

May 8, 2020

# MYOS RENS Technology Reports First Quarter 2020 Financial Results Including a 95% Increase in Net Revenues

**Also Reports a 6% Decrease in Operating Expenses During the Quarter**

*In April 2020, a 100-Dog Veterinary Study Showing Fortetropin®'s Impact on Dogs Recovering from TPLO Surgery, was Published in the Peer-Reviewed Journal, PLOS ONE*

CEDAR KNOLLS, N.J., May 8, 2020 /PRNewswire/ --



**Company Conference Call: Today, May 8, 2020, at 11:30 AM ET**

**Dial In: 877-407-9120** from the U.S.; International callers may telephone **412-902-1009** approximately 15 minutes before the call. For **Webcast**: please visit the Company's [Investor Relations](#) page.

***A digital replay will be available shortly after the call until May 22, 2020 by dialing 877-660-6853 from the U.S.; or 201-612-7415 for international callers, using Conference ID# 13703019.***

**MYOS RENS Technology Inc. ("MYOS" or "the Company") (NASDAQ: MYOS)**, an advanced nutrition company and the owner of Fortetropin®, a proprietary bioactive composition that helps build lean muscle, announces its results for the three months ended March 31, 2020.

"During the three months ended March 31, 2020, we continued expanding Fortetropin-based brand presence in the areas of animal health, age management and sports nutrition," said MYOS CEO Joseph Mannello. "We further reduced expenses through greater operating efficiencies, redeployed staff, and modified Company policy at the outset of the coronavirus pandemic. We will watch closely, as this situation unfolds, and adjust as needed going forward.

"As an essential business, with one-of-a-kind, science-backed products that support muscle

health, we felt compelled to lower the economic barriers to product access during a time when overall health is critical to get through this. Therefore, we implemented a discount outreach program for our customers and launched educational webinars geared to professional health care providers concerned with both human and animal muscle health.

"Meanwhile, MYOS immediately undertook measures to protect our employees and customers by limiting internal/external contact and product processing, modifying work schedules to accommodate essential needs and ensuring that staff take precautions to work safely under the mandated health guidelines. We applied for and received SBA funding under the Paycheck Protection Program ("PPP") which gave us the ability to keep our staff employed. We are doing everything we can to keep operations flowing so we can emerge stronger when the crisis passes.

"As we collectively navigate through these uncertain times, we, as well as many of our core customers (veterinarians, anti-aging doctors, chiropractors, and gym owners) have had to take a step back from 'business as usual'. Our educational webinars were well-received prior to the pandemic, but they are now spiking in attendance. We are pleased to provide this type of support to the general and professional public regarding muscle health during this downtime and plan to expand the series. Additionally, we will continue to look for new ways to connect with our customers so as to provide valuable products and services *and* discount programs to soften some of the impacts of the pandemic.

"We look forward to the effective containment of the pandemic fallout, a restoration of those affected, and the rebuilding of the economy. With that in mind, I have outlined, below, the financial and business highlights of the first quarter of 2020," stated Mr. Mannello.

## **FINANCIAL HIGHLIGHTS**

**Net revenues** for the three months ended March 31, 2020 increased by \$141 or 95% to \$290 compared to net revenues of \$149 for the three months ended March 31, 2019. This increase is primarily due to an increase of \$155 for Myos Canine Muscle Formula, an increase of \$17 for our White Label business offset by a decrease of \$31 from our older product lines.

**Cost of revenues** for the three months ended March 31, 2020 increased by \$97 or 160% to \$158 compared to cost of revenues of \$61 for the three months ended March 31, 2019. The increase is primarily due to costs related to manufacturing products related to an increase in our product sales.

**Operating Expenses** for the three months ended March 31, 2020 decreased by \$66 or 6% to \$985, compared to operating expenses of \$1,051 for the three months ended March 31, 2019. The decrease is primarily due to a 27% decrease in selling, marketing and research expenses of \$73, an 11% decrease in general and administrative of \$41, offset by an 11% increase in personnel and benefits of \$48 due to the hiring of additional members to our sales and marketing teams.

## **Results of Operations**

***Three Months Ended March 31, 2020 Compared to Three Months Ended March 31, 2019***

(amounts in thousands)

	March 31,		Change	
	2020	2019	Dollars	%
Net revenues	\$ 290	\$ 149	\$ 141	95 %
Cost of revenues	158	61	97	160 %
Gross profit	132	88	44	50 %
Selling, marketing and research	202	275	(73)	-27 %
Personnel and benefits	468	420	48	11 %
General and administrative	315	356	(41)	-11 %
Total operating expenses	985	1,051	(66)	-6 %
Operating loss	(853)	(963)	110	-11 %
Interest expense	(13)	(12)	(1)	12 %
Net loss	\$ (866)	\$ (975)	\$ 109	-11 %

### Liquidity and Capital Resources:

In connection with the closing of a private placement on March 5, 2020, the Company issued 851,240 shares of common stock for aggregate cash proceeds of \$1,030 and \$825 of the principal amount of the Note was exchanged for 681,818 shares of common stock. The Company intends to use the net proceeds from the private placement primarily for working capital, research and development, strategic initiatives and other general corporate purposes. At March 31, 2020, we had cash of \$678 and a– Summary of our cash flows for the three months ended March 31, 2020 and 2019 are as follows:

	March 31,		Change
	2020	2019	
Net cash (used in) provided by operating activities	\$ (944)	\$ 104	\$ (1,048)
Net cash provided by financing activities	1,558	2,078	(520)
Net increase (decrease) in cash	\$ 614	\$ 2,182	\$ (1,568)

### Paycheck Protection Program Loan

On April 22, 2020, the Company received loan proceeds in the amount of \$310 under the Paycheck Protection Program. The PPP, established as part of the CARES Act, provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The Company intends to use the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities.

### BUSINESS HIGHLIGHTS:

In February 2020 MYOS presented results from our University of California, Berkeley clinical trial at a prestigious international conference that is dedicated to sarcopenia research.

"In April 2020, a 100-dog [veterinary study](#) on Fortetropin's impact on dogs recovering from TPLO surgery was published in the peer-reviewed journal, *PLOS ONE*, and we received notification that *seven top-tier pet insurance companies are partially reimbursing the cost of Fortetropin for dogs*," remarked Mr. Mannello. "Additionally, the esteemed Dr. Leilani Alvarez, Director, Integrative & Rehabilitative Medicine, [Animal Medical Center](#), New York

(one of the world's top veterinary hospitals), and a well-published expert on veterinary nutraceuticals, has been using Fortetropin to great effect over the last five years, '...in older dogs and canines with muscle atrophy'."

**OTHER HIGHLIGHTS:**

- Signed a Distribution Partnership for **MYOS Canine Muscle Formula<sup>®</sup>** with Chewy ([www.chewy.com](http://www.chewy.com)), a leading online retailer of pet food and pet-related products.
- Hired college football icon and inspirational speaker Eric LeGrand as a Special Advisor for its **YOLKED<sup>®</sup>** Sports Nutrition Brand.
- Signed an agreement with KVP International, Inc. ([www.kvpvet.com](http://www.kvpvet.com)), a leading supplier of innovative products for the veterinary rehabilitation market such as surgical supplies, recovery collars and braces to distribute, consult, and co-market our **MYOS Canine Muscle Formula** products.
- Prof. William Evans, University of California, Berkeley gave an Oral Presentation at the *International Conference on Frailty & Sarcopenia Research* in Toulouse, France titled, "**Effects of Fortetropin<sup>®</sup> on the rate of muscle protein synthesis in older men and women: a randomized, double blinded, placebo-controlled study.**" A manuscript based on this human clinical trial that demonstrated Fortetropin upregulates muscle protein synthesis in older adults has been submitted to a peer reviewed journal for publication.

*The following tables should be read in conjunction with the footnotes accompanying the consolidated financial statements contained within the Quarterly Report on Form 10-Q filed by the Company on May 6, 2020.*

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

	<b>March 31,</b> <b>2020</b>	<b>December 31,</b> <b>2019</b>
	<b>(Unaudited)</b>	
<b>ASSETS</b>		
Current assets:		
Cash	\$ 678	\$ 64
Accounts receivable, net	23	5
Inventories, net	1,570	1,666
Prepaid expenses	127	23
Total current assets	2,398	1,758
Operating lease right of use asset	178	192
Deferred offering costs	79	95
Fixed assets, net	92	97
Intangible assets, net	844	896
Total assets	<u>\$ 3,591</u>	<u>\$ 3,038</u>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

## Current liabilities:

Accounts payable	\$ 130	\$ 277
Accrued expenses and other current liabilities	18	230
Operating lease liabilities – current portion	37	46
Related party promissory note payable and accrued interest	646	1,159
Total current liabilities	<u>831</u>	<u>1,712</u>

## Long-term liabilities:

Operating lease liabilities – net of current portion	<u>146</u>	<u>146</u>
Total liabilities	<u>977</u>	<u>1,858</u>

## Commitments and contingencies (Note 11)

## Stockholders' equity:

Preferred stock, \$0.001 par value; 500,000 shares authorized; no shares issued and outstanding

Common stock, \$0.001 par value; 15,000,000 shares authorized; 11,030,100 and 9,176,908 shares issued and outstanding at March 31, 2020 and December 31, 2019, respectively

	11	9
Additional paid-in capital	42,794	40,496
Accumulated deficit	<u>(40,191)</u>	<u>(39,325)</u>
Total stockholders' equity	<u>2,614</u>	<u>1,180</u>
Total liabilities and stockholders' equity	<u>\$ 3,591</u>	<u>\$ 3,038</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,	
	2020	2019
Net revenues	\$ 290	\$ 149
Cost of revenues	<u>158</u>	<u>61</u>
Gross profit	<u>132</u>	<u>88</u>
Operating expenses:		
Selling, marketing and research	202	275
Personnel and benefits	468	420
General and administrative	<u>315</u>	<u>356</u>
Total operating expenses	<u>985</u>	<u>1,051</u>
Operating loss	<u>(853)</u>	<u>(963)</u>
Other expense, net	<u>(13)</u>	<u>(12)</u>
Net loss	<u>\$ (866)</u>	<u>\$ (975)</u>
Net loss per share attributable to common shareholders:		
Basic and diluted	<u>\$ (0.09)</u>	<u>\$ (0.13)</u>

	_____	_____
	_____	_____
Weighted average number of common shares outstanding:		
Basic and diluted	<u>9,717,438</u>	<u>7,669,181</u>

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

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<u>2020</u>	<u>2019</u>
<b>Cash Flows From Operating Activities:</b>		
Net loss	\$ (866)	\$ (975)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation	5	7
Amortization	52	72
Stock-based compensation	217	243
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(18)	59
Decrease (increase) in inventories	96	(10)
Increase in operating lease right of use asset	14	224
(Increase) decrease in prepaid expenses and other assets	(88)	995
Decrease in operating lease liabilities	(9)	(231)
Increase in accrued interest expense	13	-
Decrease in accounts payable and accrued expenses	(359)	(280)
Net cash (used in) provided by operating activities	<u>(944)</u>	<u>104</u>
<b>Cash Flows From Financing Activities:</b>		
Proceeds from registered direct offering of common stock	228	228
Proceeds from related party promissory note	300	-
Proceeds from issuance of common stock in private placement	1,030	1,850
Net cash provided by financing activities	<u>1,558</u>	<u>2,078</u>
Net increase in cash	614	2,182
Cash at beginning of period	64	15
Cash at end of period	<u>\$ 678</u>	<u>\$ 2,197</u>
<b>Supplemental schedule of non-cash investing and financing activities:</b>		
Conversion of related party promissory note payable into shares of common stock	825	250
Reclassification of deferred offering costs to additional paid in capital	-	16

**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, the adverse impact of the coronavirus pandemic on the economy and our business, 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.

### **Investor Relations:**

MYOS RENS Technology

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