

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO 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

For the transition period from N/A to N/A

Commission File No. **000-52369**

**FITLIFE BRANDS, INC.**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction of incorporation)

**20-3464383**

(IRS Employer Identification No.)

5214 S. 136th Street, Omaha, NE 68137  
(Address of principal executive offices)

(402) 991-5618  
(Issuer's telephone number)

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class  
**Common Stock, par value \$0.01 per share**

Trading Symbol(s)  
**FTLF**

Name of each exchange on which  
registered  
**The Nasdaq Capital Market**

Indicate by check mark whether the Registrant (1) has filed all reports required 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, smaller reporting company or emerging growth company. See 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   
Non-Accelerated filer

Accelerated filer   
Small reporting company   
Emerging growth company

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of May 10, 2024, a total of 4,598,241 shares of the Registrant's Common Stock, par value \$0.01 per share, were issued and outstanding.

**FITLIFE BRANDS, INC.**  
**INDEX TO FORM 10-Q FILING**  
**FOR THE QUARTER ENDED MARCH 31, 2024**

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#### **Special Note Regarding Forward-Looking Statements**

*This Quarterly Report on Form 10-Q ("Quarterly Report"), including "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 2 of Part I of this Quarterly Report, includes forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by forward-looking statements.*

*In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential", "proposed", "intended", or "continue" or the negative of these terms or other comparable terminology. You should read statements that contain these words carefully, because they discuss our expectations about our future operating results or our future financial condition or state other "forward-looking" information. There may be events in the future that we are not able to accurately predict or control. Before you invest in our securities, you should be aware that the occurrence of any of the events described in this Quarterly Report could substantially harm our business, results of operations and financial condition, and that upon the occurrence of any of these events, the trading price of our securities could decline and you could lose all or part of your investment. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, growth rates, levels of activity, performance or achievements. We are under no duty to update any of the forward-looking statements after the date of this Quarterly Report to conform these statements to actual results.*

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**PART I**  
**FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

**FITLIFE BRANDS, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In thousands, except per share data)

	<u>March 31, 2024</u>	<u>December 31, 2023</u>
	(Unaudited)	
<b>ASSETS:</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,540	\$ 1,139
Restricted cash	750	759
Accounts receivable, net of allowance of doubtful accounts of \$ 18 and \$17, respectively	2,269	2,046
Inventories, net of allowance for obsolescence of \$ 139 and \$162, respectively	8,869	9,091
Sales tax receivable	113	1,019
Prepaid expense and other current assets	451	639
<b>Total current assets</b>	<b>14,992</b>	<b>14,693</b>
Property and equipment, net	121	137
Right of use asset	96	121
Intangibles, net of amortization of \$ 124 and \$113, respectively	26,325	26,309
Goodwill	13,340	13,294
Deferred tax asset	612	792
<b>TOTAL ASSETS</b>	<b>\$ 55,486</b>	<b>\$ 55,346</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY:</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 3,978	\$ 3,261
Accrued expense and other liabilities	1,397	1,026
Income taxes payable	1,356	892
Product returns	524	571
Term loan – current portion	4,500	4,500
Lease liability - current portion	73	87
<b>Total current liabilities</b>	<b>11,828</b>	<b>10,337</b>
Term loan, net of current portion and unamortized deferred finance costs	11,894	15,509
Long-term lease liability, net of current portion	34	51
Deferred tax liability	2,353	2,413
<b>TOTAL LIABILITIES</b>	<b>26,109</b>	<b>28,310</b>
<b>STOCKHOLDERS' EQUITY:</b>		
Preferred stock, \$0.01 par value, 10,000 shares authorized, none outstanding as of March 31, 2024 and December 31, 2023	-	-
Common stock, \$0.01 par value, 60,000 shares authorized; 4,598 issued and outstanding as of March 31, 2024 and December 31, 2023	46	46
Additional paid-in capital	30,801	30,699
Accumulated deficit	(1,257)	(3,417)
Foreign currency translation adjustment	(213)	(292)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>29,377</b>	<b>27,036</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 55,486</b>	<b>\$ 55,346</b>

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

**FITLIFE BRANDS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023**  
(In thousands, except per share data)  
(Unaudited)

	<b>Three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Revenue	\$ 16,549	\$ 10,738
Cost of goods sold	9,262	6,330
<b>Gross profit</b>	<b>7,287</b>	<b>4,408</b>
<b>OPERATING EXPENSE:</b>		
Selling, general and administrative	3,736	2,344
Merger and acquisition related expense	134	1,372
Depreciation and amortization	36	19
Total operating expense	<b>3,906</b>	<b>3,735</b>
<b>OPERATING INCOME</b>	<b>3,381</b>	<b>673</b>
<b>OTHER EXPENSE (INCOME)</b>		
Interest income	(5)	(84)
Interest expense	414	98
Foreign exchange (gain) loss	5	82
Total other expense (income)	<b>414</b>	<b>96</b>
<b>INCOME BEFORE INCOME TAX PROVISION</b>	<b>2,967</b>	<b>577</b>
<b>PROVISION FOR INCOME TAXES</b>	<b>807</b>	<b>421</b>
<b>NET INCOME</b>	<b>\$ 2,160</b>	<b>\$ 156</b>
<b>NET INCOME PER SHARE</b>		
Basic	\$ 0.47	\$ 0.03
Diluted	\$ 0.43	\$ 0.03
Basic weighted average common shares	<b>4,598</b>	<b>4,483</b>
Diluted weighted average common shares	<b>5,030</b>	<b>4,935</b>
<b>COMPREHENSIVE INCOME:</b>		
NET INCOME	\$ 2,160	\$ 156
Foreign currency translation adjustment	79	-
Comprehensive income	<b>\$ 2,239</b>	<b>\$ 156</b>

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

**FITLIFE BRANDS, INC.**  
**CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023**  
**(In thousands)**  
**(Unaudited)**

	Common stock		Additional paid-in capital		Accumulated deficit		Foreign currency translation adjustment		Total
	Shares	Amount							
<b>THREE MONTHS ENDED MARCH 31, 2024</b>									
JANUARY 1, 2024	4,598	\$ 46	\$ 30,699	\$ (3,417)	\$ (292)	\$ 27,036			
Stock-based compensation	-	-	102	-	-	102			
Comprehensive income	-	-	-	-	-	79			
Net income	-	-	-	2,160	-	-	2,160		
<b>MARCH 31, 2024</b>	<b>4,598</b>	<b>\$ 46</b>	<b>\$ 30,801</b>	<b>\$ (1,257)</b>	<b>\$ (213)</b>	<b>\$ 29,377</b>			
<b>THREE MONTHS ENDED MARCH 31, 2023</b>									
JANUARY 1, 2023	4,507	\$ 45	\$ 30,056	\$ (8,713)	\$ -	\$ 21,388			
Shares surrendered by former employee	(61)	(1)	1	-	-	-			
Stock-based compensation	-	-	42	-	-	42			
Comprehensive income	-	-	-	-	22	22			
Net income	-	-	-	156	-	-	156		
<b>MARCH 31, 2023</b>	<b>4,446</b>	<b>\$ 44</b>	<b>\$ 30,099</b>	<b>\$ (8,557)</b>	<b>\$ 22</b>	<b>\$ 21,608</b>			

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

**FITLIFE BRANDS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023**  
**(In thousands)**  
**(Unaudited)**

	<b>Three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 2,160	\$ 156
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	36	19
Allowance for doubtful accounts	1	(14)
Allowance for inventory obsolescence	(23)	2
Stock compensation expense	102	42
Amortization of deferred financing costs	10	1
Changes in operating assets and liabilities:		
Accounts receivable - trade	(242)	(917)
Inventories	218	1,501
Deferred tax asset	180	251
Prepaid expense, other assets and sales tax receivable	1,067	(44)
Right of use asset	21	16
Accounts payable	727	(1,045)
Lease liability	(30)	(16)
Accrued liabilities, other liabilities and income taxes payable	856	289
Product returns	(47)	(9)
Net cash provided by operating activities	<u>5,036</u>	<u>232</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(10)	-
Cash paid for acquisition of Mimi's Rock Corp.	-	(17,099)
Net cash used in investing activities	<u>(10)</u>	<u>(17,099)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payments on term loans	(3,625)	-
Borrowings on term loan	-	12,500
Net cash provided by (used in) financing activities	<u>(3,625)</u>	<u>12,500</u>
Foreign currency impact on cash	(9)	17
<b>CHANGE IN CASH AND RESTRICTED CASH</b>	<b>1,392</b>	<b>(4,350)</b>
<b>CASH, BEGINNING OF PERIOD</b>	<b>1,898</b>	<b>13,277</b>
<b>CASH AND RESTRICTED CASH, END OF PERIOD</b>	<b>\$ 3,290</b>	<b>\$ 8,927</b>

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

**FITLIFE BRANDS, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023**  
(In thousands, except per share data)  
(Unaudited)

**NOTE 1 - DESCRIPTION OF BUSINESS**

**Summary**

FitLife Brands, Inc. (the "Company") is a provider of innovative and proprietary nutritional supplements and wellness products for health-conscious consumers marketed under the following brand names: (i) NDS Nutrition, PMD Sports, SirenLabs, Core Active, Nutrology, and Metis Nutrition (together, "NDS Products"); (ii) iSatori, BioGenetic Laboratories, and Energize (together, the "iSatori Products"); (iii) Dr. Tobias, All Natural Advice, and Maritime Naturals (together, the "MRC Products"); and (iv) MusclePharm.

The Company distributes the NDS Products principally through franchised General Nutrition Centers, Inc. ("GNC") stores located both domestically and internationally and, with the launch of Metis Nutrition, through corporate GNC stores in the United States. The iSatori Products are sold through approximately 16,000 retail locations, which include specialty, mass, and online. The Company distributes the MRC Products primarily online. MusclePharm's products are sold to both wholesale customers as well as online directly to the end consumer.

FitLife Brands is headquartered in Omaha, Nebraska. For more information on the Company, please go to [www.fitlifebrands.com](http://www.fitlifebrands.com). The Company's common stock, par value \$0.01 per share ("Common Stock"), trades under the symbol "FTLF" on the Nasdaq Capital Market.

**NOTE 2 - BASIS OF PRESENTATION**

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In our opinion, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation are included. Operating results for the three-month period ended March 31, 2024 are not necessarily indicative of the results that may be expected for the year ending December 31, 2023. Although management of the Company believes the disclosures presented herein are adequate and not misleading, these interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the footnotes thereto included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, filed with the Securities and Exchange Commission (the "SEC") on March 29, 2024.

### **NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States ("GAAP"). Significant accounting policies are as follows:

#### *Principles of Consolidation*

The condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. Intercompany accounts and transactions have been eliminated in the condensed consolidated financial statements.

#### *Foreign Currency Translation*

The functional currency of the Company is the U.S. dollar (USD). The functional currency of the Company's Canadian subsidiaries is the Canadian dollar (CAD). The assets and liabilities of the Company's foreign subsidiaries are translated into U.S. dollars using end-of-period exchange rates. Changes in reported amounts of assets and liabilities of foreign subsidiaries that occur as a result of changes in exchange rates between foreign subsidiaries' functional currencies and the U.S. dollar are included in foreign currency translation adjustment. Foreign currency translation adjustment is included as a component of stockholders' equity in the accompanying condensed consolidated balance sheets. Revenue and expense transactions use an average rate prevailing during the period of the related transaction. Transaction gains and losses that arise from exchange rate fluctuations denominated in a currency other than the functional currency of each subsidiary are included in the results of operations as incurred.

#### *Use of Estimates and Assumptions*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect (i) the reported amounts of assets and liabilities, (ii) the disclosure of contingent assets and liabilities known to exist as of the date the financial statements are published, and (iii) the reported amount of net sales and expense recognized during the periods presented.

Those estimates and assumptions include estimates for reserves of uncollectible accounts receivable, allowance for inventory obsolescence, product returns, depreciable lives of property and equipment, allocation of purchase price from business combinations, analysis of impairment of goodwill, realization of deferred tax assets, accruals for potential liabilities and assumptions made in valuing stock instruments issued for services. Management evaluates these estimates and assumptions on a regular basis. Actual results could differ from those estimates.

#### *Revenue Recognition*

The Company's revenue is comprised of sales of nutritional supplements and wellness products to consumers.

The Company accounts for revenue in accordance with FASB ASC 606, *Revenue from Contracts with Customers* ("ASC 606"). The underlying principle of ASC 606 is to recognize revenue to depict the transfer of goods or services to customers at the amount expected to be collected. ASC 606 creates a five-step model that requires entities to exercise judgment when considering the terms of contract(s), which includes (1) identifying the contract(s) or agreement(s) with a customer, (2) identifying our performance obligations in the contract or agreement, (3) determining the transaction price, (4) allocating the transaction price to the separate performance obligations, and (5) recognizing revenue as each performance obligation is satisfied. Under ASC 606, revenue is recognized when performance obligations under the terms of a contract are satisfied, which occurs for the Company upon shipment or delivery of products to our customers based on written sales terms. Revenue is measured as the amount of consideration we expect to receive in exchange for transferring the products to a customer.

All products sold by the Company are distinct individual products and consist of nutritional supplements and wellness products. The products are offered for sale solely as finished goods, and there are no performance obligations required post-shipment for customers to derive the expected value from them.

The Company's products are also sold on e-commerce platforms including Amazon. For these transactions, the Company evaluated principal versus agent considerations to determine appropriateness of recording distribution and platform fees paid to third-party e-commerce companies as an expense or as a reduction of revenue. The Company records distribution and platform fees to cost of goods sold in the condensed consolidated statements of income and comprehensive income. Distribution and platform fees are not recorded as a reduction of revenue because the Company (1) owns the goods before they are transferred to the customer, (2) can direct Amazon, similar to other third-party logistics providers ("Logistic Providers"), to return the Company's inventory to any location specified by the Company, (3) has the responsibility to make customers whole following any returns made by customers directly to Logistic Providers and the Company retains the back-end inventory risk, (4) is subject to credit risk (i.e., credit card chargebacks), (5) establishes prices of its products, (6) can determine who fulfills the goods to the customer (Amazon or the Company) and (7) can limit quantities or stop selling the goods at any time. Based on these considerations, the Company is the principal in this arrangement. Advertising fees paid to Amazon are recorded in selling, general and administrative expense in the condensed consolidated statements of income and comprehensive income.

The Company disaggregates revenue into geographical regions and distribution channels. The Company determines that disaggregating revenue into these categories achieves the disclosure objective to depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

Online revenue for the quarter ended March 31, 2024 was approximately 65% of net revenue, compared to 47% of net revenue during the same period in the prior year. Wholesale revenue for the quarter ended March 31, 2024 was approximately 35% of net revenue compared to 53% during the same period in the prior year.

Sales to customers in the United States were approximately 96% and 97% during the quarters ended March 31, 2024 and 2023, respectively, with the balance of sales being to customers primarily in Canada.

Control of products we sell transfers to customers upon shipment from our facilities or delivery to our customers, and the Company's performance obligations are satisfied at that time. Shipping and handling activities are performed before the customer obtains control of the goods and therefore represent a fulfillment activity rather than promised goods to the customer. Payments for sales are generally made by check, credit card, or wire transfer. Historically the Company has not experienced any significant payment delays from customers.

For direct-to-consumer sales, the Company allows for returns within 30 days of purchase. Our wholesale customers, such as GNC, may return purchased products to the Company under certain circumstances, which include expired or soon-to-be-expired products located in GNC corporate stores or at any of its distribution centers, and products that are subject to a recall or that contain an ingredient or ingredients that are subject to a recall by the U.S. Food and Drug Administration.

A right of return does not represent a separate performance obligation, but because customers are allowed to return products, the consideration to which the Company expects to be entitled is variable. Upon evaluation of returns, the Company determined that product returns are immaterial, and therefore believes it is probable that such returns will not cause a significant reversal of revenue in the future. We assess our contracts and the reasonableness of our conclusions on a quarterly basis.

#### *Customer and Vendor Concentration*

Net sales to GNC during the three-month periods ended March 31, 2024 and 2023 represent 25% and 49% of total net revenue, respectively. Gross accounts receivable attributable to GNC as of March 31, 2024 and December 31, 2023 represent 28% and 30% of the Company's total accounts receivable balance, respectively.

For the three months ended March 31, 2024, there were two vendors who accounted for 42% and 27% of the Company's inventory-related purchases. For the quarter ended March 31, 2023, there were two vendors who accounted for 49% and 18% of the Company's inventory-related purchases. As of March 31, 2024 and December 31, 2023, there was one vendor who accounted for 62% and 51% of the Company's consolidated accounts payable, respectively.

#### *Cash and Cash Equivalents*

The Company considers all highly liquid investments with an original maturity from the date of purchase of three months or less to be cash equivalents. The Company has approximately \$750 in short-term interest-earning accounts pledged as collateral for financing arrangements that are currently limited to business credit cards. Subsequent to March 31, 2024, the Company reduced the scope of the arrangement for business credit cards in foreign jurisdictions, reducing the collateral pledged to \$55 (approximately \$75 CAD).

#### *Leases*

We lease certain corporate office space and office equipment under lease agreements with monthly payments over a period of 36 to 84 months. We determine if an arrangement is a lease at inception. Leased assets are presented as operating lease right-of-use assets and the related liabilities are presented as lease liabilities in our condensed consolidated balance sheets.

#### *Goodwill*

The Company has determined that it has a single reporting unit for purposes of performing its goodwill impairment test. The Company reviews goodwill for impairment on an annual basis or whenever events or changes in circumstances indicate the carrying value may not be recoverable. The Company first assesses qualitative factors to determine whether it is more-likely-than-not that the fair value of the reporting unit is less than the carrying amount as a basis for determining whether it is necessary to perform an impairment test. If the qualitative assessment warrants further analysis, the Company compares the fair value of the reporting unit to its carrying value. The fair value of the reporting unit is determined using the market approach. The Company determines the amount of a potential goodwill impairment by comparing the fair value of the reporting unit with its carrying amount. To the extent the carrying value of a reporting unit exceeds its fair value, a goodwill impairment charge is recognized.

As the Company uses the market approach to determine fair value of the reporting unit, the price of its Common Stock is an important component of the fair value calculation. If the Company's stock price experiences significant price and volume fluctuations, this will impact the fair value of the reporting unit, which can lead to potential impairment in future periods.

Management determined there were no indicators of impairment at March 31, 2024 or December 31, 2023. The Company will perform their next impairment analysis in December 2024.

#### *Acquisitions and Business Combinations*

The Company allocates the fair value of purchase consideration to the tangible assets acquired, liabilities assumed, and separately identified intangible assets acquired based on their estimated fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. Such valuations require management to make significant estimates and assumptions, especially with respect to intangible assets. Significant estimates in valuing certain intangible assets include, but are not limited to, future expected cash flows from acquired trademarks and trade names, useful lives, and discount rates. Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period, which is the period needed to gather all information necessary to make the purchase price allocation, not to exceed one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to earnings.

#### *Income Taxes*

Provision for income taxes consists of current and deferred tax expense. Current tax expense is the expected tax payable on the taxable income for the year using tax rates enacted in the countries where the Company and its subsidiaries operate and generate taxable income. The Company accounts for income taxes using the asset and liability method, whereby deferred tax assets are recognized for deductible temporary differences and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets may also result from unused losses and other deductions carried forward. An assessment of the probability that a deferred tax asset will be recovered is made prior to any deferred tax asset being recognized. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized, or that future deductibility is uncertain.

The income tax provision for interim periods is determined using an estimate of the annual effective tax rate, adjusted for discrete items, if any, that are taken into account in the relevant period. Each quarter, the estimate of the annual effective tax rate is updated, and if the estimated effective tax rate changes, a cumulative adjustment is made. There is potential for volatility of the effective tax rate due to several factors, including changes in the mix of the pre-tax income and the jurisdictions to which it relates. The effective income tax rate was 27.2% and 73.0% for the three months ended March 31, 2024 and 2023, respectively.

#### Net Income Per Share

Our computation of earnings per share ("EPS") includes basic and diluted EPS. Basic EPS is measured as the income available to common stockholders divided by the weighted average common shares outstanding for the period. Diluted EPS reflects the potential dilution, using the treasury stock method, that could occur if securities or other contracts to issue Common Stock were exercised or converted into Common Stock or resulted in the issuance of Common Stock that then shared in the income of the Company as if they had been converted at the beginning of the periods presented, or issuance date, if later. In computing diluted EPS, the treasury stock method assumes that outstanding options and warrants are exercised, and the proceeds are used to purchase Common Stock at the average market price during the period. Options and warrants may have a dilutive effect under the treasury stock method only when the average market price of the Common Stock during the period exceeds the exercise price of the options and warrants. Potential common shares that have an antidilutive effect (i.e., those that increase income per share or decrease loss per share) are excluded from the calculation of diluted EPS.

	Three months ended March 31,	
	2024	2023
Net income available to common shareholders	\$ 2,160	\$ 156
Weighted average common shares - basic	4,598	4,483
Dilutive effect of outstanding warrants and stock options	432	452
Weighted average common shares - diluted	<u>5,030</u>	<u>4,935</u>
Net income per common share:		
Basic	\$ 0.47	\$ 0.03
Diluted	<u>\$ 0.43</u>	<u>\$ 0.03</u>

#### Fair Value Measurements

The Company uses various inputs in determining the fair value of its investments and measures these assets on a recurring basis. Financial assets recorded at fair value in the balance sheets are categorized by the level of objectivity associated with the inputs used to measure their fair value. FASB ASC Topic 820, *Fair Value*, establishes a three-level valuation hierarchy for the use of fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date:

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 – Inputs that are both significant to the fair value measurement and unobservable. These inputs rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. The unobservable inputs are developed based on the best information available in the circumstances and may include the Company's own data.

The carrying amounts of financial assets and liabilities, such as cash and cash equivalents, restricted cash, accounts receivable and accounts payable, approximate their fair values because of the short maturity of these instruments. The carrying value of our notes payable approximate their fair value based on the market interest rates of these notes.

#### Segment

The Company operates in one segment, providing nutritional supplements and wellness products to health-conscious consumers. The Company's chief operating decision maker is the Chief Executive Officer, who reviews operating results to make decisions about allocating resources and assessing performance for the entire Company.

#### Recently Issued Accounting Pronouncements

In September 2022, the FASB issued ASU 2022-04, *Liabilities-Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations* ("ASU 2022-04"). The ASU requires buyers to disclose information about their supplier finance programs. Interim and annual requirements include the disclosure of outstanding amounts under the obligations as of the end of the reporting period, and annual requirements include a roll-forward of those obligations for the annual reporting period, as well as a description of payment and other key terms of the programs. This update is effective for annual periods beginning after December 15, 2022, and interim periods within those fiscal years, except for the requirement to disclose roll-forward information, which is effective for fiscal years beginning after December 15, 2023. The Company adopted ASU 2022-04 on January 1, 2023, and there was no material impact on our financial statements.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosure* ("ASC 280"), which is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expense categories that are regularly provided to the chief operating decision maker and included in each reported measure of a segment's profit or loss. The update also requires all annual disclosures about a reportable segment's profit or loss and assets to be provided in interim periods and for entities with a single reportable segment to provide all the disclosures required by ASC 280, including the significant segment expense disclosures. This standard will be effective for the Company on January 1, 2024 and interim periods beginning in fiscal year 2025, with early adoption permitted. The updates required by this standard should be applied retrospectively to all periods presented in the financial statements. The Company does not expect this standard to have a material impact on its results of operations, financial position or cash flows.

Other recent accounting pronouncements issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants, and the Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future financial statements.

#### NOTE 4 – INVENTORIES

The Company's inventory is carried at the lower of cost or net realizable value using the first-in, first-out ("FIFO") method. The Company evaluates the need to record adjustments for inventory on a regular basis. Company policy is to evaluate all inventories including components and finished goods for all of its product offerings across all of the Company's operating subsidiaries.

The Company recognizes an allowance for obsolescence for expiring, excess, and slow-moving inventory. To calculate the allowance, the Company analyzes sales projections for each SKU relative to the remaining shelf life of the product. The value of any finished goods inventory projected to expire prior to sale is included in the allowance.

The total allowance for expiring, excess and slow-moving inventory items as of March 31, 2024 and December 31, 2023 amounted to \$ 139 and \$162, respectively. The Company's inventories as of March 31, 2024 and December 31, 2023 were as follows:

	<u>March 31, 2024</u> (Unaudited)	<u>December 31, 2023</u>
Finished goods	\$ 8,125	\$ 8,292
Components	883	961
Allowance for obsolescence	(139)	(162)
<b>Total</b>	<b>\$ 8,869</b>	<b>\$ 9,091</b>

#### **NOTE 5 - PROPERTY AND EQUIPMENT**

The Company had property and equipment as of March 31, 2024 and December 31, 2023 as follows:

	<u>March 31, 2024</u> (Unaudited)	<u>December 31, 2023</u>
Equipment	\$ 965	\$ 951
Accumulated depreciation	(844)	(814)
<b>Total</b>	<b>\$ 121</b>	<b>\$ 137</b>

Depreciation expense for the three months ended March 31, 2024 and 2023 was \$ 26 and \$9, respectively.

#### **NOTE 6 – NOTES PAYABLE**

Debt obligations consisted of the following:

	<u>March 31, 2024</u> (Unaudited)	<u>December 31, 2023</u>
Term loan A	\$ 7,500	\$ 10,625
Term loan B	9,000	9,500
Unamortized debt issuance costs	(106)	(116)
<b>Total</b>	<b>\$ 16,394</b>	<b>\$ 20,009</b>
Current	(4,500)	(4,500)
<b>Long term</b>	<b>\$ 11,894</b>	<b>\$ 15,509</b>

#### *Credit Agreements – First Citizens Bank*

On February 23, 2023, the Company entered into an Amended and Restated Credit Agreement (the “Credit Agreement”) with First Citizens Bank (the “Bank”), amending and restating that certain Credit Agreement, dated September 24, 2019, between the Company and the Bank. Pursuant to the Previous Credit Agreement, the Bank provided the Company with a term loan for the principal amount of \$12,500 (“Term Loan A”), and a revolving line of credit of \$3,500 (the “Line of Credit”, and collectively with the Term Loans, the “Loan”). The Company used the proceeds from the Loan to fund the acquisition of MRC (discussed in further detail in Note 8) and for general working capital purposes.

#### *Second Amended and Restated Credit Agreement*

On October 10, 2023, the Company entered into a Second Amended and Restated Credit Agreement (the “Amended Credit Agreement”) with the Bank, amending and restating the Credit Agreement between the Company and the Bank. Pursuant to the Amended Credit Agreement, the Bank provided the Company with an additional Term Loan (“Term Loan B”, and together with Term Loan A, the “Term Loans”) for the principal amount of \$10,000 and extended the Line of Credit of \$ 3.5 million to December 15, 2024. The Company used the proceeds from Term Loan B to fund the acquisition of assets of MusclePharm (discussed in further detail in Note 9) and for general working capital purposes.

Pursuant to the Amended Credit Agreement, the Term Loans accrue interest at a per annum rate equal to 2.75% above the one-month secured overnight financing rate published for such day by the Federal Reserve Bank of New York ("Term SOFR Rate"); and the Company shall make payments on March 10th, June 10th, September 10th, and December 10th of each calendar year, of principal plus accrued interest on the Term Loans in amounts sufficient to fully amortize Term Loan A through February 28, 2028 and Term Loan B through October 10, 2028; and outstanding advances under the Line of Credit ("Advances") will accrue interest at the applicable rate and the Company will pay the interest on the Advances monthly, with all principal and any accrued interest on outstanding Advances being due and payable in full on the Line of Credit maturity date. The Company may prepay amounts borrowed under the Loan, in whole or in part with accrued interest to the date of such prepayment on the amount prepaid, by written notice to Bank at least one business day prior to the proposed prepayment.

The Amended Credit Agreement contains customary events of default (each an "Event of Default"), which upon the occurrence of an Event of Default, among other things, interest will accrue at the applicable rate plus 2% per annum, and the Bank may declare all obligations, with interest thereon, immediately due and payable. The Amended Credit Agreement further contains customary representations and warranties of the Company; customary indemnification provisions whereby the Company will indemnify Bank for certain losses arising out of inaccuracies in, or breaches of, the representations, warranties and covenants of the Company, and certain other matters; and customary affirmative and negative covenants, including covenants to maintain a Fixed Charge Coverage Ratio (as defined in the Amended Credit Agreement) of not less than 1.25 to 1.00 as tested quarterly on a trailing twelve-month basis, starting with the fiscal quarter ending December 31, 2023, a Funded Debt to EBITDA Ratio (as defined in the Amended Credit Agreement) of not more than 2.50 to 1.00 as tested quarterly on a trailing twelve-month basis, starting with the fiscal quarter ending March 31, 2024, and to the extent the Term Loans still have a balance as of June 30, 2025 and a Cash Flow Leverage threshold (as defined in the Amended Credit Agreement) of at least 1.15 is not met, the Company will be required to make a prepayment on the Term Loans equal to 50% of the Excess Cash Flow (as defined in the Amended Credit Agreement). The Company was in compliance with all covenants as of March 31, 2024.

As of March 31, 2024, the borrowings outstanding on the Term Loans and Line of Credit were \$ 16,500 and \$0, respectively. As of December 31, 2023, the borrowings outstanding on the Term Loans and Line of Credit were \$20,125 and \$0, respectively.

Maturities of the Company's Term Loans are as follows:

Year ending			
2024 (9 months)		\$	3,375
2025			4,500
2026			4,500
2027			2,625
2028			1,500
Total term loan outstanding as of March 31, 2024		\$	<u>16,500</u>

#### NOTE 7 - EQUITY

The Company is authorized to issue 60.0 million shares of Common Stock, \$ 0.01 par value per share, of which 4,598 shares of Common Stock were issued and outstanding as of March 31, 2024 and December 31, 2023.

##### Common Stock Issued for Services

In February 2021, the Company granted an officer an aggregate of 160 restricted share units ("RSUs") with a fair value of \$468. The Company did not record any stock compensation expense related to RSUs during the three months ended March 31, 2024 as the RSU's fully vested in the prior year. The Company recorded \$25 of stock compensation expense related to RSUs during the three months ended March 31, 2023.

### Share Repurchase Program

On March 17, 2023, the Board approved the extension of the Company's previously authorized share repurchase program, initially approved by the Board on August 16, 2019, as amended on September 23, 2019, November 6, 2019 and February 1, 2021 ("Share Repurchase Program"). Under the extended and amended Share Repurchase Program, the Board authorized management to repurchase up to \$5,000 of the Company's Common Stock over a period of 24 months, at a purchase price equal to the fair market value of the Company's Common Stock on the date of purchase, with the exact date and amount of such purchases to be determined by management (the "2023 Share Repurchase Program").

During the three months ended March 31, 2024 and 2023, the Company did not repurchase any Common Stock under the 2023 Share Repurchase Program. As of March 31, 2024, the Company may purchase \$5,000 of Common Stock under the 2023 Share Repurchase Program.

### Shares Surrendered by Former Employee

During the first quarter of 2023, the Company settled a dispute with a former employee. As a result of the settlement, the former employee forfeited 61.2 shares of Common Stock to the Company for no consideration, which shares were then immediately cancelled.

### Options

Information regarding options outstanding as of March 31, 2024 is as follows:

	<b>Number of options</b>	<b>Weighted average exercise price</b>	<b>Weighted average remaining life (years)</b>
Outstanding, December 31, 2023	484	\$ 6.82	4.5
Issued	-	-	-
Exercised	-	-	-
Forfeited	-	-	-
Outstanding, March 31, 2024	484	\$ 6.82	4.3

<b>Outstanding</b>				<b>Exercisable</b>		
<b>Exercise price per share</b>	<b>Total number of options</b>	<b>Weighted average remaining life (years)</b>	<b>Weighted average exercise price</b>	<b>Number of vested options</b>	<b>Weighted average exercise price</b>	
\$ 0.70 - 5.24	349	4.2	\$ 2.29	349	\$ 2.29	
\$ 11.55 - 19.20	135	4.4	\$ 18.56	52	\$ 17.92	
	484	4.3	\$ 6.82	401	\$ 4.31	

The closing stock price for the Company's stock on March 28, 2024 was \$ 23.81, resulting in an intrinsic value of outstanding options of \$ 8,228.

During the three-month periods ended March 31, 2024 and 2023, the Company recognized stock-based compensation expense of \$ 102 and \$17, respectively, related to stock options. As of March 31, 2024 there is \$ 638 of unamortized compensation expense related to stock options.

#### NOTE 8 – ACQUISITION OF MIMI'S ROCK CORP

On February 28, 2023, the Company acquired all the equity interest of Mimi's Rock Corp. ( "MRC") with the purchase price of \$17,099. MRC is headquartered in Oakville, Ontario, Canada.

The Company accounted for the acquisition as a business combination under *ASC 805, Business Combinations* ("ASC 805"). As a result of the MRC acquisition, the Company recorded intangible assets – brands of \$7,630 and goodwill of \$12,764. The goodwill recognized is primarily attributable to anticipated synergies from future growth. The intangible assets, which consist of brands, is not amortized but will be tested for impairment on an annual basis. Goodwill is also not amortized but will be tested for impairment on an annual basis.

The purchase was intended to augment and diversify the Company's product offerings and lineup. Key factors that contributed to the recorded intangible assets and goodwill were the opportunity to complement existing operations of the Company and the opportunity to generate future synergies within the nutritional supplement and wellness business.

#### *Pro Forma Condensed Combined Financial Information (Unaudited, in thousands)*

The following presents the Company's unaudited pro forma financial information for the quarters ended March 31, 2024 and 2023, respectively, giving effect to the acquisition of MRC as if it had occurred at January 1, 2023. Included in the pro forma information are adjustments to (1) recognize transaction-related costs related to the acquisition of MRC and fair value adjustment to inventory acquired during the quarter ended March 31, 2023, (2) remove the interest costs from MRC's debt prior to the closing of the acquisition, and (3) recognize interest expense based on the projected balance of the Term Loan A for the respective periods presented for this pro forma.

	<b>Three months ended March 31, 2023</b>	
Revenue	\$	15,793
Net income	\$	1,293
Net income per share	\$	0.26

The pro forma adjustments do not reflect adjustments for anticipated operating efficiencies that the Company expects to achieve as a result of this acquisition. The pro forma financial information is for informational purposes only and does not purport to present what the Company's results would actually have been had the transaction actually occurred on the dates presented or to project the combined company's results of operations or financial position for any future period.

MRC revenue for the three months ended March 31, 2024 was \$ 7,493. MRC revenue for the period from February 28, 2023 to March 31, 2023 was \$2,639.

#### **NOTE 9. ACQUISITION OF MUSCLEPHARM ASSETS**

On October 10, 2023, the Company acquired substantially all of the assets and assumed none of the liabilities other than *de minimis* cure costs relating to certain assumed contracts of MusclePharm through an asset purchase transaction under Section 363 of the U.S. Bankruptcy Code. Total consideration for the acquisition, including legal expense, amounted to \$18,788.

The Company accounted for the transaction as an asset acquisition under ASC 805. The assets acquired consist of indefinite life intellectual property – brands with an estimated value of \$18,593 – and inventory of \$195. The intangible assets, which consist of brands, is not amortized but will be tested for impairment on an annual basis.

#### **NOTE 10 – COMMITMENTS AND CONTINGENCIES**

We currently are not involved in any litigation that we believe could have a material adverse effect on our financial condition or results of operations. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of the Company or any of its subsidiaries, threatened against or affecting the Company, our Common Stock, any of our subsidiaries or of the Company's or our subsidiaries' officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

#### **NOTE 11 – SUBSEQUENT EVENTS**

The Company evaluated subsequent events for their potential impact on the condensed consolidated financial statements and disclosures through the date the condensed consolidated financial statements were issued and determined that no subsequent events occurred that were reasonably expected to impact the condensed consolidated financial statements presented herein.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements and the related notes appearing elsewhere in this Quarterly Report on Form 10-Q (this "Quarterly Report"). This discussion and analysis may contain forward-looking statements based on assumptions about our future business. Unless otherwise stated, all dollar amounts are in thousands, except per share data.

### Overview

FitLife Brands, Inc. (the "Company") is a provider of innovative and proprietary nutritional supplements and wellness products for health-conscious consumers marketed under the following brand names: (i) NDS Nutrition, PMD Sports, SirenLabs, Core Active, Nutrology, and Metis Nutrition (together, "NDS Products"); (ii) iSatori, BioGenetic Laboratories, and Energize (together, the "iSatori Products"); (iii) Dr. Tobias, All Natural Advice, and Maritime Naturals (together, the "MRC Products"); and (iv) MusclePharm.

The Company distributes the NDS Products principally through franchised General Nutrition Centers, Inc. ("GNC") stores located both domestically and internationally and, with the launch of Metis Nutrition, through corporate GNC stores in the United States. The iSatori Products are sold through approximately 16,000 retail locations, which include specialty, mass, and online. The Company distributes the MRC Products primarily online. MusclePharm's products are sold to wholesale customers as well as online directly to the end consumer.

FitLife Brands is headquartered in Omaha, Nebraska. For more information on the Company, please go to [www.fitlifebrands.com](http://www.fitlifebrands.com). The Company's common stock, par value \$0.01 per share ("Common Stock"), trades under the symbol "FTLF" on the Nasdaq Capital Market.

### Recent Developments

#### Acquisition of Mimi's Rock Corp

On December 4, 2022, the Company entered into an Arrangement Agreement with Mimi's Rock Corp. ("MRC"), pursuant to which the Company agreed to acquire MRC. On February 28, 2023, the Company completed the acquisition of MRC. Total consideration for the acquisition of MRC was \$17,099, of which \$12,500 was funded using proceeds from a new term loan and \$4,599 from the Company's available cash. See Note 8 to the financial statements for additional disclosure regarding the acquisition of MRC.

#### Acquisition of MusclePharm Assets

On October 10, 2023, the Company acquired substantially all of the assets of MusclePharm Corporation ("MusclePharm") through an asset purchase transaction under Section 363 of the U.S. Bankruptcy Code. The Company acquired substantially all of the assets and assumed none of the liabilities of MusclePharm other than *de minimis* cure costs relating to certain assumed contracts. Total consideration for the acquisition was approximately \$18,500. Of this amount, \$10,000 was funded using proceeds from a new term loan provided by First Citizens Bank, with the remainder funded from the Company's available cash balances. See Note 9 for additional disclosure regarding the acquisition of MusclePharm.

### Results of Operations

#### Comparison of the three months ended March 31, 2024 to the three months ended March 31, 2023

	Three months ended		Change (\$)	Change (%)
	March 31, 2024	March 31, 2023 (Unaudited)		
Revenue	\$ 16,549	\$ 10,738	\$ 5,811	54%
Cost of goods sold	9,262	6,330	2,932	46%
Gross profit	7,287	4,408	2,879	65%
Selling, general and administrative expenses	3,736	2,344	1,392	59%
Merger and acquisition-related costs	134	1,372	(1,238)	(90%)
Depreciation and amortization	36	19	17	89%
Total operating expenses	3,906	3,735	171	5%
Operating income	3,381	673	2,708	402%
Other expense, net	414	96	318	331%
Provision for income tax	807	421	386	92%
<b>Net income</b>	<b>\$ 2,160</b>	<b>\$ 156</b>	<b>\$ 2,004</b>	<b>1,258%</b>

**Revenue.** Revenue for the three months ended March 31, 2024 increased 54% to \$16,549 as compared to \$10,738 for the three months ended March 31, 2023. The increase in revenue for the three months ended March 31, 2024 compared to the prior period is due to the acquisition of MRC and the MusclePharm assets, partially offset by a decline in legacy FitLife revenue. MRC was acquired February 28, 2023, and as such only one month of revenue was included in the Company's financial statements for the three months ended March 31, 2023.

Legacy FitLife revenue for the three months ended March 31, 2024 was \$6,961, a 14% decrease compared to the previous year, driven by a 21% decline in wholesale revenue partially offset by a 3% increase in online revenue.

MRC revenue for the three months ended March 31, 2024 was \$7,493. MRC revenue for the period from February 28, 2023 to March 31, 2023 was \$2,639.

During the three months ended March 31, 2024, MusclePharm generated revenue of \$2.1 million, of which approximately half was generated from wholesale customers and half from online sales.

Online revenue and wholesale revenue for the quarter ended March 31, 2024 were approximately 65% and 35% of total net revenue, respectively. Online revenue and wholesale revenue for the quarter ended March 31, 2023 were approximately 47% and 53% of net revenue, respectively. Although no assurances can be given, management believes that online revenue will continue to increase in subsequent periods relative to prior comparable periods given management's focus on higher margin online sales and the acquisitions of MRC and the MusclePharm assets, which were consummated in the first and fourth quarters of fiscal 2023, respectively.

Sales to customers in the United States were approximately 96% and 97% during the quarters ended March 31, 2024 and 2023, respectively, with the balance of sales to customers primarily in Canada.

**Cost of Goods Sold.** Cost of goods sold for the three months ended March 31, 2024 increased to \$9,262 as compared to \$6,330 for the three months ended March 31, 2023. This 46% increase is primarily due to an increase in revenue attributable to the acquisition of MRC.

**Gross Profit.** Gross profit for the three months ended March 31, 2024 increased to \$7,287 as compared to \$4,408 for the three months ended March 31, 2023. The increase in gross profit is principally attributable to higher MRC gross profit as well as incremental gross profit from MusclePharm.

**Gross Margin.** Gross margin for the three months ended March 31, 2024 increased to 44.0% from 41.1% for the comparable prior period. The increase in gross margin is primarily attributable to higher margins from MRC due to sales mix as well as the amortization of the fair value step-up to MRC inventory acquired in the first quarter of 2023. Excluding the \$110 impact of the step-up amortization, gross margin would have been 42.1% during the quarter ended March 31, 2023.

**Selling, General and Administrative Expense.** SG&A expense for the three months ended March 31, 2024 increased to \$3,736 as compared to \$2,344 for the three months ended March 31, 2023. The increase was primarily due to the full-quarter impact of MRC SG&A expense.

**Merger and Acquisition-Related Costs.** Merger and acquisition-related costs decreased to \$134 during the quarter ended March 31, 2024 compared to \$1,372 for the same period of 2023, driven primarily by transaction costs related to the MRC acquisition in the first quarter of 2023.

**Net Income.** We generated net income of \$2,160 for the three-month period ended March 31, 2024 as compared to net income of \$156 for the three months ended March 31, 2023. The increase in net income for the three-month period ended March 31, 2024 compared to the same period in 2023 was primarily attributable to higher revenue and gross profit for MRC, as well as the reduction in acquisition-related costs due to the MRC acquisition that closed during the first three months of 2023.

#### **Non-GAAP Measures**

The financial presentation below contains certain financial measures not in accordance with GAAP, defined by the SEC as "non-GAAP financial measures", including non-GAAP earnings before interest, taxes, depreciation, and amortization ("EBITDA") and adjusted non-GAAP EBITDA. These measures may be different from non-GAAP financial measures used by other companies. The presentation of this financial information, which is not prepared under any comprehensive set of accounting rules or principles, is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in this Quarterly Report in accordance with GAAP.

As presented below, non-GAAP EBITDA excludes interest, foreign exchange gains and losses, income taxes, and depreciation and amortization. Adjusted non-GAAP EBITDA excludes, in addition to interest, taxes, depreciation and amortization, stock-based compensation, merger and acquisition related expense and non-recurring expense. The Company believes the non-GAAP measures provide useful information to both management and investors by excluding certain expense and other items that may not be indicative of its core operating results and business outlook. The Company believes that the inclusion of non-GAAP measures in the financial presentation below allows investors to compare the Company's financial results with the Company's historical financial results and is an important measure of the Company's comparative financial performance.

	For the three months ended March 31,	
	2024 (Unaudited)	2023 (Unaudited)
Net income	\$ 2,160	\$ 156
Interest expense	414	98
Interest income	(5)	(84)
Provision for income taxes	807	421
Depreciation and amortization	36	19
<b>EBITDA</b>	<b>3,412</b>	<b>610</b>
Non-cash and non-recurring adjustments		
Stock compensation expense	102	42
Merger and acquisition related expense	134	1,372
Amortization of inventory step-up	-	110
Non-recurring loss on foreign currency forward	-	112
<b>Adjusted EBITDA</b>	<b>\$ 3,648</b>	<b>\$ 2,246</b>

#### Liquidity and Capital Resources

As of March 31, 2024, the Company had positive working capital of \$3,164, compared to \$4,356 at December 31, 2023. Our principal sources of liquidity at March 31, 2024 consisted of \$3,290 of cash and \$2,269 of accounts receivable. The decrease in working capital is principally attributable to a voluntary paydown of \$2,500 on the Term Loans as well as the scheduled amortization payment of \$1,125, offset by positive operating cash flows during the three months ended March 31, 2024.

On September 24, 2019, the Company entered into a line of credit agreement with Mutual of Omaha Bank (the “*Lender*”), subsequently acquired by CIT Bank N.A., then acquired by First Citizens Bank & Trust Company, providing the Company with a \$2.5 million revolving line of credit (the “*Line of Credit*”). The Line of Credit allows the Company to request advances thereunder and to use the proceeds of such advances for working capital purposes until the maturity date, or unless renewed at maturity upon approval by the Company’s Board and the Lender. The Line of Credit is secured by all assets of the Company.

Advances drawn under the Line of Credit bear interest at an annual rate of the one-month SOFR rate plus 2.75%, and each advance will be payable on the maturity date with the interest on outstanding advances payable monthly. The Company may, at its option, prepay any borrowings under the Line of Credit, in whole or in part at any time prior to the maturity date, without premium or penalty. On September 20, 2022, the Company and the Lender amended the Line of Credit Agreement to extend the maturity date to December 23, 2022. On December 19, 2022, the Company and the Lender amended the Line of Credit agreement to increase the Line of Credit to \$3.5 million and extend the maturity date to December 23, 2023.

On February 23, 2023, the Company and the Lender amended the Line of Credit Agreement (the “*Credit Agreement*”) providing the Company with a term loan for the principal amount of \$12.5 million (“*Term Loan A*”). All other terms of the Credit Agreement remain unchanged. All of the proceeds from Term Loan A were used for the acquisition of MRC.

On October 10, 2023, the Company entered into a Second Amended and Restated Credit Agreement (the “*Amended Credit Agreement*”) with the Bank, amending and restating the Credit Agreement between the Company and the Bank. Pursuant to the Amended Credit Agreement, the Bank provided the Company with an additional term loan (“*Term Loan B*”, and together with Term Loan A, the “*Term Loans*”) for the principal amount of \$10,000 and extended the Line of Credit of \$3.5 million to December 15, 2024. The Company used the proceeds from Term Loan B to fund the acquisition of the MusclePharm assets.

The Term Loans accrue interest at an annual rate of the one-month SOFR rate plus 2.75%, and principal plus accrued interest will be payable quarterly beginning June 10, 2023 in amounts sufficient to fully amortize the Term Loans through February 28, 2028 in the case of Term Loan A and through October 10, 2028 in the case of Term Loan B. The Company may prepay amounts borrowed under the Term Loans, in whole or in part with accrued interest to the date of such prepayment on the amount prepaid, by written notice to Bank at least one business day prior to the proposed prepayment.

The Amended Credit Agreement contains customary events of default (each an “*Event of Default*”), which upon the occurrence of an Event of Default, as defined in the Amended Credit Agreement, among other things, interest will accrue at the applicable rate plus 2% per annum, and the Bank may declare all Obligations, with interest thereon, immediately due and payable. The Amended Credit Agreement further contains customary representations and warranties of the Company; customary indemnification provisions whereby the Company will indemnify Bank for certain losses arising out of inaccuracies in, or breaches of, the representations, warranties and covenants of the Company, and certain other matters; and customary affirmative and negative covenants, including covenants to maintain a Fixed Charge Coverage Ratio (as defined in the Amended Credit Agreement) of not less than 1.25 to 1.00 as tested quarterly on a trailing twelve-month basis, starting with the fiscal quarter ending December 31, 2023, a Funded Debt to EBITDA Ratio (as defined in the Amended Credit Agreement) of not more than 2.50 to 1.00 as tested quarterly on a trailing twelve-month basis, starting with the fiscal quarter ending March 31, 2024, and to the extent the Term Loans still have a balance as of June 30, 2025 and a Cash Flow Leverage threshold (as defined in the Amended Credit Agreement) of at least 1.15 is not met, the Company will be required to make a prepayment on the Term Loans equal to 50% of the Excess Cash Flow (as defined in the Amended Credit Agreement). The Company was in compliance with all covenants as of March 31, 2024.

As of March 31, 2024, the borrowings outstanding on the Term Loans and the Line of Credit were \$16,500 and \$0, respectively.

The Company has historically financed its operations primarily through cash flow from operations and equity and debt financings. The Company currently anticipates that cash derived from operations and existing cash reserves, along with available borrowings under the Line of Credit, will be sufficient to provide for the Company's liquidity for the next twelve months.

The Company is dependent on cash flow from operations and amounts available under the Line of Credit to satisfy its working capital requirements. No assurances can be given that cash flow from operations and/or the Line of Credit will be sufficient to provide for the Company's liquidity for the next twelve months. Should the Company be unable to generate sufficient revenue in the future to achieve positive cash flow from operations, and/or should capital be unavailable under the terms of the Line of Credit, additional working capital will be required. Management currently has no intention to raise additional working capital through the sale of equity or debt securities and believes that the cash flow from operations and available borrowings under the Line of Credit will provide sufficient capital necessary to operate the business over the next twelve months. In the event the Company fails to achieve positive cash flow from operations, additional capital is unavailable under the terms of the Line of Credit, and management is otherwise unable to secure additional working capital through the issuance of equity or debt securities, the Company's business would be materially and adversely harmed.

**Cash Provided by Operating Activities.** Cash provided by operating activities for the three months ended March 31, 2024 was \$5,036 compared to cash provided by operations of \$232 for the three months ended March 31, 2023. The increase in cash provided by operating activities was driven primarily by the acquisition of MRC, which was largely offset by transaction-related costs and other payables and expenses that were accrued at MRC at the time of the acquisition.

**Cash Used in Investing Activities.** Cash used in investing activities for the three months ended March 31, 2024 and 2023 was \$10 and \$17,099, respectively. The Company used \$10 for purchases of property and equipment in the three months ended March 31, 2024. During the three-month period ended March 31, 2023, the Company paid \$17,099 to acquire MRC.

**Cash Provided by (Used in) Financing Activities.** Cash used in financing activities for the three months ended March 31, 2024 was \$3,625 compared to cash provided by financing activities of \$12,500 during the three months ended March 31, 2023.

## Critical Accounting Policies and Estimates

Our discussion and analysis of financial condition and results of operations is based upon our condensed consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these condensed consolidated financial statements and related disclosures requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, expense, and related disclosure of contingent assets and liabilities. We evaluate, on an on-going basis, our estimates and judgments, including those related to the useful life of the assets. We base our estimates on historical experience and assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The methods, estimates and judgments we use in applying our most critical accounting policies have a significant impact on the results that we report in our condensed consolidated financial statements. The SEC considers an entity's most critical accounting policies to be those policies that are both most important to the portrayal of a company's financial condition and results of operations and those that require management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about matters that are inherently uncertain at the time of estimation. For a more detailed discussion of the accounting policies of the Company, see Note 3 of the Notes to the Condensed Consolidated Financial Statements included in this Quarterly Report, "Summary of Significant Accounting Policies".

We believe the following critical accounting policies, among others, require significant judgments and estimates used in the preparation of our consolidated financial statements.

### Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect (i) the reported amounts of assets and liabilities, (ii) the disclosure of contingent assets and liabilities known to exist as of the date the financial statements are published, and (iii) the reported amount of net sales and expense recognized during the periods presented.

Those estimates and assumptions include estimates for reserves of uncollectible accounts receivable, allowance for inventory obsolescence, product returns, depreciable lives of property and equipment, allocation of purchase price from business combinations, analysis of impairment of goodwill, realization of deferred tax assets, accruals for potential liabilities and assumptions made in valuing stock instruments issued for services. Management evaluates these estimates and assumptions on a regular basis. Actual results could differ from those estimates.

### Goodwill

In accordance with FASB ASC 350, *Intangibles-Goodwill and Other*, we review goodwill and indefinite lived intangible assets for impairment at least annually or whenever events or circumstances indicate a potential impairment. Our impairment testing is performed annually at December 31 (our fiscal year end). Impairment of goodwill and indefinite lived intangible assets is determined by comparing the fair value of our reporting units to the carrying value of the underlying net assets in the reporting units. If the fair value of a reporting unit is determined to be less than the carrying value of its net assets, goodwill is deemed impaired and an impairment loss is recognized to the extent that the carrying value of goodwill exceeds the difference between the fair value of the reporting unit and the fair value of its other assets and liabilities.

Management concluded that a triggering event did not occur during the three months ended March 31, 2024. We will continue to review for impairment indicators as necessary in future periods.

### Revenue Recognition

The Company's revenue is comprised of sales of nutritional supplements and wellness products to consumers.

The Company accounts for revenue in accordance with FASB ASC 606. The underlying principle of ASC 606 is to recognize revenue to depict the transfer of goods or services to customers at the amount expected to be collected. ASC 606 creates a five-step model that requires entities to exercise judgment when considering the terms of contract(s), which includes (1) identifying the contract(s) or agreement(s) with a customer, (2) identifying our performance obligations in the contract or agreement, (3) determining the transaction price, (4) allocating the transaction price to the separate performance obligations, and (5) recognizing revenue as each performance obligation is satisfied. Under ASC 606, revenue is recognized when performance obligations under the terms of a contract are satisfied, which occurs for the Company upon shipment or delivery of products to our customers based on written sales terms. Revenue is measured as the amount of consideration we expect to receive in exchange for transferring the products to a customer.

All products sold by the Company are distinct individual products and consist of nutritional supplements and wellness products. The products are offered for sale solely as finished goods, and there are no performance obligations required post-shipment for customers to derive the expected value from them.

The Company's products are also sold on e-commerce platforms including Amazon. For these transactions, the Company evaluated principal versus agent considerations to determine appropriateness of recording platform fees paid to Amazon as an expense or as a reduction of revenue. The Company records platform fees paid to Amazon for distribution of Company products to cost of goods sold in the condensed consolidated statements of income and comprehensive income. Platform fees are not recorded as a reduction of revenue because the Company (1) owns the goods before they are transferred to the customer, (2) can direct Amazon, similar to other third-party logistics providers ("Logistic Providers"), to return the Company's inventory to any location specified by the Company, (3) has the responsibility to make customers whole following any returns made by customers directly to Logistic Providers and the Company retains the back-end inventory risk, (4) is subject to credit risk (i.e., credit card chargebacks), (5) establishes prices of its products, (6) can determine who fulfills the goods to the customer (Amazon or the Company) and (7) can limit quantities or stop selling the goods at any time. Based on these considerations, the Company is the principal in this arrangement. Advertising fees for Amazon are recorded in selling, general and administrative expenses in the condensed consolidated statements of income and comprehensive income.

The Company disaggregates revenue into geographical regions and distribution channels. The Company determines that disaggregating revenue into these categories achieves the disclosure objective to depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

Online revenue during the three months ended March 31, 2024 was approximately 65% of net revenue, compared to 35% for the wholesale channel for the same period. Online revenue during the quarter ended March 31, 2023 was 47% of net revenue compared to 53% for the wholesale channel during the same period in 2023.

Sales to customers in the United States were approximately 96% and 97% during the quarters ended March 31, 2024 and 2023, respectively, with the balance of sales being to customers primarily in Canada.

Control of products we sell transfers to customers upon shipment from our facilities or delivery to our customers, and the Company's performance obligations are satisfied at that time. Shipping and handling activities are performed before the customer obtains control of the goods and therefore represent a fulfillment activity rather than promised goods to the customer. Payments for sales are generally made by check, credit card, or wire transfer. Historically the Company has not experienced any significant payment delays from customers.

For direct-to-consumer sales, the Company allows for returns within 30 days of purchase. Our wholesale customers, such as GNC, may return purchased products to the Company under certain circumstances, which include expired or soon-to-be-expired products located in GNC corporate stores or at any of its distribution centers, and products that are subject to a recall or that contain an ingredient or ingredients that are subject to a recall by the U.S. Food and Drug Administration.

A right of return does not represent a separate performance obligation, but because customers are allowed to return products, the consideration to which the Company expects to be entitled is variable. Upon evaluation of returns, the Company determined that product returns are immaterial, and therefore believes it is probable that such returns will not cause a significant reversal of revenue in the future. We assess our contracts and the reasonableness of our conclusions on a quarterly basis.

#### *Recent Accounting Pronouncements*

See Note 3 of the Condensed Consolidated Financial Statements included in this Quarterly Report for a description of recent accounting pronouncements believed by management to have a material impact on our present or future financial statements.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Our business is conducted principally in the United States. However, due to the MRC acquisition in 2023, the Company now has more exposure to fluctuations in foreign currencies. As a result, our financial results may be materially affected by factors such as changes in foreign currency exchange rates or economic conditions in foreign markets.

#### *Foreign Currency*

In January 2023, the Company entered into a foreign currency hedging transaction to mitigate the risk of adverse changes in the USD/CAD exchange rate with respect to the pending acquisition of MRC. The Company entered into a forward contract to purchase CAD \$25.0 million, as the Company anticipated providing additional working capital funding beyond the CAD \$23.2 million purchase price for MRC. As the geographical scope of our business broadens, we may engage in additional foreign currency hedging transactions in the future.

#### *Interest Rates*

Our exposure to risk for changes in interest rates relates primarily to borrowings under the Amended Credit Agreement (which includes the Term Loans as well as our Line of Credit), and our investments in short-term financial instruments. As of March 31, 2024, the Company had \$16,500 outstanding on the Term Loans and \$0 under its Line of Credit.

Investments of our cash balances in both fixed-rate and floating-rate interest-earning instruments carry some interest rate risk. The fair value of fixed-rate securities may fall due to a rise in interest rates, while floating-rate securities may produce less income than expected if interest rates fall. Partly as a result of this, our future interest income will vary due to changes in interest rates and we may suffer losses in principal if we are forced to sell securities that have fallen in estimated fair value due to changes in interest rates. However, as substantially all of our cash equivalents consist of bank deposits and short-term money market instruments, we do not expect any material change with respect to our net income as a result of an interest rate change.

### **ITEM 4. CONTROLS AND PROCEDURES**

#### **a. Evaluation of disclosure controls and procedures.**

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, an evaluation of the effectiveness of the design and operations of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of March 31, 2024 was completed. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer believe that our disclosure controls and procedures are effective to ensure that information required to be disclosed in the reports submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, including to ensure that information required to be disclosed by the Company is accumulated and communicated to management, including the principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

#### **b. Changes in Internal Control Over Financial Reporting**

There were no additional changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) 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.

#### **c. Inherent Limitations on the Effectiveness of Controls**

Management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control systems are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in a cost-effective control system, no evaluation of internal control over financial reporting can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been or will be detected.

These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of a simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

**PART II**  
**OTHER INFORMATION**

**ITEM 1. LEGAL PROCEEDINGS**

We currently are not involved in any litigation that we believe could have a material adverse effect on our financial condition or results of operations. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of the Company or any of its subsidiaries, threatened against or affecting the Company, our Common Stock, any of our subsidiaries or of the Company's or our subsidiaries' directors or officers in their capacities as such, in which an adverse decision could have a material adverse effect.

**ITEM 1A. RISK FACTORS**

Our results of operations and financial condition are subject to numerous risks and uncertainties described in our comprehensive Annual Report on Form 10-K for our fiscal year ended December 31, 2023, filed with the SEC on March 29, 2024. Management is not aware of any material changes to the risk factors discussed in Part 1, Item 1A, of the Annual Report on Form 10-K for the year ended December 31, 2023. You should carefully consider these risk factors in conjunction with the other information contained in this Quarterly Report. Should any of these risks materialize, our business, financial condition and future prospects could be negatively impacted.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES**

None.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

There were no defaults upon senior securities during the three-month period ended March 31, 2024.

**ITEM 5. OTHER INFORMATION**

In the three months ended March 31, 2024, no directors or officers adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

**ITEM 6. EXHIBITS**

31.1	<a href="#">Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act.</a>
31.2	<a href="#">Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act.</a>
32.1	<a href="#">Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act.</a>
32.2	<a href="#">Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act.</a>
<b>101.INS</b>	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
<b>101.SCH</b>	Inline XBRL Taxonomy Extension Schema Document
<b>101.CAL</b>	Inline XBRL Taxonomy Extension Calculation Linkbase Document
<b>101.DEF</b>	Inline XBRL Taxonomy Extension Definition Linkbase Document
<b>101.LAB</b>	Inline XBRL Taxonomy Extension Label Linkbase Document
<b>101.PRE</b>	Inline XBRL Taxonomy Extension Presentation Linkbase Document
<b>104</b>	Cover Page Interactive Data File (embedded within the Inline XBRL Document and included in Exhibit 101)

#### SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Registrant

FitLife Brands, Inc.

Date: May 14, 2024

By: /s/ Dayton Judd

Dayton Judd  
Chief Executive Officer and Chair  
(Principal Executive Officer)

Registrant

FitLife Brands, Inc.

Date: May 14, 2024

By: /s/ Jakob York

Jakob York  
Chief Financial Officer  
(Principal Financial Officer)

**Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and pursuant to Rule 13a-14(a) and Rule 15d-14 under the Securities Exchange Act of 1934**

I, Dayton Judd, Chief Executive Officer of the Company, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of FitLife Brands, Inc.;
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(s) 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 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 evaluations: 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 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(s) 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.

Registrant

FitLife Brands, Inc.

Date: May 14, 2024

By: Is/ Dayton Judd  
Dayton Judd  
Chief Executive Officer and Chair  
(Principal Executive Officer)

**Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and pursuant to Rule 13a-14(a) and Rule 15d-14 under the Securities Exchange Act of 1934**

I, Jakob York, Chief Financial Officer of the Company, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of FitLife Brands, Inc.;
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(s) 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 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 evaluations: 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 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(s) 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.

Registrant

FitLife Brands, Inc.

Date: May 14, 2024

By: Is/ Jakob York  
Jakob York  
Chief Financial Officer  
(Principal Financial Officer)

**CERTIFICATIONS PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002  
(18 U.S.C. SECTION 1350)**

In connection with the Quarterly Report of FitLife Brands, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Dayton Judd, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 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, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Registrant FitLife Brands, Inc.

Date: May 14, 2024

By: /s/ Dayton Judd  
Dayton Judd  
Chief Executive Officer and Chair  
(Principal Executive Officer)

**CERTIFICATIONS PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002  
(18 U.S.C. SECTION 1350)**

In connection with the Quarterly Report of FitLife Brands, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jakob York, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 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, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Registrant

FitLife Brands, Inc.

Date: May 14, 2024

By: /s/ Jakob York  
Jakob York  
Chief Financial Officer  
(Principal Financial Officer)