

March 25, 2020

# MYOS RENS Technology Reports a 187% Increase in Net Revenues for the Year Ended December 31, 2019

Closed \$1.8 million of financing in a Private Placement on March 5, 2020

Company to Hold Conference Call on Wednesday, March 25, 2020, at 11am ET

Conference Call Dial In: 877-407-9120 from the U.S.; international callers may telephone 412-902-1009 approximately 15 minutes before the call.

CEDAR KNOLLS, N.J., March 25, 2020 /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 derived from fertilized egg yolk that helps build lean muscle, announces its results for the fiscal year ended December 31, 2019.



"During our fiscal year ended December 31, 2019, we made exceptional progress in our Animal Health, Age Management and Sports Nutrition businesses," said MYOS CEO Joseph Mannello.

## **Net revenues (in thousands)**

Net revenues for the year ended December 31, 2019 increased \$672 to \$1,032, or 187%, compared to net sales of \$360 for the year ended December 31, 2018 primarily due to an increase in net revenues of \$600 for our **Yolked<sup>®</sup>** and **Myos Canine Muscle Formula<sup>®</sup>** ("Myos Canine") products in 2019 and an increase in our white label sales of \$221 offset by a decrease in net revenue from our old products of \$149.

## **Cost of revenues**

Cost of revenues for the year ended December 31, 2019 increased \$149, or 60%, compared

to cost of revenues for the year ended December 31, 2018 primarily due to an increase of \$179 in manufacturing costs associated with making new products.

### **Operating expenses**

Sales, marketing and research expenses for the year ended December 31, 2019 increased \$382 or 43%, compared to the year ended December 31, 2018 primarily due to an increase in sales and marketing costs associated with the development and launch of our new products.

Personnel and benefits expenses for the year ended December 31, 2019 increased \$179 or 10%, compared to the year ended December 31, 2018 due to the hiring of additional sales staff

General and administrative expenses for the year ended December 31, 2019 decreased \$149, or 8%, compared to the year ended December 31, 2018 due to a decrease in professional fees.

### **Year Ended December 31, 2019 Compared to Year Ended December 31, 2018**

<i>(In thousand \$)</i>	<b>Years Ended December 31,</b>		<b>Change</b>	
	<b>2019</b>	<b>2018</b>	<b>Dollars</b>	<b>%</b>
Net revenues	\$ 1,032	\$ 360	\$ 672	187 %
Cost of revenues	397	248	149	60 %
Gross profit	635	112	523	467 %
Operating expenses:				
Sales, marketing and research	1,276	894	382	43 %
Personnel and benefits	1,897	1,718	179	10 %
General and administrative	1,680	1,829	(149)	(8) %
Total operating expenses	4,853	4,441	412	9 %
Operating loss	(4,218)	(4,329)	111	(3) %
Total interest and other expense	(40)	(18)	(22)	122 %
Loss before income taxes	(4,258)	(4,347)	89	(2) %
Income tax benefit	-	1,124	(1,124)	n/a
Net loss	\$ (4,258)	\$ (3,223)	\$ (1,035)	32 %

### **Liquidity and Capital Resources**

At December 31, 2019, we had cash of \$64 an increase of \$49 compared to December 31, 2018. This was primarily due to \$2,416 of net proceeds received from financing activities, which included proceeds of \$1,850 from issuance of common stock, \$211 from a registered direct offering and \$355 from drawdown on the related party promissory note.

Summarized cash flows for the years ended December 31, 2019 and 2018 are as follows:

	Years Ended December 31,		Change
	2019	2018	
(In thousand \$)			
Net cash used in operating activities	\$ (2,367)	\$ (3,250)	\$ 883
Net cash provided by financing activities	2,416	2,342	74
Net increase (decrease) in cash	\$ 49	\$ (908)	\$ 957

On March 5, 2020, the Company closed a private placement with a group of accredited investors. In the private placement, the Company issued 1,533,058 shares of common stock to the investors, including four members of the Company's board of directors, and \$825 of the outstanding principal amount of a promissory note issued to our chief executive officer was converted into 681,818 shares of common stock. The remaining 851,240 shares of common stock sold resulted in cash proceeds of \$1,030.

"We are 100% committed to the success of the company, not just with our time but also with our capital. We have reduced our expenses and we are prepared to reduce our expenses further if needed. I believe it is important to discuss how MYOS has been impacted by the COVID-19 pandemic and how we are working to navigate through a very challenging time. I believe MYOS has the opportunity to position its products and our research to emerge as an industry leader after the current pandemic comes to an end," stated Mr. Mannello.

"Because MYOS is deemed an essential business we can remain open during the statewide business shutdown ordered by New Jersey Gov. Phil Murphy on March 21. MYOS' employees have been working remotely while taking precautions in order to manage supply chain-related issues. We prepared for the possibility of a business shutdown and moved a greater quantity of product to our fulfillment warehouse to complete e-commerce orders.

"We are working actively with our retail and veterinary partners and remain committed to helping them through these challenging times. While many physicians, veterinarians and consumers are forced to reduce their caseload and/or remain home, we have been actively engaging them through online webinars to create awareness about our products and the clinical research that backs it up. We are committed to retaining and building our future customer base by being sensitive to the needs of physicians, veterinarians and consumers in light of the current situation."

"Peer reviewed clinical research has shown that improved muscle health can lead to a healthier and more active life. Earlier this month, Prof. William J. Evans, University of California, Berkeley, a key opinion leader (KOL) on age-related muscle loss, presented clinical trial results on Fortetropin<sup>®</sup> at the **International Conference on Frailty & Sarcopenia Research**. He reported that older men and women (60-75 years of age) who took Fortetropin on a daily basis experienced approximately a 15% increase in the rate of muscle protein synthesis when compared with subjects who received a macronutrient-matched placebo. We believe that an investment in muscle health is an excellent investment in one's overall health and we have made exciting progress in our age management business with the relaunch of our consumer health product, **MYOS Physician Muscle Health Formula<sup>®</sup>** at the American Academy of Anti-Aging Medicine (A4M) Conference in

December 2019.

During these very challenging times, our priorities are: 1) keeping our employees safe, 2) creating greater awareness of the power of our products in both human and animal health, 3) growing revenue with a focus on e-commerce platforms and 4) supporting existing and new clients with enhanced marketing, advertising and e-learning opportunities.

Further, by fortifying our inventory levels at the fulfillment centers and organizing essential staff around continuity-of-service planning, we are ensuring timely product delivery through the shutdowns and remain ready for any level of heightened activity once business returns to normal. MYOS will continue to change and adapt as we need to. We are committed to our shareholders to do what is necessary to succeed," concluded Mr. Mannello.

### **CLINICAL RESEARCH HIGHLIGHTS:**

**Completed randomized, double blind, placebo-controlled clinical study at University of California, Berkeley** demonstrating that **Fortetropin<sup>®</sup>** increased the rate of muscle protein synthesis in older adults (60-75 years of age) by approximately 15%. An abstract based on our clinical trial was accepted and was presented at the International Conference on Frailty & Sarcopenia Research, March 2020, in Toulouse, France.

- **Completed randomized, double blind, placebo-controlled clinical study at Kansas State University** demonstrating that Fortetropin prevented atrophy of disuse and improved recovery for dogs after TPLO surgery and presented the results at the **North American Veterinary Conference/VMX** in Orlando.
- **Initiated a randomized, placebo-controlled crossover study at the Animal Medical Center**, New York to study the impact of Fortetropin on serum myostatin levels in dogs over 24 hours.
- **Initiated a randomized, double blind, placebo-controlled clinical study at Kansas State University** to study the impact of Fortetropin on quality of life (QOL) and mobility in geriatric dogs.

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

- Leveraging results from our human clinical trial at University of California, Berkeley, **launched MYOS Physician Muscle Health Formula<sup>®</sup>** at the **American Academy of Anti-Aging Medicine (A4M) Conference in December 2019**.
- **Established a distribution partnership with Chewy.com** for MYOS' Animal Health products.
- **Launched the MYOS Canine Muscle Health Formula Vet Strength** nutrition product in order to strengthen the company's direct-to-vet distribution channel.
- **Obtained U.S. Patent number 10,165,785** related to our advanced manufacturing process for Fortetropin and filed three additional US and PCT applications.
- **Established a marketing partnership for YOLKED<sup>®</sup> with Carli Lloyd (USWNT) and Aaron Gordon (Orlando Magic).**
- **Recruited Dante Carnevale** (Learfield IMG College) as the Company's Chief Strategist and expanded our inside sales force and added a digital copywriter
- **Recruited Albert Ahn, DVM**, an Animal Health Industry Senior Executive with over 25 years of industry experience to serve as a Strategic Adviser to MYOS and lead the

development of the Company's Animal Health Business.

- **Added two board members who are firmly committed to increasing shareholder value and can help management with their industry experience.**
  - **Andrew Ponte** – 20+ years as a senior executive in the pet industry with leadership roles in sales, marketing and finance at Spectrum Brands and Central Garden & Pet.
  - **Christopher Dewey** – a seasoned executive with over thirty years of experience in finance and investment banking who co-founded several companies and holds an MBA from the Wharton School of the University of Pennsylvania.

The Company will host a conference call on **Wednesday, March 25, 2020 at 11 AM (ET)** at which time Mr. Mannello will provide commentary on earnings results and provide updates on its ongoing clinical studies and commercial efforts.

### **Conference Call Details:**

**Call Date/Time:** Wednesday, March 25, 2020 at 11:00 AM (ET)  
**Dial In:** 877-407-9120 from the U.S.; international callers may telephone 412-902-1009 approximately 15 minutes before the call.

**A digital replay** will be available by telephone approximately two hours after the completion of the call until **April 8, 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# **13700696**.

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, lean body mass and reduce muscle atrophy. MYOS believes Fortetropin has the potential to redefine existing standards of physical health and wellness and produces muscle health support products featuring Fortetropin under the names of **Yolked<sup>®</sup>**, **Physician Muscle Health Formula<sup>®</sup>**, **MYOS Canine Muscle Formula<sup>®</sup>**, (*Regular & Vet Strength*) and **Qurr<sup>®</sup>**. 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 **Yolked<sup>®</sup>**, **Physician Muscle Health Formula<sup>®</sup>**, **MYOS Canine Muscle Formula<sup>®</sup>**, **Qurr<sup>®</sup>**, and **MYOS Enteral Nutrition Formula<sup>™</sup>**, 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.*

**Investor Relations:**

MYOS RENS Technology

Joanne Goodford

Phone: 973-509-0444

Email: [jgoodford@myoscorp.com](mailto:jgoodford@myoscorp.com)

📄 View original content to download multimedia <http://www.prnewswire.com/news-releases/myos-rens-technology-reports-a-187-increase-in-net-revenues-for-the-year-ended-december-31-2019-301029481.html>

SOURCE MYOS RENS Technology Inc.