

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Reliv International, Inc.

136 Chesterfield Industrial Blvd., Chesterfield, MO 63005

Company Phone: (636) 537-9715

Website: www.reliv.com

Email: shareholderinfo@relivinc.com

SIC Code: 2834

Quarterly Report for the Period Ended: March 31, 2022

As of March 31, 2022, the number of shares outstanding of our Common Stock was: 1,058,303

As of December 31, 2021, the number of shares outstanding of our Common Stock was: 1,058,303

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: ☐ No: ☒

¹ "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

Reliv International, Inc.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Reliv International, Inc., a Delaware corporation, Active standing

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

In January 2021, Reliv International executed a 2,000-for-1 reverse stock split, followed by a redemption of all fractional shares at a pre-split price of \$3.75 per share. All remaining shares were then subject to a forward split of 1-for-2,000. In this process, the company acquired 692,548 pre-split shares at a cost of \$2.6 million.

The address of the issuer's principal executive office:

136 Chesterfield Industrial Blvd., Chesterfield, MO 63005

The address(es) of the issuer's principal place of business:

Check box if principal executive office and principal place of business are the same address: ☒

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☐ No: ☒

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

N/A

2) Security Information

Trading symbol: RELV
Exact title and class of securities outstanding: Reliv International, Inc. Common Stock
CUSIP: 75952R308
Par or stated value: Par value \$0.001

Total shares authorized: 5,000,000 as of date: 3/31/2022
Total shares outstanding: 1,058,303 as of date: 3/31/2022
Number of shares in the Public Float²: 261,993 as of date: 3/31/2022
Total number of shareholders of record: approx. 41 as of date: 3/31/2022

All additional class(es) of publicly traded securities (if any): **None**

Transfer Agent

Name: American Stock Transfer & Trust
Phone: 718-921-8124
Email: admin3@astfinancial.com
Address: 6201 15th Avenue, Brooklyn, NY 11219

Is the Transfer Agent registered under the Exchange Act?³ Yes: ☒ No: ☐

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

² "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

³ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date <u>12/31/2019</u> Common: <u>1,746,449</u> Preferred: <u>-0-</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>1/14/2021</u>	<u>Cancellation</u>	<u>(692,548)</u>	<u>Common</u>	<u>\$3.75</u>	<u>N/A</u>	<u>N/A</u>	<u>Fractional share redemption</u>	<u>N/A</u>	<u>N/A</u>
<u>5/3/2021</u>	<u>New Issuance</u>	<u>400</u>	<u>Common</u>	<u>\$3.75</u>	<u>No</u>	<u>Susan C. Brusa</u>	<u>Cash issuance</u>	<u>Restricted</u>	<u>N/A</u>
<u>5/3/2021</u>	<u>New Issuance</u>	<u>609</u>	<u>Common</u>	<u>\$3.75</u>	<u>No</u>	<u>Amanda & Mark Schwarz, JT TEN</u>	<u>Cash issuance</u>	<u>Restricted</u>	<u>N/A</u>
<u>5/3/2021</u>	<u>New Issuance</u>	<u>1,000</u>	<u>Common</u>	<u>\$3.75</u>	<u>No</u>	<u>David A. Mahle</u>	<u>Cash issuance</u>	<u>Restricted</u>	<u>N/A</u>
<u>5/3/2021</u>	<u>New Issuance</u>	<u>438</u>	<u>Common</u>	<u>\$3.75</u>	<u>No</u>	<u>Carla J. & Quinn Pence, JT TEN</u>	<u>Cash issuance</u>	<u>Restricted</u>	<u>N/A</u>
<u>5/3/2021</u>	<u>New Issuance</u>	<u>514</u>	<u>Common</u>	<u>\$3.75</u>	<u>No</u>	<u>Christine A. Toriello & Mark W. Gauger, JT TEN</u>	<u>Cash issuance</u>	<u>Restricted</u>	<u>N/A</u>
<u>5/3/2021</u>	<u>New Issuance</u>	<u>1,441</u>	<u>Common</u>	<u>\$3.75</u>	<u>No</u>	<u>Amy & Donald Blaser, JT JEN</u>	<u>Cash issuance</u>	<u>Restricted</u>	<u>N/A</u>
Shares Outstanding on Date of This Report: <u>Ending Balance:</u> Date: <u>3/31/2022</u> Common: <u>1,058,303</u> Preferred: <u>-0-</u>									

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended September 30, 2020, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2018 through September 30, 2020 pursuant to the tabular format above.

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☒

4) Financial Statements

A. The following financial statements were prepared in accordance with:

- ☒ U.S. GAAP
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)⁴:

Name: Steven D. Albright
Title: Sr. Vice President, Chief Financial Officer
Relationship to Issuer: Officer of Reliv International, Inc.

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance sheet;
- D. Statement of income;
- E. Statement of cash flows;
- F. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- G. Financial notes; and
- H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

See Appendix A at end of document for the Unaudited Consolidated Financial Statements.

⁴ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

A. Summarize the issuer's business operations. (If the issuer does not have current operations, state "no operations")

Reliv International, Inc. is a developer and marketer of a proprietary line of nutritional supplements addressing basic nutrition, specific wellness needs, weight management and sports nutrition. We sell our products through an international network marketing system using independent distributors. We have sold products in the United States since 1988 and in selected international markets since 1991.

B. Please list any subsidiaries, parents, or affiliated companies.

Reliv, Inc., an Illinois corporation
Reliv World Corporation, an Illinois corporation
Reliv Australia Pty, Limited, organized under the laws of Australia
Reliv New Zealand, Limited, organized under the laws of New Zealand
Reliv Now de Mexico, S. de R.L. de C.V., organized under the laws of Mexico
Reliv Philippines, Inc., organized under the laws of the Philippines
Reliv Canada Company, organized under the laws of Canada
Reliv International Sdn. Bhd., organized under the laws of Malaysia
Reliv Europe Limited, organized under the laws of the United Kingdom
SL Technology, Inc., a Missouri corporation
Reliv Online Global, Inc., a Missouri corporation

All of our subsidiaries conduct business under their legal names as stated above.

C. Describe the issuers' principal products or services.

See response to Item 5) A. above

6) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

<u>Location</u>	<u>Nature of Use</u>	<u>Square Feet</u>	<u>Owned/Leased</u>
Chesterfield, MO, USA	corporate headquarters/call center/manufacturing/warehouse	126,000	Owned
Seven Hills (Sydney), Australia	central office/call center	1,000	Leased
Oakville, Ontario, Canada	warehouse/distribution	2,100	Leased
Guadalajara, Mexico	central office/warehouse/call center	2,300	Leased
Makati City (Manila), Philippines	central office/warehouse/distribution	5,000	Leased
Redditch (Birmingham), England, UK	central office/warehouse/distribution	1,700	Leased
Subang Jaya (Kuala Lumpur), Malaysia	central office/call center	300	Leased

The Chesterfield, Missouri corporate headquarters facility is mortgaged under a \$4.0 million term loan entered into in November 2020. The loan is also secured by the personal guarantees of three of our significant stockholders.

On January 1, 2019, we sold substantially all of the machinery, equipment, inventory, tools and other assets and materials used in our manufacturing operations to Nutracom, LLC, ("Nutracom"). Effective January 1, 2019, we leased 96,450 square feet of manufacturing and office space in our Chesterfield facility to Nutracom for a period of seven years with a five-year option. We also entered into agreements whereby Nutracom will continue to manufacture our core products on our premises for a period of seven years.

7) Company Insiders (Officers, Directors, and Control Persons)

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% or more of any class of the issuer's securities, as well as any officer, and any director of the company, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
<u>Robert L. Montgomery</u>	<u>Chairman of the Board</u>	<u>Chesterfield, MO</u>	<u>258,403</u>	<u>Common</u>	<u>24.4%</u>	_____
<u>Ryan A. Montgomery</u>	<u>Chief Executive Officer, Director</u>	<u>St. Albans, MO</u>	<u>100,781</u>	<u>Common</u>	<u>9.5%</u>	_____
<u>Donald L. McCain</u>	<u>Director</u>	<u>Las Vegas, NV</u>	<u>72,802</u>	<u>Common</u>	<u>6.9%</u>	_____
<u>R. Scott Montgomery</u>	<u>President of Operations/Director</u>	<u>Defiance, MO</u>	<u>104,063</u>	<u>Common</u>	<u>9.8%</u>	_____
<u>Melisa B. McCain</u>	<u>5% Owner/Employee</u>	<u>Wildwood, MO</u>	<u>100,000</u>	<u>Common</u>	<u>9.4%</u>	(1)
<u>Stephen M. Merrick</u>	<u>Secretary/Director</u>	<u>Fairhope, AL</u>	<u>63,191</u>	<u>Common</u>	<u>6.0%</u>	(2)
<u>Thomas W. Pinnock</u>	<u>Director</u>	<u>St. Albans, MO</u>	<u>4,991</u>	<u>Common</u>	<u><1.0%</u>	_____
<u>Steven D. Albright</u>	<u>Chief Financial Officer</u>	<u>Wildwood, MO</u>	<u>5,438</u>	<u>Common</u>	<u><1.0%</u>	_____
<u>John M. Klimek</u>	<u>General Counsel</u>	<u>Inverness, IL</u>	<u>-0-</u>	<u>N/A</u>	<u>----</u>	_____
<u>Debra P. Bernardoni</u>	<u>Chief Operating Officer</u>	<u>O'Fallon, MO</u>	<u>-0-</u>	<u>N/A</u>	<u>----</u>	_____
<u>James Lahm</u>	<u>VP of Information Technology</u>	<u>St. Louis, MO</u>	<u>-0-</u>	<u>N/A</u>	<u>----</u>	_____

Notes:

- (1) Mrs. McCain holds 69,129 shares through Montgomery Enterprises, Ltd., for which she has voting control of these shares.
- (2) Mr. Merrick holds 63,191 shares through Merrick & Company, for which he has voting control of these shares.

8) Legal/Disciplinary History

A. Please identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

No

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

No

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

No

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

No

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name: Jude M. Sullivan
Firm: Howard & Howard
Address 1: 200 S. Michigan Ave., Ste. 1100
Address 2: Chicago, IL 60604
Phone: (312) 456-3646

Email: jms@h2law.com

Accountant or Auditor

Firm: Armanino LLP
Address 1: 6 CityPlace Dr., Suite 900
Address 2: St. Louis, MO 63141
Phone: (314) 983-1200

Investor Relations

Name: None

Other Service Providers

Name: None

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Ryan A. Montgomery certify that:

1. I have reviewed this Quarterly Disclosure Statement of Reliv International, Inc.;
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

May 4, 2022

/s/ Ryan A. Montgomery

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Steven D. Albright certify that:

1. I have reviewed this Quarterly Disclosure Statement of Reliv International, Inc.;
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

May 4, 2022

/s/ Steven D. Albright

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

APPENDIX A

Condensed Consolidated Financial Statements for the Year Ended March 31, 2022

Reliv International, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets

	March 31 2022 (unaudited)	December 31 2021
Assets		
Current assets:		
Cash and cash equivalents	\$5,023,037	\$4,339,729
Accounts receivable, less allowances of \$17,800 in 2022 and \$17,950 in 2021	48,717	30,477
Notes & accounts receivables and deposits - related parties	1,192,345	1,268,141
Inventories		
Finished goods	2,643,605	2,444,007
Raw materials	247,040	343,728
Sales aids and promotional materials	95,677	103,976
Total inventories	2,986,322	2,891,711
Refundable income taxes	20,575	23,367
Prepaid expenses and other current assets	648,723	392,367
Total current assets	9,919,719	8,945,792
Notes and accounts receivables - related parties	1,020,063	1,348,257
Operating lease right-to-use assets, net	246,757	264,737
Intangible assets, net	1,213,811	1,270,307
Equity investment	505,000	505,000
Property, plant and equipment:		
Land and land improvements	905,190	905,190
Building	10,139,794	10,140,725
Office & other equipment	1,159,340	1,154,595
Computer equipment & software	2,217,462	2,205,567
	14,421,786	14,406,077
Less: Accumulated depreciation	10,629,996	10,549,779
Net property, plant and equipment	3,791,790	3,856,298
Total assets	\$16,697,140	\$16,190,391

See notes to financial statements.

Reliv International, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets

	March 31 2022 (unaudited)	December 31 2021
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued expenses:		
Trade accounts payable and other accrued expenses	\$1,421,262	\$918,435
Distributors' commissions payable	1,100,772	1,070,808
Sales taxes payable	225,552	171,305
Payroll and payroll taxes payable	450,513	287,243
Total accounts payable and accrued expenses	3,198,099	2,447,791
Income taxes payable	40,775	33,976
Deferred revenue	272,922	270,271
Operating lease liabilities	111,185	125,988
Current portion of long-term debt, net of unamortized debt issuance costs	83,941	82,030
Total current liabilities	3,706,922	2,960,056
Noncurrent liabilities:		
Operating lease liabilities	121,140	124,160
Long-term debt, less current portion, net of unamortized debt issuance costs	3,560,963	3,583,401
Other noncurrent liabilities	156,787	154,970
Total noncurrent liabilities	3,838,890	3,862,531
Stockholders' equity:		
Preferred stock, par value \$.001 per share; 500,000 shares authorized; -0- shares issued and outstanding in 2022 and 2021	-	-
Common stock, par value \$.001 per share; 5,000,000 authorized; 1,421,867 shares issued and 1,058,303 shares outstanding as of 3/31/2022 and 12/31/2021	1,422	1,422
Additional paid-in capital	27,993,259	27,993,259
Accumulated deficit	(12,057,666)	(11,864,542)
Accumulated other comprehensive loss:		
Foreign currency translation adjustment	(934,264)	(910,912)
Treasury stock	(5,851,423)	(5,851,423)
Total stockholders' equity	9,151,328	9,367,804
Total liabilities and stockholders' equity	\$16,697,140	\$16,190,391

See notes to financial statements.

Reliv International, Inc. and Subsidiaries

Condensed Consolidated Statements of Net Income (Loss)
and Comprehensive Income (Loss)

(unaudited)	Three months ended March 31	
	2022	2021
Product sales	\$7,600,836	\$8,247,376
Freight income	470,989	489,359
Other revenue	191,897	189,379
Net sales	8,263,722	8,926,114
Costs and expenses:		
Cost of goods sold	2,247,060	2,319,844
Distributor royalties and commissions	2,639,290	2,877,192
Selling, general and administrative	3,564,544	3,500,270
Total costs and expenses	8,450,894	8,697,306
Income (loss) from operations	(187,172)	228,808
Other income (expense):		
Interest income	21,673	37,316
Interest expense	(54,742)	(56,210)
Other income	39,117	8,168
Income (loss) before income taxes	(181,124)	218,082
Provision for income taxes	12,000	7,000
Net income (loss)	(\$193,124)	\$211,082
Other comprehensive income (loss):		
Foreign currency translation adjustment	(23,352)	3,535
Comprehensive income (loss)	(\$216,476)	\$214,617
Earnings (loss) per common share - Basic & Diluted	(\$0.18)	\$0.19
Weighted average shares	1,058,000	1,139,000

See notes to financial statements.

Reliv International, Inc. and Subsidiaries

Condensed Consolidated Statements of Cash Flows
(unaudited)

	Three months ended March 31	
	2022	2021
Operating activities:		
Net income (loss)	(\$193,124)	\$211,082
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	137,547	137,949
Non-cash debt issuance expense	13,252	13,702
Foreign currency transaction (gain) loss	(8,463)	24,966
(Increase) decrease in trade, accounts & notes receivable, and deposits from related parties	384,221	(8,085)
(Increase) decrease in inventories	(104,042)	(79,449)
(Increase) decrease in refundable income taxes	2,792	3,674
(Increase) decrease in prepaid expenses and other current assets	(257,636)	(96,997)
Increase (decrease) in income taxes payable	7,341	190
Increase (decrease) in accounts payable & accrued expenses, deferred revenue, and other noncurrent liabilities	719,624	313,971
Net cash provided by operating activities	701,512	521,003
Investing activities:		
Purchase of property, plant and equipment	(17,025)	(11,225)
Payments received on notes receivables - related parties	43,105	66,199
Net cash provided by investing activities	26,080	54,974
Financing activities:		
Common stock purchased	-	(2,667,708)
Principal payments on long-term borrowings	(33,779)	(32,398)
Net cash used in financing activities	(33,779)	(2,700,106)
Effect of exchange rate changes on cash and cash equivalents	(10,505)	(21,203)
Increase (decrease) in cash and cash equivalents	683,308	(2,145,332)
Cash and cash equivalents at beginning of period	4,339,729	7,030,156
Cash and cash equivalents at end of period	\$5,023,037	\$4,884,824

See notes to financial statements.

Reliv International, Inc. and Subsidiaries

Condensed Consolidated Statements of
Stockholders' Equity

(unaudited)

	Common Stock		Additional	Accumulated	Accumulated	Treasury Stock		Total
	Shares	Amount	Paid-In Capital	Deficit	Other Comprehensive Loss	Shares	Amount	
Balance at December 31, 2021	1,421,867	\$ 1,422	\$ 27,993,259	\$ (11,864,542)	\$ (910,912)	363,564	\$ (5,851,423)	\$ 9,367,804
Net loss	-	-	-	(193,124)	-	-	-	(193,124)
Other comprehensive income (loss):								
Foreign currency translation adjustment	-	-	-	-	(23,352)	-	-	(23,352)
Total comprehensive loss								(216,476)
Balance at March 31, 2022	1,421,867	\$ 1,422	\$ 27,993,259	\$ (12,057,666)	\$ (934,264)	363,564	\$ (5,851,423)	\$ 9,151,328

	Common Stock		Additional	Accumulated	Accumulated	Treasury Stock		Total
	Shares	Amount	Paid-In Capital	Deficit	Other Comprehensive Loss	Shares	Amount	
Balance at December 31, 2020	2,110,013	\$ 2,110	\$ 30,643,771	\$ (11,424,494)	\$ (886,330)	363,564	\$ (5,851,423)	\$ 12,483,634
Net income	-	-	-	211,082	-	-	-	211,082
Other comprehensive income (loss):								
Foreign currency translation adjustment	-	-	-	-	3,535	-	-	3,535
Total comprehensive income								214,617
Common stock purchased and retired	(692,548)	(693)	(2,667,015)	-	-	-	-	(2,667,708)
Balance at March 31, 2021	1,417,465	\$ 1,417	\$ 27,976,756	\$ (11,213,412)	\$ (882,795)	363,564	\$ (5,851,423)	\$ 10,030,543

See notes to financial statements.

Reliv' International, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
(Unaudited)

March 31, 2022

1. Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements and notes thereto have been prepared in accordance with accounting principles generally accepted in the United States for the preparation of interim financial statements and reflect all adjustments (which primarily include normal recurring accruals) which we believe are necessary to present fairly the financial position, results of operations and cash flows. All significant intercompany accounts and transactions have been eliminated. These statements, however, do not include all information and footnotes necessary for a complete presentation of financial position, results of operations, and cash flows in conformity with accounting principles generally accepted in the United States. Interim results may not necessarily be indicative of results that may be expected for any other interim period or for the year as a whole. These financial statements should be read in conjunction with the audited consolidated financial statements and footnotes included in the Annual Report and Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines (Amended) for the year ended December 31, 2021, filed March 30, 2022 with the OTC Marketplace.

We evaluate events through the date these condensed consolidated financial statements are filed with the OTC Marketplace for events requiring adjustment to or disclosure in the condensed consolidated financial statements.

Impact of COVID-19 Pandemic

The ongoing COVID-19 pandemic and the actions taken by various governments and third parties to combat the spread of COVID-19 (including, in some cases, mandatory quarantines, travel bans and restrictions, as well as business limitations and shutdowns) have led to significant uncertain global economic conditions. To date, we have not experienced significant or widespread disruption to our supply chain or distribution channels, but we have seen supply constraints and inflationary conditions for certain raw materials used in our operations. While we are unable to accurately predict the full impact that COVID-19 will have on our results from operations, financial condition, liquidity and cash flows due to numerous uncertainties, including the duration and severity of the pandemic and containment measures, our compliance with these measures has impacted our day-to-day operations and could disrupt our business and operations, as well as that of our distributors, customers, suppliers (including contract manufacturers) and other counterparties, for an indefinite period of time. To support the health and well-being of our employees, the vast majority of our employees have returned to their respective offices on a hybrid work schedule during the third quarter of 2021. We believe this hybrid approach maintains a proper balance of safety for our employees and a productive work environment.

The ultimate impact of the COVID-19 pandemic on our worldwide operations is unknown and will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the COVID-19 outbreak. New information may emerge concerning the severity of the COVID-19 pandemic, possibly resulting in additional government directed preventative and protective actions that may cause extended periods of business disruption and/or reduced operations. Any resulting financial impact cannot be reasonably estimated at this time but may have a material adverse impact on our business, financial condition and results of operations.

Reliv' International, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
(Unaudited)

1. Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Due to the COVID-19 pandemic, there has been uncertainty and disruption in the global economy and financial markets. We are not aware of any specific event or circumstance that would require updates to our estimates or judgments or require us to revise the carrying value of our assets or liabilities as of the filing date of these condensed consolidated financial statements and quarterly Disclosure Statement with the OTC Marketplace. These estimates may change as new events occur and additional information is obtained. Actual results could differ materially from these estimates.

Concentrations of Risk

Effective January 1, 2019, we have entered into outsourcing agreements with Nutracom LLC ("Nutracom") to manufacture our nutritional and dietary supplements and for warehousing and fulfillment services for the U.S. distribution of our products. Nutracom has also issued promissory notes to us for its 2019 acquisition of our manufacturing and fulfillment operations. Any inability of Nutracom to deliver these contracted services or to repay the promissory notes could adversely impact our future operating results and valuation of our Nutracom equity investment. See Note 2 and Note 8 for further discussion of our relationship with Nutracom.

Variable Interest Entities (VIE) - Unconsolidated

We have a non-voting Class B 5% equity membership interest in Nutracom. If we are the primary beneficiary of a VIE, we are required to consolidate the VIE in our consolidated financial statements. To determine if we are the primary beneficiary, we evaluate whether we have the power to direct the activities that most significantly impact the VIE's economic performance and the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE. Our VIE evaluation requires significant assumptions and judgments.

We do not have the power to direct the significant activities of Nutracom, primarily because we do not have governance rights. We also do not participate in the annual profits or losses of Nutracom. Therefore, we do not consolidate the financial results of Nutracom in our consolidated financial statements. We account for our financial interest in Nutracom as an equity investment measured at cost minus impairment, if any. A cost method equity investment is subject to periodic impairment review using the other-than-temporary impairment model, which considers the severity and duration of a decline in fair value below cost and our ability and intent to hold the investment for a sufficient period of time to allow for recovery. For the year to date periods ending March 31, 2022 and 2021, there was no impairment loss.

See Note 2 and Note 8 for further information on our financial relationship with Nutracom.

Reliv' International, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
(Unaudited)

1. Accounting Policies (continued)

New Accounting Pronouncements – Not Yet Adopted

In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Updated (“ASU”) No. 2016-13, *Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* which requires entities to use a current lifetime expected credit loss methodology to measure impairments of certain financial assets. Using this methodology may result in earlier recognition of losses than under the current incurred loss approach, which requires waiting to recognize a loss until it is probable of having been incurred. There are other provisions within the standard that affect how impairments of other financial assets may be recorded and presented, and that expand disclosures. This standard will be effective for our interim and annual financial periods beginning January 1, 2023, with early adoption permitted. Adoption of this standard must be applied on a modified retrospective basis. We are evaluating the potential impact of this standard on our consolidated financial statements and related disclosures.

2. Related Parties

On January 1, 2019, we entered into a Purchase Agreement with Nutracom pursuant to which Nutracom purchased from us machinery, other equipment, and inventories previously used by us in our manufacturing operations. Nutracom was founded by our former manufacturing operations management.

Concurrently with the execution of the Purchase Agreement, we entered into several agreements with Nutracom including a product supply agreement for a term of seven years, a fulfillment agreement, and a facility lease agreement (see Note 8) whereby Nutracom leases manufacturing, warehouse, and certain office space of our headquarters building from us.

Included within the consideration received by us for the sale of our manufacturing operations, Nutracom issued us two interest-bearing promissory notes (as amended), a Class B equity membership interest in Nutracom, and an agreement to pay us royalties based on a percentage of Nutracom’s annual revenues (excluding Nutracom’s revenues from sales to us).

Reliv' International, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
(Unaudited)

2. Related Parties (continued)

The following summarizes our related party activities with Nutracom and a significant distributor of the Company.

	March 31	December 31
<u>Assets and liabilities - related parties</u>	<u>2022</u>	<u>2021</u>
<u>Notes & accounts receivables and deposits - current</u>		
Deposits with Nutracom for inventory	\$ 658,603	\$ 1,014,404
Note receivable - distributor	306,409	33,601
Note receivable - Nutracom unsecured DTD 6/1/2019	87,758	86,455
Note receivable - Nutracom unsecured DTD 10/1/2019	55,560	54,599
Unbilled receivables: Straight line rent revenue greater than rental billings	40,068	40,068
Other miscellaneous receivables	43,947	39,014
	<u>\$ 1,192,345</u>	<u>\$ 1,268,141</u>
<u>Notes & accounts receivables - non-current</u>		
Note receivable - distributor	\$ -	\$ 281,487
Note receivable - Nutracom unsecured DTD 6/1/2019	270,262	292,696
Note receivable - Nutracom unsecured DTD 10/1/2019	591,390	605,646
Unbilled receivables: Straight line rent revenue greater than rental billings	158,411	168,428
	<u>\$ 1,020,063</u>	<u>\$ 1,348,257</u>
Equity investment in Nutracom	\$ 505,000	\$ 505,000
<u>Liability captions with Nutracom balances included therein</u>		
Trade accounts payable and other accrued expenses	\$ 296,986	\$ 144,684

The following table presents scheduled principal payments to be received on the distributor and Nutracom promissory notes receivable:

Remainder of 2022	\$ 131,550
2023	431,820
2024	160,227
2025	170,776
2026	417,006
Thereafter	-
	<u>\$ 1,311,379</u>

Reliv' International, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
(Unaudited)

2. Related Parties (continued)

<u>Revenue and expense - related parties</u>	Three months ended March 31	
	2022	2021
Other revenue	\$ 191,897	\$ 189,379
Selling, general and administrative expense:		
Fulfillment & professional fees	163,578	149,757
Interest income on promissory notes	20,749	36,029
Royalty income (other income/expense)	30,852	28,750
Finished goods inventory purchased from Nutracom	\$ 1,798,400	\$ 1,421,800

At March 31, 2022, we had \$2.5 million in commitments (net of deposits) to purchase finished goods inventory from Nutracom.

3. Stockholders' Equity

In the months of October 2020 through December 2020, in a series of filings with the U.S. Securities and Exchange Commission (SEC), we announced our intention to effect a 2,000-to-1 reverse stock split of our common stock shares and a 1-to-2,000 forward stock split of our common stock shares (collectively "Stock Split"), as defined and described within the aforementioned SEC filings.

In January 2021, we executed our Stock Split plan. Upon completion of the reverse stock split portion of the Stock Split plan, stockholders with fewer than 2,000 shares had their share ownership reduced to a fractional share of less than one share of our common stock. For these stockholders with post-reverse split ownership of a fractional share of less than one share, we acquired their fractional shares of our common stock at a price of \$3.75 per share times the number of shares owned immediately prior to the execution of the reverse stock split. In January 2021, we expended approximately \$2.67 million to acquire approximately 692,500 shares on a pre-reverse stock split basis.

Following our completion of the aforementioned acquisition of fractional shares, remaining stockholders of our common stock then had their ownership shares effected by a 1-to-2,000 forward stock split.

We undertook our Stock Split plan as part of an overall plan to suspend our obligations to file periodic and current reports and other information with the SEC as our Board of Directors determined that the costs of being a public reporting company outweigh the benefits thereof. In January 2021, we completed our filings with the SEC and completed the process for delisting of our common stock from trading on the NASDAQ Stock Exchange. The remaining common shares continue to trade on the OTC Markets under the RELV ticker symbol.

Reliv' International, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
(Unaudited)

4. Fair Value of Financial Instruments

Fair value can be measured using valuation techniques such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost). Accounting standards utilize a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those levels:

Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets or similar assets or liabilities in markets that are not active.

Level 3: Unobservable inputs that reflect the reporting entity's own assumptions.

The carrying amount and fair value of financial instruments were approximately as follows:

Description	Carrying Amount	Fair Value	Level 1	Level 2	Level 3
<u>March 31, 2022</u>					
Term loan (principal)	\$3,824,247	\$3,824,247	-	\$3,824,247	-
Note receivable - distributor	306,409	306,409	-	306,409	-
Notes receivable - Nutracom	1,004,970	1,036,000	-	-	\$1,036,000
<u>December 31, 2021</u>					
Term loan (principal)	\$3,858,025	\$3,858,025	-	\$3,858,025	-
Note receivable - distributor	315,088	315,088	-	315,088	-
Notes receivable - Nutracom	1,039,396	1,080,000	-	-	\$1,080,000

Term loan: The fair value of our term loan approximates carrying value as this loan was obtained in November 2020 at fair value. (Fair value is only disclosed).

Note receivable - distributor: The note receivable - distributor is a variable rate residential mortgage-based financial instrument. This note receivable agreement was amended and re-stated in December 2021 at fair market value which included a revised interest rate and revised repayment terms for the note be paid in full no later than January 2023. (Fair value is only disclosed).

Notes receivable - Nutracom: The notes receivable - Nutracom represent two fixed rate promissory notes issued by a privately-held entity (PHE). We developed an estimated market discount rate based upon the PHE's third party incremental variable borrowing rate plus a risk-adjustment factor to estimate the fair value of these notes receivable under a discounted cash flow model. (Fair value is only disclosed).

The carrying value of other financial instruments, including cash, accounts receivable and accounts payable, and accrued liabilities approximate fair value due to their short maturities or variable-rate nature of the respective balances.

Reliv' International, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
(Unaudited)

5. Debt

-- 4.25% bank term loan, imputed interest rate of 5.63%	Principal Due	Unamortized Debt Issuance Costs	Term Loan Net
<u>March 31, 2022</u>			
Current portion	\$ 136,499	\$ 52,558	\$ 83,941
Long-term portion	3,687,748	126,785	3,560,963
	<u>\$ 3,824,247</u>	<u>\$ 179,343</u>	<u>\$ 3,644,904</u>
<u>December 31, 2021</u>			
Current portion	\$ 135,058	\$ 53,028	\$ 82,030
Long-term portion	3,722,967	139,566	3,583,401
	<u>\$ 3,858,025</u>	<u>\$ 192,594</u>	<u>\$ 3,665,431</u>

Principal maturities of debt at March 31, 2022 are as follows:

Remainder of 2022	\$ 101,277
2023	140,995
2024	146,758
2025	3,435,217
2026	-
Thereafter	-
	<u>\$ 3,824,247</u>

Term Loan

On November 5, 2020, we entered into a \$4,000,000 term loan agreement with our primary lender. The term loan is for a period of five years, with a fixed interest rate of 4.25%, and requires monthly payments of principal and interest of \$24,887 under a twenty-year amortization, with a balloon payment for the outstanding balance due and payable at the end of the term in November 2025.

Borrowings under the new term loan agreement are secured by all of our tangible and intangible assets and by a mortgage on the real estate of our headquarters facility. In addition, the term loan is secured by a personal guarantee(s) by three of our significant shareholders ("Guarantors"). In consideration for the personal guarantee(s), we paid a one-time aggregate payment of \$200,000 to be shared among the Guarantors. In November 2020, we recognized professional fees incurred to obtain the term loan plus the Guarantors payment, totaling \$256,214, as debt issuance costs associated with the term loan. We are amortizing the debt issuance costs to interest expense over the loan's five-year term under the effective interest method.

Proceeds from the term loan agreement were used to pay off our \$500,000 outstanding revolving line of credit balance, fund our loan Guarantors payment, and to fund our January 2021 common stock split transactions as described in Note 3, as well as provide funds for general working capital purposes.

Reliv' International, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
(Unaudited)

5. Debt (continued)

The term loan agreement includes an annual loan covenant, measured at year-end, requiring us to maintain a fixed coverage ratio of at least 1.1 to 1.0. The fixed charge ratio as defined includes a numerator consisting of EBITDA less: unfinanced capital expenditures, dividends and other distributions, and income tax expense/benefit. The covenant's denominator consists of the term loan's annual principal and interest payments. The term loan also includes an annual covenant requiring the Guarantors (individually) to maintain personal minimum liquidity levels. We are in compliance with our loan covenant requirements.

6. Income Taxes

During the fiscal years of 2016 through 2021, we determined that it was more likely than not losses generated in the U.S. and certain foreign jurisdictions will not be realized based on projections of future taxable income, estimated reversals of existing taxable timing differences, and other considerations. In prior years, we recorded a valuation allowance on all of our domestic and foreign deferred tax assets.

The effective income tax rate was (6.6)% and 3.2% for the year to date periods ending March 31, 2022 and 2021, respectively. For each year to date period, the income tax provision amounts include estimated income taxes for one of the Company's foreign subsidiaries and certain U.S. states.

One of our foreign subsidiaries is under local tax agency examination of its 2019 and 2020 local country income tax returns.

7. Revenue Recognition

We recognize revenue from product sales under a five step process with our independent distributors (including customers) when there is a legally enforceable contract, the rights of the parties are identified, the contract has commercial substance, and collectability of the contract consideration is probable. Product sales revenue (principally nutritional and dietary supplements) and commission expenses are recorded when control is transferred to the independent distributors, which occurs at the time of shipment. Generally, net sales reflect product sales less the distributor discount of 20 percent to 40 percent of the suggested retail price. We present distributor royalty and commission expense as an operating expense, rather than a reduction to net sales, as these payments are not made to the purchasing distributor. At point of sale, we receive payment by credit card, personal check, or guaranteed funds for contracts from independent distributors and make related commission payments in the following month.

We recognize the performance obligation for membership fees-type revenue over the membership term of generally twelve months. We receive payment for membership fees revenue at the beginning of the membership term and recognize membership fees revenue on a straight-line basis in correlation with the completion of our performance obligation under the membership term. Our remaining unearned membership fees obligation is reported as deferred revenue liability.

We record freight income as a component of net sales and record freight costs as a component of cost of goods sold. Total sales do not include sales tax as we consider ourselves a pass-through conduit for collecting and remitting applicable sales taxes.

Other revenue is defined in Note 8 – Lease Revenue.

Reliv' International, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
(Unaudited)

7. Revenue Recognition (continued)

Actual and estimated sales returns are classified as a reduction of net sales. We estimate and accrue a reserve for product returns based on our return policy and historical experience. Our product returns policy allows for distributors to return product only upon termination of his or her distributorship. Allowable returns are limited to saleable product which was purchased within twelve months of the termination for a refund of 100% of the original purchase price less any distributor royalties and commissions received relating to the original purchase of the returned products. For the year to date periods ending March 31, 2022 and 2021, total returns as a percent of net sales were 0.03% and 0.18%, respectively.

We classify our net sales into three categories of sales products, plus freight income, and other revenue:

	Three months ended March 31	
	2022	2021
Net sales by product category		
Nutritional and dietary supplements	\$ 7,158,445	\$ 7,760,629
Other supplements	222,331	244,268
Sales aids, membership fees, and other	220,060	242,479
Freight income	470,989	489,359
Other revenue	191,897	189,379
Total net sales	<u>\$ 8,263,722</u>	<u>\$ 8,926,114</u>

We operate in one reportable segment, a network marketing segment consisting of six operating units that sell nutritional and dietary products to a sales force of independent distributors that sell the products directly to customers. These operating units are based on geographic regions, as follows:

	Three months ended March 31	
	2022	2021
Net sales by geographic region		
United States	\$ 6,561,832	\$ 7,012,886
Australia/New Zealand	166,381	158,570
Canada	191,354	149,720
Mexico	136,387	156,371
Europe ⁽¹⁾	667,673	716,863
Asia ⁽²⁾	540,095	731,704
Total net sales	<u>\$ 8,263,722</u>	<u>\$ 8,926,114</u>

⁽¹⁾ Europe consists of United Kingdom, Ireland, France, Germany, Austria, and the Netherlands.

⁽²⁾ Asia consists of Philippines and Malaysia.

Reliv' International, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
(Unaudited)

8. Lease Revenue

Other revenue consists of revenue derived from leasing a portion of our headquarters building to Nutracom effective January 1, 2019. The leased space, encompassing manufacturing, warehouse, and certain office space, is for a term of seven years, with a tenant option for an additional five-year term. Annual lease amounts range from \$193,000 to \$410,000 over the seven-year term.

We recognize lessor rent revenue on a straight-line basis over the term of the lease. As part of this straight-line methodology, the cumulative rental billings may be greater or less than the financial period's recognized revenue; such timing differences are recognized on the balance sheet as an accrued other liability or an unbilled rent revenue receivable.

Also included in other revenue are billings to the tenant for its share of the facility's common area costs such as real estate taxes, maintenance, and utilities; totaling approximately \$105,400 and \$102,900 for the year to date periods ending March 31, 2022 and 2021, respectively. These same common area costs plus the tenant's share of the facilities' depreciation are recorded as cost of goods sold.

The following table details lessor's estimated remaining straight-line rent revenue over the seven-year lease term as compared with fixed rent amounts under the lease agreement.

	Estimated Straight-line Rent Revenue	Lease Agreement Fixed Rent
Remainder of 2022	\$ 259,299	\$ 289,350
2023	345,732	385,800
2024	345,732	409,913
2025	345,733	409,912
2026	-	-
Thereafter	-	-
Total	<u>\$ 1,296,496</u>	<u>\$ 1,494,975</u>