

May 8, 2019

# MYOS RENS Technology Reports 161% Increase in Revenues, 238% Increase in Gross Profit in First Quarter 2019

## Conference Call to be Held Tomorrow at 11am ET

CEDAR KNOLLS, N.J., May 8, 2019 /PRNewswire/ -- MYOS RENS Technology Inc. ("MYOS" or the "Company") (NASDAQ: MYOS), an advanced nutrition company and the owner of Fortetropin<sup>®</sup>, a proprietary bioactive composition derive from fertilized egg yolk that helps build lean muscle in conjunction with resistance training, announced today its financial results for the first quarter ended March 31, 2019. *(Amounts in thousands except where noted.)*



## FINANCIAL HIGHLIGHTS:

### First Quarter 2019:

- Net revenues increased 161% to \$149 for the first quarter of 2019, compared to \$57 for the first quarter of 2018.
  - Revenues for Yolked<sup>®</sup>, which was launched in March 2018, were \$68.
  - Revenues for Myos Canine Muscle Formula<sup>®</sup>, which was launched in June 2018, were \$61.
- Gross profit increased 238% to \$88 for the first quarter of 2019, compared to \$26 for the first quarter of 2018.
- Gross profit margin was 59% for the first quarter of 2019, compared to 46% for the first quarter of 2018.
- Operating expenses decreased 15% to \$1,051 for the first quarter of 2019, compared to \$1,238 for the first quarter of 2018.
- Net loss decreased 20% to \$975 for the first quarter of 2019, compared to \$1,213 for the first quarter of 2018.

### Liquidity

As of March 31, 2019 the Company had cash of \$2,197 and working capital of \$2,905.

The Company raised approximately \$211 in gross proceeds in the first quarter of 2019 through its at-the-market program by selling 32,489 shares of common stock for \$2.00 per share on January 15, 2019 and 78,640 shares of common stock for \$1.85 per share on March 19, 2019.

On March 27, 2019, the Company consummated a private placement of 1,438,356 shares of common stock at a purchase price of \$1.46 per share to a group of accredited investors, including MYOS CEO Joseph Mannello and a member of the Company's board of directors, for gross proceeds of \$1,850 and \$250 related to the conversion of a related party promissory note.

### **CLINICAL RESEARCH HIGHLIGHTS:**

- Announced successful results from our study at Kansas State University demonstrating that Fortetropin, the active ingredient in Myos Canine Muscle Formula, prevents muscle loss in canines after surgery and enhances recovery.
  - Results from the study were presented at the North American Veterinary Community (NAVC) Conference/VMX in Orlando, Florida by the principal investigator of the study, Kenneth R. Harkin, DVM, DACVIM (SAIM), Professor & Section Head, College of Veterinary Medicine at Kansas State University.
- Approved new study at College of Veterinary Medicine at Kansas State University to evaluate the impact of Fortetropin on quality of life and activity in geriatric dogs.

### **BUSINESS & OPERATIONAL HIGHLIGHTS:**

- Launched distribution of Yolked with The Vitamin Shoppe<sup>®</sup>, a national specialty retailer and wellness lifestyle company. The Vitamin Shoppe is carrying Yolked at its 775 store locations across the U.S. and online at vitaminshoppe.com.
- Signed a national brokerage agreement with National Sales Associates ("NSA"), which allows MYOS to sell its NSF "Certified for Sport<sup>®</sup>" sports nutrition brand, Yolked, along with MYOS Canine Muscle Formula throughout its national sales network of eight regional offices with over 160 associates.
- Yolked, along with MYOS Canine Muscle Formula is being sold on Amazon.com
- Announced the first endorsement partnership for Yolked with NBA superstar Aaron Gordon of the Orlando Magic.
- Expanded national college athletics marketing campaign through our Learfield/IMG partnership to nine universities, which include Virginia Tech, University of Connecticut, West Virginia University, Marshall University, Princeton University, Rutgers University, University of Pittsburgh, St. John's University, and University of Delaware.
- Received United States Patent # 10,165,785 titled, "Process for Producing Composition for Increasing Muscle Mass" from the United States Patent and Trademark Office (USPTO) on January 1<sup>st</sup>, 2019. This new patent significantly enhances MYOS' existing intellectual property portfolio, enabling MYOS to protect its advanced technologies for the development of innovative nutrition products to address musculoskeletal health.

### **LITIGATION UPDATE**

- The litigation between MYOS and Rens Technologies in the State of Nevada has been

dismissed and the parties are currently in settlement discussions regarding the litigation in the State of New York.

## **MANAGEMENT COMMENTARY**

Joseph Mannello, Chief Executive Officer of MYOS, commented, "Our strong first quarter results support our commitment to driving sales, while efficiently scaling the Company and executing on our growth strategy. We've managed to significantly increase our revenues from a year ago, while reducing our operating expenses, a remarkable achievement when considering that a year ago, our NSF "Certified for Sport" sports nutrition brand, Yolked had just launched, while our MYOS Canine Muscle Formula was still a month away from launch. Today, both Yolked and MYOS Canine Muscle Formula represent the building blocks for MYOS to deliver long-term value for our shareholders.

"As an emerging company, we've had to weigh the costs of expanding our internal efforts with partnerships with long-established sales leaders. For our Yolked brand, we established a collegiate marketing platform with IMG, which has quickly expanded to nine universities' athletic departments, and have begun making inroads with professional sports. We do not believe we would have managed to build such a footprint so quickly without the support of IMG.

"Similarly, we announced a distribution agreement in December with Miller Veterinary Supply East, which allows us to sell MYOS Canine Muscle Formula in more than 6,000 veterinary hospitals. Together with the important results of our initial Kansas State University study, we've begun to establish real sales momentum with veterinarians, as well as dog owners.

"Adding to these efforts, we recently announced a national brokerage agreement with National Sales Associates. This is the first agreement we've signed with a distributor which will sell both Yolked and MYOS Canine Muscle Formula. NSA specializes in natural, organic, and specialty products across its national sales network of eight regional offices with over 160 associates. This partnership fits closely with our interests, particularly with their ability to market unique products to a broad network of retailers, through some of the largest distributors in the United States.

"Customers continue to enthusiastically respond to our products and we have our eyes firmly fixed on our mission to change the way people think about the importance of muscle health, both in humans and dogs.

"Discipline continues to drive how we allocate capital to create long-term shareholder value. We managed to reduce our costs from a year ago, while raising the necessary capital to ensure sustainability for our business. I personally invested in our recent private placement offering, as well as prior offerings, because I wholeheartedly believe in what we have built at MYOS and because of the growth opportunities over the long-term. We will continue to execute on our growth plans and continue to build shareholder value," concluded Mr. Mannello.

## **CONFERENCE CALL**

MYOS will host a conference call tomorrow, Thursday, May 9, 2019 at 11:00 am ET, at

which time MYOS Chief Executive Officer Joseph Mannello will provide highlights and commentary on earnings results and developments on clinical studies for the first quarter ended March 31, 2019.

#### Conference Call Details:

Call Date/Time: **Thursday, May 9, 2019 at 11 AM ET**

Call Title: **MYOS RENS Technology First Quarter 2019 Results Conference Call**

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 August 30, 2019 and may be accessed by dialing 877-660-6853 from the U.S., or 201-612-7415 for international callers, using the Conference ID# 13690404.**

This call will be simultaneously webcast on the MYOS website, [www.myosrens.com](http://www.myosrens.com), in the "Investor Relations" section. An archive of the webcast will be 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).

#### **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<sup>®</sup>**, **Yolked<sup>®</sup>**, **MYOS Enteral Nutrition Formula<sup>™</sup>** and **MYOS Canine Muscle Formula<sup>®</sup>** products, the success of our research and development, the results of the clinical evaluation of **Fortetropin<sup>®</sup>** 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.*

These statements have not been evaluated by the Food and Drug Administration. Our products are not intended to diagnose, treat, cure or prevent any disease.

*The following tables should be read in conjunction with the notes accompanying the condensed consolidated financial statements contained within the Form 10-Q filed by the Company on May 8, 2019.*

**MYOS RENS TECHNOLOGY INC. AND SUBSIDIARY  
CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share and per amounts)

	<b>March 31, 2019 (Unaudited)</b>	<b>December 31, 2018</b>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 2,197	\$ 15
Accounts receivable, net	19	78
Other current asset	-	1,124
Inventories, net	1,686	1,676
Prepaid expenses	153	10
Total current assets	4,055	2,903
Other asset	50	50
Deferred offering costs	92	108
Operating lease right of use asset	224	-
Fixed assets, net	142	149
Intangible assets, net	1,173	1,245
Total assets	\$ 5,736	\$ 4,455
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 211	\$ 236
Accrued expenses and other current liabilities	118	383
Operating lease liabilities – current portion	46	-
Related party promissory note payable and accrued interest	775	1,015
Total current liabilities	1,150	1,634
Long-term liabilities:		
Operating lease liabilities – net of current portion	185	-
Total liabilities	1,335	1,634

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 March 31, 2019 and December 31, 2018; 9,170,658 and 7,481,723 shares issued and outstanding at March 31, 2019 and December 31, 2018, respectively	9	8
Additional paid-in capital	40,434	37,880
Accumulated deficit	<u>(36,042)</u>	<u>(35,067)</u>
Total stockholders' equity	<u>4,401</u>	<u>2,821</u>
Total liabilities and stockholders' equity	<u>\$ 5,736</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	
	March 31,	
	<u>2019</u>	<u>2018</u>
Net revenues	\$ 149	\$ 57
Cost of sales	<u>61</u>	<u>31</u>
Gross profit	<u>88</u>	<u>26</u>
Operating expenses:		
Selling, marketing and research	275	394
Personnel and benefits	420	417
General and administrative	<u>356</u>	<u>427</u>
Total operating expenses	<u>1,051</u>	<u>1,238</u>
Operating loss	<u>(963)</u>	<u>(1,212)</u>
Other (expense) income, net	<u>(12)</u>	<u>(1)</u>
Net loss	<u>\$ (975)</u>	<u>\$ (1,213)</u>
Net loss per share attributable to common shareholders:		
Basic and diluted	<u>\$ (0.13)</u>	<u>\$ (0.19)</u>
Weighted average number of common shares outstanding:		
Basic and diluted	<u>7,669,181</u>	<u>6,504,590</u>

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

	Three Months Ended	
	March 31,	
	<u>2019</u>	<u>2018</u>
<b>Cash Flows From Operating Activities:</b>		

Net loss	\$ (975)	\$ (1,213)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	7	11
Amortization	72	72
Stock-based compensation	243	123
Changes in operating assets and liabilities:		
Decrease in accounts receivable	59	3
Increase in inventories	(10)	(3)
Increase in right of use asset	224	-
Decrease (increase) in prepaid expenses and other assets	995	2
Increase in operating lease liabilities	(231)	-
Increase (decrease) in accounts payable and accrued expenses	(280)	16
Net cash provided by (used in) operating activities	<u>104</u>	<u>(989)</u>
<b>Cash Flows From Financing Activities:</b>		
Proceeds from registered direct offering of common stock, net	228	296
Net proceeds from issuance of common stock in private placement	<u>1,850</u>	<u>-</u>
Net cash provided by financing activities	<u>2,078</u>	<u>296</u>
Net increase (decrease) in cash	2,182	(693)
Cash at beginning of period	<u>15</u>	<u>923</u>
Cash at end of period	<u>\$ 2,197</u>	<u>\$ 230</u>
<b>Supplemental schedule of non-cash investing and financing activities:</b>		
Conversion of related party promissory note payable into shares of common stock	250	-
Reclassification of deferred offering costs to additional paid in capital	16	6

### Investor Relations:

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