

August 6, 2019

MYOS RENS Technology Reports 75% Net Revenue Growth in Second Quarter, 109% Net Revenue Growth in First Half of 2019

Conference Call on Wednesday, August 7, 2019 at 11am ET

CEDAR KNOLLS, N.J., Aug. 6, 2019 /PRNewswire/ -- MYOS RENS Technology Inc. ("MYOS" or "the Company") (NASDAQ: MYOS), an advanced nutrition company and the owner of Fortetropin[®], a proprietary bioactive composition derived from fertilized egg yolk that helps build lean muscle, announced today its financial results for the three months and six months ended June 30, 2019.



FINANCIAL HIGHLIGHTS: (Amounts in thousands except where noted)

Second Quarter - Three Months Ended June 30, 2019:

- Net revenues increased \$66, or 75%, to \$154 compared to net revenues of \$88 for the three months ended June 30, 2018. The increase was primarily due to an increase in net revenues of \$124 for two new products launched in 2018, \$38 for Yolked[®] and \$86 for Myos Canine Muscle Formula[®], offset by a decrease of \$58 from our old product lines.
- Gross profit for the three months ended June 30, 2019 increased \$47 or 181% to \$73, compared to \$26 for the three months ended June 30, 2018.
- Gross profit margin was 47% for the three months ended June 30, 2019 compared to 30% for the three months ended June 30, 2018.
- Operating expenses for the three months ended June 30, 2019, increased \$179 or 17% to \$1,239 compared to \$1,060 for the three months ended June 30, 2018. The increase was primarily due to the marketing of the Company's new products and the hiring of an in-house sales team that began in July 2018.
- Net loss increased \$141 or 14% to \$1,175 for the three months ended June 30, 2019 compared to \$1,034 for the three months ended June 30, 2018.

First Half - Six Months Ended June 30, 2019:

- Net revenues for the six months ended June 30, 2019 increased \$158 or 109% to \$303 compared to net revenues of \$145 for the six months ended June 30, 2018. The increase was primarily due to an increase in net revenues of \$253 for two new products launched in 2018, \$106 for Yolked and \$147 for Myos Canine Muscle Formula, offset by a decrease of \$95 from the Company's old product lines.
- Gross profit for the six months ended June 30, 2019 increased \$109 or 210% to \$161, compared to \$52 for the six months ended June 30, 2018.
- Gross profit margin was 53% for the six months ended June 30, 2019 compared to 36% for the six months ended June 30, 2018.
- Operating expenses for the six months ended June 30, 2019 were \$2,290, compared to \$2,298 for the six months ended June 30, 2018.
- Net loss decreased 4% to \$2,150 for the six months ended June 30, 2019 compared to \$2,247 for the three months ended June 30, 2018.

Liquidity:

As of June 30, 2019, the Company had cash of \$1,158 and total assets of \$4,519. Working capital increased \$636 to \$1,905 on June 30, 2019 compared to \$1,269 at December 31, 2018.

Business & Operational Highlights:

- 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. 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.
- Our sponsored study at Kansas State University College of Veterinary Medicine evaluating the impact of Fortetropin on quality of life and activity in geriatric dogs was initiated and has recruited 17 of the 40 dogs as of June 30, 2019.
- Signed an endorsement partnership with Women's World Cup Champion soccer player Carli Lloyd and NBA superstar, Aaron Gordon, who are both serving as endorsers of Yolked and will appear in multiple marketing campaigns.
- Received US Patent # 10,165,785 titled, "*Process for Producing a Composition for Increasing Muscle Mass*" providing broad protection for the manufacturing process of Fortetropin.
- Filed an international utility patent application (PCT/US2019/041279) titled, "*Methods and Compositions for Improving Skeletal Muscle Protein Fractional Synthetic Rate*".
- Filed an international utility patent application (PCT/US2019/040103) titled, "*Methods for Alleviating, Inhibiting or Reversing Muscle Disuse Atrophy in Mammals*".

Management Commentary:

Joseph Mannello, Chief Executive Officer of MYOS, commented, "We are pleased with our strong financial results for the second quarter and first half of 2019, and the accelerating upward trajectory in sales. The constant drive in our various commercial initiatives increased our brand's reach and presence, growing our top line by 75% in the second quarter and 109% in the first half of 2019, respectively.

"Myos Canine Muscle Formula sales of \$89 in the second quarter of 2019 were up 46% from \$61 in the first quarter of 2019, showing continued growth. Myos Canine Muscle Formula sales in the first quarter of 2019 grew 85% from \$33 in the fourth quarter of 2018. 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.

"In addition, the results of our recent UC Berkeley clinical study show that Fortetropin has remarkable potential for managing age-related muscle loss in older adults. Our portfolio continues to strengthen as our scientific and clinical research demonstrates the efficacy and safety of consuming Fortetropin to improve muscle health.

"We're excited about the course ahead for the second half of 2019 and beyond, and believe that the future looks exceedingly positive. We're confident we are well positioned to drive future growth in multiple market segments which will enable us to build a diversified business and deliver value for our shareholders," concluded Mr. Mannello.

Conference Call

The Company will host a conference call tomorrow, Wednesday, August 7, 2019 at 11:00 am ET, at which time MYOS Chief Executive Officer Joseph Mannello will provide commentary on the Company's earnings results and provide updates on its ongoing clinical studies and commercial efforts.

Call Date/Time: Wednesday, August 7, 2019 at 11:00 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 November 9, 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# 13693294.

This call will be simultaneously webcast on the MYOS website, 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[®]", 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[®], 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.

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 Enteral Nutrition Formula[™]** and **MYOS Canine Muscle 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.

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 footnotes accompanying the condensed consolidated financial statements contained in the Quarterly Report on Form 10-Q filed today with the Securities and Exchange Commission.

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

	June 30, 2019	December 31, 2018
	(Unaudited)	
ASSETS		
Current assets:		
Cash	\$ 1,158	\$ 15
Accounts receivable, net	16	78
Other current asset	-	1,124
Inventories, net	1,677	1,676
Prepaid expenses	147	10
Total current assets	2,998	2,903
Operating lease right of use asset	213	-
Deferred offering costs	92	108
Other asset	-	50
Fixed assets, net	136	149
Intangible assets, net	1,080	1,245
Total assets	\$ 4,519	\$ 4,455
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 126	\$ 236
Accrued expenses and other current liabilities	136	383
Operating lease liabilities – current portion	46	-
Related party promissory note payable and accrued interest	785	1,015
Total current liabilities	1,093	1,634
Long-term liabilities:		

Operating lease liabilities – net of current portion	172	-
Total liabilities	<u>1,265</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 June 30, 2019 and December 31, 2018; 9,170,658 and 7,481,723 shares issued and outstanding at June 30, 2019 and December 31, 2018, respectively	9	8
Additional paid-in capital	40,462	37,880
Accumulated deficit	<u>(37,217)</u>	<u>(35,067)</u>
Total stockholders' equity	<u>3,254</u>	<u>2,821</u>
Total liabilities and stockholders' equity	<u>\$ 4,519</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		Six Months Ended	
	June 30,		June 30,	
	2019	2018	2019	2018
Net revenues	\$ 154	\$ 88	\$ 303	145
Cost of sales	81	62	142	93
Gross profit	<u>73</u>	<u>26</u>	<u>161</u>	<u>52</u>
Operating expenses:				
Selling, marketing and research	337	235	612	629
Personnel and benefits	470	348	890	765
General and administrative	432	477	788	904
Total operating expenses	<u>1,239</u>	<u>1,060</u>	<u>2,290</u>	<u>2,298</u>
Operating loss	(1,166)	(1,034)	(2,129)	(2,246)
Other expense	(9)	-	(21)	(1)
Loss before income taxes	<u>(1,175)</u>	<u>(1,034)</u>	<u>(2,150)</u>	<u>(2,247)</u>
Net loss	<u>\$ (1,175)</u>	<u>\$ (1,034)</u>	<u>\$ (2,150)</u>	<u>\$ (2,247)</u>
Net loss per share attributable to common shareholders:				
Basic and diluted	<u>\$ (0.13)</u>	<u>\$ (0.14)</u>	<u>\$ (0.23)</u>	<u>\$ (0.33)</u>
Weighted average number of common shares outstanding:				
Basic and diluted	<u>9,170,658</u>	<u>7,249,782</u>	<u>9,170,658</u>	<u>6,877,186</u>

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

	Six Months Ended	
	June 30,	
	2019	2018
Cash Flows From Operating Activities:		
Net loss	\$ (2,150)	\$ (2,247)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	13	20
Amortization	165	144
Stock-based compensation	71	165
Deferred offering costs	-	96
Changes in operating assets and liabilities:		
Decrease in accounts receivable	62	2
Decrease in other current asset	1,124	-

(Increase) decrease in inventories	(1)	12
(Increase) decrease in prepaid expenses	(137)	51
Increase in other assets	50	-
Increase in accrued interest on promissory note payable	20	-
Decrease in accounts payable and accrued expenses	<u>(352)</u>	<u>(13)</u>
Net cash used in operating activities	<u>(1,135)</u>	<u>(1,770)</u>

Cash Flows From Financing Activities:

Proceeds from registered direct offering of common stock, net	428	-
Deferred offering costs from at-the-market transaction	-	(49)
Deferred offering costs from private placement	-	(45)
Net proceeds from issuance of common stock in private placement	<u>1,850</u>	<u>1,449</u>
Net cash provided by financing activities	<u>2,278</u>	<u>1,355</u>

Net increase (decrease) in cash	1,143	(415)
Cash at beginning of period	<u>15</u>	<u>923</u>
Cash at end of period	<u>\$ 1,158</u>	<u>\$ 508</u>

Supplemental information related to leases:

Cash paid on operating leases	38	-
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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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