for an available borrowing amount of \$5.0 million, a revised maturity date from March 31, 2021 to March 31, 2024, and a modified variable interest rate based on the one-month United States Treasury Rate, plus a margin of 3.00%, with an interest rate floor of 4.00%. Amendment No. 3 also revised the debt (total liabilities) to tangible net worth ratio (as defined in Amendment No. 3) covenant to require that the company maintain this ratio not in excess of 2.00 to 1.00, measured as of the end of each fiscal quarter, and revised the definition and calculation of the minimum fixed charge coverage ratio (as defined in Amendment No. 3). There were no other changes to the minimum fixed charge coverage ratio of 1.10 to 1.00 or the minimum working capital of \$6.0 million as set forth in previous amendments.

We entered into a loan modification agreement ("Amendment No. 4"), effective September 30, 2022, which further amended the Credit Facility. Amendment No. 4 revised the calculation of the minimum fixed charge coverage ratio (as defined in Amendment No. 4) and allowed us to declare and pay dividends, up to \$500,000 per quarter, through September 30, 2023. There were no other changes to the covenants or revolving loan facility as set forth in Amendment No. 3.

On August 28, 2023, we received approval, without modifying Amendment No. 4, to declare and pay a one-time cash dividend of \$0.40 per share of common stock, to be paid on September 22, 2023. We also received approval to declare and pay dividends, up to \$750,000 per quarter, through September 30, 2024.

On March 31, 2024, the Credit Facility reached the maturity date and no further loan modifications were entered into. As of March 31, 2024, there was no balance outstanding on this Credit Facility.

##### *2024 Credit Facility*

On April 12, 2024, we entered into a Loan Agreement (the "Loan Agreement") with Bank of America, N.A., as Lender (the "Lender"). In connection with the Loan Agreement and on the same date, we, Lifeline Nutraceuticals Corporation, as Guarantor (the "Guarantor"), and the Lender also entered into a Continuing and Unconditional Guaranty (the "Continuing and Unconditional Guaranty") and a Security and Pledge Agreement (the "Security and Pledge Agreement"). The Loan Agreement provides for a revolving line of credit in an aggregate principal amount not to exceed \$5.0 million (the "Line of Credit") and



collectively with the Loan Agreement, the Continuing and Unconditional Guaranty and the Security and Pledge Agreement, the “2024 Credit Facility.”

In the event we borrow under the Line of Credit, interest will be payable commencing May 31, 2024, and then on the last day of each month thereafter until payment in full of all principal outstanding under the Line of Credit, with all unpaid principal and interest due on April 12, 2027 (the “Expiration Date”). The Line of Credit will bear interest at a rate per year equal to the sum of (i) the greater of the Term SOFR Daily Floating Rate (as defined in the Loan Agreement) or 0.00%, plus (ii) 2.00%. Amounts under the Line of Credit may be repaid and re-borrowed from time to time until the Expiration Date.

Our obligations under the Loan Agreement are secured by a security interest in substantially all of the assets of the Company and the Guarantor, as further provided for in the Security and Pledge Agreement. Pursuant to the Continuing and Unconditional Guaranty, the Guarantor guarantees and promises to pay promptly to the Lender all indebtedness of the Company when due.

The Loan Agreement contains customary covenants, including affirmative and negative covenants that in certain circumstances restrict our ability to incur additional indebtedness, make certain investments, purchase or otherwise acquire all or substantially all the assets or equity interests of other companies, or transfer any part of the business or any assets of the Company or the Guarantor. The Loan Agreement requires us to maintain specified financial ratios and satisfy certain financial condition tests.

The Loan Agreement contains certain customary events of default, including, among other things, our failure to make required payments under the Loan Agreement, certain breaches of representations made by us or the Guarantor, insolvency or bankruptcy of the Company or the Guarantor, failure to have an enforceable first lien or security interest in any property given as security for the Loan Agreement, or our failure to comply with covenants set forth in the Loan Agreement. If an event of default occurs under the Loan Agreement, the obligation of the Lender to make any additional credit available to us may be terminated and the amounts outstanding may become immediately due and payable in the discretion of the Lender, provided that in the event of insolvency or bankruptcy of the Company or the Guarantor, all debts outstanding under the Loan Agreement will automatically become due and payable. Upon the occurrence of any default or after maturity, all amounts outstanding under the Loan Agreement will at the option of the Lender bear interest at a rate which is 2.00% higher than the rate of interest otherwise provided under the Loan Agreement.

As of the date of this report, we have not borrowed under the 2024 Credit Facility.

#### Commitments and Obligations

Please refer to Note 7 to the condensed consolidated financial statements contained in this report for information regarding our contingent liabilities.

#### **Critical Accounting Policies and Estimates**

We prepare our financial statements in conformity with accounting principles generally accepted in the United States of America. As such, we are required to make certain estimates, judgments, and assumptions that we believe are reasonable based upon the information available. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the periods presented. Actual results could differ from these estimates. Our significant accounting policies are described in Note 2 to our consolidated financial statements. Certain of these significant accounting policies require us to make difficult, subjective, or complex judgments or estimates. We consider an accounting estimate to be critical if (1) the accounting estimate requires us to make assumptions about matters that were highly uncertain at the time the accounting estimate was made and (2) changes in the estimate that are reasonably likely to occur from period to period, or use of different estimates that we reasonably could have used in the current period, would have a material impact on our financial condition or results of operations.

There are other items within our financial statements that require estimation but are not deemed critical as defined above. Changes in estimates used in these and other items could have a material impact on our financial statements. Management has discussed the development and selection of these critical accounting estimates with our Board of Directors, and our audit committee has reviewed the disclosures noted below.

#### Inventory Valuation

We value our inventory at the lower of cost or net realizable value on a first-in first-out basis. Accordingly, we reduce our inventories for the diminution of value resulting from product obsolescence, damage or other issues affecting marketability equal to the difference between the cost of the inventory and its net realizable value. Factors utilized in the determination of net realizable value include: (i) current sales data and historical return rates, (ii) estimates of future demand, (iii) competitive

pricing pressures, (iv) new production introductions, (v) product expiration dates, and (vi) component and packaging obsolescence.

During the three and nine months ended March 31, 2024 we recognized expenses of approximately \$0.4 million and \$0.7 million, respectively, related to obsolete and slow-moving inventory. During the three and nine months ended March 31, 2023 we recognized expenses of approximately \$0.3 million and \$0.7 million, respectively, related to obsolete and slow-moving inventory.

#### Stock-Based Compensation

We use the fair value approach to account for stock-based compensation in accordance with current accounting guidance. We recognize compensation costs for awards with performance conditions when we conclude it is probable that the performance conditions will be achieved. We reassess the probability of vesting at each balance sheet date and adjust compensation costs based on our probability assessment. For awards with market-based performance conditions, the cost of the awards is recognized as the requisite service is rendered by the employees, regardless of when, if ever, the market-based performance conditions are satisfied.

Historically, our estimates and underlying assumptions have not materially deviated from our actual reported results and rates. However, we base the assumptions we use on our best estimates, which involves inherent uncertainties based on market conditions that are outside of our control. If actual results are not consistent with the assumptions we use, the stock-based compensation expense reported in our consolidated financial statements may not be representative of the actual economic cost of stock-based compensation. For example, if actual employee forfeitures significantly differ from our estimated forfeitures, we may be required to adjust our consolidated financial statements in future periods.

#### Income Taxes

The provision for income taxes includes income from U.S. and foreign subsidiaries taxed at statutory rates, the accrual or release of amounts for tax uncertainties, and U.S. tax impacts of foreign income in the U.S.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the carrying amounts of assets and liabilities on the financial statements and their respective tax bases. Deferred tax assets also are recognized for net operating losses and credit carryforwards. Deferred tax assets and liabilities are measured using the enacted rates applicable to taxable income in the years in which the temporary differences are expected to reverse and the credits are expected to be used. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. An assessment is made as to whether or not a valuation allowance is required to offset deferred tax assets. This assessment requires estimates as to future operating results, as well as an evaluation of the effectiveness of our tax planning strategies. These estimates are made on an ongoing basis based upon our business plans and growth strategies in each market and consequently, future material changes in the valuation allowance are possible. The valuation allowance reduces the deferred tax assets to an amount that management determined is more-likely-than-not to be realized.

We operate in and file income tax returns in the U.S. and numerous foreign jurisdictions with complex tax laws and regulations, which are subject to examination by tax authorities. The complexity of our global structure requires specialized knowledge and judgment in determining the application of tax laws in various jurisdictions. Years open to examination contain matters that could be subject to differing interpretations of applicable tax laws and regulations related to the amount and/or timing of income, deductions, and tax credits. We account for uncertain tax positions in accordance with Accounting Standards Codification ("ASC") 740, Income Taxes. This guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement.

Interest and penalties related to tax contingency or settlement items are recorded as a component of the provision for income taxes in our Consolidated Statements of Operations and Comprehensive Income. We record accruals for tax contingencies as a component of accrued liabilities or other long-term liabilities on our Consolidated Balance Sheet.

#### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

This item is not required for smaller reporting companies.

#### **Item 4. Controls and Procedures**

##### **Disclosure Controls and Procedures**

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act of 1934, as amended) that are designed to ensure that the information required to be disclosed in the reports we file or submit under the Exchange Act of 1934, as amended, is (a) recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and (b) accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. As of the end of the period covered by this quarterly report on Form 10-Q, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness and design and operation of such disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act of 1934, as amended. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were designed and operating effectively as of March 31, 2024.

##### **Changes in Internal Control over Financial Reporting**

An evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 of the Exchange Act of 1934, as amended, was also performed under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of any change in our internal control over financial reporting that occurred during our last fiscal quarter. That evaluation did not identify any changes in our internal control over financial reporting during the three months ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

##### **Inherent Limitations of Internal Control Over Financial Reporting**

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **PART II. Other Information**

##### **Item 1. Legal Proceedings**

See Note 7 to our unaudited condensed consolidated financial statements contained within this quarterly report on Form 10-Q for a discussion of our legal proceedings.

##### **Item 1A. Risk Factors**

In addition to the other information set forth in this report, you should carefully consider the risk factors discussed in “Part I. Item 1A — Risk Factors” in our annual report on Form 10-K for the fiscal year ended June 30, 2023, filed on August 28, 2023. The risks and uncertainties described in such risk factors and elsewhere in this report have the potential to materially affect our business, financial condition, results of operations, cash flows, projected results and future prospects. We do not believe that there have been any material changes to the risk factors previously disclosed in our recent SEC filings, including our most recently filed Form 10-K, as referenced above, as updated by our Quarterly Report on Form 10-Q for the quarter ended December 31, 2023, filed on January 30, 2024.

##### **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

The following table provides information with respect to all purchases of our common stock made by or on behalf of the Company or any “affiliated purchaser,” as defined in Rule 10b-18 under the Exchange Act, during the three months ended

March 31, 2024. All purchases listed below were made in the open market at prevailing market prices.

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs <sup>(1)</sup>	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs <sup>(1)</sup>
January 1 - January 31	69,178	\$ 5.84	69,178	\$ 23,776,731
February 1 - February 29	125,763	\$ 6.72	125,763	\$ 22,931,443
March 1 - March 31	96,968	\$ 6.99	96,968	\$ 22,253,206
<b>Total</b>	<b>291,909</b>		<b>291,909</b>	

- On November 27, 2017, our Board of Directors approved a stock repurchase program, as amended on February 1, 2019, August 27, 2020, February 17, 2022, and June 12, 2023. Under the program, we are authorized to repurchase up to \$60.0 million of our outstanding shares through December 31, 2026. The repurchase program permits us to purchase shares from time to time through a variety of methods, including in the open market, through privately negotiated transactions or other means as determined by our management, in accordance with applicable securities laws. As part of the repurchase program, we have authorized a pre-arranged stock repurchase plan which operates in accordance with guidelines specified under Rule 10b5-1 of the Securities Exchange Act of 1934, as amended. Accordingly, any transactions under such stock repurchase plan will be completed in accordance with the terms of the plan, including specified price, volume and timing conditions. The authorization may be suspended or discontinued at any time.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures**

Not applicable.

**Item 5. Other Information**

During the three months ended March 31, 2024, none of the Company's directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) informed the Company of adoption, modification or termination of a "Rule 10b5-1 trading arrangement" or non-Rule 10b5-1 trading arrangement," as defined in Item 408 of Regulation S-K.

**Item 6. Exhibits**

Exhibit No.	Document Description	Filed Herewith or Incorporate by Reference From
3.1	<a href="#">Certificate of Incorporation, as filed with the Delaware Secretary of State on March 9, 2018</a>	Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on March 13, 2018.
3.2	<a href="#">Amended and Restated Bylaws, August 9, 2019</a>	Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on August 15, 2019.
3.3	<a href="#">Certificate of Designation of Series A Junior Participating Preferred Stock of Registrant</a>	Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on August 31, 2023.
4.1	<a href="#">Rights Agreement, dated as of August 30, 2023, between the Registrant and Computershare Trust Company, N.A., as Rights Agent</a>	Exhibit 4.1 to the Current Report on Form 8-K filed with the SEC on August 31, 2023.
10.1	<a href="#">Cooperation Agreement, by and among the Company, the entities and person listed on Exhibit A thereto, and the entities and person listed on Exhibit B thereto, dated February 14, 2023</a>	Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on February 15, 2024.
10.2	<a href="#">Loan Agreement, dated as of April 12, 2024, between LifeVantage Corporation and Bank of America, N.A.</a>	Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on April 16, 2024.

10.3	<a href="#">Continuing and Unconditional Guaranty, dated as of April 12, 2024, among LifeVantage Corporation, as Borrower, Lifeline Nutraceuticals Corporation, as Guarantor, and Bank of America, N.A.</a>	Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC on April 16, 2024.
10.4	<a href="#">Security and Pledge Agreement, dated as of April 12, 2024, among LifeVantage Corporation, as Borrower, Lifeline Nutraceuticals Corporation, as Guarantor, and Bank of America, N.A.</a>	Exhibit 10.3 to the Current Report on Form 8-K filed with the SEC on April 16, 2024.
10.5	<a href="#">Evolve Compensation Plan (Canada)</a>	Filed herewith.
10.6	<a href="#">Evolve Compensation Plan (Mexico)</a>	Filed herewith.
10.7	<a href="#">Evolve Compensation Plan (UK)</a>	Filed herewith.
10.8	<a href="#">Evolve Compensation Plan (EU)</a>	Filed herewith.
31.1	<a href="#">Certification of principal executive officer pursuant to Rule 13a-14(a)/15d-14(a)</a>	Filed herewith.
31.2	<a href="#">Certification of principal financial officer pursuant to Rule 13a-14(a)/15d-14(a)</a>	Filed herewith.
32.1*	<a href="#">Certification of principal executive officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>	Furnished herewith.
32.2*	<a href="#">Certification of principal financial officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>	Furnished herewith.
101	The following financial information from the Company's quarterly report on Form 10-Q for the quarter ended March 31, 2024 formatted in Inline XBRL (extensible Business Reporting Language): (i) Unaudited Condensed Consolidated Balance Sheets at March 31, 2024 and June 30, 2023; (ii) Unaudited Condensed Consolidated Statements of Operations and Other Comprehensive Income for the three and nine months ended March 31, 2024 and 2023; (iii) Unaudited Condensed Consolidated Statement of Stockholders' Equity for the three and nine months ended March 31, 2024 and 2023; (iv) Unaudited Condensed Consolidated Statements of Cash Flows for the nine months ended March 31, 2024 and 2023; and (v) Notes to Unaudited Condensed Consolidated Financial Statements, tagged as blocks of text.	Filed herewith.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	Filed herewith

\* This certification is being furnished solely to accompany this report pursuant to 18 U.S.C. 1350, and is not being filed for purposes of Section 18 of the Exchange Act and is not to be incorporated by reference into any filing of the registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LIFEVANTAGE CORPORATION

Date: May 2, 2024

/s/ Steven R. Fife

Steven R. Fife  
President and Chief Executive Officer  
(Principal Executive Officer)

Date: May 2, 2024

/s/ Carl A. Aure

Carl A. Aure  
Chief Financial Officer  
(Principal Financial Officer and Principal Accounting Officer)

**LifeVantage**

COMPENSATION PLAN GUIDE FOR  
INDEPENDENT LIFEVANTAGE CONSULTANTS  
CANADA

Effective February 1, 2018

# Evolve



# Welcome to life *activate*

**IT'S TIME TO LIVE WITH PURPOSE.  
IT'S TIME TO INSPIRE REMARKABLE.  
IT'S TIME TO LIVE ACTIVATED.**

Life. It's complicated. Messy. Beautiful. It goes by fast, and you want to live life to the fullest. But everyday responsibilities, fears, or restrictions can hold you back. You deserve to break free. You deserve to be your best self and live a healthy, happy life on your terms.

LifeVantage is here to help. Our products are purposefully designed to activate your body's ability to create vibrant health, starting at the cellular level. And when you look and feel your best, you'll want to help others do the same. LifeVantage activates financial wellness with the opportunity to grow a business that can change people's lives for the better.

That's where Evolve creates possibilities. Evolve is a compensation plan that allows you to work part-time or full-time.\* We're looking for simply share life-changers or wanting to work and grow as a mentor and leader, being an Independent LifeVantage® Consultant will pose a challenge and reward you.

LifeVantage expects the typical participant to earn \$0 to \$15 in commissions and bonuses, excluding retail



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## Key Terms

### ACTIVE

You are considered an Active Consultant when your account is in Good Standing and you have met the ISO Sales Volume Requirement in that month, which can be fulfilled solely through Customer orders.

### COMMISSIONABLE VOLUME (CV)

Commissionable Volume is the measurement on which most bonuses and commissions are paid. When you earn a percentage of volume, you earn a percentage of a product's CV. The numeric value for CV is typically obtained when Sales Volume is multiplied by the PEG Rate, except in cases where CV has been discounted for any reason.

### COMPRESSION

A process by which CV for Level Commissions skips inactive Consultants and rolls up to the next Active Consultant.

### CUSTOMER SALES VOLUME (CSV)

The Sales Volume originating from your Customers' orders.

### DOWNLINK

All of the Consultants sponsored into your genealogy are considered part of your downline.

### ENROLLER

The LifeVantage Consultant who enrolls a new Customer or Consultant. Also known as the Enrollment Sponsor.

### ENROLLMENT TREE

The line of Consultants consecutively traced through Consultant enrollment and not by placement. The Enrollment Tree does not include any Placement Sponsors.

### FAST TRACK PERIOD

Your Fast Track Period includes the month you enroll and the following 3 full calendar months.

### GENERATION

Consultants in your Enrollment Tree with the Paid-as-Rank of Managing Consultant 1 or higher are your Generations. A Generation 1 is the first Consultant in any downline with a Paid-as-Rank of Managing Consultant 1 or higher. A Generation 2 is the next Consultant in that Leg with a Paid-as-Rank of Managing Consultant 1 or higher, and so on.

### GOOD STANDING

Good Standing means you are in compliance with the Consultant Agreement.

### GROUP SALES VOLUME (GSV)

Group Sales Volume is the total Sales Volume from you and all the Customers and Consultants in your entire team.

### LEG

A Leg begins with a Level 1 Consultant and includes all of the Consultants beneath them. You have as many Legs as you have Level 1 Consultants.

### LEVEL

The location a Consultant has in your downline in relation to you. All of the Consultants directly below you in your Placement Tree are your Level 1 Consultants placed directly below your Level 1 Consultants are your Level 2, and so on.

### MAXIMUM VOLUME RULE (MVR)

The maximum amount of GSV from any one Leg or from your own Personal Sales Volume and Customer Sales Volume that can count toward your monthly Rank qualification.

### PAID-AS-RANK

Your Paid-as-Rank is the Rank for which you qualify each month. Your Paid-as-Rank determines many of your bonuses. Your Paid-as-Rank may be the same as or lower than your Pin Rank depending on your monthly qualifications.

### PEG RATE

The LifeVantage foreign currency conversion factor. To establish the PEG Rate, LifeVantage periodically reviews recent foreign exchange rates and projected foreign exchange rates received from its banks to set a foreign currency conversion factor that normalizes payments to Consultants.

### PERSONAL SALES VOLUME (PSV)

The Sales Volume originating from your personal account.

### PERSONAL SALES VOLUME CAP (PSVC)

For qualification purposes only, you can count up to ISO Personal Sales Volume toward your monthly Rank qualifications. Your entire Sales Volume Requirement can be satisfied by your Customers' purchases.

### PIN RANK

Your Pin Rank is your recognition Rank and is the highest Rank you have achieved along the Consultant Path. Your Pin Rank is subject to reclassification once per year based on the maintenance requirements for that rank.

### PLACEMENT SPONSOR

If you place a new Consultant directly below you in your downline, you are the Enrollment Sponsor and Placement Sponsor. However, if you place a new Consultant below a downline Consultant in the Placement Tree, that downline Consultant becomes your new enroller's Placement Sponsor.

### PLACEMENT TREE

If you are a new Consultant's Enroller, you may place them directly below you in your downline or under any other downline Consultant's position. This is considered your Placement Tree, also referred to as your downline or team.

### QUALIFYING SAL

The Sales Volume in monthly Rank qualification up to ISO PSV toward Volume Requirement.

### RANK ADVANCING

When you meet the paid-as-Rank higher Pin Rank, you will be Rank, and your Pin R reflect that new into

### SALES VOLUME I

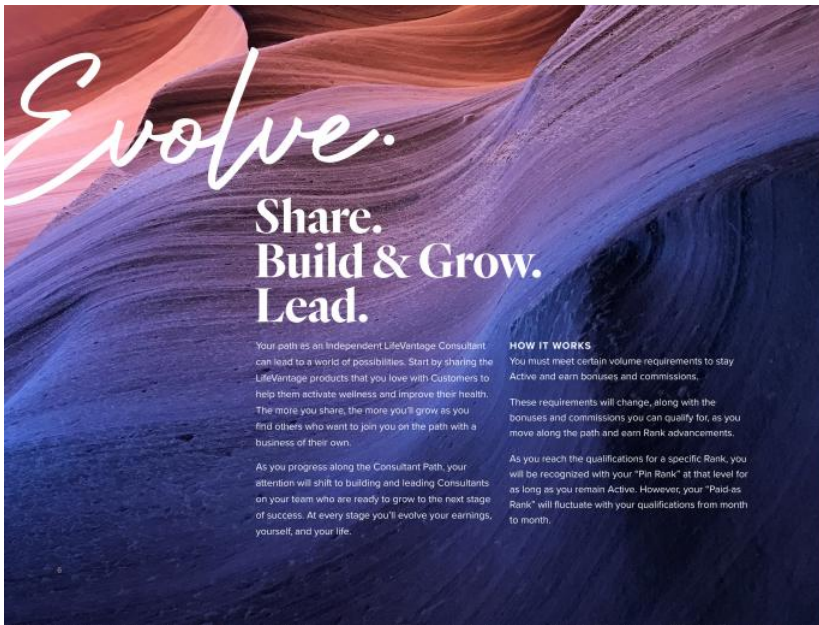
The numeric value of LifeVantage to each product sold and/or

### SALES VOLUME R

The accumulation of Volume and your Pin to meet your monthly Rank requirement.

### UPLINE

All of the Consultant Enrollment and/or Pl



# Evolve.

## Share. Build & Grow. Lead.

Your path as an Independent LifeVantage Consultant can lead to a world of possibilities. Start by sharing the LifeVantage products that you love with Customers to help them activate wellness and improve their health. The more you share, the more you'll grow as you find others who want to join you on the path with a business of their own.

As you progress along the Consultant Path, your attention will shift to building and leading Consultants on your team who are ready to grow to the next stage of success. At every stage you'll evolve your earnings, yourself, and your life.

### HOW IT WORKS

You must meet certain volume requirements to stay Active and earn bonuses and commissions.

These requirements will change, along with the bonuses and commissions you can qualify for, as you move along the path and earn Rank advancements.

As you reach the qualifications for a specific Rank, you will be recognized with your "Pin Rank" at that level for as long as you remain Active. However, your "Pin Rank" will fluctuate with your qualifications from month to month.

Evolve is uniquely designed to help LifeVantage Consultants develop confidence, community, and advancement offers the opportunity to celebrate with increased earning possibilities.

## The Consultant Path

**SHARE** People say our products are too good not to share! In the early stages of your business, begin with a strong emphasis on sharing our wellness products by selling to Customers. These sales are the fastest way to build your business and see a speedy profit.

**BUILD & GROW** By the time you reach Senior Consultant 1, you should begin spending more time finding new people to add to your sales team. Balance your efforts between selling and sponsoring, which is vital to your continued growth. The larger you grow your sales team, the more time you will spend building your business and helping your Consultants reach their own goals.

**LEAD** Leadership is more in to your name. Teach by example successful LifeVantage business encourage, and lift your team together you can enjoy the rewards of shared success!

	C	CON SULTANT 1	CON SULTANT 2	CON SULTANT 3	SENIOR CON SULTANT 1	SENIOR CON SULTANT 2	SENIOR CON SULTANT 3	MANAGING CON SULTANT 1	MANAGING CON SULTANT 2	MANAGING CON SULTANT 3	EXECUTIVE CON SULTANT 1	EXECUTIVE CON SULTANT 2	EXECUTIVE CON SULTANT 3
<b>PERSONAL SALES VOLUME CAP</b>	150	150	150	150	150	150	150	150	150	150	150	150	150
<b>SALES VOLUME REQUIREMENT</b>		150	200	250	300	300	300	300	300	300	300	300	300
<b>GROUP SALES VOLUME</b>			500	1,000	2,000	3,500	6,000	10,000	20,000	40,000	80,000	150,000	300,000
<b>MAXIMUM VOLUME RULE</b>				750	1,500	2,500	4,000	6,000	10,000	20,000	40,000	67,500	135,000

## Product Pricing

### EACH LIFEVANTAGE PRODUCT HAS 4 PRICES.

#### 01. ONE TIME RETAIL

The advertised Customer price for all products, whether purchased online or directly from you.

#### 02. SUBSCRIPTION

Subscription Price is a discount from One-time Retail price. Products purchased by Customers on Subscription are eligible for the discount.

#### 03. CONSULTANT BASE

Consultant Base Price is lower than the One-time Retail Price and Customer Subscription Price, regardless of the order type and is the price immediately available to all Consultants upon sign-up.

#### 04. CONSULTANT

Consultant Price is lower than Consultant Base Price, regardless of the order type and represents the lowest price available. To unlock this price, you must achieve 500 CSV once every 6 months. The Consultant Price will be available to you the month immediately following the month in which you qualify.



## Share.

Sharing your excitement about LifeVantage and selling products to Customers is at the heart of being a Consultant. In addition to Customer Sales Profit, you can earn on total monthly product sales with the Personal Sales Bonus.

### Customer Sales Profit

Customer Sales Profit allows you to earn commissions on every order. Here's how it works: When your Customers order LifeVantage products, you earn the difference between the price your Customer paid and the Consultant price for which you qualify. Your price as a Consultant starts at the Consultant Base Price, until you unlock the Consultant Price by achieving 500 CSV once every 6 months.

#### IN PRACTICE

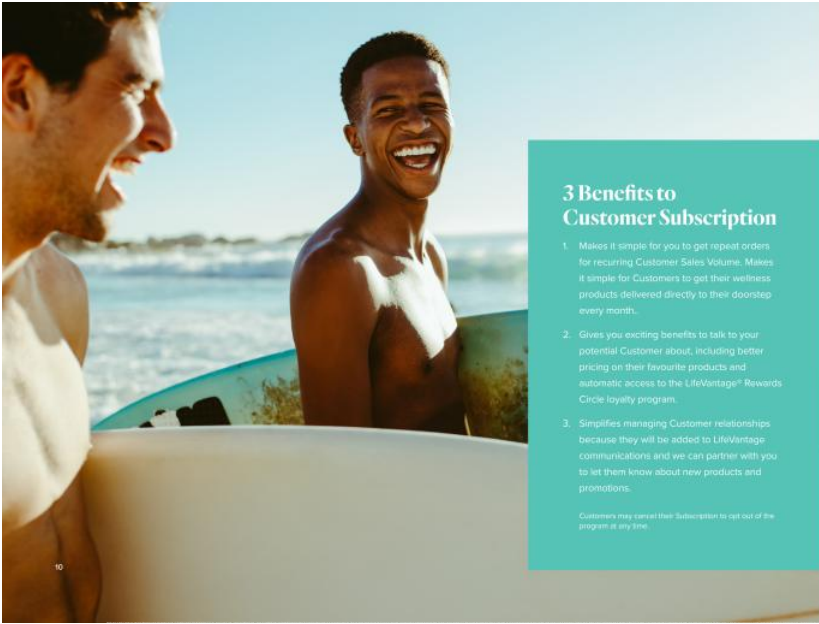
In these examples, 2 Customers are ordering the same set of products. The Customer on the left purchases the products at the full One-time Retail price of <sup>01</sup>\$130. If you have not unlocked the Consultant Price, then your price for that order is the Consultant Base Price or <sup>02</sup>\$110.50. So, you earn a Customer Sales Profit of <sup>03</sup>\$19.50. If you have unlocked the Consultant Price, then your price for that order is the Consultant Price or <sup>04</sup>\$104. So, you earn a Customer Sales Profit of <sup>05</sup>\$26. The Customer on the right orders the same products on a Subscription order for the Subscription Price of <sup>06</sup>\$117. If you have not unlocked the Consultant Price, then your price for that order is the Consultant Base Price or <sup>07</sup>\$110.50. So, you earn a Customer Sales Profit of <sup>08</sup>\$6.50. If you have unlocked the Consultant Price, then your price for that order is the Consultant Price or <sup>09</sup>\$104. So, you earn a Customer Sales Profit of <sup>10</sup>\$13.

#### CUSTOMER SALES PROFIT IS CALCULATED DAILY\*

\*May be disbursed three business days after the bonus calculation date to qualified Consultants who are in an eligible market and have reached the Pin Rank of Senior Consultant 1 or above. Consultants who are not qualified for daily disbursement will be paid their bonus earnings weekly.

Consultant Base Price	Customer Price
<sup>01</sup> \$130 PURCHASE PRICE subtract <sup>02</sup> \$110.50 CONSULTANT BASE PRICE ----- <sup>03</sup> \$19.50 CUSTOMER SALES PROFIT	<sup>04</sup> \$117 COI BA ----- CU SAL
Unlocked Consultant Price	Unlocked
<sup>06</sup> \$130 PURCHASE PRICE subtract <sup>07</sup> \$104 CONSULTANT PRICE ----- <sup>08</sup> \$26 CUSTOMER SALES PROFIT	<sup>09</sup> \$117 COI ----- CU SAL

Must be Active to qualify



### 3 Benefits to Customer Subscription

1. Makes it simple for you to get repeat orders for recurring Customer Sales Volume. Makes it simple for Customers to get their wellness products delivered directly to their doorstep every month.
2. Gives you exciting benefits to talk to your potential Customer about, including better pricing on their favourite products and automatic access to the LifeVantage® Rewards Circle loyalty program.
3. Simplifies managing Customer relationships because they will be added to LifeVantage communications and we can partner with you to let them know about new products and promotions.

Customers may cancel their Subscription to opt out of the program at any time.

# Share.

## Personal Sales Bonus

The Personal Sales Bonus rewards you on your personal Customer sales. When your personal Customer sales total 500 SV or more in a single month, you become eligible for an additional Personal Sales Bonus. The bonus is paid on a percentage of CV.

When you reach 500 Customer Sales Volume in a single month, you will be recognized with a special title before your Rank, starting with Onyx at 500 SV then changing to Emerald at 1000 SV, Sapphire at 2000 SV, and Diamond at 4000 SV and higher.

### IN PRACTICE

For example, if your Customers order 2200 SV worth of products in the month, you are eligible for the 15% bonus tier. This bonus is paid on CV which takes into account promos or discounts Customers may have redeemed. For illustration purposes only, if the theoretical PEG Rate for Canada at the time this bonus is calculated were 1.30, then the bonus amount in local currency would be calculated as follows:

- SV is multiplied by the PEG Rate to get the CV. CV is then multiplied by the applicable bonus percentage.
- 2200 SV X 1.30 (theoretical Canada PEG Rate) X 15% = \*\*\$429.



CUSTOMER SV	BONUS TIER	RECOGNITION TITLE
500 - 999.99	5%	ONYX
1,000 - 1,999.99	10%	EMERALD
2,000 - 3,999.99	15%	SAPPHIRE
4,000*	20%	DIAMOND

# fast track bonuses

## Consultant



### CHOOSE THE FAST TRACK!

These bonuses can boost you right from the start. Your Fast Track Period begins the day you enroll as a Consultant and continues through the next 3 calendar months.

#### 01 Customer Track

You earn <sup>1</sup>\$65 for each set of 3 eligible Customers you enroll during your Fast Track Period. A Customer becomes eligible when they purchase at least 100 SV worth of products in the same calendar month that they become a Customer. To qualify for this bonus, you need to be Active in each of the months that your Customers first purchase. Calculation based on <sup>1</sup>\$50 X 1.30 (theoretical CA PEG Rate) = <sup>1</sup>\$65.

#### 02 Consultant Track

You earn <sup>1</sup>\$65 for each set of 3 Consultants you enroll during your Fast Track Period. To qualify for this bonus, you need to be Active each month your Consultants enroll, and each Consultant must be Active in the month they enroll. Calculation based on <sup>1</sup>\$50 X 1.30 (theoretical CA PEG Rate) = <sup>1</sup>\$65.

#### 03 Rank Advancement Track

When you reach the Rank of Senior Consultant 1 for the first time during your Fast Track Period, you will earn a <sup>1</sup>\$130 Rank Advancement Bonus. Calculation based on <sup>1</sup>\$100 X 1.30 (theoretical CA PEG Rate) = <sup>1</sup>\$130.

#### 04 Accelerator Track

When you achieve any of the Fast Track Bonuses before the end of your first full calendar month as a Consultant, you will earn a <sup>1</sup>\$65 bonus. Calculation based on <sup>1</sup>\$50 X 1.30 (theoretical CA PEG Rate) = <sup>1</sup>\$65.

YOU

YOU EARN <sup>1</sup>\$65



For each set of 3 Customers who order 100 SV in their first purchase month.

CUSTOMER TRACK IS CALCULATED WEEKLY

YOU

YOU EARN <sup>1</sup>\$65



For each set of 3 Consultants who are Active in their enrollment month.

CONSULTANT TRACK IS CALCULATED WEEKLY

YOU

YOU EARN <sup>1</sup>\$130

When you advance to the Rank of SENIOR CONSULTANT 1 during your Fast Track Period

RANK ADVANCEMENT TRACK IS CALCULATED MONTHLY

YOU

YOU EARN <sup>1</sup>\$65

When you achieve any Fast Track Bonus before the end of your first full calendar month

ACCELERATOR TRACK IS CALCULATED MONTHLY

# fast track bonuses

## Enroller

### 01 Rank Advancement Track

If you are Paid-as-Senior Consultant 1 or higher, you can earn a one-time **\$\$\$65 Enroller Bonus** anytime your newly enrolled Consultant earns a Rank Advancement Bonus. Calculation based on  $500 \times 1.30$  (theoretical CA PEG Rate) = **\$\$\$65**.

### 02 Accelerator Track

If you are Active in the month a Consultant you enroll earns an Accelerator Track Bonus, you can earn a **\$\$\$32.50 Enroller Bonus** as their Enroller. Calculation based on  $250 \times 1.30$  (theoretical CA PEG Rate) = **\$\$\$32.50**.

#### ENROLLER EARNS **\$\$\$65**

Upline Enroller earns the Rank Advancement Bonus.

RANK ADVANCEMENT TRACK IS CALCULATED MONTHLY

#### ENROLLER EARNS **\$\$\$32.50**

Upline Enroller earns the Accelerator Track Bonus.

ACCELERATOR TRACK IS CALCULATED MONTHLY

## Earn When You Help Others Win on The Fast Track

The first few months of a new Consultant's business are critical to setting them up for a future of success. As their Enroller, work closely with them during their Fast Track Period to help them get started right and you could also earn bonuses.

### Mentor Bonus

To receive any Mentor Bonus, you must be Active in the month your new Consultant qualifies. Earn 15% of all your new Consultant's CV from their Customer sales during their Fast Track Period.

#### IN PRACTICE

In this example, if your newly enrolled Consultant during their Fast Track Period, you earn a 15% bonus purposes only, if the theoretical PEG Rate for CV is this bonus is calculated were 1.30, then the bonus currency would be calculated as follows:

- SV is multiplied by the theoretical PEG Rate 1
- CV is then multiplied by the applicable bonus
- $500 \text{ SV} \times 1.30$  (theoretical CA PEG Rate)  $\times 15\%$

Must be Active to qualify.



# Build & Grow.

## Level Commissions

You earn Level Commissions for building your team and teaching those you sponsor to create strong teams of their own. As an Active Consultant, you are paid a percentage of commissions from the CV of your team's sales. Your Paid as Rank determines the percentages you earn and the number of levels on which you are eligible to receive a commission.

### HOW LEVELS WORK

All of the Consultants directly below you in your Placement Tree are your Level 1, Consultants are paid Customers Sales Profit and Personal Sales Bonus on their personally enrolled Customer purchases. Enrollees are not eligible for a Level Commission on their personal Customers.

LEVEL COMMISSIONS ARE CALCULATED MONTHLY

	1. CONSULTANT	2. CONSULTANT 1	3. CONSULTANT 2	4. CONSULTANT 3	5. SENIOR CONSULTANT 1	6. SENIOR CONSULTANT 2	7. SENIOR CONSULTANT 3	8. MANAGING CONSULTANT 1	9. MANAGING CONSULTANT 2	10. MANAGING CONSULTANT 3	11. EXECUTIVE CONSULTANT 1	12. EXECUTIVE CONSULTANT 2	13. EXECUTIVE CONSULTANT 3	14. EXECUTIVE CONSULTANT 4	15. PRESIDENTIAL CONSULTANT
PSVC	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150
SVR	150	150	200	250	300	300	300	300	300	300	300	300	300	300	300
GSR			500	1,000	2,000	3,500	6,000	10,000	20,000	40,000	80,000	150,000	300,000	600,000	1,000,000
MVR			750	1,500	2,500	4,000	6,000	10,000	20,000	40,000	87,500	135,000	270,000	450,000	
LEVEL 1		5%	7%	9%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
LEVEL 2				3%	5%	6%	7%	7%	7%	7%	7%	7%	7%	7%	7%
LEVEL 3						3%	5%	6%	7%	7%	7%	7%	7%	7%	7%
LEVEL 4							3%	5%	6%	6%	6%	6%	6%	6%	6%
LEVEL 5								3%	5%	6%	6%	6%	6%	6%	6%
LEVEL 6									3%	4%	5%	5%	5%	5%	5%
LEVEL 7										3%	4%	4%	4%	4%	4%
LEVEL 8											3%	3%	3%	3%	3%
LEVEL 9												3%	3%	3%	3%

## Active Compression

A process by which CV for Level Commissions skips inactive Consultants and rolls up to the next Active Consultant.

### IN PRACTICE

This example shows how volume could roll up in one leg of a team. You're a Senior Consultant 3 at Level 5 above the Consultant who earned the volume. Starting from the bottom of the chart, you see how CV flows up and what happens below and above you.



**KEY**

- Qualified (Paid)
- Not Qualified (Not Paid)
- Inactive (Rolls Up)

# Lead.

## Leadership Match

When you are paid as a Managing Consultant 2 or higher in the month, you can receive a Leadership Match on qualified Generations. The Leadership Match is paid on your qualified Generations' Level Commissions.

### HOW GENERATIONS WORK

Your Generation 1 is the first Consultant in any Leg in your team with a Paid-as Rank of Managing Consultant 1 or higher. A Generation 2 is the next Consultant in that Leg with a Paid-as Rank of Managing Consultant 1 or higher, and so on.

For illustration purposes only, if the theoretical PEG Rate for Canada at the time this bonus is calculated were 1.30, then the bonus amount in local currency would be calculated as follows:

- Cap Per Match amount in US\$ is multiplied by the theoretical CA PEG Rate.
- For example, the Cap Per Match for a Managing Consultant 2 would be  $1.30 \times \$1,000 \times 1.30$  (theoretical CA PEG Rate) =  $1.69 \times \$1,300$ .

LEADERSHIP MATCH IS CALCULATED MONTHLY.  
MONTHLY LEADERSHIP MATCH CAN PAYOUT UP TO A MAXIMUM OF 9% OF MONTHLY GLOBAL CV.

18

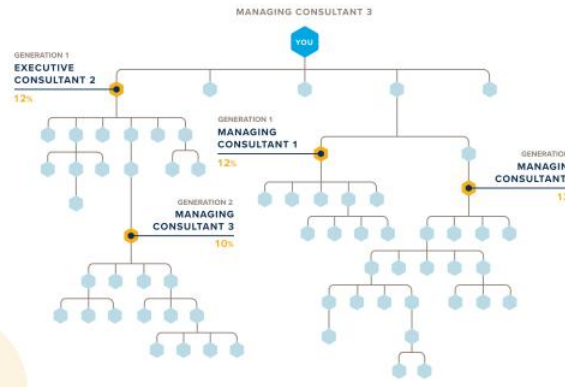
When you reach the Leader level, you've shown you truly know what it takes to succeed and have the skills to help mentor and motivate others. Keep cultivating your future leaders and helping them grow and you can earn substantial bonuses for building such a strong team.

	MANAGING CONSULTANT 2	MANAGING CONSULTANT 3	EXECUTIVE CONSULTANT 1	EXECUTIVE CONSULTANT 2	EXECUTIVE CONSULTANT 3	EXECUTIVE CONSULTANT 4	ASSOCIATE CONSULTANT
GENERATION 1	7%	12%	15%	20%	20%	20%	20%
GENERATION 2		10%	12%	15%	20%	20%	20%
GENERATION 3			10%	12%	15%	20%	20%
GENERATION 4				10%	12%	15%	20%
GENERATION 5					10%	12%	15%
GENERATION 6						10%	12%
GENERATION 7							12%
CAP PER MATCH	\$1,000	\$2,500	\$5,000	\$7,500	\$10,000	\$15,000	\$15,000

### IN PRACTICE

In this example, as a Managing Consultant 3, you earn a 12% Leadership Match on your Generation 1 Consultants and a 10% match on your Generation 2 Consultants.

Qualified Generations are based on Paid-as Ranks. You can have multiple Generation 1 Consultants within a Leg. The Leadership Match is paid in addition to any other bonuses and commissions you might already be earning.





# Lead.

## Leadership Pool

When you are paid as an Executive Consultant 1 or higher, you earn shares of our monthly Leadership Pool. This pool is made from 4% of global monthly CV. You receive shares based on your Paid-as-Rank.

The total pool amount is divided equally by the total number of monthly shares Consultants earn.

	SHARES
EXECUTIVE CONSULTANT 1	1
EXECUTIVE CONSULTANT 2	3
EXECUTIVE CONSULTANT 3	5
EXECUTIVE CONSULTANT 4	10
PRESIDENTIAL CONSULTANT	20

LEADERSHIP POOL IS CALCULATED MONTHLY



## Notices

1. LifeVantage Canada Ltd. is a Direct Sales/Network Marketing company with a Multi-Level Marketing compensation plan that provides flexibility and opportunity for individuals to earn extra income based upon selling products to Customers.
2. The focus of the LifeVantage Compensation Plan is to pay bonuses and commissions to LifeVantage Consultants based upon their product sales and the product sales of LifeVantage Consultants in their personal marketing team to ultimately end using Customers.
3. Every commission and/or compensation qualification requirement within the LifeVantage Compensation Plan may be achieved through product sales to Customers through a Consultant's personal efforts and the efforts of the Consultants within their Downline.
4. LifeVantage products are not sold in retail stores and only licensed Consultants in Good Standing are authorized to sell LifeVantage products either directly from their own stock or indirectly through the company's online shopping cart at [www.lifevantage.com](http://www.lifevantage.com).
5. The Consultant Agreement consists of the LifeVantage Compensation Plan, the LifeVantage Consultant Application and Agreement, the LifeVantage Policies and Procedures, the LifeVantage Virtual Office Agreement (Back Office Agreement), and the LifeVantage Privacy Policy and Website Use Agreement. The Consultant Agreement governs the contractual relationship and obligations of each LifeVantage Consultant to LifeVantage.
6. A LifeVantage Consultant may not personally purchase inventory that each can personally consume and personal Customers each month. In addition, each Consultant personally agrees that they may not purchase any given month unless 70% of all orders from prior month have been sold or consumed through personal family.
7. A LifeVantage Consultant must disclose the current Disclosure (TED) when making any earnings or list which can be found at the following link: (TED).
8. For Leadership Match, if after the individual caps the monthly Leadership Match payout exceed 9% then all monthly Leadership Match earnings will be an equal percentage in order to ensure that the Match does not exceed 9% of monthly global CV.

# Notes

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LifeVantage

GUÍA DEL PLAN DE COMPENSACIÓN PARA  
CONSULTORES INDEPENDIENTES DE LIFEVANTAGE  
MÉXICO

Válido a partir del 1° de febrero de 2020

# Evolve



# Bienvenido a una

# Vida *activada*

**YA ES HORA DE VIVIR CON PROPOSITO.  
ES HORA DE INSPIRAR LO EXTRAORDINARIO.  
ES HORA DE UNA VIDA ACTIVADA.**

La vida. Es complicada. Cálida. Hermosa. La vida pasa rápido y quisiéramos el máximo, pero las responsabilidades cotidianas, los miedos o las restricciones pueden frenarlo. Merece ser libre. Merece ser su mejor yo y vivir una vida sana y feliz en sus propios términos.

LifeVantage está aquí para ayudarlo. Nuestros productos están diseñados a conciencia para activar la capacidad de su cuerpo de crear una salud vibrante, empezando a nivel celular. Y cuando se ve y se siente lo mejor posible, querrá ayudar a los demás a hacer lo mismo. LifeVantage activa el bienestar financiero con

la oportunidad de crecer en un mundo que puede mejorar la vida de las personas. Es ahí donde Evolve crea posibilidades. Evolve es un plan de Compensación que permite trabajar a medio tiempo o tiempo completo.\* Si lo que busca es un negocio, quiere trabajar y crecer como profesional, ser Consultor Independiente, LifeVantage® lo desafiará y le ayudará a hacerlo positivamente.

\*LifeVantage no garantiza el éxito económico de ningún Consultor. Su éxito dependerá de sus habilidades, fortaleza, dedicación, además de su capacidad para trabajar a otros especialistas y consultores. Nada en este guión pretende ser una garantía de qué tanto éxito financiero. LifeVantage no garantiza ningún ingreso relacionado a tiempo.

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## Términos Clave

### ACTIVO

Se le considera un Consultor Activo cuando su cuenta está en buena reputación y ha cumplido el requisito de Volumen de Ventas de 150 en ese mes, con un mínimo de 40 de Volumen de Ventas Personal.

### VOLUMEN COMISIONABLE (CV)

El Volumen Comisionable es la medida sobre la que se pagan la mayoría de las bonificaciones y comisiones. Cuando gane un porcentaje de volumen, gana un porcentaje del VC de un producto. El valor numérico del VC se obtiene normalmente multiplicando el Volumen de Ventas por la Tasa PEG, salvo en los casos en que el VC se haya descontado por cualquier motivo.

### COMPRESIÓN

Proceso por el que el VC de los Comisiones de Nivel se suma a los Consultores inactivos y pasa al siguiente Consultor Activo.

### VOLUMEN DE VENTAS DE CLIENTES (CSV)

El Volumen de Ventas procedente de los pedidos de sus Clientes.

### LÍNEA DESCENDENTE

Todos los Consultores patrocinados en su genealogía se consideran parte de su Línea Descendente.

### PATROCINADOR

El Consultor LHMVantage que inscribe a un nuevo Cliente o Consultor. También conocido como Patrocinador de Inscripción.

### ÁRBOL DE INSCRIPCIÓN

La línea de Consultores vinculados consecutivamente a través de la inscripción de Consultor y no por colocación. El Árbol de Inscripción no incluye ningún Patrocinador de Colocación.

### PERIODO DE VÍA RÁPIDA

TS Período de Vía Rápida incluye el mes en que se inscribe y los 3 meses naturales siguientes completos.

### GENERACIÓN

Los Consultores de su Árbol de Inscripción con el Rango Pagado como Consultor Líder 1 o superior son sus Generaciones. Una Generación 1 es el primer Consultor de cualquier Línea Descendente con un Rango Pagado como Consultor Líder 1 o superior. Una Generación 2 es el siguiente Consultor de esa Pierna con un Rango Pagado como Consultor Líder 1 o superior, y así sucesivamente.

### BUENA REPUTACIÓN

Una buena reputación significa que cumple el Acuerdo de Consultor, incluido el pago de las cuotas de renovación aplicables.

### VOLUMEN DE VENTAS DEL GRUPO (GSV)

Volumen de Ventas del Grupo es el Volumen de Ventas total suyo y de todos los Clientes y Consultores de todo su equipo.

### PIERNA

Una Pierna comienza con un Consultor de Nivel 1 e incluye a todos los Consultores por debajo del él. Usted tiene tantas Pienas como Consultores de Nivel 1.

### NIVEL

El lugar que ocupa un Consultor en su Línea Descendente en relación con usted. Todos los Consultores situados directamente debajo de usted en su Árbol de Colocación son su Nivel 1. Los Consultores situados directamente debajo de sus Consultores de Nivel 1 son su Nivel 2, y así sucesivamente.

### REGLA DE VOLUMEN MÁXIMO (MVR)

La cantidad máxima de VVG de cualquier Pierna o de su propio Volumen de Ventas Personal y Volumen de Ventas de Clientes que puede ganar para su calificación mensual de rango.

### PAGADO COMO RANGO

Su Pagado como Rango es el Rango para el que tiene derecho cada mes. Su Pagado como Rango determina muchas de sus bonificaciones. Su Pagado como Rango puede ser igual o inferior a su Pin de Rango dependiendo de sus calificaciones mensuales.

### TASA PEG

El factor de conversión de divisas de LHMVantage. Para establecer la Tasa PEG, LHMVantage revisa periódicamente los tipos de cambio recientes y los tipos de cambio previstos recibidos de sus bancos para fijar un factor de conversión de divisas que normalice los pagos a los Consultores.

### VOLUMEN DE VENTAS PERSONAL (PSV)

El Volumen de Ventas procedente de la cuenta personal.

### PIN DE RANGO

Su Pin de Rango es su Rango de reconocimiento y es el Rango más alto que ha alcanzado a lo largo de la ruta de Consultor. Su Pin de Rango está sujeto a recalificación una vez al año en función de los requisitos de mantenimiento de ese rango.

### PATROCINADOR DE COLOCACIÓN

Si coloca a un nuevo Consultor directamente debajo de usted en su Línea Descendente, usted es el Patrocinador de Inscripción y el Patrocinador de Colocación. Sin embargo, si coloca a un nuevo Consultor debajo de un Consultor de su Línea Descendente en el Árbol de Colocación, ese Consultor de su Línea Descendente se convierte en el Patrocinador de Colocación de su nuevo afiliado.

### ÁRBOL DE COLOCACIÓN

Si es el creador de un Consultor nuevo, puede colocarlo directamente debajo de usted en su Línea Descendente o debajo de cualquier otra posición de Consultor de su Línea Descendente. Esto se considera su Árbol de Colocación, también referido a su Línea Descendente o equipo.

### VOLUMEN DE VENTA (GSV)

El Volumen de Venta calificación mensual.

### AVANCE DE RANGO

Cuando cumple los requisitos para ser Pagado como Rango superior, y un

### VOLUMEN DE VENTA (GSV)

El valor numérico en cada producto comprado.

### REQUISITO DE VENTA (PSV)

La acumulación de \$ de Clientes y su VGU Personal para cumplir de Pagado como Rango superior.

### LÍNEA ASCENDENTE

Todos los Consultores encima de usted en su Colocación.



# Evolue.

## Compartir. Construir y Crecer. Liderar.

Su ruta como Consultor Independiente LifeVantage puede llevarlo a un mundo de posibilidades. Empezar por compartir los productos LifeVantage que le encantan con sus Clientes para ayudarles a activar el bienestar y mejorar su salud. Cuanto más comparta, más crecerá al encontrar a otros que quieran unirse a usted en la experiencia de tener un negocio propio.

A medida que avanza en su experiencia como Consultor, empezará a centrarse en capacitar y conducir a los Consultores de su equipo que estén listos para pasar a la siguiente etapa en su camino al éxito. En cada etapa evolucionará sus ganancias, usted mismo y su vida.

### CÓMO FUNCIONA

Debes cumplir ciertos requisitos de volumen para permanecer Activo y ganar bonificaciones y Comisiones. Estos requisitos cambiarán, junto con las bonificaciones y Comisiones a las que puedes optar, a medida que avances en la ruta y consigas avances de Rango.

A medida que alcances las calificaciones para un Rango específico, se te reconocerá con tu "Pin de Rango" en ese nivel mientras permanezcas Activo. Sin embargo, tu "Pagado como Rango" fluctuará con tus calificaciones de mes a mes.

Evolue está especialmente diseñada para ayudar a los Consultores LifeVantage a desarrollar la confianza y el liderazgo. Cada Avance de Rango ofrece la oportunidad de celebrarlo con mayores posibilidades de

## La experiencia como Consultor

**COMPARTIR** Las personas dicen que nuestros productos son demasiado buenos como para no compartirlos. En las primeras etapas de su negocio, debe poner el énfasis en compartir nuestros productos de bienestar mediante la venta a Clientes. Estas ventas son la manera más rápida de desarrollar su negocio y obtener ganancias rápidamente.

**CONSTRUIR Y CRECER** Cuando alcance el estado de Consultor senior 1, debe empezar a dedicar más tiempo a buscar nuevas personas para agregar a su equipo de ventas. Equilibra sus esfuerzos entre la venta y el patrocinio, que es vital para su progreso continuo. Cuanto más crezca su equipo de ventas, más tiempo dedicará a desarrollar su negocio y a ayudar a sus Consultores a alcanzar sus propias metas.

**LIDERAR** El liderazgo en el rango indicado es el liderazgo. Enfoque con el ejemplo a un negocio LifeVantage exitoso y pon en alto a tu equipo, y juntos podrán recompensarse del éxito.

	C	CONSULTOR 1	CONSULTOR 2	CONSULTOR 3	SENIOR CONSULTOR 1	SENIOR CONSULTOR 2	SENIOR CONSULTOR 3	CONSULTOR LIDER 1	CONSULTOR LIDER 2	CONSULTOR LIDER 3	CONSULTOR EJECUTIVO 1	CONSULTOR EJECUTIVO 2	CONSULTOR EJECUTIVO 3
REQUISITO DE COMPRA PERSONAL	150	150	150	150	150	150	150	150	150	150	150	150	150
REQUISITO DE VOLUMEN DE VENTAS		150	200	250	300	300	300	300	300	300	300	300	300
VOLUMEN DE VENTAS GRUPAL			500	1,000	2,000	3,500	6,000	10,000	20,000	40,000	80,000	150,000	300,000
REGLA DE VOLUMEN MÁXIMO				750	1,500	2,500	4,000	6,000	10,000	20,000	40,000	67,500	135,000



## Proceso de Precios de los Productos

CADA PRODUCTO LIFEVANTAGE TIENE 3 PRECIOS.

### 01. VENTA MINORISTA ÚNICA

El precio anunciado para el Cliente de todos los productos, tanto si se compran por Internet como si se compran directamente a usted.

### 02. SUSCRIPCIÓN

El precio de suscripción es un descuento del precio minorista en compras por única vez. Los productos adquiridos por Clientes bajo Suscripción son elegibles para el descuento.

### 03. CONSULTOR

El precio de consultor es menor que el precio de venta minorista para compras por única vez y que el precio de suscripción, independientemente del tipo de pedido, y representa el precio más bajo disponible.



## Compartir.

Compartir su entusiasmo por LifeVantage y vender productos a los Clientes es la esencia de ser Consultor. Además del Beneficio de las Ventas a Clientes, puede ganar sobre el total de ventas mensuales de productos con el Bono de Ventas Personales.

### Beneficio de las Ventas a Clientes

El Beneficio de las Ventas a Clientes le permite ganar comisiones por cada pedido. Funciona así: Cuando sus Clientes piden productos LifeVantage, ganas la diferencia entre el precio que pagó su Cliente y el precio del Consultor.

#### EN LA PRÁCTICA

En estos ejemplos, 2 Clientes hacen un pedido por el mismo paquete de productos. El Cliente de la izquierda compra los productos al precio minorista sin descuento para compras por única vez sin IVA de MX\$2,000. El precio de Consultor sin IVA para ese pedido es de MX\$1,600. Así, obtiene una ganancia por ventas a clientes (CSP) de MX\$400. El Cliente de la derecha pide los mismos productos en un pedido de Suscripción por el precio de Suscripción sin IVA de MX\$1,800. El precio de Consultor sin IVA para ese pedido es de MX\$1,600. Así, obtiene una ganancia por ventas a clientes (CSP) de MX\$200.

#### LA GANANCIA POR VENTAS A CLIENTES (CSP) SE CALCULA DIARIAMENTE\*

Es importante señalar que, si bien los precios publicitados pueden incluir el Impuesto al Valor Agregado (IVA), todos los honorarios y/o comisiones se pagan únicamente sobre valores sin IVA.

VENTA  
MINORISTA  
MX\$2,000 PRECIO  
DE COMPRA  
MENOS  
PRECIO  
CONSULTOR  
MX\$1,600  
BENEFICIO DE  
LAS VENTAS A  
CLIENTES MX\$400

Debe estar Activo para

### 3 ventajas de la Suscripción del Cliente

1. Le facilita la obtención de pedidos repetidos para un Volumen de Ventas de Clientes recurrente. Facilita que los Clientes reciban sus productos de bienestar directamente en la puerta de su casa cada mes.
2. Le ofrece interesantes beneficios sobre los que hablar con su Cliente potencial, como mejores precios en sus productos favoritos y acceso automático al programa de fidelidad LifeVantage® Rewards Circle.
3. Simplifica el manejo de las relaciones con los Clientes porque serán añadidos a las comunicaciones de LifeVantage y podremos asociarnos con usted para informarles de nuevos productos y promociones.

Los Clientes pueden cancelar su Suscripción para salir del programa en cualquier momento.

## Compartir.

### Bono de Ventas Personales

El Bono de Ventas Personales le recompensa por sus compras personales y sus ventas personales a Clientes. Cuando su Volumen de Ventas Personales (PSV) y su Volumen de Ventas de Clientes (CSV) sumen 500 de SV o más en un solo mes, podrá optar a un Bono de Ventas Personales adicional. El bono se paga sobre un porcentaje del CV.

Cuando su PSV y CSV alcancen los 500 de SV en un solo mes, se le reconocerá con un título especial antes de su Rango, empezando por Onix a los 500 de SV y cambiando a Esmeralda a los 1000 de SV, Zafiro a los 2000 de SV, y Diamante a partir de los 4000 o más de SV.

#### EN LA PRÁCTICA

Por ejemplo, si sus Clientes piden productos por valor de 2200 de SV en el mes, puede optar al nivel de bonificación del 15%. Esta bonificación se paga sobre el CV que toma en cuenta las promociones o descuentos que los Clientes pudieron haber canjeado.

Solo a título ilustrativo, si la Tasa PEG teórica para México en el momento en que se calcula esta bonificación fuera de 20, entonces el importe de la bonificación en la moneda local se calcularía de la siguiente manera:

- Se multiplica el SV por la Tasa PEG teórica para México para obtener el CV. El CV luego se multiplica por el porcentaje de la bonificación que corresponda.
- 2200 SV X 20 (Tasa MX PEG teórica) X 15 % = MX\$6,600.

SV DEL CLIENTE	NIVEL DE BONIFICACIÓN	RE
500 - 999 SV	5%	
1,000 - 1,999 SV	10%	
2,000 - 3,999 SV	15%	
4,000+	20%	



**2200 SV**  
Usted gana  
15%  
de CV

**MX\$6,600**  
BONO DE VENTAS PERSONALES

Y el título de

**ZAFIRO**

Debe estar Activo para poder ganar

EL BONO POR VENTAS PERSONALES SE CALCULA MENSUALMENTE

# bonificaciones vía Rápida

## Consultor

### 01 Vía del Cliente

Usted gana MX\$1,000 por cada grupo de 3 Clientes elegibles que establezca durante su Período de Vía Rápida. Un Cliente se convierte en elegible cuando compra productos por valor de al menos 100 SV en el mismo mes natural en que se convierte en Cliente. Para calificar a esta bonificación, tiene que estar Activo en cada uno de los meses en que sus Clientes realicen su primera compra. Cálculo basado en US\$50 X 20 (Tasa PEG teórica para MX) = MX\$1,000.



USTED GANA **MX\$1000**



Por cada conjunto de 3 Clientes que pidan 100 SV en su primer mes de compra.

LA VÍA DEL CLIENTE SE CALCULA SEMANALMENTE

### 02 Vía del Consultor

Ganas **MX\$1,000** por cada grupo de 3 Consultores que patrocinés durante tu Período de Vía Rápida. Para calificar a esta bonificación, tienes que estar Activo cada mes que se inscriban tus Consultores, y cada Consultor debe estar Activo en el mes en que se inscriban. Cálculo basado en  $100 \times \$50 \times 20$  (Tasa PEG teórica) = **MX\$1,000**.



USTED GANA **MX\$1000**



Por cada conjunto de 3 Consultores que estén Activos en su mes de inscripción.

LA VÍA DEL CONSULTOR SE CALCULA SEMANALMENTE

### 03 Vía de Avance de Rango

Cuando alcances el Rango de Consultor Senior 1 por primera vez durante su Período de Vía Rápida, ganará una bonificación de Avance de Rango de **MX\$2,000**. Cálculo basado en  $US\$100 \times 20$  (Tasa PEG teórica para MX) = **MX\$1,000**.



USTED GANA **MX\$2000**

Cuando asciendes al Rango de **CONSULTOR SENIOR 1** durante su Período de Vía Rápida.

LA VÍA DE AVANCE DE RANGO SE CALCULA MENSUALMENTE

### 04 Vía Aceleradora

Cuando consiga cualquiera de las bonificaciones de la Vía Rápida antes del final de su primer mes natural completo como Consultor, ganará una bonificación de **MX\$1,000**. Cálculo basado en  $US\$50 \times 20$  (Tasa PEG teórica para MX) = **MX\$1,000**.



USTED GANA **MX\$1000**

Cuando consiga cualquiera de las bonificaciones de la Vía Rápida antes del final de su primer mes natural completo.

LA VÍA ACCELERADORA SE CALCULA MENSUALMENTE

¡ELIGE LA VÍA RÁPIDA!

Estas bonificaciones pueden impulsarlo desde el principio. Su Período de Vía Rápida comienza el día en que se inscribe como Consultor y continúa durante los 3 meses naturales siguientes.

# bonificaciones vía Rápida

## Patrocinador

### 01 Vía de Avance de Rango

Si es Patrocinador como Consultor Senior o superior, puede ganar una bonificación única de MX\$1,000 cada vez que su Consultor recién inscrito gane una bonificación de Avance de Rango. Cálculo basado en US\$50 X 20 (Tasa PEG teórica para MX) = MX\$1,000.

#### EL PATROCINADOR DE INSCRIPCIÓN GANA \*\*\$1,000

El Patrocinador de inscripción de la Línea ascendente gana la Bonificación por Avance de Rango.

LA VÍA DE AVANCE DE RANGO SE CALCULA MENSUALMENTE

### 02 Vía Aceleradora

Si usted es Activo en el mes en que un Consultor que inscribe gana una Bonificación de la Vía Aceleradora, puede ganar una bonificación de MX\$500 como su Patrocinador. Cálculo basado en US\$25 X 20 (Tasa PEG teórica para MX) = MX\$500.

#### EL PATROCINADOR DE INSCRIPCIÓN GANA \*\*\$500

El Patrocinador de la Línea ascendente gana la Bonificación de la Vía Aceleradora.

LA VÍA ACCELERADORA SE CALCULA MENSUALMENTE

## Gana cuando ayude a otros a ganar en la Vía Rápida

Los primeros meses del Negocio del Consultor son cruciales para establecer un futuro de éxito. Como su Patrocinador, trabaja estrechamente con ellos durante su Período de Vía Rápida para ayudarles a empezar bien y, además, podrá ganar bonificaciones.

### Bonificación de Mentor

Para recibir cualquier Bonificación de Mentor, debe estar Activo en el mes en que su nuevo Consultor cumpla los requisitos. Gana un 15% del CV de todos sus Consultores nuevos por sus ventas a Clientes durante su Período Fast Track.



#### EN LA PRÁCTICA

En este ejemplo, si su Consultor recién inscrito durante su Período de Vía Rápida, obtiene el 15%. Solo a título ilustrativo, si la Tasa PEG México en el momento en que se calcula es de 20, entonces el importe de la bonificación calcularía de la siguiente manera:

- Se multiplica el SV por la Tasa PEG teórica para obtener el CV. El CV luego se multiplica la bonificación que corresponda.
- 500 SV X 20 (Tasa PEG teórica para MX)

Debe estar Activo para poder calificar

## Comisiones de Nivel

Gana Comisiones de Nivel por construir su equipo y enseñar a los que patrocinan a crear sus propios equipos fuertes. Como Consultor Activo, se le paga un porcentaje de comisiones del CV de las ventas de su equipo. Su nivel de Pagado como Rango define los porcentajes que gana y el número de niveles en los que puede recibir comisiones.

### CÓMO FUNCIONAN LOS NIVELES

Todos los Consultores directamente por debajo de ustedes su Árbol de Colocación son su Nivel 1. A los Consultores se les paga el Beneficio de las Ventas a Clientes y el Bono de Ventas Personales por las compras de sus Clientes inscritos personalmente. Los Patrocinadores no pueden percibir Comisiones de Nivel por sus Clientes personales. LAS COMISIONES DE NIVEL SE CALCULAN MENSUALMENTE

	C1 CONSULTOR	C2 CONSULTOR 1	C3 CONSULTOR 2	C4 CONSULTOR 3	SE1 CONSULTOR SENIOR 1	SE2 CONSULTOR SENIOR 2	SE3 CONSULTOR SENIOR 3	MC1 CONSULTOR LÍDER 1	MC2 CONSULTOR LÍDER 2	MC3 CONSULTOR LÍDER 3	ES1 CONSULTOR EJECUTIVO 1	ES2 CONSULTOR EJECUTIVO 2	ES3 CONSULTOR EJECUTIVO 3	ES4 CONSULTOR EJECUTIVO 4	ES5 CONSULTOR EJECUTIVO 5	ES6 CONSULTOR EJECUTIVO 6	ES7 CONSULTOR EJECUTIVO 7	ES8 CONSULTOR EJECUTIVO 8	ES9 CONSULTOR EJECUTIVO 9
PPR	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
SVR	150	200	250	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300
GSV		500	1,000	2,000	3,500	6,000	10,000	20,000	40,000	80,000	150,000	300,000	600,000	1,000,000					
MVR		750	1,500	2,500	4,000	6,000	10,000	20,000	40,000	67,500	135,000	270,000	450,000						
NIVEL 1		5%	7%	9%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
NIVEL 2				3%	5%	6%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
NIVEL 3						3%	5%	6%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
NIVEL 4							3%	5%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
NIVEL 5								3%	5%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
NIVEL 6									3%	4%	5%	5%	5%	5%	5%	5%	5%	5%	5%
NIVEL 7										3%	4%	4%	4%	4%	4%	4%	4%	4%	4%
NIVEL 8											3%	3%	3%	3%	3%	3%	3%	3%	3%
NIVEL 9												3%	3%	3%	3%	3%	3%	3%	3%

## Compresión Activa

Proceso por el que el CV de las Comisiones de Nivel se salta a los Consultores inactivos y pasa al siguiente Consultor Activo

### EN LA PRÁCTICA

Este ejemplo muestra cómo el volumen podría hacer Roll-Up en una Piema de un equipo. Usted es un Consultor Sénior 3 de Nivel 5 por encima del Consultor que obtuvo el volumen. Si empieza por la parte inferior del gráfico, verá como el CV fluye hacia arriba y lo que ocurre por encima y por debajo de usted.

### CLAVE

- Califica (se paga)
- No califica (no se paga)
- Inactivo (sube)



# Liderar.

## Bono de Igualación de Liderazgo

Cuando cobre como Consultor Líder 2 o superior en el mes, podrá recibir un Leadership Match sobre las Generaciones calificadas.

El bono Leadership Match se paga sobre las comisiones de nivel de sus Generaciones calificadas.

### CÓMO FUNCIONAN LAS GENERACIONES

Su Generación 1 es el primer Consultor de cualquier Pierna de su equipo con un Pagado como Rango de Consultor Líder 1 o superior. Una Generación 2 es el siguiente Consultor de esa Pierna con un Rango Pagado como Consultor Líder 1 o superior, y así sucesivamente.

Solo a título ilustrativo, si la Tasa PEG teórica para México en el momento en que se calcula esta bonificación fuera de 20, entonces el Límite por Igualación en moneda local se calcularía de la siguiente manera:

- El límite por igualación en dólares americanos se multiplica por la tasa PEG teórica para MX.
- Por ejemplo, el límite por igualación para un Consultor Líder 2 sería de USD\$1,000 X 20 (tasa PEG teórica para MX) = MX\$20,000.

EL BONO DE IGUALACIÓN DE LIDERAZGO SE CALCULA MENSUALMENTE

EL BONO DE IGUALACIÓN DE LIDERAZGO MENSUAL PUEDE PAGAR HASTA UN MÁXIMO DEL 9 % DEL CV GLOBAL MENSUAL.

18

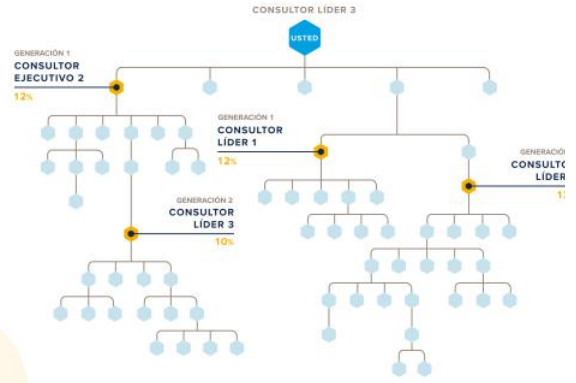
Cuando alcance el nivel de Líder, habrá probado que realmente entiende lo que se necesita para tener éxito y que dispone de las habilidades necesarias para ayudar a orientar y motivar a otros. No deje de nutrir a sus futuros líderes y de ayudarles a progresar y podrá obtener importantes bonificaciones por formar un equipo tan sólido.

	CONSULTOR LÍDER 2	CONSULTOR LÍDER 3	CONSULTOR EJECUTIVO 1	CONSULTOR EJECUTIVO 2	CONSULTOR EJECUTIVO 3	CONSULTOR EJECUTIVO 4	CONSULTOR PRESIDENCIAL
<b>GENERACIÓN 1</b>	7%	12%	15%	20%	20%	20%	20%
<b>GENERACIÓN 2</b>		10%	12%	15%	20%	20%	20%
<b>GENERACIÓN 3</b>			10%	12%	15%	20%	20%
<b>GENERACIÓN 4</b>				10%	12%	15%	20%
<b>GENERACIÓN 5</b>					10%	12%	15%
<b>GENERACIÓN 6</b>						10%	12%
<b>GENERACIÓN 7</b>							12%
<b>LÍMITE POR IGUALACIÓN</b>	\$1,000	\$2,500	\$5,000	\$7,500	\$10,000	\$15,000	\$15,000

### EN LA PRÁCTICA

En este ejemplo, como Consultor Líder 3, gana un bono Leadership Match del 12 % en sus Consultores Generación 1 y un 10 % en sus Consultores Generación 2.

Las Generaciones calificadas se basan en lo Pagado como Pueden tener varios Consultores de Generación 1 dentro d bono Leadership Match se paga de forma adicional a otr comisiones que ya puede estar ganando.



# Liderar.

## Fondo de Bonos de Liderazgo

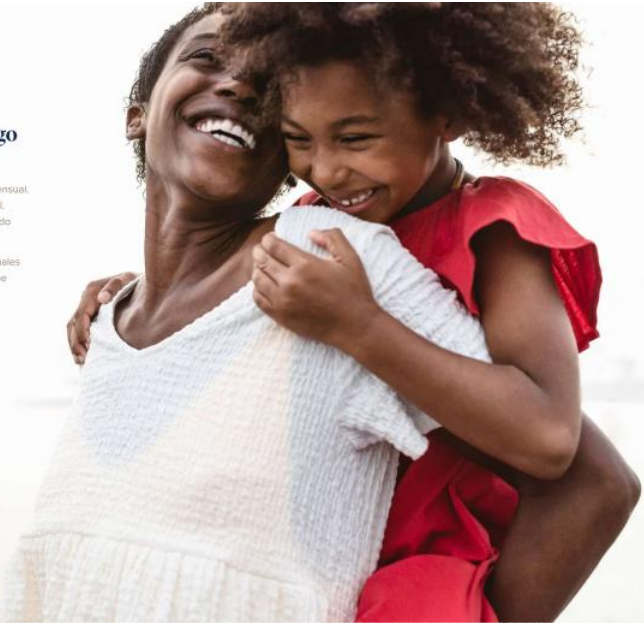
Cuando cobra como Consultor Ejecutivo 1 o superior, obtiene participaciones de nuestro Leadership Pool mensual. Este fondo se compone del 4 % del CV mensual global. Recibe participaciones en función de su nivel de Pagado como Rango.

El importe total del fondo común se divide a partes iguales entre el número total de participaciones mensuales que ganan los Consultores.

PARTICIPACIÓN	
CONSULTOR EJECUTIVO 1	1
CONSULTOR EJECUTIVO 2	3
CONSULTOR EJECUTIVO 3	5
CONSULTOR EJECUTIVO 4	10
CONSULTOR PRESIDENCIAL	20

EL FONDO DE BONOS DE LIDERAZGO SE CALCULA MENSUALMENTE

20



## Notificaciones

1. LifeVantage de México S. de R.L. de CV es una empresa de Ventas Directas/Mercado en Redes con un plan de compensación de Mercado Multinivel que ofrece flexibilidad y oportunidad para que las personas ganen un ingreso extra basado en la venta de productos a Clientes.
2. El enfoque del Plan de Compensación de LifeVantage es pagar bonificaciones y Comisiones a los Consultores LifeVantage en base a sus ventas de productos y las ventas de productos de los Consultores LifeVantage en su equipo de marketing personal hasta el Cliente final.
3. Los productos LifeVantage no se venden en tiendas minoristas y sólo los Consultores con licencia y Buena reputación están autorizados a vender productos LifeVantage, bien directamente de sus propias existencias o indirectamente a través del carrito de la compra en línea de la empresa en [www.lifevantage.com](http://www.lifevantage.com).
4. El Acuerdo de Consultor consiste en el Plan de Compensación de LifeVantage, la Solicitud y Acuerdo de Consultor de LifeVantage, las Políticas y Procedimientos de LifeVantage, el Acuerdo de Oficina Virtual de LifeVantage (Acuerdo de Back Office), y la Política de Privacidad de LifeVantage y el Acuerdo de Uso de la Página Web. El Acuerdo de Consultor rige la relación contractual y las obligaciones de cada Consultor LifeVantage con LifeVantage.
5. Un Consultor LifeVantage no puede comprar personalmente para sí mismo ni animar a Clientes u otros Consultores a comprar más inventario del que cada uno puede consumir personalmente y/o vender a sus Clientes personales cada mes. Además, cada Consultor LifeVantage se compromete personalmente a no realizar un nuevo pedido en un mes determinado o menos que el 70 % de todos los pedidos de los meses anteriores hayan sido vendidos o consumidos a través del uso personal/familiar.
6. Los ingresos revelados por ventas de los Consultores brutos potenciales y no netos de otros gastos no necesariamente representativos de los ingresos y hubiere, que un Consultor puede ganar o generar Compensación LifeVantage. Los ingresos de un C de los esfuerzos individuales, de la diligencia en condiciones del mercado. LifeVantage no garantiza éxito relacionado a rangos.
7. A partir del 1º de febrero de 2024, no se permitirá comerciales, y todos los Centros comerciales así estén Activos o no, se cancelarán y no se rebatirán cuentas colocadas o inscritas directamente bajo o se colocarán/inscribirán bajo la cuenta principal.
8. A partir del 1º de febrero de 2024, una Unidad que ingrese a más de un Negocio de consultor de LP participaciones de más de un Negocio de consultor.
9. Para el Leadership Match, si una vez aplicados lo por igualación el pago mensual del Leadership M del CV global mensual, entonces todos los ingresos Leadership Match se ajustarán a la baja en un por ciento de garantizar que el Leadership Match mensual del CV global mensual.







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body vitality wellness  
soul purpose  
mind business wellness  
activate energy health  
Fun passion soul  
ess energy vitality busi



**LifeVantage**

COMPENSATION PLAN GUIDE FOR  
INDEPENDENT LIFEVANTAGE CONSULTANTS  
UNITED KINGDOM

Effective February 1, 2018

# Evolve



# Welcome to life *activate*

**IT'S TIME TO LIVE WITH PURPOSE.  
IT'S TIME TO INSPIRE REMARKABLE.  
IT'S TIME TO LIVE ACTIVATED.**

Life. It's complicated. Messy. Beautiful. It goes by fast, and you want to live life to the fullest. But everyday responsibilities, fears, or restrictions can hold you back. You deserve to break free. You deserve to be your best self and live a healthy, happy life on your terms.

LifeVantage is here to help. Our products are purposefully designed to activate your body's ability to create vibrant health, starting at the cellular level. And when you look and feel your best, you'll want to help others do the same. LifeVantage activates financial wellness with the opportunity to grow a business that can change people's lives for the better.

That's where Evolve creates an opportunity for you to work part-time or full-time. You are looking to simply share products or wanting to work as a professional mentor and leader. Independent LifeVantage®. Can positively challenge and reward.

LifeVantage does not promise the financial success of any Consultant. Your success depends on your skill, fortitude, dedication, and your ability to meet other stated qualifications. Nothing in this guide is a representation that you will be financially successful. LifeVantage does not guarantee any income or Rank success.

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## Key Terms

### ACTIVE

You are considered an Active Consultant when your account is in Good Standing and you have met the ISO Sales Volume Requirement in that month, with at least 40 Personal Sales Volume.

### COMMISSIONABLE VOLUME (CV)

Commissionable Volume is the measurement on which most bonuses and commissions are paid. When you earn a percentage of volume, you earn a percentage of a product's CV. The numeric value for CV is typically obtained when Sales Volume is multiplied by the PEG Rate, except in cases where CV has been discounted for any reason.

### COMPRESSION

A process by which CV for Level Commissions skips inactive Consultants and rolls up to the next Active Consultant.

### CUSTOMER SALES VOLUME (CSV)

The Sales Volume originating from your customers' orders.

### DOWNLINE

All of the Consultants sponsored into your genealogy are considered part of your downline.

### ENROLLER

The LifeVantage Consultant who enrolls a new Customer or Consultant. Also known as the Enrollment Sponsor.

### ENROLLMENT TREE

The line of Consultants consecutively linked through Consultant enrollment and not by placement. The Enrollment Tree does not include any Placement Sponsors.

### FAST TRACK PERIOD

Your Fast Track Period includes the month you enroll and the following 3 full calendar months.

### GENERATION

Consultants in your Enrollment Tree with the Paid-as-Rank of Managing Consultant 1 or higher are your Generations. A Generation 1 is the first Consultant in any downline with a Paid-as-Rank of Managing Consultant 1 or higher. A Generation 2 is the next Consultant in that Leg with a Paid-as-Rank of Managing Consultant 1 or higher, and so on.

### GOOD STANDING

Good Standing means you are in compliance with the Consultant Agreement, including payment of any applicable renewal fees.

### GROUP SALES VOLUME (GSV)

Group Sales Volume is the total Sales Volume from you and all the Customers and Consultants in your entire team.

### LEG

A Leg begins with a Level 1 Consultant and includes all of the Consultants beneath them. You have as many Legs as you have Level 1 Consultants.

### LEVEL

The location a Consultant has in your downline in relation to you. All of the Consultants directly below you in your Placement Tree are your Level 1 Consultants placed directly below your Level 1 Consultants are your Level 2, and so on.

### MAXIMUM VOLUME RULE (MVR)

The maximum amount of GSV from any one Leg or from your own Personal Sales Volume and Customer Sales Volume that can count toward your monthly Rank qualification.

### PAID-AS RANK

Your Paid-as-Rank is the Rank for which you qualify each month. Your Paid-as-Rank determines many of your bonuses. Your Paid-as-Rank may be the same as or lower than your Pin Rank depending on your monthly qualifications.

### PEG RATE

The LifeVantage foreign currency conversion factor. To establish the PEG Rate, LifeVantage periodically reviews recent foreign exchange rates and projected foreign exchange rates received from its banks to set a foreign currency conversion factor that normalizes payments to Consultants.

### PERSONAL SALES VOLUME (PSV)

The Sales Volume originating from your personal orders.

### PIN RANK

Your Pin Rank is your recognition Rank and is the highest Rank you have achieved along the Consultant Path. Your Pin Rank is subject to reclassification once per year based on the maintenance requirements for that rank.

### PLACEMENT SPONSOR

If you place a new Consultant directly below you in your downline, you are the Enrollment Sponsor and Placement Sponsor. However, if you place a new Consultant below a downline Consultant in the Placement Tree, that downline Consultant becomes your new enroller's Placement Sponsor.

### PLACEMENT TREE

If you are a new Consultant's Enroller, you may place them directly below you in your downline or under any other downline Consultant's position. This is considered your Placement Tree, also referred to as your downline or team.

### QUALIFYING SALES VOLUME

The Sales Volume that meets the monthly Rank qualification.

### RANK ADVANCEMENT

When you meet the Paid-as-Rank higher Pin Rank, you will "roll" Rank, and your Pin Rank reflects that new Pin Rank.

### SALES VOLUME FACTOR

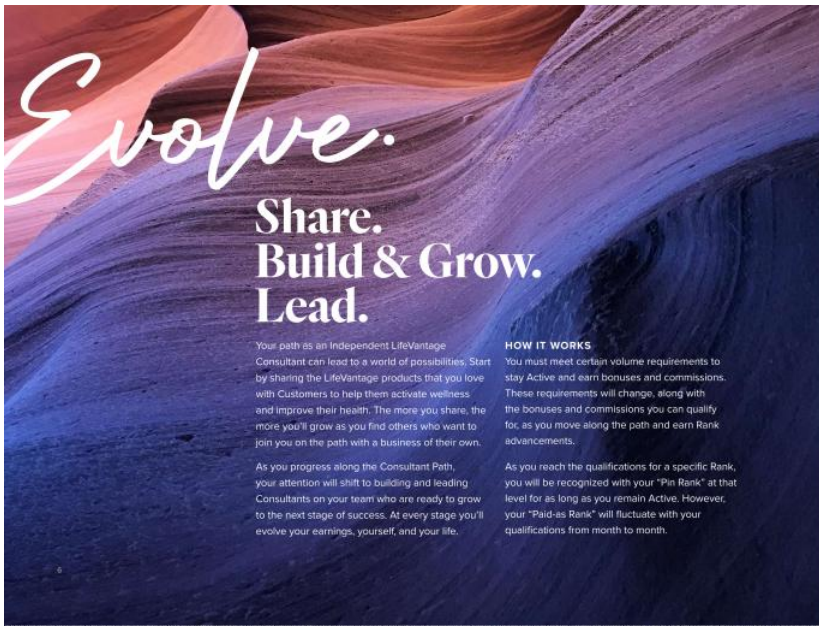
The numeric value of LifeVantage to each product sold and/or service provided.

### SALES VOLUME REQUIREMENT

The accumulation of Sales Volume and PSV Volume to meet your requirement.

### UPLINE

All of the Consultant Enrollment and/or Pin



# Evolve.

## Share. Build & Grow. Lead.

Your path as an Independent LifeVantage Consultant can lead to a world of possibilities. Start by sharing the LifeVantage products that you love with Customers to help them activate wellness and improve their health. The more you share, the more you'll grow as you find others who want to join you on the path with a business of their own.

As you progress along the Consultant Path, your attention will shift to building and leading Consultants on your team who are ready to grow to the next stage of success. At every stage you'll evolve your earnings, yourself, and your life.

### HOW IT WORKS

You must meet certain volume requirements to stay Active and earn bonuses and commissions. These requirements will change, along with the bonuses and commissions you can qualify for, as you move along the path and earn Rank advancements.

As you reach the qualifications for a specific Rank, you will be recognized with your "Pin Rank" at that level for as long as you remain Active. However, your "Paid-as-Rank" will fluctuate with your qualifications from month to month.

Evolve is uniquely designed to help LifeVantage Consultants develop confidence, community, and Each Rank advancement offers the opportunity to celebrate with increased earning possibilities.

## The Consultant Path

**SHARE** People say our products are too good not to share! In the early stages of your business, begin with a strong emphasis on sharing our wellness products by selling to Customers. These sales are the fastest way to build your business and see a speedy profit.

**BUILD & GROW** By the time you reach Senior Consultant 1, you should begin spending more time finding new people to add to your sales team. Balance your efforts between selling and sponsoring, which is vital to your continued growth. The larger you grow your sales team, the more time you will spend building your business and helping your Consultants reach their own goals.

**LEAD** Leadership is more in to your name. Teach by example successful LifeVantage business encourage, and lift your team together you can enjoy the re shared success!

PERSONAL PURCHASE REQUIREMENT

SALES VOLUME REQUIREMENT

GROUP SALES VOLUME

MAXIMUM VOLUME RULE

	C	CON	CON	CON	SC1	SC2	SC3	MC1	MC2	MC3	EC1	EC2	EC3
	CONSULTANT	CONSULTANT 1	CONSULTANT 2	CONSULTANT 3	SENIOR CONSULTANT 1	SENIOR CONSULTANT 2	SENIOR CONSULTANT 3	MANAGING CONSULTANT 1	MANAGING CONSULTANT 2	MANAGING CONSULTANT 3	EXECUTIVE CONSULTANT 1	EXECUTIVE CONSULTANT 2	EXECUTIVE CONSULTANT 3
PERSONAL PURCHASE REQUIREMENT		40	40	40	40	40	40	40	40	40	40	40	40
SALES VOLUME REQUIREMENT		150	200	250	300	300	300	300	300	300	300	300	300
GROUP SALES VOLUME			500	1,000	2,000	3,500	6,000	10,000	20,000	40,000	80,000	150,000	300,000
MAXIMUM VOLUME RULE				750	1,500	2,500	4,000	6,000	10,000	20,000	40,000	67,500	135,000

## Product Pricing

EACH LIFEVANTAGE PRODUCT HAS 3 PRICES.

### 01. ONE TIME RETAIL

The advertised Customer price for all products, whether purchased online or directly from you.

### 02. SUBSCRIPTION

Subscription price is a discount from One Time Retail price. Products purchased by Customers on Subscription are eligible for the discount.

### 03. CONSULTANT

Consultant price is lower than the One Time Retail price and the Subscription price, regardless of the order type, and represents the lowest price available.



# Share.

Sharing your excitement about LifeVantage and selling products to Customers is at the heart of being a Consultant. In addition to Customer Sales Profit, you can earn up to 20% on total monthly product sales with the Personal Sales Bonus.

## Customer Sales Profit

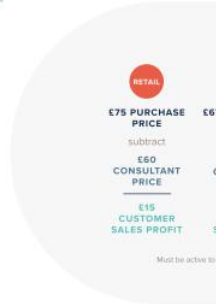
Customer Sales Profit allows you to earn commissions on every order. Here's how it works: When your Customers order LifeVantage products, you earn the difference between the price your Customer paid and the Consultant price.

### IN PRACTICE

In these examples, 2 Customers are ordering the same set of products. The Customer on the left purchases the products at the full VAT-exclusive One Time Retail price of £75. The VAT-exclusive Consultant price for that order is £60. So, you earn a Customer Sales Profit of £15. The Customer on the right orders the same products on a Subscription order for the VAT-exclusive Subscription price of £67.50. The VAT-exclusive Consultant price for that order is £60. So, you earn a Customer Sales Profit of £7.50.

### CUSTOMER SALES PROFIT IS CALCULATED DAILY\*

It is important to note that while the published prices may be inclusive of Value Added Tax (VAT), all bonuses and/or commissions are paid on VAT-exclusive VAT. \*May be disbursed three business days after the bonus calculation date to qualified Consultants who are in an eligible market and have reached the Pro Rank of Consultant 1 or above. Consultants who are not qualified for daily disbursement will be paid their bonus earnings weekly.



### 3 Benefits to Customer Subscription

1. Makes it simple for you to get repeat orders for recurring Customer Sales Volume. Makes it simple for Customers to get their wellness products delivered directly to their doorstep every month.
2. Gives you exciting benefits to talk to your potential Customer about, including better pricing on their favourite products and automatic access to the LifeVantage® Rewards Circle loyalty program.
3. Simplifies managing Customer relationships because they will be added to LifeVantage communications and we can partner with you to let them know about new products and promotions.

Customers may cancel their Subscription to opt-out of the program at any time.

# Share.

## Personal Sales Bonus

The Personal Sales Bonus rewards you on your personal Customer sales. When your Customer Sales Volume (CSV) totals 500 SV or more in a single month, you become eligible for an additional Personal Sales Bonus. The Bonus is paid on a percentage of CV.

When your CSV reaches 500 in a single month, you will be recognized with a special title before your Rank, starting with Onyx at 500 SV then changing to Emerald at 1000 SV, Sapphire at 2000 SV, and Diamond at 4000 SV and higher

### IN PRACTICE

For example, if your Customers order 2200 SV worth of products in the month, you are eligible for the 15% bonus tier. This bonus is paid on CV which takes into account promos or discounts Customers may have redeemed.

CUSTOMER SV	BONUS TIER	RECOGNITION TITLE
500 - 999.99	5%	ONYX
1,000 - 1,999.99	10%	EMERALD
2,000 - 3,999.99	15%	SAPPHIRE
4,000+	20%	DIAMOND

For illustration purposes only, if the theoretical PEG Rate for the UK at the time this bonus is calculated were .75, then the bonus amount in local currency would be calculated as follows:



- SV is multiplied by the theoretical UK PEG Rate. CV is then multiplied by the percentage.
- 2200 SV X .75 (theoretical UK PEG Rate) = £1650



**2200 SV**  
you earn  
**15%**  
of CV

**£347.50**  
**PERSONAL SALES BONUS**

and the title of

**SAPPHIRE**

Must be active to qualify.

**PERSONAL SALES BONUS IS CALCULATED MONTHLY**



# fast track bonuses

## Consultant



### CHOOSE THE FAST TRACK!

These bonuses can boost you right from the start. Your Fast Track Period begins the day you enroll as a Consultant and continues through the next 3 calendar months.

#### 01 Customer Track

You earn £37.50 for each set of 3 eligible Customers you enroll during your Fast Track Period. A Customer becomes eligible when they purchase at least 100 SV worth of products in the same calendar month that they become a Customer. To qualify for this bonus, you need to be Active in each of the months that your Customers first purchase. Calculation based on US\$50 X .75 (theoretical UK PEG Rate) = £37.50.



**YOU EARN £37.50**



For each set of 3 Customers who order 100 SV in their first purchase month.

CUSTOMER TRACK IS CALCULATED WEEKLY

#### 02 Consultant Track

You earn £37.50 for each set of 3 Consultants you enroll during your Fast Track Period. To qualify for this bonus, you need to be Active each month your Consultants enroll, and each Consultant must be Active in the month they enroll. Calculation based on US\$50 X .75 (theoretical UK PEG Rate) = £37.50.



**YOU EARN £37.50**



For each set of 3 Consultants who are Active in their enrollment month.

CONSULTANT TRACK IS CALCULATED WEEKLY

#### 03 Rank Advancement Track

When you reach the Rank of Senior Consultant 1 for the first time during your Fast Track Period, you will earn a £75 Rank Advancement Bonus. Calculation based on US\$100 X .75 (theoretical UK PEG Rate) = £75.



**YOU EARN £75**

When you advance to the Rank of **SENIOR CONSULTANT 1** during your Fast Track Period

RANK ADVANCEMENT TRACK IS CALCULATED MONTHLY

#### 04 Accelerator Track

When you achieve any of the Fast Track Bonuses before the end of your first full calendar month as a Consultant, you will earn a £37.50 bonus. Calculation based on US\$50 X .75 (theoretical UK PEG Rate) = £37.50.



**YOU EARN £37.50**

When you achieve any Fast Track Bonus before the end of your first full calendar month

ACCELERATOR TRACK IS CALCULATED MONTHLY

# fast track bonuses

## Enroller

### 01 Rank Advancement Track

If you are Paid-as Senior Consultant 1 or higher, you can earn a one-time £37.50 Enroller Bonus anytime your newly enrolled Consultant earns a Rank Advancement Bonus. Calculation based on US\$50 X .75 (theoretical UK PEG Rate) = £37.50.

#### ENROLLER EARNS £37.50

Upline Enroller earns the Rank Advancement Bonus.

RANK ADVANCEMENT TRACK IS CALCULATED MONTHLY.

### 02 Accelerator Track

If you are Active in the month a Consultant you enroll earns an Accelerator Track Bonus, you can earn a £18.75 bonus as their Enroller. Calculation based on US\$25 X .75 (theoretical UK PEG Rate) = £18.75.

#### ENROLLER EARNS £18.75

Upline Enroller earns the Accelerator Track Bonus.

ACCELERATOR TRACK IS CALCULATED MONTHLY.

## Earn When You Help Others Win on The Fast Track

The first few months of a new Consultant's business are critical to setting them up for a future of success. As their Enroller, work closely with them during their Fast Track Period to help them get started right and you could also earn bonuses.

### Mentor Bonus

To receive any Mentor Bonus, you must be Active in the month your new Consultant qualifies. Earn 15% of all your new Consultant's CV from their Customer sales during their Fast Track Period.



### IN PRACTICE

In this example, if your newly enrolled Consultant is Active during their Fast Track Period, you earn a Mentor Bonus. For illustration purposes only, if the theoretical UK PEG Rate at the time this bonus is calculated is 0.75, the bonus amount in local currency would be as follows:

- CV is multiplied by the theoretical UK PEG Rate. CV is then multiplied by the applicable percentage.

$500 \text{ CV} \times .75 \text{ (theoretical UK PEG Rate)} \times 15\%$

Must be active to qualify.

## Level Commissions

You earn Level Commissions for building your team and teaching those you sponsor to create strong teams of their own. As an Active Consultant, you are paid a percentage of commissions from the CV of your team's sales. Your Paid-as-Rank determines the percentages you earn and the number of levels on which you are eligible to receive a commission.

### HOW LEVELS WORK

All of the Consultants directly below you in your Placement Tree are your Level 1. Consultants are paid Customers Sales Profit and Personal Sales Bonus on their personally enrolled Customer purchases. Enrollers are not eligible for a Level Commission on their personal Customers. LEVEL COMMISSIONS ARE CALCULATED MONTHLY

	C CONSULTANT	C1 CONSULTANT 1	C2 CONSULTANT 2	C3 CONSULTANT 3	SC1 SENIOR CONSULTANT 1	SC2 SENIOR CONSULTANT 2	SC3 SENIOR CONSULTANT 3	MC1 MANAGING CONSULTANT 1	MC2 MANAGING CONSULTANT 2	MC3 MANAGING CONSULTANT 3	EC1 EXECUTIVE CONSULTANT 1	EC2 EXECUTIVE CONSULTANT 2	EC3 EXECUTIVE CONSULTANT 3	EC4 EXECUTIVE CONSULTANT 4	EC5 EXECUTIVE CONSULTANT 5
PPR	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
SVR	150	200	250	300	300	300	300	300	300	300	300	300	300	300	300
GSR		500	1,000	2,000	3,500	6,000	10,000	20,000	40,000	80,000	150,000	300,000	600,000	1,000,000	
MVR		750	1,500	2,500	4,000	6,000	10,000	20,000	40,000	67,500	135,000	270,000	450,000		
LEVEL 1	5%	7%	9%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
LEVEL 2			3%	5%	6%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
LEVEL 3					3%	5%	6%	7%	7%	7%	7%	7%	7%	7%	7%
LEVEL 4						3%	5%	6%	6%	6%	6%	6%	6%	6%	6%
LEVEL 5							3%	5%	6%	6%	6%	6%	6%	6%	6%
LEVEL 6								3%	4%	5%	5%	5%	5%	5%	5%
LEVEL 7									3%	4%	4%	4%	4%	4%	4%
LEVEL 8										3%	3%	3%	3%	3%	3%
LEVEL 9											3%	3%	3%	3%	3%

## Active Compression

A process by which CV for Level Commissions skips inactive Consultants and rolls up to the next Active Consultant.

### IN PRACTICE

This example shows how volume could roll up in one Leg of a team. You're a Senior Consultant 3 at Level 5 above the Consultant who earned the volume. Starting from the bottom of the chart, you see how CV flows up and what happens below and above you.



# Lead.

## Leadership Match

When you are paid as a Managing Consultant 2 or higher in the month, you can receive a Leadership Match on qualified Generations.

The Leadership Match is paid on your qualified Generations' Level Commissions.

### HOW GENERATIONS WORK

Your Generation 1 is the first Consultant in any Leg in your team with a Paid-as Rank of Managing Consultant 1 or higher. A Generation 2 is the next Consultant in that Leg with a Paid-as Rank of Managing Consultant 1 or higher, and so on.

LEADERSHIP MATCH IS CALCULATED MONTHLY

For illustration purposes only, if the theoretical PEG Rate for the UK at the time this bonus is calculated were .75, then the Cap Per Match in local currency would be calculated as follows:

- Cap Per Match amount in US\$ is multiplied by the theoretical UK PEG Rate.

For example, the Cap Per Match for a Managing Consultant 2 would be US\$1,000 X .75 (theoretical UK PEG Rate) = £750.

MONTHLY LEADERSHIP MATCH CAN PAYOUT UP TO A MAXIMUM OF 9% OF MONTHLY GLOBAL CV.

18

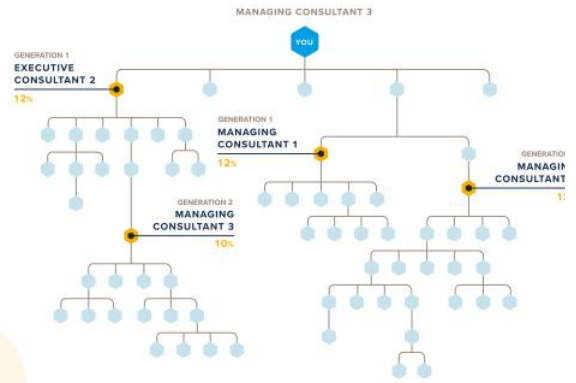
When you reach the Leader level, you've shown you truly know what it takes to succeed and have the skills to help mentor and motivate others. Keep cultivating your future leaders and helping them grow and you can earn substantial bonuses for building such a strong team.

	MANAGING CONSULTANT 2	MANAGING CONSULTANT 3	EXECUTIVE CONSULTANT 1	EXECUTIVE CONSULTANT 2	EXECUTIVE CONSULTANT 3	EXECUTIVE CONSULTANT 4	ASSOCIATE CONSULTANT
<b>GENERATION 1</b>	7%	12%	15%	20%	20%	20%	20%
<b>GENERATION 2</b>		10%	12%	15%	20%	20%	20%
<b>GENERATION 3</b>			10%	12%	15%	20%	20%
<b>GENERATION 4</b>				10%	12%	15%	20%
<b>GENERATION 5</b>					10%	12%	15%
<b>GENERATION 6</b>						10%	12%
<b>GENERATION 7</b>							12%
<b>CAP PER MATCH</b>	\$1,000	\$2,500	\$5,000	\$7,500	\$10,000	\$15,000	\$15,000

### IN PRACTICE

In this example, as a Managing Consultant 3, you earn a 12% Leadership Match on your Generation 1 Consultants and a 10% match on your Generation 2 Consultants.

Qualified Generations are based on Paid-as Ranks. You can have multiple Generation 1 Consultants within a Leg. The Leadership Match is paid in addition to any other bonuses and commission you might already be earning.



# Lead.

## Leadership Pool

When you are paid as an Executive Consultant 1 or higher, you earn shares of our monthly Leadership Pool. This pool is made from 4% of global monthly CV. You receive shares based on your Paid-as-Rank.

The total pool amount is divided equally by the total number of monthly shares Consultants earn.

SHARES	
EXECUTIVE CONSULTANT 1	1
EXECUTIVE CONSULTANT 2	3
EXECUTIVE CONSULTANT 3	5
EXECUTIVE CONSULTANT 4	10
PRESIDENTIAL CONSULTANT	20

LEADERSHIP POOL IS CALCULATED MONTHLY



## Notices

1. LifeVantage Netherlands BV is a Direct Sales/Network Marketing company with a Multi-Level Marketing compensation plan that provides flexibility and opportunity for individuals to earn extra income based upon selling products to Customers.
2. The focus of the LifeVantage Compensation Plan is to pay bonuses and commissions to LifeVantage Consultants based upon their product sales and the product sales of LifeVantage Consultants in their personal marketing team to ultimately end using Customers.
3. LifeVantage products are not sold in retail stores and only licensed Consultants in Good Standing are authorized to sell LifeVantage products either directly from their own stock or indirectly through the company's online shopping cart at [www.lifevantage.com](http://www.lifevantage.com).
4. The Consultant Agreement consists of the LifeVantage Compensation Plan, the LifeVantage Consultant Application and Agreement, the LifeVantage Policies and Procedures, the LifeVantage Virtual Office Agreement (Back Office Agreement), and the LifeVantage Privacy Policy and Website Use Agreement. The Consultant Agreement governs the contractual relationship and obligations of each LifeVantage Consultant to LifeVantage.
5. A LifeVantage Consultant may not personally purchase for themselves nor encourage Customers or other Consultants to purchase more inventory than each can personally consume and/or sell to their personal Customers each month. In addition, each LifeVantage Consultant personally agrees that they may not purchase any given month unless 70% of all orders from prior month have been sold or consumed through personal family members.
6. The Consultants sales earnings disclosed are net earnings and not net of other business expenses representative of the actual income. If any, that a Consultant will earn through the LifeVantage Compensation Plan earnings will depend on the individual diligence, market conditions. LifeVantage does not guarantee success.
7. Beginning on 1 February 2024 no new Business Centres are allowed, and all existing Business Centres, whether placed or enrolled directly below the Business Centre and/or enrolled under the main account.
8. Beginning on February 1, 2024, a family unit may interest in more than one LifeVantage Consultant.
9. For Leadership Match, if after the individual caps the monthly Leadership Match payout exceed 9% then all monthly Leadership Match earnings will be an equal percentage in order to ensure that the total Match does not exceed 9% of monthly global CV.

# Notes

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LifeVantage

COMPENSATION PLAN GUIDE FOR  
INDEPENDENT LIFEVANTAGE CONSULTANTS  
EUROPE

Effective February 1, 2018

# Evolve



# Welcome to life *activate*

**IT'S TIME TO LIVE WITH PURPOSE.  
IT'S TIME TO INSPIRE REMARKABLE.  
IT'S TIME TO LIVE ACTIVATED.**

Life. It's complicated. Messy. Beautiful. It goes by fast, and you want to live life to the fullest. But everyday responsibilities, fears, or restrictions can hold you back. You deserve to break free. You deserve to be your best self and live a healthy, happy life on your terms.

LifeVantage is here to help. Our products are purposefully designed to activate your body's ability to create vibrant health, starting at the cellular level. And when you look and feel your best, you'll want to help others do the same. LifeVantage activates financial wellness with the opportunity to grow a business that can change people's lives for the better.

That's where Evolve creates an opportunity for you to work part-time or full-time. You are looking to simply share products or wanting to work as a professional mentor and leader. Independent LifeVantage®. Can positively challenge and reward.

LifeVantage does not promise the financial success of any Consultant. Your success depends on your skills, fortitude, dedication, and your ability to seed other things. Nothing in this guide is a representation that you will be financially successful. LifeVantage does not guarantee any income or Rank success.

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## Key Terms

### ACTIVE

You are considered an Active Consultant when your account is in Good Standing and you have met the ISO Sales Volume Requirement in that month, with at least 40 Personal Sales Volume.

### COMMISSIONABLE VOLUME (CV)

Commissionable Volume is the measurement on which most bonuses and commissions are paid. When you earn a percentage of volume, you earn a percentage of a product's CV. The numeric value for CV is typically obtained when Sales Volume is multiplied by the PEG Rate, except in cases where CV has been discounted for any reason.

### COMPRESSION

A process by which CV for Level Commissions skips inactive Consultants and rolls up to the next Active Consultant.

### CUSTOMER SALES VOLUME (CSV)

The Sales Volume originating from your customers' orders.

### DOWNLINE

All of the Consultants sponsored into your genealogy are considered part of your downline.

### ENROLLER

The LifeVantage Consultant who enrolls a new Customer or Consultant. Also known as the Enrollment Sponsor.

### ENROLLMENT TREE

The line of Consultants consecutively traced through Consultant enrollment and not by placement. The Enrollment Tree does not include any Placement Sponsors.

### FAST TRACK PERIOD

Your Fast Track Period includes the month you enroll and the following 3 full calendar months.

### GENERATION

Consultants in your Enrollment Tree with the Paid-as-Rank of Managing Consultant 1 or higher are your Generations. A Generation 1 is the first Consultant in any downline with a Paid-as-Rank of Managing Consultant 1 or higher. A Generation 2 is the next Consultant in that Leg with a Paid-as-Rank of Managing Consultant 1 or higher, and so on.

### GOOD STANDING

Good Standing means you are in compliance with the Consultant Agreement, including payment of any applicable renewal fees.

### GROUP SALES VOLUME (GSV)

Group Sales Volume is the total Sales Volume from you and all the Customers and Consultants in your entire team.

### LEG

A Leg begins with a Level 1 Consultant and includes all of the Consultants beneath them. You have as many Legs as you have Level 1 Consultants.

### LEVEL

The location a Consultant has in your downline in relation to you. All of the Consultants directly below you in your Placement Tree are your Level 1 Consultants placed directly below your Level 1 Consultants are your Level 2, and so on.

### MAXIMUM VOLUME RULE (MVR)

The maximum amount of GSV from any one Leg or from your own Personal Sales Volume and Customer Sales Volume that can count toward your monthly Rank qualification.

### PAID-AS-RANK

Your Paid-as-Rank is the Rank for which you qualify each month. Your Paid-as-Rank determines many of your bonuses. Your Paid-as-Rank may be the same as or lower than your Pin Rank depending on your monthly qualifications.

### PEG RATE

The LifeVantage foreign currency conversion factor. To establish the PEG Rate, LifeVantage periodically reviews recent foreign exchange rates and projected foreign exchange rates received from its banks to set a foreign currency conversion factor that normalizes payments to Consultants.

### PERSONAL SALES VOLUME (PSV)

The Sales Volume originating from your personal orders.

### PIN RANK

Your Pin Rank is your recognition Rank and is the highest Rank you have achieved along the Consultant Path. Your Pin Rank is subject to reclassification once per year based on the maintenance requirements for that rank.

### PLACEMENT SPONSOR

If you place a new Consultant directly below you in your downline, you are the Enrollment Sponsor and Placement Sponsor. However, if you place a new Consultant below a downline Consultant in the Placement Tree, that downline Consultant becomes your new enroller's Placement Sponsor.

### PLACEMENT TREE

If you are a new Consultant's Enroller, you may place them directly below you in your downline or under any other downline Consultant's position. This is considered your Placement Tree, also referred to as your downline or team.

### QUALIFYING SAL

The Sales Volume in monthly Rank qualification.

### RANK ADVANCIN

When you meet the paid-as-Rank higher Pin Rank, you will "be" Rank, and your Pin R reflect that new into

### SALES VOLUME (

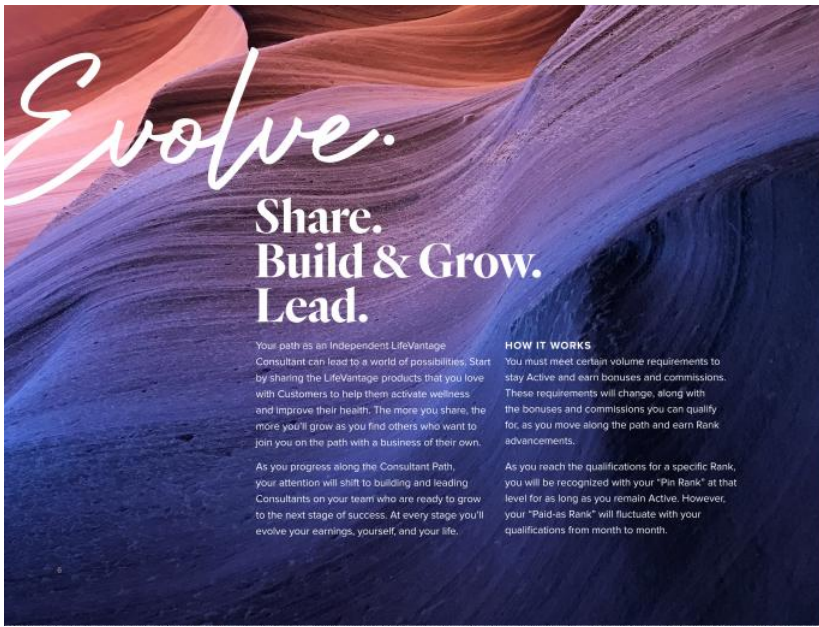
The numeric value of LifeVantage to each product sold and/or

### SALES VOLUME R

The accumulation of Sales Volume and ye Volume to meet your requirement.

### UPLINE

All of the Consultant Enrollment and/or P



Evolve.

Share.  
Build & Grow.  
Lead.

Your path as an Independent LifeVantage Consultant can lead to a world of possibilities. Start by sharing the LifeVantage products that you love with Customers to help them activate wellness and improve their health. The more you share, the more you'll grow as you find others who want to join you on the path with a business of their own.

As you progress along the Consultant Path, your attention will shift to building and leading Consultants on your team who are ready to grow to the next stage of success. At every stage you'll evolve your earnings, yourself, and your life.

**HOW IT WORKS**

You must meet certain volume requirements to stay Active and earn bonuses and commissions. These requirements will change, along with the bonuses and commissions you can qualify for, as you move along the path and earn Rank advancements.

As you reach the qualifications for a specific Rank, you will be recognized with your "Pin Rank" at that level for as long as you remain Active. However, your "Paid-as-Rank" will fluctuate with your qualifications from month to month.

Evolve is uniquely designed to help LifeVantage Consultants develop confidence, community, and Each Rank advancement offers the opportunity to celebrate with increased earning possibilities.

**The Consultant Path**

**SHARE** People say our products are too good not to share! In the early stages of your business, begin with a strong emphasis on sharing our wellness products by selling to Customers. These sales are the fastest way to build your business and see a speedy profit.

**BUILD & GROW** By the time you reach Senior Consultant 1, you should begin spending more time finding new people to add to your sales team. Balance your efforts between selling and sponsoring, which is vital to your continued growth. The larger you grow your sales team, the more time you will spend building your business and helping your Consultants reach their own goals.

**LEAD** Leadership is more in to your name. Teach by example successful LifeVantage business encourage, and lift your team together you can enjoy the rewards shared success!

PERSONAL PURCHASE REQUIREMENT  
SALES VOLUME REQUIREMENT  
GROUP SALES VOLUME  
MAXIMUM VOLUME RULE

	6. CONSULTANT	CONSULTANT 1	CONSULTANT 2	CONSULTANT 3	SENIOR CONSULTANT 1	SENIOR CONSULTANT 2	SENIOR CONSULTANT 3	MANAGING CONSULTANT 1	MANAGING CONSULTANT 2	MANAGING CONSULTANT 3	EXECUTIVE CONSULTANT 1	EXECUTIVE CONSULTANT 2	EXECUTIVE CONSULTANT 3
PERSONAL PURCHASE REQUIREMENT		40	40	40	40	40	40	40	40	40	40	40	40
SALES VOLUME REQUIREMENT		150	200	250	300	300	300	300	300	300	300	300	300
GROUP SALES VOLUME			500	1,000	2,000	3,500	6,000	10,000	20,000	40,000	80,000	150,000	300,000
MAXIMUM VOLUME RULE				750	1,500	2,500	4,000	6,000	10,000	20,000	40,000	67,500	135,000

## Product Pricing

EACH LIFEVANTAGE PRODUCT HAS 3 PRICES.

### 01. ONE TIME RETAIL

The advertised Customer price for all products, whether purchased online or directly from you.

### 02. SUBSCRIPTION

Subscription price is a discount from One Time Retail price. Products purchased by Customers on Subscription are eligible for the discount.

### 03. CONSULTANT

Consultant price is lower than the One Time Retail price and the Subscription price, regardless of the order type, and represents the lowest price available.



## Share.

Sharing your excitement about LifeVantage and selling products to Customers is at the heart of being a Consultant. In addition to Customer Sales Profit, you can earn up to 20% on total monthly product sales with the Personal Sales Bonus.

### Customer Sales Profit

Customer Sales Profit allows you to earn commissions on every order. Here's how it works: When your Customers order LifeVantage products, you earn the difference between the price your Customer paid and the Consultant price.

#### IN PRACTICE

In these examples, 2 Customers are ordering the same set of products. The Customer on the left purchases the products at the full VAT-exclusive One Time Retail price of €90. The VAT-exclusive Consultant price for that order is €72. So, you earn a Customer Sales Profit of €18. The Customer on the right orders the same products on a Subscription order for the VAT-exclusive Subscription price of €81. The VAT-exclusive Consultant price for that order is €72. So, you earn a Customer Sales Profit of €9.

#### CUSTOMER SALES PROFIT IS CALCULATED DAILY\*

It is important to note that while the published prices may be inclusive of Value Added Tax (VAT), all bonuses and/or commissions are paid on VAT-exclusive VAT. \*May be disbursed three business days after the bonus calculation date to qualified Consultants who are in an eligible market and have reached the Per-Rank of Consultant 1 or above. Consultants who are not qualified for daily disbursement will be paid their bonus earnings weekly.



### 3 Benefits to Customer Subscription

1. Makes it simple for you to get repeat orders for recurring Customer Sales Volume. Makes it simple for Customers to get their wellness products delivered directly to their doorstep every month.
2. Gives you exciting benefits to talk to your potential Customer about, including better pricing on their favourite products and automatic access to the LifeVantage® Rewards Circle loyalty program.
3. Simplifies managing Customer relationships because they will be added to LifeVantage communications and we can partner with you to let them know about new products and promotions.

Customers may cancel their Subscription to opt out of the program at any time.

# Share.

## Personal Sales Bonus

The Personal Sales Bonus rewards you on your personal Customer sales. When your Customer Sales Volume (CSV) totals 500 SV or more in a single month, you become eligible for an additional Personal Sales Bonus. The Bonus is paid on a percentage of CV.

When your CSV reaches 500 in a single month, you will be recognized with a special title before your Rank, starting with Onyx at 500 SV then changing to Emerald at 1000 SV, Sapphire at 2000 SV, and Diamond at 4000 SV and higher

### IN PRACTICE

For example, if your Customers order 2200 SV worth of products in the month, you are eligible for the 15% bonus tier. This bonus is paid on CV which takes into account promos or discounts Customers may have redeemed.

CUSTOMER SV	BONUS TIER	RECOGNITION TITLE
500 - 999.99	5%	ONYX
1,000 - 1,999.99	10%	EMERALD
2,000 - 3,999.99	15%	SAPPHIRE
4,000+	20%	DIAMOND

For illustration purposes only, if the theoretical PEG Rate for the EU at the time this bonus is calculated were .90, then the bonus amount in local currency would be calculated as follows:

- SV is multiplied by the theoretical EU rate CV. CV is then multiplied by the percentage.
- 2200 SV X .90 (theoretical EU PEG Rate) = 1980 CV



**2200 SV**  
you earn  
**15%**  
of CV

**€297**  
**PERSONAL SALES BONUS**

and the title of

**SAPPHIRE**

Must be active to qualify.

**PERSONAL SALES BONUS IS CALCULATED MONTHLY**

# fast track bonuses

## Consultant



### CHOOSE THE FAST TRACK!

These bonuses can boost you right from the start. Your Fast Track Period begins the day you enroll as a Consultant and continues through the next 3 calendar months.

#### 01 Customer Track

You earn €45 for each set of 3 eligible Customers you enroll during your Fast Track Period. A Customer becomes eligible when they purchase at least 100 SV worth of products in the same calendar month that they become a Customer. To qualify for this bonus, you need to be Active in each of the months that your Customers first purchase. Calculation based on US\$50 X .90 (theoretical EU PEG Rate) = €45.



**YOU EARN €45**



For each set of 3 Customers who order 100 SV in their first purchase month.

CUSTOMER TRACK IS CALCULATED WEEKLY

#### 02 Consultant Track

You earn €45 for each set of 3 Consultants you enroll during your Fast Track Period. To qualify for this bonus, you need to be Active each month your Consultants enroll, and each Consultant must be Active in the month they enroll. Calculation based on US\$50 X .90 (theoretical EU PEG Rate) = €45.



**YOU EARN €45**



For each set of 3 Consultants who are Active in their enrollment month.

CONSULTANT TRACK IS CALCULATED WEEKLY

#### 03 Rank Advancement Track

When you reach the Rank of Senior Consultant 1 for the first time during your Fast Track Period, you will earn a €90 Rank Advancement Bonus. Calculation based on US\$100 X .90 (theoretical EU PEG Rate) = €90.



**YOU EARN €90**

When you advance to the Rank of **SENIOR CONSULTANT 1** during your Fast Track Period

RANK ADVANCEMENT TRACK IS CALCULATED MONTHLY

#### 04 Accelerator Track

When you achieve any of the Fast Track Bonuses before the end of your first full calendar month as a Consultant, you will earn a €45 bonus. Calculation based on US\$50 X .90 (theoretical EU PEG Rate) = €45.



**YOU EARN €45**

When you achieve any Fast Track Bonus before the end of your first full calendar month

ACCELERATOR TRACK IS CALCULATED MONTHLY

# fast track bonuses

## Enroller

### 01 Rank Advancement Track

If you are Paid-as Senior Consultant 1 or higher, you can earn a one-time €45 Enroller Bonus anytime your newly enrolled Consultant earns a Rank Advancement Bonus. Calculation based on US\$50 X .90 (theoretical EU PEG Rate) = €45.

#### ENROLLER EARNS €45

Upline Enroller earns the Rank Advancement Bonus.

RANK ADVANCEMENT TRACK IS CALCULATED MONTHLY

### 02 Accelerator Track

If you are Active in the month a Consultant you enroll earns an Accelerator Track Bonus, you can earn a €22.50 bonus as their Enroller. Calculation based on US\$25 X .90 (theoretical EU PEG Rate) = €22.50.

#### ENROLLER EARNS €22.50

Upline Enroller earns the Accelerator Track Bonus.

ACCELERATOR TRACK IS CALCULATED MONTHLY

## Earn When You Help Others Win on The Fast Track

The first few months of a new Consultant's business are critical to setting them up for a future of success. As their Enroller, work closely with them during their Fast Track Period to help them get started right and you could also earn bonuses.

### Mentor Bonus

To receive any Mentor Bonus, you must be Active in the month your new Consultant qualifies. Earn 15% of all your new Consultant's CV from their Customer sales during their Fast Track Period.



### IN PRACTICE

In this example, if your newly enrolled Consultant is Active during their Fast Track Period, you earn a Mentor Bonus. For illustration purposes only, if the theoretical EU PEG Rate at the time this bonus is calculated is 0.90, the bonus amount in local currency would be as follows:

- CV is multiplied by the theoretical EU PEG Rate: 500 CV X 0.90 = 450
- The result is then multiplied by the applicable percentage: 450 X 15% = 67.50

500 CV X .90 (theoretical EU PEG Rate) X 15% = 67.50

Must be active to qualify.



## Level Commissions

You earn Level Commissions for building your team and teaching those you sponsor to create strong teams of their own. As an Active Consultant, you are paid a percentage of commissions from the CV of your team's sales. Your Paid as Rank determines the percentages you earn and the number of levels on which you are eligible to receive a commission.

### HOW LEVELS WORK

All of the Consultants directly below you in your Placement Tree are your Level 1. Consultants are paid Customers Sales Profit and Personal Sales Bonus on their personally enrolled Customer purchases. Enrollers are not eligible for a Level Commission on their personal Customers. LEVEL COMMISSIONS ARE CALCULATED MONTHLY

	C1 CONSULTANT	C2 CONSULTANT 1	C3 CONSULTANT 2	C4 CONSULTANT 3	SE1 SENIOR CONSULTANT 1	SE2 SENIOR CONSULTANT 2	SE3 SENIOR CONSULTANT 3	MC1 MANAGING CONSULTANT 1	MC2 MANAGING CONSULTANT 2	MC3 MANAGING CONSULTANT 3	TE1 EXECUTIVE CONSULTANT 1	TE2 EXECUTIVE CONSULTANT 2	TE3 EXECUTIVE CONSULTANT 3	EC1 EXECUTIVE CONSULTANT 4	EC2 EXECUTIVE CONSULTANT 5	EC3 EXECUTIVE CONSULTANT 6	EC4 EXECUTIVE CONSULTANT 7
PPR	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
SVR	150	200	250	300	300	300	300	300	300	300	300	300	300	300	300	300	300
GSR			500	1,000	2,000	3,500	6,000	10,000	20,000	40,000	80,000	150,000	300,000	600,000	1,000,000		
MVR			750	1,500	2,500	4,000	6,000	10,000	20,000	40,000	67,500	135,000	270,000	450,000			
LEVEL 1	5%	7%	9%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
LEVEL 2			3%	5%	6%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
LEVEL 3					3%	5%	6%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
LEVEL 4						3%	5%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
LEVEL 5							3%	3%	4%	4%	4%	4%	4%	4%	4%	4%	4%
LEVEL 6								3%	4%	5%	5%	5%	5%	5%	5%	5%	5%
LEVEL 7									3%	4%	4%	4%	4%	4%	4%	4%	4%
LEVEL 8										3%	3%	3%	3%	3%	3%	3%	3%
LEVEL 9											3%	3%	3%	3%	3%	3%	3%

## Active Compression

A process by which CV for Level Commissions skips inactive Consultants and rolls up to the next Active Consultant.

### IN PRACTICE

This example shows how volume could roll up in one Leg of a team. You're a Senior Consultant 3 at Level 5 above the Consultant who earned the volume. Starting from the bottom of the chart, you see how CV flows up and what happens below and above you.



### KEY

- Qualified (Paid)
- Not Qualified (Not Paid)
- Inactive (Rolls Up)

# Lead.

## Leadership Match

When you are paid as a Managing Consultant 2 or higher in the month, you can receive a Leadership Match on qualified Generations.

The Leadership Match is paid on your qualified Generations' Level Commissions.

### HOW GENERATIONS WORK

Your Generation 1 is the first Consultant in any Leg in your team with a Paid-as Rank of Managing Consultant 1 or higher. A Generation 2 is the next Consultant in that Leg with a Paid-as Rank of Managing Consultant 1 or higher, and so on. LEADERSHIP MATCH IS CALCULATED MONTHLY

For illustration purposes only, if the theoretical PEG Rate for the EU at the time this bonus is calculated were .90, then the Cap Per Match in local currency would be calculated as follows:

- Cap Per Match amount in US\$ is multiplied by the theoretical EU PEG Rate.

For example, the Cap Per Match for a Managing Consultant 2 would be US\$1,000 X .90 (theoretical EU PEG Rate) = €900.

MONTHLY LEADERSHIP MATCH CAN PAYOUT UP TO A MAXIMUM OF 3% OF MONTHLY GLOBAL CV.

18

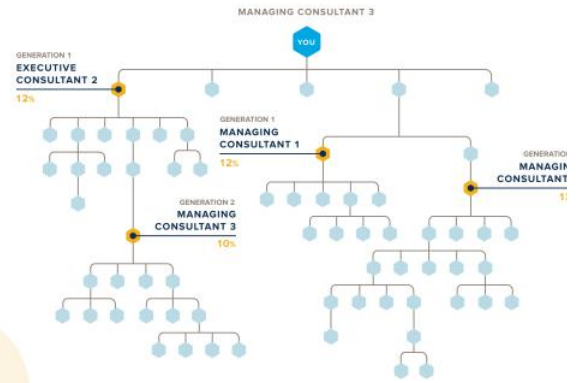
When you reach the Leader level, you've shown you truly know what it takes to succeed and have the skills to help mentor and motivate others. Keep cultivating your future leaders and helping them grow and you can earn substantial bonuses for building such a strong team.

	MANAGING CONSULTANT 2	MANAGING CONSULTANT 3	EXECUTIVE CONSULTANT 1	EXECUTIVE CONSULTANT 2	EXECUTIVE CONSULTANT 3	EXECUTIVE CONSULTANT 4	PRESIDENTIAL CONSULTANT
<b>GENERATION 1</b>	7%	12%	15%	20%	20%	20%	20%
<b>GENERATION 2</b>		10%	12%	15%	20%	20%	20%
<b>GENERATION 3</b>			10%	12%	15%	20%	20%
<b>GENERATION 4</b>				10%	12%	15%	20%
<b>GENERATION 5</b>					10%	12%	15%
<b>GENERATION 6</b>						10%	12%
<b>GENERATION 7</b>							12%
<b>CAP PER MATCH</b>	\$1,000	\$2,500	\$5,000	\$7,500	\$10,000	\$15,000	\$15,000

### IN PRACTICE

In this example, as a Managing Consultant 3, you earn a 12% Leadership Match on your Generation 1 Consultants and a 10% match on your Generation 2 Consultants.

Qualified Generations are based on Paid-as Ranks. You can have multiple Generation 1 Consultants within a Leg. The Leadership Match is paid in addition to any other bonuses and commission you might already be earning.



# Lead.

## Leadership Pool

When you are paid as an Executive Consultant 1 or higher, you earn shares of our monthly Leadership Pool. This pool is made from 4% of global monthly CV. You receive shares based on your Paid-as Rank.

The total pool amount is divided equally by the total number of monthly shares Consultants earn.

SHARES	
EXECUTIVE CONSULTANT 1	1
EXECUTIVE CONSULTANT 2	3
EXECUTIVE CONSULTANT 3	5
EXECUTIVE CONSULTANT 4	10
PRESIDENTIAL CONSULTANT	20

LEADERSHIP POOL IS CALCULATED MONTHLY



## Notices

1. LifeVantage Netherlands BV is a Direct Sales/Network Marketing company with a Multi-Level Marketing compensation plan that provides flexibility and opportunity for individuals to earn extra income based upon selling products to Customers. Consultant personally agrees that they may not p any given month unless 70% of all orders from p been sold or consumed through personal family s
2. The focus of the LifeVantage Compensation Plan is to pay bonuses and commissions to LifeVantage Consultants based upon their product sales and the product sales of LifeVantage Consultants in their personal marketing team to ultimate end using Customers.
3. LifeVantage products are not sold in retail stores and only licensed Consultants in Good Standing are authorized to sell LifeVantage products either directly from their own stock or indirectly through the company's online shopping cart at [www.lifevantage.com](http://www.lifevantage.com).
4. The Consultant Agreement consists of the LifeVantage Compensation Plan, the LifeVantage Consultant Application and Agreement, the LifeVantage Policies and Procedures, the LifeVantage Virtual Office Agreement (Back Office Agreement), and the LifeVantage Privacy Policy and Website Use Agreement. The Consultant Agreement governs the contractual relationship and obligations of each LifeVantage Consultant to LifeVantage.
5. A LifeVantage Consultant may not personally purchase for themselves nor encourage Customers or other Consultants to purchase more inventory than each can personally consume and/or sell to their personal Customers each month. In addition, each LifeVantage Consultant sales earnings disclosed are not earnings and not net of other business expenses representative of the actual income, if any, that s will earn through the LifeVantage Compensation l earnings will depend on the individual diligence, l market conditions. LifeVantage does not guarante success.
6. The Consultants sales earnings disclosed are not earnings and not net of other business expenses representative of the actual income, if any, that s will earn through the LifeVantage Compensation l earnings will depend on the individual diligence, l market conditions. LifeVantage does not guarante success.
7. Beginning on 1 February 2024 no new Business C allowed, and all existing Business Centres, wheth will be terminated and will not be reinstated. Any placed or enrolled directly below the Business Ce and/or enrolled under the main account.
8. Beginning on February 1, 2024, a family unit may interest in more than one LifeVantage Consultant
9. For Leadership Match, if after the individual caps the monthly Leadership Match payout exceed 9% then all monthly Leadership Match earnings will b an equal percentage in order to ensure that the r Match does not exceed 9% of monthly global CV.

# Notes

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## CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Steven R. Fife, certify that:

1. I have reviewed this quarterly report on Form 10-Q of LifeVantage Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Steven R. Fife

Steven R. Fife

President and Chief Executive Officer

(Principal Executive Officer)

Date: May 2, 2024

## CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Carl A. Aure, certify that:

1. I have reviewed this quarterly report on Form 10-Q of LifeVantage Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Carl A. Aure

Carl A. Aure

Chief Financial Officer

(Principal Financial Officer)

Date: May 2, 2024



CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED  
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of this quarterly report on Form 10-Q of LifeVantage Corporation (the "Company") for the period ended March 31, 2024, with the Securities and Exchange Commission on the date hereof (the "report"), I, Steven R. Fife, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- 1) The report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the report or as a separate disclosure document.

/s/ Steven R. Fife

Steven R. Fife

President and Chief Executive Officer

(Principal Executive Officer)

Date: May 2, 2024

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED  
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of this quarterly report on Form 10-Q of LifeVantage Corporation (the "Company") for the period ended March 31, 2024, with the Securities and Exchange Commission on the date hereof (the "report"), I, Carl A. Aure, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- 1) The report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the report or as a separate disclosure document.

/s/ Carl A. Aure

Carl A. Aure

Chief Financial Officer

Date: May 2, 2024 (Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.