

November 7, 2019

# MYOS RENS Technology Reports Third Quarter 2019 Financial Results Including Year-Over-Year Revenue Growth of 430%

## Third Quarter Revenues Exceed Revenues for the First Half of 2019

CEDAR KNOLLS, N.J., Nov. 7, 2019 /PRNewswire/ -- MYOS RENS Technology Inc. ("MYOS" or "the Company") (NASDAQ: MYOS), an advanced nutrition company and the owner of **Fortetropin®**, an innovative proprietary bioactive composition made from fertilized egg yolks that helps build lean muscle, today announced its financial results for the three and nine months ended September 30, 2019.



**Financial Highlights:** (Amounts in thousands except where noted)

### Third Quarter - Three Months Ended September 30, 2019:

- Net revenues increased \$284, or 430%, to \$350 compared to net revenues of \$66 for the three months ended September 30, 2018.
- Gross profit for the three months ended September 30, 2019 increased \$169 or 2,414% to \$176, compared to \$7 for the three months ended September 30, 2018.
- Operating expenses for the three months ended September 30, 2019 increased \$171 or 18% to \$1,087 compared to \$916 for the three months ended September 30, 2018.
- Net loss increased \$10 or 1% to \$921 for the three months ended September 30, 2019 compared to \$911 for the three months ended September 30, 2018.

### Nine Months Ended September 30, 2019:

- Net revenues for the nine months ended September 30, 2019 increased \$442 or 209% to \$653 compared to net revenues of \$211 for the nine months ended September 30, 2018.
- Gross profit for the nine months ended September 30, 2019 increased \$276 or 452% to \$337, compared to \$61 for the nine months ended September 30, 2018.
- Operating expenses for the nine months ended September 30, 2019 increased \$161 or 5% to \$3,377, compared to \$3,216 for the nine months ended September 30, 2018.
- Net loss decreased 3% to \$3,071 for the nine months ended September 30, 2019

compared to \$3,158 for the nine months ended September 30, 2018.

### **Liquidity:**

As of September 30, 2019, the Company had cash of \$396 and total current assets of \$2,163 less current liabilities of \$1,048. Working capital increased \$154 to \$1,115 at September 30, 2019 compared to \$1,269 at December 31, 2018.

During the third quarter, cash increased \$381 primarily due to net proceeds provided by financing activities of \$2,285 offset by net cash used in operating activities of \$1,904.

### **Business & Operational Highlights:**

- Announced the expansion of its animal health business with the **launch of Veterinarian Strength Myos Canine Muscle Formula<sup>®</sup>**. Sold exclusively through leading veterinary practices, Veterinarian Strength Myos Canine Muscle Formula combines Fortetropin, with the branched-chain amino acids (BCAA) leucine, isoleucine and valine, further boosting the beneficial effects of muscle protein synthesis.
- Entered into a **research agreement with the Department of Kinesiology at McMaster University in Hamilton, Canada**, which will conduct a study to examine the impact of Fortetropin on reducing muscle disuse atrophy in young men. Muscle atrophy due to disuse commonly occurs in response to immobilization such as the atrophy of the thigh muscles following a period of casting for fracture or following surgery such as knee replacement.
- Announced a marketing **partnership with the Texas Golf Association (TGA)**, the largest statewide amateur golf association in the United States, with over 147,000 active members. As part of this marketing partnership, MYOS will present a 4-part instructional video series available exclusively to TGA members during the fall and winter months. The series is aimed at introducing members to Yolked<sup>®</sup>, our NSF Certified for Sports<sup>®</sup>-branded sports nutrition product.
- Announced **positive top-line results** from its randomized, double-blind, placebo-controlled study that was conducted at the **University of California, Berkeley and the University of Arkansas for Medical Sciences**, evaluating the impact of Fortetropin on the rate of muscle protein synthesis in older men and women (60-75 years of age). The study showed that Fortetropin significantly increased the fractional synthetic rate of muscle proteins relative to placebo.
- **Completed** a randomized, double blind, placebo-controlled **veterinary clinical trial at Kansas State University** to evaluate the impact of Fortetropin on 100 dogs recovering from tibial plateau leveling osteotomy (TPLO) surgery. The trial demonstrated that dogs that received Fortetropin had reduced muscle atrophy and could exert more force with their operated limb relative to dogs that received a placebo. Further, dogs in the Fortetropin group maintained stable levels of myostatin following surgery while an increase in myostatin levels of ~10% was noted in dogs that received the placebo.
- Announced that its Chief Executive Officer, Joseph Mannello, will deliver remarks on **Myos Canine Muscle Formula<sup>®</sup>**, the Company's fast-growing Fortetropin-based veterinary product, at **the New York Vet Show on Friday, November 8th at 12:30pm, at Innovation Showcase 1 in the Javits Center**. Over the last 2 years, the New York Vet Show has provided veterinary healthcare professionals with practical and relevant educational, training and networking opportunities, hosting over 200 exhibitors and over 2,000 delegates each year.

### **Management Commentary:**

Joseph Mannello, Chief Executive Officer of MYOS, commented, "We are very pleased with our strong financial results for the third quarter 2019, with revenues during this quarter exceeding our revenues during the first half of 2019. As stated in previous communications, we are extremely focused on growing sales for our two key products, **Myos Canine Muscle Formula**<sup>®</sup> and **Yolked**<sup>®</sup>. Our various commercial initiatives are focused on increasing Fortetropin's reach and presence, and growing our revenues substantially.

"We are extremely encouraged by the promising results from multiple human and canine clinical studies to date and are delighted to work with the respected research group of Professor Phillips at McMaster University. Completing this study is an important part of our commercial strategy to increase our business in this growing market of tremendous opportunity.

"Moving forward, we expect continued growth in our veterinary segment as the positive results from our clinical study at Kansas State University become more widely known, which will be supported by an aggressive marketing campaign.

"We are truly excited about the course ahead for the remainder of 2019 and beyond. We firmly believe that this quarter has been a major turning point for our company and that the future looks exceedingly positive. We believe that we are well positioned to drive future growth in multiple market segments, which will enable us to build upon our business and deliver value for our shareholders," concluded Mr. Mannello.

### **Conference Call**

The Company will hold a conference call on Friday, November 8, 2019 at 10am (ET), at which time Mr. Mannello will provide commentary on the Company's financial results and provide an update on the Company's ongoing clinical studies and commercial efforts.

**Call Date/Time:** Friday, November 8, 2019 at 10 AM (ET)

**Dial In:** 877-407-4019 from the U.S.; international callers may telephone 201-689-8337 approximately 15 minutes before the call.

A digital replay will be available by telephone approximately two hours after the completion of the call until February 7, 2020 and may be accessed by dialing 877-660-6853 from the U.S. or 201-612-7415 for international callers, using the Conference ID# 13696237.

This call will be simultaneously webcast. The webcast will be available on the MYOS website, [www.myosrens.com](http://www.myosrens.com), in the "Investor Relations" section. The webcast will be archived and available at the same web address for two weeks following the call.

### **About MYOS RENS Technology Inc.**

MYOS RENS Technology Inc. (MYOS), "The Muscle Company<sup>®</sup>", is a Cedar Knolls, NJ-based advanced nutrition company that develops and markets products that improve muscle health and performance. MYOS is the owner of **Fortetropin**<sup>®</sup>, a fertilized egg yolk-based product manufactured via a proprietary process to retain and optimize its biological activity. Fortetropin has been clinically shown to increase muscle size and lean body mass in conjunction with resistance training. MYOS believes Fortetropin has the potential to redefine existing standards of physical health and wellness. For more information, please visit

[www.myosrens.com](http://www.myosrens.com).

### **About Myos Canine Muscle Formula®**

Myos Canine Muscle Formula is an advanced veterinary health supplement to support muscle health in dogs, featuring Fortetropin as the active ingredient. Fortetropin is made through a patented process that maintains the vital nutrients of fertilized egg yolks to help build more lean muscle and decrease muscle loss. For more information, please visit [www.myospet.com](http://www.myospet.com).

### **About Yolked®**

Yolked is an **NSF Certified for Sport®** all-natural sports nutrition product designed to work in conjunction with your protein of choice to help your body utilize that protein more efficiently. Its key ingredient, Fortetropin, is made through a patented process that maintains the vital nutrients of fertilized egg yolks to help build more lean muscle and decrease muscle loss. For more information, please visit [www.yolked.com](http://www.yolked.com).

### **Forward-Looking Statements**

*Any statements in this release that are not historical facts are forward-looking statements. Actual results may differ materially from those projected or implied in any forward-looking statements. Such statements involve risks and uncertainties, including but not limited to those relating to product and customer demand, market acceptance of our products, the ability to create new products through research and development, the successful results of strategic initiatives, the success of our products, including **Qurr®**, **Yolked®**, **MYOS Canine Muscle Formula®**, and **MYOS Enteral Nutrition Formula™**, the success of our research and development, the results of the clinical evaluation of **Fortetropin®** and its effects, the ability to enter into new partnership opportunities and the success of our existing partnerships, the ability to generate revenue and cash flow from sales of our products, the ability to increase our revenue and gross profit margins, the ability to achieve a sustainable, profitable business, the effect of economic conditions, the ability to protect our intellectual property rights, competition from other providers and products, the continued listing of our securities on the Nasdaq Stock Market, risks in product development, our ability to raise capital to fund continuing operations, and other factors discussed from time to time in our filings with the Securities and Exchange Commission. We undertake no obligation to update or revise any forward-looking statement for events or circumstances after the date on which such statement is made except as required by law.*

The following tables should be read in conjunction with the footnotes accompanying the condensed consolidated financial statements contained in the Quarterly Report on Form 10-Q previously filed by the Company with the Securities and Exchange Commission.

**MYOS RENS TECHNOLOGY INC. AND SUBSIDIARY**  
**CONDENSED Consolidated Balance Sheets**  
(in thousands, except share and per share amounts)

	September 30, 2019	December 31, 2018
	(Unaudited)	
<b>ASSETS</b>		
Current assets:		
Cash	\$ 396	\$ 15
Accounts receivable, net	44	78

Other current asset	-	1,124
Inventories, net	1,625	1,676
Prepaid expenses	98	10
Total current assets	<u>2,163</u>	<u>2,903</u>
Operating lease right of use asset	203	-
Deferred offering costs	95	108
Other asset	-	50
Fixed assets, net	129	149
Intangible assets, net	983	1,245
Total assets	<u>\$ 3,573</u>	<u>\$ 4,455</u>

#### LIABILITIES AND STOCKHOLDERS' EQUITY

##### Current liabilities:

Accounts payable	\$ 145	\$ 236
Accrued expenses and other current liabilities	43	383
Deferred revenue	20	-
Operating lease liabilities – current portion	46	-
Related party promissory note payable and accrued interest	794	1,015
Total current liabilities	<u>1,048</u>	<u>1,634</u>

##### Long-term liabilities:

Operating lease liabilities – net of current portion	<u>160</u>	<u>-</u>
Total liabilities	<u>1,208</u>	<u>1,634</u>

##### Commitments and contingencies

##### Stockholders' equity:

Preferred stock, \$.001 par value; 500,000 shares authorized; no shares issued and outstanding	-	-
Common stock, \$.001 par value; 12,000,000 shares authorized at September 30, 2019 and December 31, 2018; 9,176,908 and 7,481,723 shares issued and outstanding at September 30, 2019 and December 31, 2018, respectively	9	8
Additional paid-in capital	40,494	37,880
Accumulated deficit	<u>(38,138)</u>	<u>(35,067)</u>
Total stockholders' equity	<u>2,365</u>	<u>2,821</u>
Total liabilities and stockholders' equity	<u>\$ 3,573</u>	<u>\$ 4,455</u>

**MYOS RENS TECHNOLOGY INC. AND SUBSIDIARY  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(Unaudited; in thousands, except share and per share amounts)**

	Three Months Ended		Nine M
	September 30,		Sep
	2019	2018	2019
Net revenues	\$ 350	\$ 66	\$ 653
Cost of sales	<u>174</u>	<u>59</u>	<u>316</u>

Gross profit	176	7	337
Operating expenses:			
Selling, marketing and research	339	128	951
Personnel and benefits	406	396	1,226
General and administrative	342	392	1,200
Total operating expenses	1,087	916	3,377
Operating loss	(911)	(909)	(3,040)
Interest expense	(10)	(2)	(31)
Loss before income taxes	(921)	(911)	(3,071)
Net loss	<u>\$ (921)</u>	<u>\$ (911)</u>	<u>\$ (3,071)</u>
Net loss per share attributable to common shareholders:			
Basic and diluted	<u>\$ (0.10)</u>	<u>\$ (0.12)</u>	<u>\$ (0.35)</u>
Weighted average number of common shares outstanding:			
Basic and diluted	<u>9,173,851</u>	<u>7,473,723</u>	<u>8,675,666</u>

**MYOS RENS TECHNOLOGY INC. AND SUBSIDIARY**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited; in thousands)

	<b>Nine Months Ended</b>	
	<b>September 30,</b>	
	<b>2019</b>	<b>2018</b>
<b>Cash Flows From Operating Activities:</b>		
Net loss	\$ (3,071)	\$ (3,158)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	20	27
Amortization	262	215
Stock-based compensation	93	195
Deferred offering costs	-	96
Inventory reserve	-	25
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	34	(1)
Decrease in other current asset	1,124	-
Decrease in inventories	51	13
(Increase) decrease in prepaid expenses	(88)	55
Decrease in other asset bond deposit	50	-
Increase in deferred revenue	20	-
Increase in accrued interest on promissory note payable	29	-
Decrease in accounts payable and accrued expenses	(428)	(17)
Net cash used in operating activities	<u>(1,904)</u>	<u>(2,550)</u>
<b>Cash Flows From Financing Activities:</b>		
Proceeds from registered direct offering of common stock, net	438	-
Proceeds from related promissory note payable		750

Deferred offering costs from at-the-market transaction	(3)	(108)
Deferred offering costs from private placement	-	(45)
Net proceeds from issuance of common stock in private placement	<u>1,850</u>	<u>1,489</u>
Net cash provided by financing activities	<u>2,285</u>	<u>2,086</u>
Net increase (decrease) in cash	381	(464)
Cash at beginning of period	<u>15</u>	<u>923</u>
Cash at end of period	<u>\$ 396</u>	<u>\$ 459</u>

**Supplemental disclosure of cash flow information:**

Cash paid during the year for:

Interest	\$ -	\$ -
Income taxes	\$ -	\$ -
Operating leases	\$ 57	\$ -

**Supplemental schedule of non-cash investing and financing activities:**

Conversion of related party promissory note into shares of common stock	\$ 250	\$ -
Reclassification of deferred offering costs to additional paid in capital	\$ 16	\$ 6

**Investor Relations:**

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