# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

# FORM 10-Q

(Mark One)

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

**For the quarterly period ended: March 31, 2025**

**OR**

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

For the transition period from ___________ to ___________.

Commission File No. 000-24657

# MANNATECH, INCORPORATED

(Exact Name of Registrant as Specified in its Charter)

| | |
|---|---|
| **Texas** | **75-2508900** |
| (State or other Jurisdiction of Incorporation or Organization) | (I.R.S. Employer Identification No.) |
| **1410 Lakeside Parkway, Suite 200, Flower Mound, Texas** | **75028** |
| (Address of Principal Executive Offices) | (Zip Code) |

Registrant's Telephone Number, including Area Code: **(972) 471-7400**

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock, par value $0.0001 per share | MTEX | The Nasdaq Stock Market LLC |

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

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

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

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒ Smaller reporting company ☒ Emerging Growth Company ☐

If an emerging growth company, indicated 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 ☒

As of May 6, 2025, the number of shares outstanding of the registrant's sole class of common stock, par value $0.0001 per share, was 1,900,930.

**MANNATECH, INCORPORATED**
**TABLE OF CONTENTS**


| | |
|---|---|
| Special Note Regarding Forward-Looking Statements | 1 |
| **Part I – FINANCIAL INFORMATION** | |
| Item 1. Financial Statements | 2 |
| Condensed Consolidated Balance Sheets (unaudited) | 2 |
| Condensed Consolidated Statements of Operations (unaudited) | 3 |
| Condensed Consolidated Statements of Comprehensive Loss (unaudited) | 3 |
| Condensed Consolidated Statements of Shareholders' Equity (unaudited) | 4 |
| Condensed Consolidated Statements of Cash Flows (unaudited) | 5 |
| Notes to Condensed Consolidated Financial Statements (unaudited) | 7 |
| Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations | 22 |
| Company Overview | 22 |
| Results of Operations | 23 |
| Liquidity and Capital Resources | 28 |
| Significant Accounting Policies and Critical Estimates | 30 |
| Item 3. Quantitative and Qualitative Disclosures About Market Risk | 32 |
| Item 4. Controls and Procedures | 32 |
| **Part II – OTHER INFORMATION** | |
| Item 1. Legal Proceedings | 34 |
| Item 1A. Risk Factors | 34 |
| Item 2. Unregistered Sales of Equity Securities and Use of Proceeds | 35 |
| Item 3. Defaults Upon Senior Securities | 35 |
| Item 4. Mine Safety Disclosures | 35 |
| Item 5. Other Information | 35 |
| Item 6. Exhibits | 35 |
| Signatures | 37 |

**Special Note Regarding Forward-Looking Statements**

Certain disclosures and analyses in this Form 10-Q, including information incorporated by reference, may include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the Private Securities Litigation Reform Act of 1995 that are subject to various risks and uncertainties. Opinions, forecasts, projections, guidance, or other statements other than statements of historical fact are considered forward-looking statements and reflect only current views about future events and financial performance. Some of these forward-looking statements include statements regarding:

- management’s plans and objectives for future operations;
- existing cash flows being adequate to fund future operational needs;
- future plans related to budgets, future capital requirements, market share growth, and anticipated capital projects and obligations;
- the realization of net deferred tax assets;
- the ability to curtail operating expenditures;
- global statutory tax rates remaining unchanged;
- the impact of future market changes due to exposure to foreign currency translations;
- the possibility of certain policies, procedures, and internal processes minimizing exposure to market risk;
- the impact of new accounting pronouncements on financial condition, results of operations, or cash flows;
- the outcome of new or existing litigation matters;
- the outcome of new or existing regulatory inquiries or investigations; and
- other assumptions described in this report underlying such forward-looking statements.

Although we believe that the expectations included in these forward-looking statements are reasonable, these forward-looking statements are subject to certain events, risks, assumptions, and uncertainties, including those discussed below, the “Risk Factors” section in Part I, Item 1A of our Form 10-K for the year ended December 31, 2024, and elsewhere in this Form 10-Q and the documents incorporated by reference herein. If one or more of these risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results and developments could materially differ from those expressed in or implied by such forward-looking statements. For example, any of the following factors could cause actual results to vary materially from our projections:

- overall growth or lack of growth in the nutritional supplements industry;
- plans for expected future product development;
- changes in manufacturing costs;
- shifts in the mix of packs and products;
- the future impact of any changes to global associate career and compensation plans or incentives or the regulations governing such plans and incentives;
- the ability to attract and retain independent associates and preferred customers;
- new regulatory changes that may affect operations, products or compensation plans and incentives;
- ability of our outside suppliers and manufacturers to supply products in sufficient quantities and comply with our product safety and quality standards or applicable law;
- the competitive nature of our business with respect to products and pricing;
- publicity related to our products or network marketing; and
- the political, social and economic climate of the countries in which we operate.

Forward-looking statements generally can be identified by use of phrases or terminology such as “may,” “will,” “should,” “could,” “would,” “expects,” “plans,” “intends,” “anticipates,” “believes,” “estimates,” “approximates,” “predicts,” “projects,” “hopes,” “potential,” and “continues” or other similar words or the negative of such terms and other comparable terminology. Similarly, descriptions of Mannatech’s objectives, strategies, plans, goals, or targets contained herein are also considered forward-looking statements. Readers are cautioned when considering these forward-looking statements to keep in mind these risks, assumptions, and uncertainties and any other cautionary statements in this report, as all of the forward-looking statements contained herein speak only as of the date of this report.

Unless stated otherwise, all financial information throughout this report and in the Condensed Consolidated Financial Statements and related Notes include Mannatech, Incorporated and all of its subsidiaries on a consolidated basis and may be referred to herein as “Mannatech,” “the Company,” “its,” “we,” “us,” “our,” or “their.”

Our products are not intended to diagnose, cure, treat, or prevent any disease, and any statements about our products contained in this report have not been evaluated by the Food and Drug Administration, also referred to herein as the “FDA”.

## PART I – FINANCIAL INFORMATION

### Item 1. Financial Statements
### MANNATECH, INCORPORATED AND SUBSIDIARIES
### CONDENSED CONSOLIDATED BALANCE SHEETS – *(UNAUDITED)*
*(in thousands, except share and per share amounts)*

| ASSETS | March 31, 2025 | December 31, 2024 |
|---|---|---|
| Cash and cash equivalents | $ 9,323 | $ 11,396 |
| Restricted cash | 550 | 550 |
| Accounts receivable, net of allowance of $876 and $935 | 102 | 19 |
| Income tax receivable | 697 | 737 |
| Inventories, net | 11,820 | 10,405 |
| Prepaid expenses and other current assets | 3,292 | 1,755 |
| Deferred commissions | 761 | 1,259 |
| **Total current assets** | **26,545** | **26,121** |
| Property and equipment, net | 3,089 | 2,858 |
| Operating lease right-of-use assets | 1,963 | 2,094 |
| Other assets | 2,676 | 2,644 |
| Deferred tax assets, net | 1,826 | 1,770 |
| Long-term restricted cash | 570 | 569 |
| **Total assets** | **$ 36,669** | **$ 36,056** |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | |
| Commissions and incentives payable | $ 8,765 | $ 8,642 |
| Accrued expenses | 4,307 | 3,832 |
| Deferred revenue | 2,322 | 3,027 |
| Accounts payable | 4,373 | 2,070 |
| Current portion of operating lease liabilities | 981 | 1,178 |
| Taxes payable | 1,549 | 1,788 |
| Current notes payable | — | 84 |
| Current portion of finance lease liabilities | 279 | 275 |
| **Total current liabilities** | **22,576** | **20,896** |
| Long-term notes payable | 2,900 | 2,900 |
| Operating lease liabilities, excluding current portion | 1,548 | 1,576 |
| Other long-term liabilities | 1,451 | 1,390 |
| Finance lease liabilities, excluding current portion | 609 | 680 |
| **Total liabilities** | **29,084** | **27,442** |
| **Commitments and contingencies** | | |
| **Shareholders' equity:** | | |
| Preferred stock, $0.01 par value, 1,000,000 shares authorized, no shares issued or outstanding | — | — |
| Common stock, $0.0001 par value, 99,000,000 shares authorized, 2,742,857 shares issued and 1,900,930 shares outstanding as of March 31, 2025 and 2,742,857 shares issued and 1,884,814 shares outstanding as of December 31, 2024 | — | — |
| Additional paid-in capital | 32,916 | 33,027 |
| (Accumulated deficit) retained earnings | (341) | 1,189 |
| Accumulated other comprehensive loss | (5,428) | (5,666) |
| Treasury stock, at average cost, 841,927 shares as of March 31, 2025 and 858,043 shares as of December 31, 2024 | (19,562) | (19,936) |
| **Total shareholders' equity** | **7,585** | **8,614** |
| **Total liabilities and shareholders' equity** | **$ 36,669** | **$ 36,056** |

**MANNATECH, INCORPORATED AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS – *(UNAUDITED)***
*(in thousands, except per share information)*

| | Three Months Ended March 31, 2025 | Three Months Ended March 31, 2024 |
|---|---|---|
| **Net sales** | **$ 26,563** | **$ 29,393** |
| Cost of sales | 6,827 | 6,296 |
| **Gross profit** | **19,736** | **23,097** |
| Operating expenses: | | |
| Commissions and incentives | 10,553 | 11,685 |
| Selling and administrative expenses | 10,016 | 10,592 |
| **Total operating expenses** | 20,569 | 22,277 |
| **(Loss) income from operations** | **(833)** | **820** |
| Interest (expense) income, net | (73) | 18 |
| Other (expense) income, net | (418) | 871 |
| **(Loss) income before income taxes** | **(1,324)** | **1,709** |
| Income tax expense | (206) | (529) |
| **Net (loss) income** | **$ (1,530)** | **$ 1,180** |
| **(Loss) income per common share:** | | |
| Basic | **$ (0.80)** | **$ 0.63** |
| Diluted | **$ (0.80)** | **$ 0.63** |
| **Weighted-average common shares outstanding:** | | |
| Basic | **1,901** | **1,884** |
| Diluted | **1,901** | **1,884** |

**MANNATECH, INCORPORATED AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS – *(UNAUDITED)***
*(in thousands)*

| | Three Months Ended March 31, 2025 | Three Months Ended March 31, 2024 |
|---|---|---|
| **Net (loss) income** | **$ (1,530)** | **$ 1,180** |
| Foreign currency translations | 238 | (1,431) |
| **Comprehensive loss** | **$ (1,292)** | **$ (251)** |

*See accompanying notes to unaudited condensed consolidated financial statements.*

**MANNATECH, INCORPORATED AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY – *(UNAUDITED)***
*(amounts in thousands, except share data)*

| | Common Stock, $0.0001 par value | | | | | | |
|---|---|---|---|---|---|---|---|
| | Number of Shares | Amount | Additional paid-in capital | Accumulated deficit | Accumulated other comprehensive loss | Treasury stock | Total shareholders' equity |
| **Balance at January 1, 2025** | **1,884,814** | **$ —** | **$ 33,027** | **$ 1,189** | **$ (5,666)** | **$ (19,936)** | **$ 8,614** |
| Net loss | — | — | — | (1,530) | — | — | (1,530) |
| Charge related to stock-based compensation | — | — | 23 | — | — | — | 23 |
| Issuance of unrestricted shares | 16,116 | — | (134) | — | — | 374 | 240 |
| Foreign currency translations | — | — | — | — | 238 | — | 238 |
| **Balance at March 31, 2025** | **1,900,930** | $ — | **$ 32,916** | **$ (341)** | **$ (5,428)** | **$ (19,562)** | **$ 7,585** |

| | Common Stock, $0.0001 par value | | | | | | |
|---|---|---|---|---|---|---|---|
| | Number of Shares | Amount | Additional paid-in capital | Accumulated deficit | Accumulated other comprehensive loss | Treasury stock | Total shareholders' equity |
| **Balance at January 1, 2024** | **1,860,154** | **$ —** | **$ 33,309** | **$ (1,301)** | **$ (1,015)** | **$ (20,509)** | **$ 10,484** |
| Net income | — | — | — | 1,180 | — | — | 1,180 |
| Charge related to stock-based compensation | — | — | 12 | — | — | — | 12 |
| Issuance of unrestricted shares | 24,660 | — | (373) | — | — | 573 | 200 |
| Foreign currency translations | — | — | — | — | (1,431) | — | (1,431) |
| **Balance at March 31, 2024** | **1,884,814** | **$ —** | **$ 32,948** | **$ (121)** | **$ (2,446)** | **$ (19,936)** | **$ 10,445** |

*See accompanying notes to unaudited condensed consolidated financial statements.*

**MANNATECH, INCORPORATED AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS – *(UNAUDITED)***
*(in thousands)*

| | Three Months Ended March 31, 2025 | Three Months Ended March 31, 2024 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | |
| Net (loss) income | $ **(1,530)** | $ **1,180** |
| *Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:* | | |
| Depreciation and amortization | 293 | 416 |
| Non-cash operating lease expense | 405 | 402 |
| Provision for inventory losses | (27) | 32 |
| Provision for (reversal of) allowance for credit losses | (96) | (75) |
| Unrealized gain from foreign exchange | 328 | — |
| Charge related to stock-based compensation | 263 | 212 |
| Deferred income taxes | (56) | 6 |
| *Changes in operating assets and liabilities:* | | |
| Accounts receivable | 14 | (154) |
| Income tax receivable | 38 | 15 |
| Inventories | (1,368) | 824 |
| Prepaid expenses and other current assets | (1,554) | (909) |
| Deferred commissions | 503 | 294 |
| Other assets | (47) | 158 |
| Accounts payable | 2,297 | 872 |
| Accrued expenses | 6 | (1,085) |
| Other long-term liabilities | 35 | (408) |
| Taxes payable | (263) | 401 |
| Commissions and incentives payable | 107 | 244 |
| Deferred revenue | (716) | (551) |
| **Net cash (used in) provided by operating activities** | **(1,368)** | **1,874** |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | |
| Acquisition of property and equipment | (489) | (61) |
| **Cash used in investing activities** | **(489)** | **(61)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES:** | | |
| Repayment of note payable | (84) | (161) |
| Repayment of finance lease obligations and other long-term liabilities | (82) | (89) |
| **Cash used in financing activities** | **(166)** | **(250)** |
| Effect of currency exchange rate changes on cash and cash equivalents | (49) | (1,408) |
| **Net (decrease) increase in cash, cash equivalents, and restricted cash** | **(2,072)** | **155** |
| Cash, cash equivalents, and restricted cash at the beginning of the period | 12,515 | 9,387 |
| Cash, cash equivalents, and restricted cash at the end of the period | $ **10,443** | $ **9,542** |

*See accompanying notes to unaudited condensed consolidated financial statements.*

| | Three Months Ended March 31, | |
|---|---|---|
| | 2025 | 2024 |
| **SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:** | | |
| Income taxes paid | $ — | $ 73 |
| Interest paid on finance leases and other financing arrangements | $ 130 | $ 23 |
| **NON-CASH INVESTING AND FINANCING ACTIVITIES** | | |
| Assets acquired through other financing arrangements | $ — | $ 446 |
| Operating lease right-of-use assets acquired in exchange for new operating lease liabilities | $ 242 | $ 205 |

*See accompanying notes to unaudited condensed consolidated financial statements.*

## NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Mannatech, Incorporated (together with its subsidiaries, the “Company”), located in Flower Mound, Texas, was incorporated in the state of Texas on November 4, 1993 and is listed on the Nasdaq Global Select Market under the symbol “MTEX.” The Company develops, markets, and sells high-quality, proprietary nutritional supplements, skin care and anti-aging products, and weight-management products. We currently sell our products into three regions: (i) the Americas (the United States, Canada and Mexico); (ii) EMEA (Austria, the Czech Republic, Denmark, Estonia, Finland, Germany, the Republic of Ireland, Namibia, the Netherlands, Norway, South Africa, Spain, Sweden and the United Kingdom); and (iii) Asia/Pacific (Australia, Japan, New Zealand, the Republic of Korea, Singapore, Thailand, Hong Kong, Taiwan and China).

The Company sells its products principally through network marketing distribution channels via its active associates (“independent associate” or “associates” or “distributors”) and its “preferred customers,” Active business building associates and preferred customers purchase the Company’s products at published wholesale prices. The Company cannot distinguish products sold for personal use from other sales, when sold to associates, because it is not involved with the products after delivery, other than usual and customary product warranties and returns. Only associates are eligible to earn commissions and incentives. We also ship our products to customers in the following countries: Belgium, France, Greece, Italy, Luxembourg, and Poland. The Company operates a non-direct selling business in mainland China. Our subsidiary in China, Meitai Daily Necessity & Health Products Co., Ltd. (“Meitai”), is operating as a traditional retailer under a cross-border e-commerce model in China. Meitai cannot legally conduct a direct selling business in China unless it acquires a direct selling license in China.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with instructions for Form 10-Q and Article 8-03 of Regulation S-X. Accordingly, the Company’s condensed consolidated financial statements and footnotes contained herein do not include all of the information and footnotes required by GAAP to be considered “complete financial statements”. However, in the opinion of the Company’s management, the accompanying unaudited condensed consolidated financial statements and footnotes contain all adjustments, including normal recurring adjustments, considered necessary for a fair presentation of the Company’s consolidated financial information as of, and for, the periods presented. The Company cautions that its consolidated results of operations for an interim period are not necessarily indicative of its consolidated results of operations to be expected for its fiscal year. The December 31, 2024 consolidated balance sheet was included in the audited consolidated financial statements in the Company’s annual report on Form 10-K for the year ended December 31, 2024 and filed with the United States Securities and Exchange Commission (the “SEC”) on March 25, 2025 (the “2024 Annual Report”), which includes all disclosures required by GAAP. Therefore, these unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements of the Company included in the 2024 Annual Report.

### *Principles of Consolidation*

The condensed consolidated financial statements and footnotes include the accounts of Mannatech and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

### *Use of Estimates*

The preparation of the Company’s condensed consolidated financial statements in accordance with GAAP requires the use of estimates that affect the reported value of assets, liabilities, revenues and expenses. These estimates are based on historical experience and various other factors. The Company continually evaluates the information used to make these estimates as the business and economic environment changes. Historically, actual results have not varied materially from the Company’s estimates and the Company does not currently anticipate a significant change in its assumptions related to these estimates. However, actual results may differ from these estimates under different assumptions or conditions.

The use of estimates is pervasive throughout the condensed consolidated financial statements, but the accounting policies and estimates considered the most significant are described in this note to the condensed consolidated financial statements, *Organization and Summary of Significant Accounting Policies*.

### *Significant Accounting Policies*

Our significant accounting policies are described in the notes to our consolidated financial statements for the year ended December 31, 2024 included in our 2024 Annual Report. There have been no significant changes in our accounting policies or the application thereof during the first quarter of 2025.

***Basis of Presentation***

Certain prior year amounts have been reclassified on the Condensed Balance Sheets and Condensed Consolidated Statements of Operations to conform to the current year presentation. These reclassifications had no effect on the previously reported results of operations.

***Cash and Cash Equivalents***

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Cash and cash equivalents was $9.3 million at March 31, 2025 and $11.4 million at December 31, 2024. The Company includes in its cash and cash equivalents credit card receivables due from its credit card processor, as the cash proceeds from credit card receivables are received within 24 to 72 hours. At each of March 31, 2025 and December 31, 2024, credit card receivables were $1.6 million, and cash and cash equivalents held in bank accounts in foreign countries totaled $3.8 million and $5.1 million at March 31, 2025 and December 31, 2024, respectively. The Company invests cash in liquid instruments, such as money market funds and interest-bearing deposits. The Company holds cash in high quality financial institutions and does not believe it has an excessive exposure to credit concentration risk.

***Restricted Cash***

The Company is required to restrict cash for: (i) direct selling insurance premiums and credit card sales in the Republic of Korea; (ii) reserves related to credit card sales in the United States and Canada; and (iii) the Australia building lease collateral. At each of March 31, 2025 and December 31, 2024, our total restricted cash was $1.1 million.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the Company's condensed consolidated balance sheets to the total amount presented in the condensed consolidated statement of cash flows *(in thousands)*:

| | March 31, 2025 | December 31, 2024 |
|---|---|---|
| Cash and cash equivalents | $ 9,323 | $ 11,396 |
| Current restricted cash | 550 | 550 |
| Long-term restricted cash | 570 | 569 |
| Cash, cash equivalents, and restricted cash | $ 10,443 | $ 12,515 |

***Accounts Receivable, net***

Accounts receivable are carried at their estimated collectible amounts. Receivables are created upon shipment of an order if the credit card payment is rejected or does not match the order total. As of March 31, 2025 and December 31, 2024, receivables consisted primarily of amounts due from preferred customers and associates.

The Company's accounts receivable balances, net, are presented below *(in thousands)*:

| | March 31, 2025 | December 31, 2024 |
|---|---|---|
| Accounts receivable, net | $ 102 | $ 19 |

In accordance with ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"), the Company assesses collectability by reviewing accounts receivable on a collective basis where similar characteristics exist and on an individual basis when the Company identifies specific customers with known disputes or collectability issues. Expected loss estimates are determined utilizing an aging schedule. In determining the amount of the allowance for credit losses, the Company considers historical collectability based on past due status and makes judgments about the creditworthiness of customers based on ongoing credit evaluations. The Company also considers customer-specific information, current market conditions and reasonable and supportable forecasts of future economic conditions to inform adjustments to historical loss data.

At March 31, 2025 and March 31, 2024, the Company held an allowance for credit losses of $0.9 million and $1.2 million, respectively.

| | March 31, 2025 | March 31, 2024 |
|---|---|---|
| Allowance for credit losses at beginning of period | $ 935 | $ 1,278 |
| Provision in current period | 40 | (75) |
| Accounts charged off against the allowance | (99) | (3) |
| Allowance for credit losses at end of period | $ 876 | $ 1,200 |

***Inventories***

Inventories consist of raw materials, finished goods, and promotional materials that are stated at the lower of cost (using standard costs that approximate average costs) or net realizable value. The Company periodically reviews inventories for obsolescence and any inventories identified as obsolete are reserved or written off.

***Other Assets***

Other Assets consisted of the following *(in thousands):*

| | March 31, 2025 | December 31, 2024 |
|---|---|---|
| Investment in Korea Mutual Aid Cooperative & Consumer | $ 1,257 | $ 1,255 |
| Deposits for building leases | 1,182 | 1,152 |
| Manapol Trademark | 237 | 237 |
| | $ 2,676 | $ 2,644 |

The Company accounts for its investment in Korea Mutual Aid Cooperative & Consumer at its initial investment amount, in accordance with ASC 321, Investments - Equity Securities (“ASC 321”). This guidance offers an alternative to the requirement of carrying equity interests at fair value as per ASC 820, Fair Value Measurement. The measurement alternative is applicable to certain equity interests without readily determinable fair values that fall within the scope of ASC 321 and are otherwise required to be measured at fair value. The application of this measurement alternative is optional and is applied upon the acquisition of an equity interest. See Note 9, *Fair Value*, for more information.

***Accrued Expenses***

Accrued expenses consisted of the following *(in thousands):*

| | March 31, 2025 | December 31, 2024 |
|---|---|---|
| Accrued compensation | $ 1,333 | $ 1,320 |
| Accrued legal and accounting fees | 949 | 823 |
| Customer deposits and sales returns | 337 | 480 |
| Other accrued operating expenses | 775 | 530 |
| Accrued shipping and handling costs | 355 | 306 |
| Accrued sales and other taxes | 204 | 157 |
| Accrued travel expenses related to corporate events | 170 | 127 |
| Accrued inventory purchases | 148 | 45 |
| Accrued royalties | 36 | 39 |
| Accrued rent expense | — | 5 |
| | $ 4,307 | $ 3,832 |

***Other Long-Term Liabilities***

Other long-term liabilities consisted of the following *(in thousands)*. See Note 9, *Employee Benefit Plans*, of the Company's 2024 Annual Report for more information.

| | March 31, 2025 | December 31, 2024 |
|---|---|---|
| Government required severance | $ 892 | $ 853 |
| Accrued lease restoration costs | 332 | 326 |
| Defined benefit plan obligation | 227 | 211 |
| | $ 1,451 | $ 1,390 |

***Revenue Recognition***

The Company's revenue is derived from sales of individual products and associate fees or, in certain geographic markets, starter packs. Substantially all of the Company's product sales are made at published wholesale prices to associates and preferred customers. The Company records revenue net of any sales taxes and records a reserve for expected sales returns based on its historical experience. The Company changed its shipping terms with customers such that ownership transfers upon delivery to the freight carrier, satisfying the Company's performance obligation. Previously, the Company's shipping terms were Free on Board ("FOB") destination, so the Company recognized revenue upon delivery of the product to the customer. The Company's deferred revenue balances related to product orders in transit were $0 at each of March 31, 2025 and December 31, 2024. The Company's remaining performance obligations related to associate fees were $0.1 million at both March 31, 2025 and December 31, 2024. These amounts are included in deferred revenue on the accompanying Condensed Consolidated Balance Sheets, respectively.

Orders placed by associates or preferred customers constitute our contracts with customers. Product sales placed in the form of an automatic order contain two performance obligations: (a) the sale of the product and (b) the loyalty program. The Company's customer loyalty program conveys a material right to the customer to redeem loyalty points for the purchase of products. For these contracts, the Company accounts for each of these obligations separately as they are each distinct. The transaction price is allocated between the product sale and the loyalty program on a relative standalone selling price basis. Sales placed through a one-time order contain only the first performance obligation noted above — the delivery of the product. Payments are made immediately through credit card upon purchase of the products.

The Company provides associates with access to a complimentary three-month package for the Success Tracker™ and Mannatech+ online business tools with the first payment of an associate fee. The first payment of an associate fee contains three performance obligations: (a) the associate fee, whereby the Company provides an associate with the right to earn commissions, bonuses and incentives for a year, (b) three months of complimentary access to utilize the Success Tracker™ online tool and (c) three months of complimentary access to utilize the Mannatech+ online business tool. The transaction price is allocated between the three performance obligations on a relative standalone selling price basis and revenue is recognized over the period that access to the tools is active. Associates do not have complimentary access to online business tools after the first contractual period.

With regard to both of the aforementioned contracts, the Company determines the standalone selling prices by using observable inputs which includes the Company's standard published price lists.

***Deferred Revenue***

The Company defers certain components of its revenue. Deferred revenue consisted of: (i) revenue from the loyalty program; (ii) prepaid registration fees from customers planning to attend a future corporate-sponsored event; and (iii) prepaid annual associate fees.

The table below presents the changes to deferred revenue balances *(in thousands)*.

| | Three Months Ended March 31, | |
|---|---|---|
| | 2025 | 2024 |
| Total deferred revenue at beginning of the period | $ 3,027 | $ 4,786 |
| Amount recognized as revenue during the period that is included in beginning of the period | (1,536) | (3,733) |
| New deferrals at the end of the period, net | 831 | 3,182 |
| Total deferred revenue at end of the period | $ 2,322 | $ 4,235 |

The Company's customer loyalty program conveys a material right to the customer as it provides the promise to redeem loyalty points for the purchase of products, which is based on earning points through placing consecutive qualified orders. The Company factors in breakage rates, which is the percentage of the loyalty points that are expected to be forfeited or expire, for purposes of revenue recognition. Breakage rates are estimated based on historical data and can be reasonably and objectively determined.

The deferred revenue associated with the loyalty program at each of March 31, 2025 and March 31, 2024 was $2.2 million and $3.1 million, respectively.

| **Loyalty program** *(in thousands)* | **Three Months Ended March 31, 2025** | **Three Months Ended March 31, 2024** |
|---|---|---|
| Loyalty deferred revenue at beginning of the period | $ 2,921 | $ 3,242 |
| Loyalty points forfeited or expired | (651) | (718) |
| Loyalty points used | (2,316) | (2,381) |
| Loyalty points vested | 1,923 | 2,152 |
| Loyalty points unvested | 354 | 761 |
| Loyalty deferred revenue at end of period | $ 2,231 | $ 3,056 |

### *Deferred Commissions*

The Company defers commissions on (i) the sales of products shipped but not received by customers by the end of the respective period (up to the change in shipping terms with the customers) and (ii) the loyalty program. Deferred commissions are incremental costs and are charged to expense when the related revenue is recognized.

The table below illustrates the changes to deferred commission balances *(in thousands)*.

| | **Three Months Ended March 31, 2025** | **Three Months Ended March 31, 2024** |
|---|---|---|
| Deferred commissions at beginning of the period | $ 1,259 | $ 2,130 |
| Amount recognized as commissions expense | (572) | (1,411) |
| New commission deferrals at the end of the period | 74 | 1,117 |
| Total deferred commissions at end of the period | $ 761 | $ 1,836 |

### *Sales Refunds and Allowances*

The Company utilizes the expected value method, as set forth by Accounting Standard Codification ("ASC") Topic 606 Revenue from Contracts with Customers ("ASC 606"), to estimate the sales returns and allowance liability by taking the weighted average of the sales return rates over a rolling six-month period. The Company allocates the total amount recorded within the sales return and allowance liability as a reduction of the overall transaction price for the Company's product sales. The Company deems the sales refund and allowance liability to be a variable consideration.

Historically, sales returns have not materially changed through the years, as the majority of our customers who return their merchandise do so within the first 90 days after the original sale. Sales returns have historically averaged 0.5% or less of our gross sales.

As of each of the periods shown below, our sales return reserve consisted of the following *(in thousands)*:

| | **March 31, 2025** | **March 31, 2024** |
|---|---|---|
| Sales reserve at beginning of period | $ 56 | $ 41 |
| Provision in current period | 127 | 178 |
| Returns charged off against the reserve | (139) | (166) |
| Sales reserve at end of period | $ 44 | $ 53 |

***Shipping and Handling Costs***

The Company records inbound freight as a component of inventory and cost of sales. The Company records freight and shipping fees collected from its customers as fulfillment costs. Freight and shipping fees are accounted for as activities to fulfill the promise to transfer the products to the customer, not as a separate performance obligation.

***Commissions and Incentives***

Associates earn commissions and incentives based on their direct and indirect commissionable net sales over each month of the fiscal year. The Company accrues commissions and incentives when earned by associates and pays commissions on product and pack sales on a monthly basis.

***Comprehensive Loss and Accumulated Other Comprehensive Loss***

Comprehensive income (loss) is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources and includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. The Company's comprehensive loss consists of the Company's net loss, foreign currency translation adjustments from its Japan, Republic of Korea, Denmark, Norway, Sweden, Mexico, Taiwan and China operations, remeasurement of intercompany balances of a long-term-investment nature from its Mexico, Taiwan, and Cyprus operations, and changes in the pension obligation for its Japanese employees.

***Accounting Pronouncements Issued but Not Yet Effective***

**Income Tax Reporting** (ASU 2023-09) — Income Taxes (Topic 740): Improvements to Income Tax Disclosures("ASC 2023-09"). In December 2023, the FASB issued accounting guidance to expand the annual disclosure requirements for income taxes, primarily related to the rate reconciliation and income taxes paid. This guidance is effective January 1, 2025, with early adoption permitted. This guidance can be applied prospectively or retrospectively. The Company is currently evaluating the disclosure impacts of ASU 2023-09 on its consolidated financial statements as well as the impacts to its financial reporting process and related internal controls.

**Income Statement Expenses** (ASU 2024-03) — Income Statement (Subtopic 220-40) - Reporting Comprehensive Income - Expense Disaggregation Disclosures. In November 2024, the FASB issued accounting guidance which is intended to improve expense disclosures, primarily by requiring disclosure of disaggregated information about certain income statement expense line items on an annual and interim basis. The ASU does not change the expense captions an entity presents on the face of the income statement; rather, it requires disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements. ASU 2024-03 becomes effective January 1, 2027. The Company is currently evaluating the disclosure impacts of ASU 2024-03 on its consolidated financial statements as well as the impacts to its financial reporting process and related internal controls.

Other recently issued accounting pronouncements did not or are not believed by management to have a material impact on the Company's present or future financial statements.

**NOTE 2: INVENTORIES**

Inventories consist of raw materials, finished goods, and promotional materials. The Company provides an allowance for any slow-moving or obsolete inventories. The allowance for slow-moving inventory obsolescence was $0.3 million and $0.6 million at March 31, 2025 and December 31, 2024, respectively.

Inventories as of March 31, 2025 and December 31, 2024, consisted of the following *(in thousands)*:

| | March 31, 2025 | December 31, 2024 |
|---|---|---|
| Raw materials | $ 4,215 | $ 4,438 |
| Finished goods and promotional materials | 7,605 | 5,967 |
| **Total** | **$ 11,820** | **$ 10,405** |

## NOTE 3: INCOME TAXES

For the three months ended March 31, 2025 and 2024, the Company’s effective tax rate was (15.1)% and 36.0%, respectively. For the three months ended March 31, 2025 and 2024, the Company's effective tax rate was determined based on the estimated annual effective income tax rate. The effective tax rate for the three months ended March 31, 2025 and March 31, 2024, was different from the federal statutory rate due to the mix of earnings across jurisdictions and the associated valuation allowances recorded on losses in certain jurisdictions.

## NOTE 4: NOTES PAYABLE

Notes payable were $2.9 million and $3.0 million as of March 31, 2025 and December 31, 2024, respectively.

The current portion was $0 and $0.1 million at March 31, 2025 and December 31, 2024, respectively, as a result of insurance financing arrangements.

The long-term portion of notes payable relates to three unsecured notes, described below. The long-term portion of notes payable was $2.9 million at each of March 31, 2025 and December 31, 2024.

On April 23, 2024, the Company issued an unsecured note payable to Jade Capital in the amount of $2.5 million. The note bears interest at 16% per annum and requires quarterly interest payments beginning June 30, 2024. The note is due in full on September 30, 2026. The Company has the right to prepay all or a portion of the Promissory Note at any time without premium or penalty. Tyler Rameson is an independent member of Mannatech's Board of Directors, and is the managing member of Jade Capital. As of March 31, 2025, there was no current portion and the long-term portion of the balance was $2.0 million.

On April 23, 2024, the Company issued an unsecured note payable to J. Stanley Fredrick in the amount of $1.0 million. The note bears interest at 16% per annum and requires quarterly interest payments beginning June 30, 2024. The note is due in full on September 30, 2026. The Company has the right to prepay all or a portion of the Promissory Note at any time without premium or penalty. Mr. Fredrick is the Chairman of Mannatech's Board of Directors. As of March 31, 2025, there was no current portion and the long-term portion of the balance was $0.8 million.

On April 23, 2024, the Company issued an unsecured note payable to Kevin Robbins in the amount of $0.1 million. The note bears interest at 16% per annum and requires quarterly interest payments beginning June 30, 2024. The note is due in full on September 30, 2026. The Company has the right to prepay all or a portion of the Promissory Note at any time without premium or penalty. Mr. Robbins is a member of Mannatech's Board of Directors. As of March 31, 2025, there was no current portion and the long-term portion of the balance was $0.1 million.

As of March 31, 2025, the Company's future principal payments on notes payable were as follows *(in thousands)*:

| **Principal Payments** | **Remaining 2025** | **2026** | **Thereafter** | **Total** |
|---|---|---|---|---|
| Jade Capital Note | $ — | $ 2,014 | $ — | $ 2,014 |
| J.S. Fredrick Note | — | 806 | — | 806 |
| K. Robbins Note | — | 80 | — | 80 |
| **Total** | **$ —** | **$ 2,900** | **$ —** | **$ 2,900** |

## NOTE 5: STOCK-BASED COMPENSATION

### *Stock Option Plan*

The Company currently has one active stock-based compensation plan, the Mannatech, Incorporated 2017 Stock Incentive Plan, which was adopted by the Company’s Board of Directors (the "Board") on April 17, 2017 and was approved by its shareholders on June 8, 2017, and subsequently amended by the Board in February 2019, which amendment was approved by the Company's shareholders on June 11, 2019 (as amended, the "2017 Plan"). The Board has reserved a maximum of 370,000 shares of our common stock that may be issued under the 2017 Plan (subject to adjustments for stock splits, stock dividends or other changes in corporate capitalization). As of March 31, 2025, the Company had a total of 101,188 shares available for grant under the 2017 Plan, which expires on April 16, 2027.

The 2017 Plan provides for grants of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, restricted stock units, performance stock and performance stock units to our employees, board members, and consultants. However, only employees of the Company and its corporate subsidiaries are eligible to receive incentive stock options. The exercise price per share for all stock options will be no less than the market value of a share of common stock on the date of grant. Any incentive stock option granted to an employee owning more than 10% of our common stock will have an exercise price of no less than 110% of our common stock's market value on the grant date.

The majority of stock options vest over two or three years, and generally are granted with a term of ten years, or five years in the case of an incentive option granted to an employee who owns more than 10% of our common stock.

The Company is required to measure and recognize compensation expense related to any outstanding and unvested stock options in its consolidated financial statements using a fair-value based option-pricing model. The Company records stock-based compensation expense related to granting stock options in selling and administrative expenses. The fair value of the stock option award is calculated using the Black-Scholes option-pricing model. The Black-Scholes option-pricing model requires us to apply judgment and use subjective assumptions about expected dividend yields, risk-free interest rates, price volatility related to the underlying shares, and the expected stock option life, including forfeitures.

The following assumptions were used to calculate the fair value of stock options granted:

| | March 2025 Grant |
|---|---|
| Estimated fair value per share of options granted: | $ 5.51 |
| Assumptions: | |
| Annualized dividend yield | — % |
| Risk-free rate of return | 4.0 % |
| Common stock price volatility | 66.3 % |
| Expected average life of stock options (in years) | 4.5 |

The computation of the expected volatility assumption used in the Black-Scholes calculations for new grants is based on historical volatility of the Company's stock. The expected life assumptions are based on the Company's historical employee exercise and forfeiture behavior.

During the three months ended March 31, 2025, the Company granted 3,000 stock options. The weighted average fair value of stock options granted during the three months ended March 31, 2025 was approximately $5.51. The Company granted no stock options during the three months ended March 31, 2024.

***Stock Grants***

On March 11, 2024, the Company issued a grant of 8,187 restricted stock units ("RSUs") of our common stock to our Chief Executive Officer. Under the terms of the stock grant, the grant is available for 18 months and will not vest until Mannatech's stock price averages $15.00 per share (i.e., the volume weighted price) for 60 consecutive days. If the contingency is not met within the 18-month period, the grant will lapse and will not be awarded.

The Company is required to measure and recognize compensation expense related to the grant in its consolidated financial statements using a fair-value based model. The Company has determined the fair value of the grant is $0.1 million. Accordingly, the Company has recognized compensation expense related to the grant of $10 thousand and $3 thousand for the three months ended March 31, 2025 and 2024, respectively.

The Company recognized compensation expense related to the fair values of options and RSUs as follows for the three months ended March 31 (in thousands):

| | Three Months Ended March 31, 2025 | Three Months Ended March 31, 2024 |
|---|---|---|
| Total gross compensation expense | $ 22 | $ 92 |
| Total tax benefit associated with compensation expense | (1) | (12) |
| Total net compensation expense | $ 21 | $ 80 |

As of March 31, 2025, the Company expects to record compensation expense related to stock options and RSUs in the future as follows *(in thousands)*:

| | Nine months ending December 31, 2025 | Years ending December 31, | |
|---|---|---|---|
| | | 2026 | 2027 |
| Total gross unrecognized compensation expense | $ 38 | $ — | $ — |

***Equity-Based Compensation to Directors***

At the discretion of the Board, each director may receive a portion of their fees payable in stock grants in lieu of cash compensation. For the three months ended March 31, 2025 and 2024, the Company issued a total of 16,116 and 24,660 shares of treasury stock to the members of the Board as a part of their compensation, respectively. The stock grants to the Board were vested upon grant and the Company recognized $0.2 million compensation expense for each of the three months ending March 31, 2025 and 2024.

## NOTE 6: SHAREHOLDERS' EQUITY

***Treasury Stock***

There were no shares repurchased during each of the three months ended March 31, 2025 and 2024.

As of March 31, 2025 and December 31, 2024, the Company had 841,927 and 858,043 treasury shares, respectively.

***Accumulated Other Comprehensive Loss***

Accumulated other comprehensive loss displayed in the Condensed Consolidated Statement of Shareholders' Equity represents the results of certain shareholders' equity changes not reflected in the Condensed Consolidated Statements of Operations, such as foreign currency translation and certain pension and post-retirement benefit obligations.

The after-tax components of accumulated other comprehensive loss are as follows *(in thousands)*:

| | Foreign Currency Translation | Pension Postretirement Benefit Obligation | Accumulated Other Comprehensive Loss, Net |
|---|---|---|---|
| Balance as of December 31, 2024 | $ (6,080) | $ 414 | $ (5,666) |
| Current-period change [(1)] | 238 | — | 238 |
| Balance as of March 31, 2025 | $ (5,842) | $ 414 | $ (5,428) |

[(1)] No material amounts were reclassified from accumulated other comprehensive loss.

***Dividends***

Holders of Common Stock are entitled to receive dividends at the same rate, when, as and if declared by our Board of Directors out of funds legally available therefor, subject to any statutory or contractual restrictions on the payment of dividends and to the rights of the holders of one or more outstanding series of our preferred stock. For each of the three months ended March 31, 2025 and 2024, the Company did not pay any dividends.

## NOTE 7: LITIGATION

***Litigation in General***

As of March 31, 2025, the Company had no open or pending litigation and no legal reserve was deemed necessary. The Company has incurred several claims in the normal course of business. The Company believes such claims can be resolved without any material adverse effect on its consolidated financial position, results of operations, or cash flows.

The Company maintains certain liability insurance; however, certain costs of defending lawsuits are not covered by or only partially covered by its insurance policies, including claims that are below insurance deductibles. Additionally, insurance carriers could refuse to cover certain claims, in whole or in part. The Company accrues costs to defend itself from litigation as they are incurred.

## NOTE 8: LEASES

The Company has entered into contractual lease arrangements to rent office space and equipment from third-party lessors and accounts for leases in accordance with ASC Topic 842. See Note 5 to the consolidated financial statements in our 2024 Annual Report. Right of use assets represent the Company's right to use an underlying asset over the lease term and lease liabilities represent the Company's obligation to make future lease payments arising from the lease.

Generally, the Company's operating leases relate to office space used in Mannatech's operations, including its headquarters in Flower Mound, Texas and office space in international locations in which the Company does business. As of March 31, 2025 and December 31, 2024, all of the Company's finance leases pertain to certain equipment used in the business.

On March 10, 2023, the Company entered into a five-year agreement to sublease 10,000 rentable square feet of the Company's leased office space in Flower Mound, Texas to a subtenant. There was no modification or impairment by entering into the sublease agreement because the Company was not released from its obligations under the head lease. Sublease income is presented as a component of net sales on the Company's Condensed Consolidated Statements of Operations. The Company has made a policy election in accordance with ASC 842-10-15-39A to exclude from consideration taxes that are assessed on and collected from the sublessee from consideration. For each of the three months ended March 31, 2025 and 2024, the Company had earned less than $0.1 million income from the sublease.

As of March 31, 2025, the Company had net operating lease right-of-use assets of $2.0 million and net finance lease right-of-use assets of $0.9 million. At March 31, 2025, our operating lease liabilities were $2.5 million and our finance lease liabilities were $0.9 million.

The weighted-average remaining lease term and discount rate related to the Company's operating lease liabilities as of March 31, 2025 were 2.77 years and 5.0%, respectively. The weighted-average remaining lease term and discount rate related to the Company's finance lease liabilities as of March 31, 2025 were 2.96 years and 6.5%, respectively. The Company uses the discount rates implicit in each lease, or an estimate of the Company's incremental borrowing rate if the rate implicit in a lease cannot be readily determined.

As of March 31, 2025 and December 31, 2024 our right-of-use assets and lease liabilities balances, net of accumulated amortization, were as follows *(in thousands)*:

| **Leases** | **Classification** | **March 31, 2025** | **December 31, 2024** |
|---|---|---|---|
| **Right-of-use assets** | | | |
| Operating leases | Operating lease right-of-use assets | $ 1,963 | $ 2,094 |
| Finance leases | Property and equipment, net | 921 | 961 |
| Total right-of-use assets | | $ 2,884 | $ 3,055 |
| **Current portion of lease liabilities** | | | |
| Operating leases | Current portion of operating leases | $ 981 | $ 1,178 |
| Finance leases | Current portion of finance leases | 279 | 275 |
| **Long-term portion of lease liabilities** | | | |
| Operating leases | Operating lease liabilities, excluding current portion | 1,548 | 1,576 |
| Finance leases | Finance leases, excluding current portion | 609 | 680 |
| Total lease liabilities | | $ 3,417 | $ 3,709 |

As of March 31, 2025, the Company's future sublease income and minimum future lease payments on operating and finance leases were as follows *(in thousands)*:

| **Future Maturities of Leases** | **Operating Leases** | **Finance Leases** | **Sublease Income** |
|---|---|---|---|
| Remaining 2025 | 856 | 245 | (99) |
| 2026 | 856 | 327 | (132) |
| 2027 | 749 | 315 | (132) |
| 2028 | 281 | 90 | (55) |
| **Total minimum lease payments** | **2,742** | **977** | **(418)** |
| Imputed interest | (213) | (89) | — |
| **Present value of minimum lease payments** | **$ 2,529** | **$ 888** | **$ (418)** |

**NOTE 9: FAIR VALUE**

The Company utilizes fair value measurements to record fair value adjustments to certain financial assets and to determine fair value disclosures.

*Fair Value Measurements and Disclosure* (Topic 820) of the FASB establishes a fair value hierarchy that requires the use of observable market data, when available, and prioritizes the inputs to valuation techniques used to measure fair value in the following categories:

- Level 1 – Quoted unadjusted prices for identical instruments in active markets.
- Level 2 – Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations in which all observable inputs and significant value drivers are observable in active markets.
- Level 3 – Model-derived valuations in which one or more significant inputs or significant value drivers are unobservable, including assumptions developed by the Company.

The primary objective of the Company's investment activities is to preserve principal while maximizing yields without significantly increasing risk. The investment instruments held by the Company are money market funds and interest-bearing deposits for which quoted market prices are readily available. The Company considers these highly liquid investments to be cash equivalents. These investments are classified within Level 1 of the fair value hierarchy because they are valued based on quoted market prices in active markets. The Company does not have any material financial liabilities that were required to be measured at fair value on a recurring basis at March 31, 2025.

As of March 31, 2025 and December 31, 2024, the carrying amount of the financial instruments such as cash and cash equivalents (excluding money market funds disclosed in the table below), restricted cash, long-term restricted cash and accounts payable approximate their fair value due to short-term nature and the market rates of interest of these instruments. As such, these instruments are classified as Level 1.

The tables below present the recorded amount of financial assets measured at fair value (in thousands) on a recurring basis as of March 31, 2025 and December 31, 2024.

| | March 31, 2025 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Assets** | | | | |
| Money Market Funds – JPMorgan Chase, US | $ 3,603 | $ — | $ — | $ 3,603 |

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Assets** | | | | |
| Money Market Funds – JPMorgan Chase, US | $ 4,005 | $ — | $ — | $ 4,005 |

The following table below present the carrying amount and estimated fair value of financial instruments as of March 31, 2025 and December 31, 2024, (in *thousands)* that are not measured at fair value:

| | March 31, 2025 | |
|---|---|---|
| | Carrying Value | Estimated Fair Value |
| Long-term notes payable | $ 2,900 | $ 2,812 |

| | December 31, 2024 | |
|---|---|---|
| | Carrying Value | Estimated Fair Value |
| Long-term notes payable | $ 2,900 | $ 2,813 |

The carrying value of long-term notes payable approximates fair value and the fair value measurement is based on unobservable inputs, and as such, is classified as Level 3.

**NOTE 10: SEGMENT INFORMATION**

The Company operates as a direct seller in the nutritional supplement industry. The Company's sole reporting segment is one in which it sells proprietary nutritional supplements, skin care and anti-aging products, and weight-management and fitness products operating in twenty-five markets. The products are primarily sold through a network marketing distribution channel of approximately 129,000 active associates and preferred customer positions who we refer to as current associates and preferred customers. The Company's subsidiary in China, Meitai, is currently operating as a traditional retailer under a cross-border e-commerce model. Meitai cannot legally conduct a direct selling business in China unless it acquires a direct selling license in China. Each of our subsidiaries sells similar products and exhibits similar economic characteristics, such as selling prices, paying commissions and incentives, gross margins and operating characteristics.

The Chief Operating Decision Maker (“CODM”) is the Company’s Chief Executive Officer. The CODM regularly reviews consolidated financial information and performance used to make decisions about the Company as a whole and without distinguishing or grouping of operations based on asset type, revenue, geographic location, tenant or other factors. Accordingly, for disclosure purposes, the Company has a single reportable segment, which is reported on the Company’s consolidated financial statements.

The CODM evaluates performance and allocates resources based on net income as reported in the consolidated statements of operations. Total expenditures for long-lived assets are reported on the consolidated statements of cash flows.

Measure of total assets is consistent with the amounts reported on the consolidated balance sheet. The CODM reviews consolidated net income to evaluate income generated from assets (return on assets) in deciding whether to reinvest profits to grow the property portfolio or deploy income into other aspects of the Company, such as to repay debt, buy back common stock under the share repurchase program or pay dividends.

Management reviews and analyzes net sales by geographical location and by products and packs on a consolidated basis. The Company currently sells its products in three regions: (i) the Americas (the United States, Canada and Mexico); (ii) Europe/the Middle East/Africa (“EMEA”) (Austria, the Czech Republic, Denmark, Estonia, Finland, Germany, the Republic of Ireland, Namibia, the Netherlands, Norway, South Africa, Spain, Sweden and the United Kingdom); and (iii) Asia/Pacific (Australia, Japan, New Zealand, the Republic of Korea, Singapore, Hong Kong, Taiwan, Thailand and China). It also ships products to customers in the following countries: Belgium, France, Greece, Italy, Luxembourg, and Poland.

Consolidated net sales shipped to customers in these regions, along with pack or associate fee and product information for the three months ended March 31, were as follows *(in millions, except percentages)*:

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| **Region** | **2025** | | **2024** | |
| Americas | $ 9.0 | 33.8 % | $ 10.2 | 34.7 % |
| Asia/Pacific | 15.4 | 57.9 % | 17.1 | 58.2 % |
| EMEA | 2.2 | 8.3 % | 2.1 | 7.1 % |
| **Total sales** | **$ 26.6** | **100.0 %** | **$ 29.4** | **100.0 %** |

| | Three Months Ended March 31, | |
|---|---|---|
| | **2025** | **2024** |
| Product sales | $ 25.5 | $ 27.9 |
| Pack sales and associate fees | 0.7 | 1.1 |
| Other | 0.4 | 0.4 |
| **Total sales** | **$ 26.6** | **$ 29.4** |

Long-lived assets, which include property and equipment and construction in process for the Company and its subsidiaries, as of March 31, 2025 and December 31, 2024, reside in the following regions, as follows *(in millions)*:

| **Region** | **March 31, 2025** | **December 31, 2024** |
|---|---|---|
| Americas | $ 2.6 | $ 2.4 |
| Asia/Pacific | 0.5 | 0.5 |
| EMEA | — | — |
| **Total long-lived assets** | **$ 3.1** | **$ 2.9** |

Inventory balances, which consist of raw materials, finished goods, and promotional materials, as offset by the allowance for slow moving or obsolete inventories, reside in the following regions *(in millions)*:

| **Region** | **March 31, 2025** | **December 31, 2024** |
|---|---|---|
| Americas | $ 6.5 | $ 6.0 |
| Asia/Pacific | 4.4 | 3.7 |
| EMEA | 0.9 | 0.7 |
| **Total inventory** | **$ 11.8** | **$ 10.4** |

The following table presents the Company's segment revenue, segment expenses and segment (loss) income for the three months ended March 31, 2025 and 2024 (*in thousands*):

| | **Three Months Ended March 31, 2025** | **Three Months Ended March 31, 2024** |
|---|---|---|
| **Net Sales** | $ 26,563 | $ 29,393 |
| Less: | | |
| Cost of sales | 6,827 | 6,296 |
| Commissions and incentives | 10,553 | 11,685 |
| Human Resources | 4,099 | 4,846 |
| Distribution and warehouse | 457 | 631 |
| Selling and administrative expenses | 5,167 | 4,699 |
| Depreciation and amortization | 293 | 416 |
| Interest expense | 133 | 27 |
| Interest income | (60) | (45) |
| Other (income) expense | 418 | (871) |
| Income tax provision | 206 | 529 |
| **Segment net income (loss)** | $ (1,530) | $ 1,180 |
| | | |
| Reconciliation of profit or loss | | |
| Adjustments and reconciling items | — | — |
| **Consolidated net income (loss)** | $ (1,530) | $ 1,180 |

## NOTE 11: EARNINGS PER SHARE

The Company calculates basic Earnings per Share ("EPS") by dividing net income by the weighted-average number of common shares outstanding for the period. Diluted EPS also reflects the potential dilution that could occur if common stock were issued for awards outstanding under the Mannatech, Incorporated 2017 Stock Incentive Plan (described above).

In determining the potential dilutive effect of outstanding stock options for the three months ended March 31, 2025, the Company used the quarterly average common stock close price of $11.53 and per share.

For the three months ended March 31, 2025, the Company's common stock subject to options were excluded from the diluted EPS calculation as their effect would have been antidilutive. The Company reported a net loss for the three months ended March 31, 2025.

In determining the potential dilutive effect of outstanding stock options for the three months ended March 31, 2024, the Company used the quarterly average common stock close price of $8.84 per share.

For the three months ended March 31, 2024, there were 1.88 million weighted-average common shares outstanding used for the basic EPS calculation. For the three months ended March 31, 2024, 8187 restricted stock units was granted (see Note 5, *Stock Based Compensation,* for more information). These shares were excluded from the calculation of diluted EPS because the related market condition was not achieved. In addition, 199,824 shares underlying stock options were excluded from the diluted EPS calculation, as their effect would have been antidilutive.

Calculation of net EPS— basic and diluted (*in thousands, except EPS*):

| | Three Months Ended March 31, | |
|---|---|---|
| | 2025 | 2024 |
| Net (loss) earnings attributable to common stockholders | $ (1,530) | $ 1,180 |
| Weighted average common shares outstanding (for basic calculation) | 1,901 | 1,884 |
| Dilutive effect of outstanding common stock options and RSU's | — | — |
| Weighted average common and common equivalent shares outstanding | 1,901 | 1,884 |
| EPS - Basic | $ (0.80) | $ 0.63 |
| EPS - Diluted | $ (0.80) | $ 0.63 |

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

The following discussion is intended to assist in the understanding of our consolidated financial position and results of operations for the three months ended March 31, 2025 as compared to the same period in 2024 and should be read in conjunction with Item 1 “Financial Statements” in Part I of this quarterly report on Form 10-Q and Item 1A “Risk Factors” in Part I of our 2024 Annual Report. Unless stated otherwise, all financial information presented below, throughout this report, and in the condensed consolidated financial statements and related notes includes Mannatech and all of our subsidiaries on a consolidated basis. To supplement our financial results presented in accordance with GAAP, we disclose certain adjusted financial measures which we refer to as Constant dollar (“Constant dollar”) measures, which are non-GAAP financial measures. Refer to the *Non-GAAP Financial Measures* section herein for a description of how such Constant dollar measures are determined.

## COMPANY OVERVIEW

The Company is a global wellness solution provider, which was incorporated and began operations in November 1993. We develop and sell innovative, high quality, proprietary nutritional supplements, topical and skin care and anti-aging products, and weight-management products that target optimal health and wellness. We currently sell our products in three regions: (i) the Americas (the United States, Canada and Mexico); (ii) Europe/the Middle East/Africa (“EMEA”) (Austria, the Czech Republic, Denmark, Estonia, Finland, Germany, the Republic of Ireland, Namibia, the Netherlands, Norway, South Africa, Spain, Sweden and the United Kingdom); and (iii) Asia/Pacific (Australia, Japan, New Zealand, the Republic of Korea, Singapore, Thailand, Hong Kong, Taiwan and China). We also ship our products to customers in the following countries: Belgium, France, Greece, Italy, Luxembourg, and Poland.

We sell our products principally through network marketing distribution channels via our active associates (“independent associate” or “associates” or “distributors”) and to our “preferred customers,” which we believe is the most cost-effective way to introduce our products and communicate information about our business to the global marketplace quickly and effectively. Network marketing minimizes upfront costs, as compared to conventional marketing methods, and allows us to be more responsive to the ever-changing overall market conditions, as well as continue to research and develop high quality products and focus on controlled successful international expansion. We believe the network marketing channel also allows us to effectively communicate the potential benefits and unique properties of our proprietary products to our consumers. In addition, network marketing provides our associates with an avenue to supplement their income by building their own business centered on our business philosophies and unique products. As of March 31, 2025, we had approximately 129,000 active associates and preferred customer positions held by individuals that purchased our products and/or packs or paid associate fees during the last twelve months. At the time of purchase, a customer may choose to sign up as a “preferred customer” to receive the same pricing on our products as our associates and to receive emails about our products and promotions. Preferred customers do not participate in the Company’s compensation plan.

The Company also operates a non-direct selling business in mainland China. In 2016, we formed our China subsidiary, Meitai Daily Necessities & Health Products Co., Ltd. (“Meitai”). Unlike Mannatech’s business operations in other markets, Meitai operates under a cross-border e-commerce model, where consumers in China can buy Mannatech products manufactured overseas via Meitai’s website. Meitai is currently not a direct selling company in China nor can it operate under a multi-level marketing model in China. Products purchased on Meitai’s website are for personal use and not for resale. Meitai offers a rewards program to incentivize existing customers to refer other customers to purchase products from Meitai’s website. Customs regulations in China include purchase limits to ensure that purchased products are for personal consumption.

Our common stock trades on The Nasdaq Capital Markets (“Nasdaq”) under the symbol “MTEX.”

The Company maintains a corporate website at www.mannatech.com.

### Overview of Operating Results

Consolidated net sales for the three months ended March 31, 2025 was $26.6 million, as compared to $29.4 million for the three months ended March 31, 2024, a decrease of $2.8 million, or 9.6%. The decline in revenues was principally due to slowing demand in Asia due to weakened economic conditions, relative to the prior year.

Net realized and unrealized foreign currency loss for the quarter ended March 31, 2025 was $0.4 million, primarily related to the effects of translation of the Company's balance sheet as the U.S. Dollar strengthened relative to other currencies. The quarter ended March 31, 2024 resulted in a foreign exchange gain of $0.9 million.

Net loss was $1.5 million for the three months ended March 31, 2025, or $0.80 per diluted share, as compared to net income of $1.2 million, or $0.63 per diluted share for the three months ended March 31, 2024.

## RESULTS OF OPERATIONS

### Three Months Ended March 31, 2025 Compared to Three Months Ended March 31, 2024

The table below summarizes our consolidated operating results in dollars and as a percentage of net sales for the three months ended March 31, 2025 and 2024 *(in thousands, except percentages):*

| | 2025 | | 2024 | | Change from 2024 to 2025 | |
|---|---|---|---|---|---|---|
| | **Total dollars** | **% of net sales** | **Total dollars** | **% of net sales** | **Dollar** | **Percentage** |
| **Net sales** | **$ 26,563** | **100.0 %** | **$ 29,393** | **100.0 %** | **$ (2,830)** | **(9.6)%** |
| Cost of sales | 6,827 | 25.7 % | 6,296 | 21.4 % | 531 | 8.4 % |
| **Gross profit** | **19,736** | **74.3 %** | **23,097** | **78.6 %** | **(3,361)** | **(14.6)%** |
| **Operating expenses:** | | | | | | |
| Commissions and incentives | 10,553 | 39.7 % | 11,685 | 39.8 % | (1,132) | (9.7)% |
| Selling and administrative expenses | 10,016 | 37.7 % | 10,592 | 36.0 % | (576) | (5.4)% |
| Total operating expenses | 20,569 | 77.4 % | 22,277 | 75.8 % | (1,708) | (7.7)% |
| **(Loss) income from operations** | **(833)** | **(3.1)%** | **820** | **2.8 %** | **(1,653)** | **(201.6)%** |
| Interest (expense) income, net | (73) | (0.3)% | 18 | 0.1 % | (91) | (505.6)% |
| Other (expense) income, net | (418) | (1.6)% | 871 | 3.0 % | (1,289) | (148.0)% |
| **(Loss) income before income taxes** | **(1,324)** | **(5.0)%** | **1,709** | **5.8 %** | **(3,033)** | **(177.5)%** |
| Income tax expense | (206) | (0.8)% | (529) | (1.8)% | 323 | (61.1)% |
| **Net (loss) income** | **$ (1,530)** | **(5.8)%** | **$ 1,180** | **4.0 %** | **$ (2,710)** | **(229.7)%** |

### Non-GAAP Financial Measures

To supplement our financial results presented in accordance with GAAP, we disclose operating results that have been adjusted to exclude the impact of changes due to the translation of foreign currencies into U.S. dollars, including changes in: Net Sales, Gross Profit, and Income from Operations. We refer to these adjusted financial measures as Constant dollar items, which are non-GAAP financial measures. We believe these measures provide investors an additional perspective on trends and our operating results. To exclude the impact of changes due to the translation of foreign currencies into U.S. dollars in the current year, we calculate current year results at a constant exchange rate utilizing the prior year's rate. Currency impact is determined as the difference between the actual GAAP results and the recalculated results for the current year at the Constant dollar rates.

For the three months ended March 31, 2025, our net sales decreased $1.6 million or 5.4% on a Constant dollar basis,(see reconciliation of Non-GAAP Financial Measures in the tables below); and unfavorable foreign exchange caused a $1.2 million decrease in GAAP net sales as compared to the same periods in 2024, respectively.

A reconciliation non-GAAP financial measures to GAAP results for the three months ended March 31, 2025 and 2024 is presented as follows *(in millions, except percentages)*:

| **Three-month period ended** | **March 31, 2025** | | | **March 31, 2024** | **Constant $ Change** | |
|---|---|---|---|---|---|---|
| | **GAAP Measure: Total $** | **Translation Adjustment** | **Non-GAAP Measure: Constant $** | **GAAP Measure: Total $** | **Dollar** | **Percent** |
| Net sales | $ 26.6 | $ 1.2 | $ 27.8 | $ 29.4 | $ (1.6) | (5.4)% |
| Gross profit | $ 19.7 | $ 1.0 | $ 20.7 | $ 23.1 | $ (2.4) | (10.4)% |
| (Loss) income from operations | $ (0.8) | $ 0.3 | $ (0.5) | $ 0.8 | $ (1.3) | (162.5)% |

**Net Sales by Region**

Operations outside of the Americas accounted for approximately 66.2% of our consolidated net sales in the three months ended March 31, 2025, as compared to 65.3% in the same period last year.

Consolidated net sales by region for the three months ended March 31, 2025 and 2024 were as follows *(in millions, except percentages)*:

| Region | Three Months Ended March 31, 2025 | | Three Months Ended March 31, 2024 | |
|---|---|---|---|---|
| Americas | $ 9.0 | 33.8 % | $ 10.2 | 34.7 % |
| Asia/Pacific | 15.4 | 57.9 % | 17.1 | 58.2 % |
| EMEA | 2.2 | 8.3 % | 2.1 | 7.1 % |
| **Total** | **$ 26.6** | **100.0 %** | **$ 29.4** | **100.0 %** |

For the three months ended March 31, 2025, net sales in the Americas decreased by $1.2 million, or 11.8%, to $9.0 million, as compared to $10.2 million for the same period in 2024. The number of active independent associates and preferred customers decreased by 12.0%, which was partially offset by a 0.2% increase in revenue per active independent associate and preferred customer. Foreign currency had the effect of decreasing revenue by $0.2 million for the three months ended March 31, 2025 when compared to the same period in 2024. The currency impact is primarily due to the weakening of the Mexican Peso.

For the three months ended March 31, 2025, Asia/Pacific net sales decreased by $1.7 million, or 9.9%, to $15.4 million, as compared to $17.1 million for the same period in 2024. The number of active independent associates and preferred customers decreased by 10.9%, which was partially offset by a 1.1% increase in revenue per active independent associate and preferred customer. Foreign currency exchange had the effect of decreasing revenue by $1.0 million for the three months ended March 31, 2025, as compared to the same period in 2024. The currency impact is primarily due to the weakening of the Korean Won.

For the three months ended March 31, 2025, EMEA net sales increased by $0.1 million, or 4.8%, to $2.2 million, as compared to $2.1 million for the same period in 2024. The increase was primarily due to a 9.9% increase in revenue per active independent associate and preferred customer, which was partially offset by a 4.7% decrease in the number of active independent associates and preferred customers. There was no foreign currency impact on revenue for the three months ended March 31, 2025 as compared to the same period in 2024.

**Sales Mix**

Our sales mix for the three months ended March 31, was as follows *(in millions, except percentages):*

| **Three-month period ended** | **March 31, 2025** | | | **March 31, 2024** | **Constant $ Change** | |
|---|---|---|---|---|---|---|
| | **GAAP Measure: Total $** | **Translation Adjustment** | **Non-GAAP Measure: Constant $** | **GAAP Measure: Total $** | **Dollar** | **Percent** |
| Product | $ 25.5 | $ 1.1 | $ 26.6 | $ 27.9 | $ (1.3) | (4.7)% |
| Pack sales and associate fees | 0.7 | 0.1 | 0.8 | 1.1 | (0.3) | (27.3)% |
| Other | 0.4 | — | 0.4 | 0.4 | — | — % |
| Total | $ 26.6 | $ 1.2 | $ 27.8 | $ 29.4 | $ (1.6) | (5.4)% |

**Product Sales**

Our product sales consist primarily of sales made to our independent associates and preferred customers at published wholesale prices. Product sales for the three months ended March 31, 2025 decreased by $2.4 million, or 8.6%, as compared to the same period in 2024. On a Constant dollar basis, product sales for the three months ended March 31, 2025 decreased $1.3 million, or 4.7%, as compared to the same period in 2024. The decrease in product sales for the three months ended March 31, 2025 reflects a 1.5% decrease in the number of orders processed and a decrease in the average order value to $153, as compared to $168 for the same period in 2024.

**Pack sales, Associate Fees and Recruiting**

Recruitment of new independent associates and preferred customers decreased by 13.9% to 13,749 in the first quarter of 2025, as compared with 15,970 in the first quarter of 2024. We attribute the lower number of orders processed in the three months ended March 31, 2025 to a combination of the lower number of new independent associates and preferred customers recruited during the period.

Pack sales and associate fees are closely related to recruiting and retention of business-building associates. The approximate number of new and continuing active independent associates and preferred customers who purchased our packs or products or paid associate fees during the twelve months ended March 31, 2025 and 2024 were as follows:

| | 2025 | | 2024 | |
|---|---|---|---|---|
| New | 61,000 | 47.3 % | 77,000 | 53.8 % |
| Continuing | 68,000 | 52.7 % | 66,000 | 46.2 % |
| **Total** | **129,000** | **100.0 %** | **143,000** | **100.0 %** |

The Company collects associate fees in lieu of selling packs in certain markets. Associate fees are paid annually by new and continuing associates to the Company, which entitle them to earn commissions, benefits and incentives for that year. The Company collected associate fees in lieu of pack sales within the United States, Canada, South Africa, Austria, the Czech Republic, Denmark, Estonia, Finland, Germany, the Republic of Ireland, the Netherlands, Norway, Spain, Sweden the United Kingdom. Japan, Australia, New Zealand, Singapore, Hong Kong, and Taiwan.

In the Republic of Korea and Mexico, packs may still be purchased by our associates who wish to build a Mannatech business. These packs contain products that are discounted from both the published retail and associate prices. There are several pack options available to our associates. In certain of these markets, pack sales are completed during the final stages of the registration process and can provide new associates with valuable training and promotional materials, as well as products for resale to retail customers, demonstration purposes, and personal consumption. Business-building associates in these markets can also purchase an upgrade pack, which provides the associate with additional promotional materials. The decline in pack sales occurred principally in Korea.

Pack sales and associate fees for the three months ended March 31, 2025 decreased by $0.4 million, or 36.4%, to $0.7 million, as compared to $1.1 million for the same period in 2024. On a constant dollar basis, pack sales and associate fees for the three months ended March 31, 2025 decreased $0.3 million, or 27.3%, as compared to 2024. The decrease in pack sales and associate fees reflects a 24.3% decrease in the number of orders processed and a decrease in the average order value of $45, as compared to $51 for the same period in 2024.

We do not collect associate fees or sell packs in our non-direct selling business in mainland China.

**Other Sales**

Other sales consisted of: (i) sales of promotional materials; (ii) monthly fees collected for the Success Tracker™ and Mannatech+ customized electronic business-building and educational materials, databases and applications; (iii) training and event registration fees; and (iv) a reserve for estimated sales refunds and returns. Promotional materials, training, database applications and business management tools support our independent associates, which in turn helps stimulate product sales.

For each of the three months ended March 31, 2025 and 2024, other sales were $0.4 million.

**Gross Profit**

For the three months ended March 31, 2025, gross profit decreased by $3.4 million, or 14.6%, to $19.7 million, as compared to $23.1 million for the same period in 2024. For the three months ended March 31, 2025, gross profit as a percentage of net sales decreased to 74.3%, as compared to 78.6% for the same period in 2024. The decrease in gross profit in dollar terms is principally due to increased product costs, including inventory markdowns, and increased freight costs. The timing of certain sales promotions also reduced gross profit as a percentage of net sales during the quarter, compared with the same period in 2024.

**Commissions and Incentives**

Commission expense for the three months ended March 31, 2025 decreased by 10.5%, or $1.2 million, to $10.0 million, as compared to $11.2 million for the same period in 2024. Commissions are earned on sales. Commission expense in dollar terms decreased during the three months ended March 31, 2025 primarily due to a decline in our sales. For the three months ended March 31, 2025, commissions as a percentage of net sales decreased to 37.7% as compared to 38.1% for the same period in 2024.

Incentive costs for the three months ended March 31, 2025 and 2024 remained constant at $0.5 million. For the three months ended March 31, 2025, incentives as a percentage of net sales increased to 2.0% as compared to 1.7% for the same period in 2024.

**Selling and Administrative Expenses**

Selling and administrative expenses include a combination of both fixed and variable expenses. These expenses consist of compensation and benefits for employees; temporary and contract labor; accounting, legal and consulting fees; compensation to our board of directors; warehouse and fulfillment costs; depreciation and amortization; marketing-related expenses; travel and entertainment expenses; credit card processing fees; costs for software maintenance agreements; insurance; charitable contributions; office lease expense; utilities; bad debt; and other miscellaneous operating expenses.

For the three months ended March 31, 2025, selling and administrative expenses decreased by $0.6 million, or 5.4%, to $10.0 million, as compared to $10.6 million for the same period in 2024. The decrease in selling and administrative expenses was the result of a $0.8 million reduction in payroll costs, which was offset by a $0.2 million increase in legal and consulting fees. Selling and administrative expenses, as a percentage of net sales, for the three months ended March 31, 2025 increased to 37.7% from 36.0% for the same period in 2024.

**Other Income (Expense), Net**

Foreign exchange losses were $0.4 million for the three months ended March 31, 2025. Foreign exchange gains were $0.9 million for the three months ended March 31, 2024.

**Income Tax (Provision) Benefit**

Income tax expense was $0.2 million for the three months ended March 31, 2025 as compared to $0.5 million in the same period in 2024.

Income tax (provision) or benefit includes current and deferred income taxes for both our domestic and foreign operations. Our statutory income tax rates for key jurisdictions are as follows, for the three months ended March 31:

| Country | 2025 | 2024 |
|---|---|---|
| China[(1)] | 25.0 % | 25.0 % |
| Hong Kong | 16.5 % | 16.5 % |
| Japan | 34.6 % | 34.6 % |
| Republic of Korea | 20.9 % | 20.9 % |
| United States[(2)] | 22.2 % | 22.2 % |

(1) For 2025, the Company qualified for a reduced tax rate of 5% in China as a Small Low Profit Enterprise.
(2) Includes blended state effective rate of 1.2% for 2025 and 2024 in addition to U.S. federal statutory rate of 21%.

Income from our international operations is subject to taxation in the countries in which we operate. Although we may receive foreign income tax credits that would reduce the total amount of income taxes owed in the United States, we may not be able to fully utilize our foreign income tax credits in the United States.

We use the recognition and measurement provisions of the FASB ASC Topic 740, Income Taxes ("Topic 740"), to account for income taxes. The provisions of Topic 740 require a company to record a valuation allowance when the "more likely than not" criterion for realizing net deferred tax assets cannot be met. Furthermore, the weight given to the potential effect of such evidence should be commensurate with the extent to which it can be objectively verified. As a result, we reviewed the operating results, as well as all of the positive and negative evidence related to realization of such deferred tax assets to evaluate the need for a valuation allowance in each tax jurisdiction.

The provision for income taxes is directly related to our profitability and changes in the taxable income across countries of operation. For the three months ended March 31, 2025 and 2024 , the Company's effective tax rate was (15.1)% and 36.0%, respectively.

The effective tax rates for the three months ended March 31, 2025 and 2024 was different from the federal statutory rate due primarily to the mix of earnings across jurisdictions and the associated valuation allowances recorded on losses in certain jurisdictions.

## LIQUIDITY AND CAPITAL RESOURCES

### Cash and Cash Equivalents

As of March 31, 2025, our cash and cash equivalents decreased by 18.2%, or $2.1 million, to $9.3 million from $11.4 million as of December 31, 2024. The Company is required to restrict cash for: (i) direct selling insurance premiums and credit card sales in the Republic of Korea; (ii) reserves related to credit card sales in the United States and Canada; and (iii) collateral for a building lease in Australia. The current portion of restricted cash balances was $0.6 million at each of March 31, 2025 and December 31, 2024. The long-term portion of restricted cash balances was $0.6 million at each of March 31, 2025 and December 31, 2024.

Our principal use of cash is to pay for operating expenses, including commissions and incentives, capital assets, inventory purchases, and periodic cash dividends. We did not pay a dividend in the current quarter. Business objectives, operations, and expansion of operations are funded through net cash flows from operations rather than incurring long-term debt.

### Working Capital

Working capital represents total current assets less total current liabilities. At March 31, 2025 and December 31, 2024, our working capital was $4.0 million and $5.2 million, respectively.

### Net Cash Flows

Our net consolidated cash flows consisted of the following, for the three months ended March 31 *(in millions)*:

| **Provided by (Used in):** | **2025** | **2024** |
|---|---|---|
| Operating activities | $ (1.4) | $ 1.9 |
| Investing activities | $ (0.5) | $ (0.1) |
| Financing activities | $ (0.2) | $ (0.3) |

### Operating Activities

Operating activities used $1.4 million cash for the three months ended March 31, 2025 as compared to cash provided of $1.9 million in the same period in 2024.

### Investing Activities

For the three months ended March 31, 2025 and 2024, we invested cash of $0.5 million and $0.1 million, respectively, principally for back-office software projects, reported as property and equipment.

### Financing Activities

For the three months ended March 31, 2025 and 2024, our financing activities used cash of $0.1 million and $0.1 million, respectively, in the repayment of finance lease obligations.

## General Liquidity and Cash Flows

### Short Term Liquidity

As of March 31, 2025, our cash and cash equivalents was $9.3 million. We believe our existing liquidity and cash flows from operations are adequate to fund our normal expected future business operations for the next twelve months.

On April 23, 2024, the Company entered into unsecured Loan and Promissory Note agreements with three related parties, who are members of the Company's Board of Directors, and who are current stockholders of the Company, in an aggregate principal amount of $3.6 million. The purpose of the borrowing was to provide funds to the Company for general working capital needs, including payment to vendors, expansion of the Company's non-US operations, technology investment primarily for improving the customer ordering process and software updates to improve visibility of sales associate activity.

We have contractual purchase commitments with certain raw materials suppliers to purchase minimum quantities. At March 31, 2025, we have one supply agreement, that requires the Company to purchase an aggregate of $0.2 million through 2025, with no purchase commitments thereafter. We also maintain other supply agreements and manufacturing agreements to protect our products, regulate product costs, and help ensure quality control standards. These agreements do not require us to purchase any minimum quantities.

We have operating lease liabilities for the property and equipment we use in our business operations. These operating lease liabilities represent our minimum future payment obligations on operating leases, including imputed interest. At March 31, 2025, our operating lease liabilities were $2.5 million, of which $1.0 million is presented as the current portion and $1.5 million is presented as Operating lease liabilities excluding current portion on our Condensed Consolidated Balance Sheets. We also have finance lease liabilities of $0.9 million and lease restoration liabilities of $0.3 million.

As our primary source of liquidity has historically been our cash flows from operations, our liquidity is dependent on our ability to maintain and/or continue to improve revenue as compared to our operational expenses. In this regard, our management has established a business reorganization plan focusing on revenue growth, margin improvement and cost control and reduction, including a plan to improve margin through a price increase, continued focus on supply chain costs, and certain compensation plan adjustments, as well as to reorganize certain functional operations and reduce our fixed selling and administrative overhead.

However, if our reorganization plans are not successful, or if we experience further or unexpected disruption in our supply chain, and/or potential decreases in consumer demands, our sales and our overall liquidity in the next twelve months could be negatively impacted. If our existing capital resources or cash flows become insufficient to meet current business plans, projections, and existing capital requirements, we may be required to raise additional funds, which may not be available on favorable terms, if at all.

### Long Term Liquidity

We believe our cash flows from operations should be adequate to fund our normal expected future business operations and possible international expansion costs for the long term. As our primary source of liquidity is from our cash flows from operations, this will be dependent on our ability to maintain or improve revenue as compared to operational expenses.

However, if our existing capital resources or cash flows become insufficient to meet anticipated business plans and existing capital requirements, we may be required to raise additional funds, which may not be available on favorable terms, if at all.

Our future access to the capital markets may be adversely impacted if we fail to maintain compliance with the Nasdaq Marketplace Rules for the continued listing of our stock. We continuously monitor our compliance with the Nasdaq continued listing rules.

## OFF-BALANCE SHEET ARRANGEMENTS

We do not have any special-purpose entity arrangements, nor do we have any off-balance sheet arrangements.

## CRITICAL ACCOUNTING ESTIMATES

Our condensed consolidated financial statements are prepared in accordance with GAAP. The application of GAAP requires us to make estimates and assumptions that affect the reported values of assets and liabilities at the date of our financial statements, the reported amounts of revenues and expenses during the reporting period, and the related disclosures of contingent assets and liabilities. We use estimates throughout our financial statements, which are influenced by management's judgment and uncertainties. Our estimates are based on historical trends, industry standards, and various other assumptions that we believe are applicable and reasonable under the circumstances at the time the condensed consolidated financial statements are prepared. Our Audit Committee reviews our significant accounting policies and critical estimates. We continually evaluate and review our policies related to the portrayal of our consolidated financial position and consolidated results of operations that require the application of significant judgment by our management. We also analyze the need for certain estimates, including the need for such items as allowance for credit losses, inventory reserves, long-lived fixed assets and capitalization of internal-use software development costs, reserve for uncertain income tax positions and tax valuation allowances, revenue recognition, sales returns, and deferred revenues, accounting for stock-based compensation, and contingencies and litigation. Historically, actual results have not materially deviated from our estimates. However, we caution readers that actual results could differ from our estimates and assumptions applied in the preparation of our condensed consolidated financial statements. If circumstances change relating to the various assumptions or conditions used in our estimates, we could experience an adverse effect on our financial position, results of operations, and cash flows. We have identified the following applicable significant accounting policies and critical estimates as of March 31, 2025.

### Inventory Reserves

Inventory consists of raw materials, finished goods, and promotional materials that are stated at the lower of cost (using standard costs that approximate average costs) or market. We record the amounts charged by the vendors as the costs of inventory. Typically, the net realizable value of our inventory is higher than the aggregate cost. Determination of net realizable value can be complex and, therefore, requires a high degree of judgment. In order for management to make the appropriate determination of net realizable value, the following items are considered: inventory turnover statistics, current selling prices, seasonality factors, consumer demand, regulatory changes, competitive pricing, and performance of similar products. If we determine the carrying value of inventory is in excess of estimated net realizable value, we write down the value of inventory to the estimated net realizable value.

We also review inventory for obsolescence in a similar manner and any inventory identified as obsolete is reserved or written off. Our determination of obsolescence is based on assumptions about the demand for our products, product expiration dates, estimated future sales, and general future plans. We monitor actual sales compared to original projections, and if actual sales are less favorable than those originally projected by us, we record an additional inventory reserve or write-down. Historically, our estimates have been close to our actual reported amounts. However, if our estimates regarding inventory obsolescence are inaccurate or consumer demand for our products changes in an unforeseen manner, we may be exposed to additional material losses or gains in excess of our established estimated inventory reserves.

### Tax Valuation Allowances

As of March 31, 2025, there was nothing recorded in other long-term liabilities on our condensed consolidated balance sheet related to uncertain income tax positions. As required by Topic 740, we use judgments and make estimates and assumptions related to evaluating the probability of uncertain income tax positions. We base our estimates and assumptions on the potential liability related to an assessment of whether the income tax position will "more likely than not" be sustained in an income tax audit. We are also subject to periodic audits from multiple domestic and foreign tax authorities related to income tax and other forms of taxation. These audits examine our tax positions, timing of income and deductions, and allocation procedures across multiple jurisdictions. Depending on the nature of the tax issue, we could be subject to audit over several years. There are ongoing income tax audits in various international jurisdictions that we believe are not material to our financial statements.

### Revenue Recognition and Deferred Commissions

Our revenue is derived from sales of individual products and associate fees or, in certain geographic markets, starter packs. Substantially all of our product and pack sales are to associates and preferred customers at published wholesale prices. We record revenue net of any sales taxes and record a reserve for expected sales returns based on historical experience. The

Company changed its shipping terms with customers such that ownership transfers upon delivery to the freight carrier, satisfying the Company's performance obligation. Previously, the Company's shipping terms were FOB destination, so the Company recognized revenue upon delivery of the product to the customer. We recorded the value of orders shipped but not yet delivered to customers as Deferred revenue on our Consolidated Balance Sheet. Corporate-sponsored event revenue is recognized when the event is held.

Orders placed by associates or preferred customers constitute our contracts. Product sales placed in the form of an automatic order contain two performance obligations: (1) the sales of the product and (2) the loyalty program. For these contracts, we account for each of these obligations separately as they are each distinct. The transaction price is allocated between the product sale and the loyalty program on a relative standalone selling price basis. Sales placed through a one-time order contain only the first performance obligation noted above – the sale of the product.

We provide associates with access to a complimentary three-month package for the Success Tracker™ and Mannatech+ online business tools with the first payment of an associate fee. The first payment of an associate fee contains three performance obligations: (1) providing new associates with the eligibility to earn commissions, bonuses and incentives for twelve months, (2) three months of complimentary access to utilize the Success Tracker™ online tool, and (3) three months of complimentary access to utilize the Mannatech+ online business tool. The transaction price is allocated between the three performance obligations on a relative standalone selling price basis. Associates do not have complimentary access to online business tools after the first contractual period.

With regard to both of the aforementioned contracts, we determine the standalone selling prices by using observable inputs, which include our standard published price lists.

**Product Return Policy**

We stand behind our packs and products and believe we offer a reasonable and industry-standard product return policy to all of our customers. We do not resell returned products. Refunds are not processed until proper approval is obtained. All refunds must be processed and returned in the same form of payment that was originally used in the sale. Each country in which we operate has specific product return guidelines. However, we allow our associates and preferred customers to exchange products as long as the products are unopened and in good condition. Our return policies for our retail customers and our associates and preferred customers are as follows:

- ***Retail Customer Product Return Policy.*** This policy allows a retail customer to return any of our products to the original associate who sold the product and receive a full cash refund from the associate for the first 180 days following the product’s purchase if located in the United States and Canada, and for the first 90 days following the product’s purchase in other countries where we sell our products. The associate may then return or exchange the product based on the associate product return policy.
- ***Associate and Preferred Customer Product Return Policy.*** This policy allows the associate or preferred customer to return an order within one year of the purchase date upon terminating his/her account. If an associate or preferred customer returns a product unopened and in good condition, he/she may receive a full refund minus a 10% restocking fee. We may also allow the associate or preferred customer to receive a full satisfaction guarantee refund if they have tried the product and are not satisfied for any reason, excluding promotional materials. This satisfaction guarantee refund applies in the United States and Canada, only for the first 180 days following the product’s purchase and applies in other countries where we sell our products for the first 90 days following the product’s purchase; however, any commissions earned by an associate will be deducted from the refund. If we discover abuse of the refund policy, we may terminate the associate’s or preferred customer’s account.

Historically, sales returns estimates have not materially deviated from actual sales returns, as the majority of our customers who return merchandise do so within the first 90 days after the original sale. Based upon our return policies and historical experience, we estimate a sales return reserve for expected sales refunds over a rolling six-month period. If actual results differ from our estimated sales returns reserves due to various factors, the amount of revenue recorded each period could be materially affected. Historically, our sales returns have not materially changed through the years and have averaged 0.5% or less of our gross sales.

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

We do not engage in trading market risk sensitive instruments and do not purchase investments as hedges or for purposes "other than trading" that are likely to expose us to certain types of market risk, including interest rate, commodity price, or equity price risk. Although we have investments, we believe there has been no material change in our exposure to interest rate risk. We have not issued any debt instruments, entered into any forward or futures contracts, purchased any options, or entered into any swap agreements.

We are exposed, however, to other market risks, including changes in currency exchange rates as measured against the United States dollar. Because the change in value of the United States dollar measured against foreign currency may affect our consolidated financial results, changes in foreign currency exchange rates could positively or negatively affect our results as expressed in United States dollars. For example, when the United States dollar strengthens against foreign currencies in which our products are sold or weakens against foreign currencies in which we may incur costs, our consolidated net sales or related costs and expenses could be adversely affected. We translate our revenues and expenses in foreign markets using an average rate.

We maintain policies, procedures, and internal processes in an effort to help monitor any significant market risks and we do not use any financial instruments to manage our exposure to such risks. We assess the anticipated foreign currency working capital requirements of our foreign operations and maintain a portion of our cash and cash equivalents denominated in foreign currencies sufficient to satisfy most of these anticipated requirements.

We caution that we cannot predict with any certainty our future exposure to such currency exchange rate fluctuations or the impact, if any, such fluctuations may have on our future business, product pricing, operating expenses, and on our consolidated financial position, results of operations, or cash flows. However, to combat such market risk, we closely monitor our exposure to currency fluctuations.

## Item 4. Controls and Procedures

### Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer (principal executive officer) and our Chief Financial Officer (principal financial officer), have concluded, based on their evaluation as of the end of the period covered by this report, that our disclosure controls and procedures (as defined in Rule 13a-15(e) or Rule 15d-15(e) under the Exchange Act) are effective to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms and include controls and procedures designed to ensure that information required to be disclosed by us in such reports is accumulated and communicated to our management, including our principal executive and financial officers, as appropriate, to allow timely decisions regarding required disclosure.

### Changes in Internal Control over Financial Reporting

During the quarter ended March 31, 2025, there were no changes in our internal control over our financial reporting that we believe materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II - OTHER INFORMATION

### Item 1. Legal Proceedings

See Note 7, *Litigation,* of our Notes to Unaudited Condensed Consolidated Financial Statements, which is incorporated herein by reference.

### Item 1A. Risk Factors

***Our profitability and market competitiveness may be adversely impacted by changes in trade policies, including tariffs or other factors.***

Changes in trade policies, including the imposition of new tariffs or increases in existing tariffs between the United States, Mexico, Canada, China, South Korea or other countries, or reactionary measures including retaliatory tariffs, legal challenges, or currency manipulation, could adversely affect our cost structure and profitability. If tariffs on imported materials, components, or finished goods increase, our manufacturing and supply chain costs may rise. Furthermore, changes to trade policies, retaliatory measures, or prolonged uncertainty in trade relationships could result in supply chain disruptions, delayed shipments, or increased operational complexity, adversely affecting our business and financial results. While we take steps to mitigate or avoid these increased costs and disruptions, our ability to do so may be limited by operational and supply chain constraints and uncertainties, especially in the short term. In addition, our ability to recover cost increases and maintain profitability levels through price adjustments may be limited by competitive pressures, customer acceptance, and contractual limitations.

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our 2024 Annual Report, which could materially affect our business or our consolidated financial position, results of operations, and cash flows. The risks described in our 2024 Annual Report are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be insignificant also may become materially adverse or may affect our business in the future or our consolidated financial position, results of operations, or cash flows.

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

None.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures**

Not Applicable.

**Item 5. Other Information**

Not Applicable.

**Item 6 Exhibits**

See Index to Exhibits immediately following this page.

## INDEX TO EXHIBITS

| Exhibit Number | Exhibit Description | Incorporated by Reference | | | |
|---|---|---|---|---|---|
| | | Form | File No. | Exhibit (s) | Filing Date |
| 3.1 | Amended and Restated Articles of Incorporation of Mannatech, Incorporated, dated May 19, 1998. | S-1 | 333-63133 | 3.1 | September 10, 1998 |
| 3.2 | Amendment to the Amended and Restated Articles of Incorporation of Mannatech, dated January 13, 2012. | 8-K | 000-24657 | 3.1 | January 17, 2012 |
| 3.3 | Fifth Amended and Restated Bylaws of Mannatech, dated August 25, 2014. | 8-K | 000-24657 | 3.1 | August 27, 2014 |
| 4.1 | Specimen Certificate representing Mannatech's common stock, par value $0.0001 per share. | S-1 | 333-63133 | 4.1 | October 28, 1998 |
| 10.17 | Loan Agreement and Promissory Note with Jade Capital, signed April 23, 2024. | 8-K | 000-24657 | 10.2 | April 23, 2024 |
| 10.18 | Loan Agreement and Promissory Note with J. Stanley Fredrick, signed April 23, 2024. | 8-K | 000-24657 | 10.2 | April 23, 2024 |
| 10.19 | Loan Agreement and Promissory Note with Kevin Robbins, signed April 23, 2024. | 8-K | 000-24657 | 10.2 | April 23, 2024 |
| 31.1** | Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, of the Chief Executive Officer of Mannatech. | * | * | * | * |
| 31.2** | Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, of the Chief Financial Officer of Mannatech. | * | * | * | * |
| 32.1** | Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of the Chief Executive Officer of Mannatech. | ** | ** | ** | ** |
| 32.2** | Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of the Chief Financial Officer of Mannatech. | ** | ** | ** | ** |
| 101.INS* | XBRL Instance Document | * | * | * | * |
| 101.SCH* | XBRL Taxonomy Extension Schema Document | * | * | * | * |
| 101.CAL* | XBRL Taxonomy Extension Calculation Linkbase Document | * | * | * | * |
| 101.LAB* | XBRL Taxonomy Extension Label Linkbase Document | * | * | * | * |
| 101.PRE* | XBRL Taxonomy Extension Presentation Linkbase Document | * | * | * | * |
| 101.DEF* | XBRL Taxonomy Extension Definition Linkbase Document | * | * | * | * |

* Filed herewith.

** Furnished herewith.

## SIGNATURES

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

**MANNATECH, INCORPORATED**

| | | |
|---|---|---|
| Dated: May 13, 2025 | By: | ***/s/ Landen Fredrick***<br>Landen Fredrick<br>Chief Executive Officer<br>(principal executive officer) |
| Dated: May 13, 2025 | By: | ***/s/ James Clavijo***<br>James Clavijo<br>Chief Financial Officer<br>(principal financial officer) |

**Exhibit 31.1**

**CERTIFICATION**
**PURSUANT TO 17 CFR 240.13a-14**
**PROMULGATED UNDER**
**SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Landen Fredrick, certify that:

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

Date: May 13, 2025

***/s/ Landen Fredrick***
Landen Fredrick
Chief Executive Officer
(principal executive officer)

**Exhibit 31.2**

**CERTIFICATION**
**PURSUANT TO 17 CFR 240.13a-14**
**PROMULGATED UNDER**
**SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, James Clavijo, certify that:

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

Date: May 13, 2025

***/s/ James Clavijo***
James Clavijo
Chief Financial Officer
(principal financial officer)

**Exhibit 32.1**

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

In connection with the Quarterly Report of Mannatech, Incorporated (the "Company") on Form 10-Q for the period ending March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Landen Fredrick, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: May 13, 2025

***/s/ Landen Fredrick***
Landen Fredrick
Chief Executive Officer
(principal executive officer)

A SIGNED ORIGINAL OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906 HAS BEEN PROVIDED TO MANNATECH, INCORPORATED AND FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION OR ITS STAFF UPON REQUEST.

**Exhibit 32.2**

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

In connection with the Quarterly Report of Mannatech, Incorporated (the “Company”) on Form 10-Q for the period ending March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, James Clavijo, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: May 13, 2025

***/s/ James Clavijo***
James Clavijo
Chief Financial Officer
(principal financial officer)

A SIGNED ORIGINAL OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906 HAS BEEN PROVIDED TO MANNATECH, INCORPORATED AND FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION OR ITS STAFF UPON REQUEST.

**Exhibit 31.1**

**CERTIFICATION**
**PURSUANT TO 17 CFR 240.13a-14**
**PROMULGATED UNDER**
**SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Landen Fredrick, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mannatech, Incorporated;
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. As the registrant's certifying officer, I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. As the registrant's certifying officer, 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.

Date: May 13, 2025

***/s/ Landen Fredrick***

Landen Fredrick
Chief Executive Officer
(principal executive officer)

**Exhibit 31.2**

**CERTIFICATION**
**PURSUANT TO 17 CFR 240.13a-14**
**PROMULGATED UNDER**
**SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, James Clavijo, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mannatech, Incorporated;
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. As the registrant's certifying officer, I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. As the registrant's certifying officer, 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.

Date: May 13, 2025

***/s/ James Clavijo***
James Clavijo
Chief Financial Officer
(principal financial officer)

**Exhibit 32.1**

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

In connection with the Quarterly Report of Mannatech, Incorporated (the “Company”) on Form 10-Q for the period ending March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Landen Fredrick, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: May 13, 2025

***/s/ Landen Fredrick***
Landen Fredrick
Chief Executive Officer
(principal executive officer)

A SIGNED ORIGINAL OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906 HAS BEEN PROVIDED TO MANNATECH, INCORPORATED AND FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION OR ITS STAFF UPON REQUEST.

**Exhibit 32.2**

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

In connection with the Quarterly Report of Mannatech, Incorporated (the "Company") on Form 10-Q for the period ending March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James Clavijo, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: May 13, 2025

***/s/ James Clavijo***
James Clavijo
Chief Financial Officer
(principal financial officer)

A SIGNED ORIGINAL OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906 HAS BEEN PROVIDED TO MANNATECH, INCORPORATED AND FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION OR ITS STAFF UPON REQUEST.