

Due Diligence Report

MYOS Ren Technology Inc

Risk Rating: Low- Medium Risk

Company Background

Legal Registered Name

MYOS RENS Technology Inc.

Legal Registered Address

45 Horsehill Road Suite 106 Cedar Knolls, NJ 07927 United States

Incorporation Date

04/11/2007

Company Type

Public Company

Industry

Advanced Nutrition Products

Ticker Symbol

MYOS

Exchange Name

NASDAQ

IPO Date

Feb 25, 2010

DUNS NUMBER

078494140

Company Number

E0106752016-8

IRS EIN (Taxpayer Id)

90-0772394

Central Index Key (CIK)

1402479

Company Status

Active

Number of Employees

15

Telephone

973-509-0444

Email

jmannello@myoscorp.com

Formerly Known As

FORMER COMPANY:

Former Conformed Name: MYOS Corp
 Date of Name Change: 20120521

FORMER COMPANY:

Former Conformed Name: Atlas Therapeutics Corp
 Date of Name Change: 20100719

FORMER COMPANY:

Former Conformed Name: Rough Tide Marine Operations, Inc.
 Date of Name Change: 20100528

Business Description

MYOS Corp was incorporated under the laws of the State of Nevada on April 11, 2007. Prior to February 2011, MYOS Corp did not have any operations and did not generate revenues. On February 25, 2011, MYOS Corp and Peak Wellness, Inc., or Peak, entered into an intellectual property purchase agreement pursuant to which its subsidiary purchased from Peak the intellectual property pertaining to MYO-T12TM, a dietary supplement that has been shown in clinical studies to temporarily decrease the levels of serum myostatin, including the formula, certain trademarks, trade secrets, patent applications and certain domain names.

MYOS Corporation Corporate Name Change to MYOS RENS Technology Inc.

The name change on 22 March, 2016 reflects the important alignment between MYOS and affiliates of RENS Technology Inc., including RENS Agriculture Science & Technology Inc.,



Important Notice

National Securities Clearing Corporation - OTC

Update	Cusip No	Symbol	Name	Effective Date
REORGANIZATION				
DELETE	554051201	MYOS	MYOS CORPORATION COMMON STOCK	
ADD	62857P108	MYOS	MYOS RENS TECHNOLOGY INC COM STK (NV)	03/22/2016

Settlement of Litigation

On July 13, 2020, MYOS RENS Technology Inc. has settled its pending litigation with RENS Technology Inc. and its president, Ren Ren.

As part of the settlement, the parties have agreed to dismiss the pending litigation between them and have exchanged mutual releases.

Drug for Muscle Loss

Fortetropin

Fortetropin® is a unique bio-active composition derived from fertilized chicken egg yolks.

Scientific research has shown that Fortetropin® up regulates the muscle building pathway and down regulates the muscle destruction pathway which result in more lean muscle. Human clinical research has shown that Fortetropin® promotes muscle growth and development.

Research at Kansas State University has shown that Fortetropin® helps minimize muscle loss while improving recovery after dogs undergo a common orthopedic surgical procedure.

Fortetropin is featured under the names of below mentioned products

- Yolked®
 - Physician Muscle Health Formula®
 - MYOS Canine Muscle Formula®
 - Qurr®
 - MYOS Enteral Nutrition Formula™
- In May 2016, MYOS RENS launched Physician Muscle Health Formula®, a proprietary formulation containing Fortetropin® and sold the product directly to physicians to distribute to their patients who are focused on wellness
- In March 2017, MYOS RENS launched Qurr®, a Fortetropin®-powered product line is available in direct-to-consumer platform.
- In March 2018, MYOS RENS launched Yolked®, a Fortetropin®-powered product which is NSF Certified for Sports, and developed and marketed to collegiate and professional athletes who want to increase their muscle size and performance with an all-natural advanced nutrition product.

- In June 2018, MYOS RENS launched our Fortetropin® based pet product Myos Canine Muscle Formula® (“MCMF”). Two veterinarian hospitals had previously performed some informal observational studies with older dogs experiencing muscle atrophy and observed positive results after taking the company’s pet product.
- In November 2019, MYOS RENS launched its white label business, working with manufacturers to create new brands and products using Fortetropin® as the foundation.

Drug/Clinical Study

Published: 29 June 2020

University of California, Berkeley Researchers Publish Clinical Results Reporting that Fortetropin® Increased the Rate of Muscle Protein Synthesis in Older Adults

The peer reviewed study titled, "**Effects of Fortetropin® on the rate of muscle protein synthesis in older men and women: a randomized, double blinded, placebo-controlled study,**"

Japanese researchers have reported that low muscle mass is a predictor of 90-day mortality in elderly patients who were hospitalized for pneumonia. Researchers at the University of Texas Health Sciences Center, Houston reported that low muscle mass is associated with reduced ICU survival in elderly patients.

<https://academic.oup.com/biomedgerontology/article/doi/10.1093/gerona/glaa162/5864789>

Published: April 9, 2020

MYOS RENS Announces Publication of Landmark Clinical Study on Recovery in Dogs Following TPLO Surgery

The study, titled, "**Fortetropin inhibits disuse muscle atrophy in dogs after tibial plateau leveling osteotomy,**" published in the peer-reviewed, open-access scientific journal, PLOS ONE

100-Dog Study Showed that Dogs Receiving Fortetropin® Experienced Reduced Muscle Loss and Improved Recovery.

<https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0231306>

Published: Sep 10, 2019

MYOS RENS Technology Enters into Research Agreement with McMaster University to Study Impact of Fortetropin® on Muscle Disuse Atrophy in Young Men.

Entered into a research agreement with the Department of Kinesiology at McMaster University in Hamilton, Canada. The study will 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.

<https://www.prnewswire.com/news-releases/myos-rens-technology-enters-into-research-agreement-with-mcmaster-university-to-study-impact-of-fortetropin-on-muscle-disuse-atrophy-in-young-men-300914540.html>

Published: Feb 27, 2019

MYOS RENS Technology Announces Initiation of a Study at Kansas State University to Evaluate the Impact of Fortetropin® on Quality of Life and Activity in Geriatric Dogs

This veterinary clinical study follows the announcement of positive results from a randomized, double-blind, placebo-controlled study that examined the impact of Fortetropin on recovery following tibial plateau leveling osteotomy (TPLO) surgery in dogs.

<https://www.prnewswire.com/news-releases/myos-rens-technology-announces-initiation-of-a-study-at-kansas-state-university-to-evaluate-the-impact-of-fortetropin-on-quality-of-life-and-activity-in-geriatric-dogs-300802718.html>

Published: Jan 15, 2020

MYOS RENS Technology to Provide Exciting Updates on New Product and Clinical Research at the Veterinary Meeting & Expo in Orlando, January 19-22, 2020

Provide updates on its clinical research including its clinically-backed nutrition product, MYOS Canine Muscle Formula®, at the North American Veterinary Meeting & Expo (VMX)

<https://www.prnewswire.com/news-releases/myos-rens-technology-enters-into-research-agreement-with-mcmaster-university-to-study-impact-of-fortetropin-on-muscle-disuse-atrophy-in-young-men-300914540.html>

➤ **No Lawsuit against the company determined in recent events**

Stock Chart Analysis



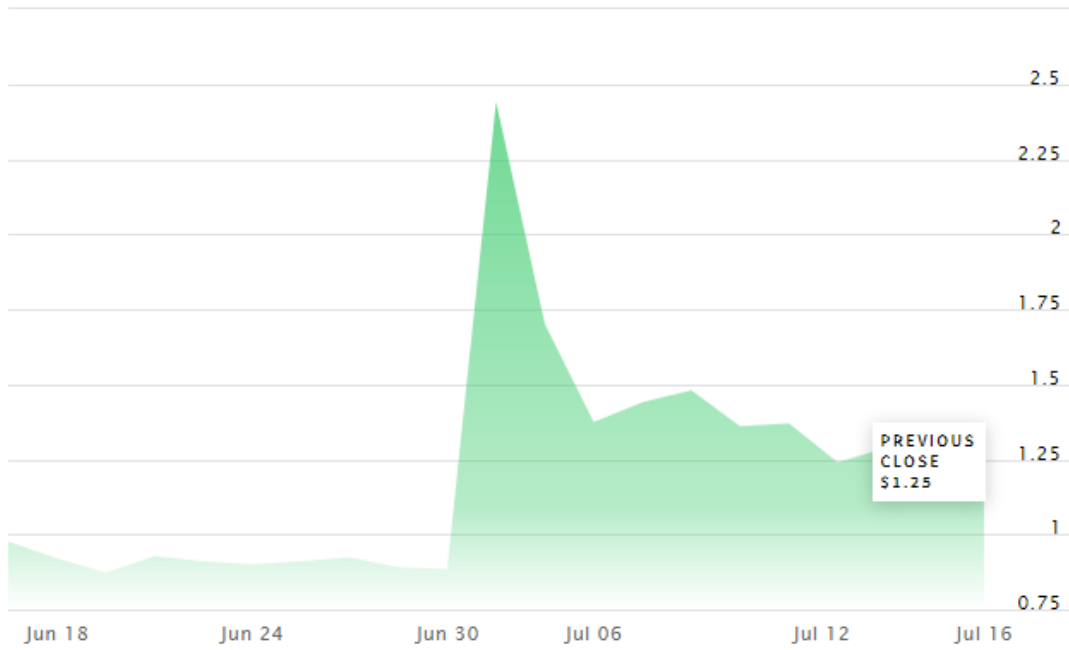
Charts for MYOS RENS Technology Inc. (MYOS)

\$ 1.25 ▼ -0.07 (-5.30%) Volume: 446.92k 4:00 PM EDT Jul 16, 2020

After Hours: \$ 1.23 ▼ -0.02 (-1.60%) Volume: 13.93k 7:42 PM EDT Jul 16, 2020

Jul 16, 2020

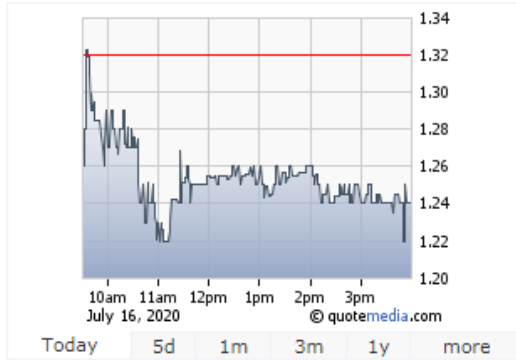
1D 5D **1M** 6M YTD 1Y 5Y MAX



Detailed Quote for MYOS RENS Technology Inc. (MYOS)

\$ 1.25 ▼ -0.07 (-5.30%) Volume: 446.92k 4:00 PM EDT Jul 16, 2020

After Hours: \$ 1.23 ▼ -0.02 (-1.60%) Volume: 13.93k 7:42 PM EDT Jul 16, 2020

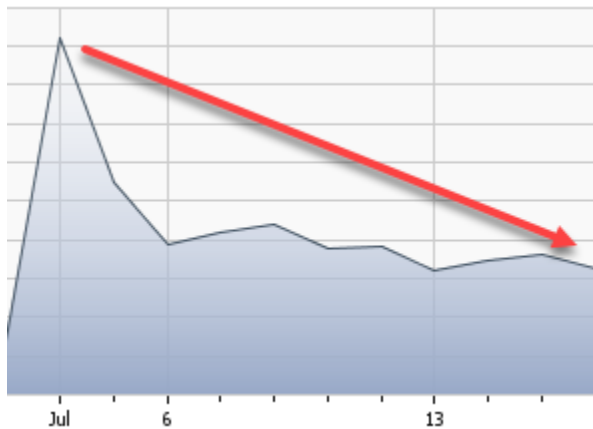


Last Price	Change \$	Change %	Tick
1.25	▼0.07	▼ 5.30%	-
Bid	Bid Size	Ask	Ask Size
1.22	2,100	1.32	200
Open	High	Low	Prev Close
1.26	1.33	1.22	1.32
Last Trade	Volume	52 Wk Hi	52 Wk Low
07/16/20	446.92k	3.8499999	0.74119997
Market Cap	Ex-Div Date	Div Rate	Yield
14.81m	N/A	N/A	N/A
Shares	EPS (TTM)	PE Ratio	Exchange
11,846,795	-0.430000007	N/A	NCM

Stock Analysis & Evaluation

Surge Down

Shares of MYOS RENS Technology Inc. (MYOS) more than tripled on July 01, 2020 morning after the bio-nutrition company on June 30, 2020 announced a merger deal with MedAvail, Inc.



The downfall is occurred due to the recent investigation of the Merger

Merger Investigation

MYOS RENS Technology Inc. Investigation

Former Attorney General of Louisiana Charles C. Foti, Jr., Esq. and the law firm of **Kahn Swick & Foti, LLC** ("KSF") are investigating the proposed merger of MYOS RENS Technology.

"KSF" is a company who has many numerous "investigations" that never move forward and only has a roster of 20 employees. This IMO is a way to drop stocks using "hit pieces" for shorts.

<https://www.ksfcounsel.com/cases/>

To many cases for such a small team to work effectively

<https://www.linkedin.com/company/kahn-swick-&-foti-llc/about/>

Financial Due Diligence

Financial Data

Financials in:	USD (Mil)
Revenue:	<u>\$1.03</u>
FY:	2018-2019
Fiscal Year End:	DEC

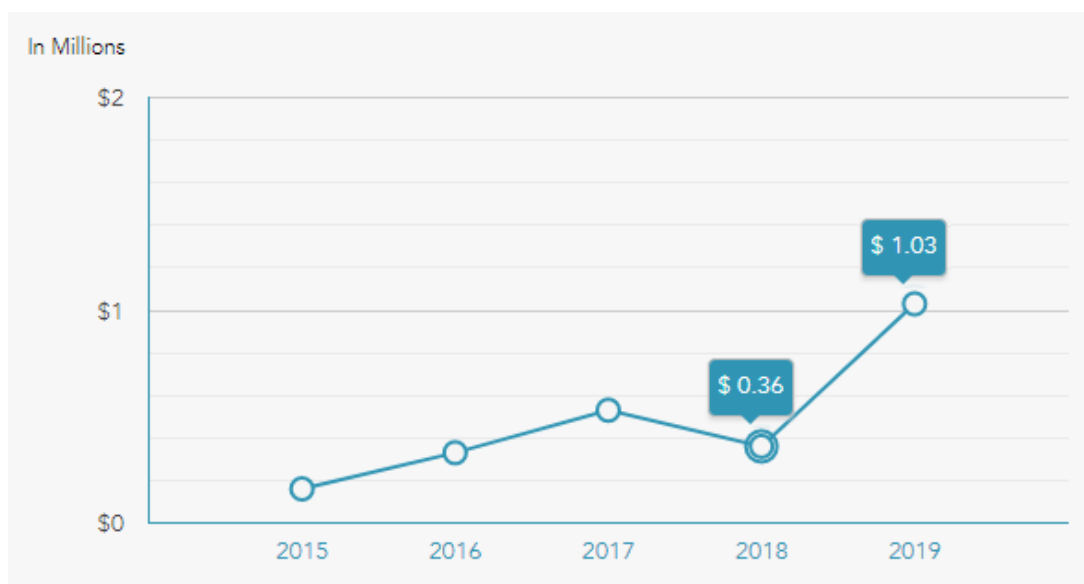
(In thousand \$)

**Years Ended
December 31,**

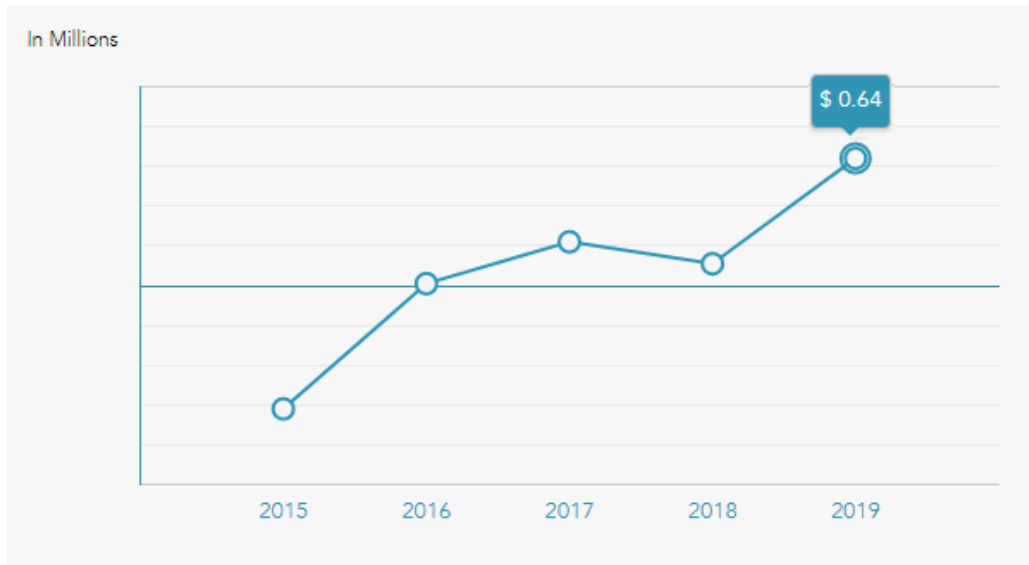
Change

	2019	2018	Dollars	%
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)%
Interest expense	(40)	(16)	(24)	150%
Other expense	-	(2)	2	(100)%
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	<u>\$ (4,258)</u>	<u>\$ (3,223)</u>	<u>\$ (1,035)</u>	<u>32%</u>

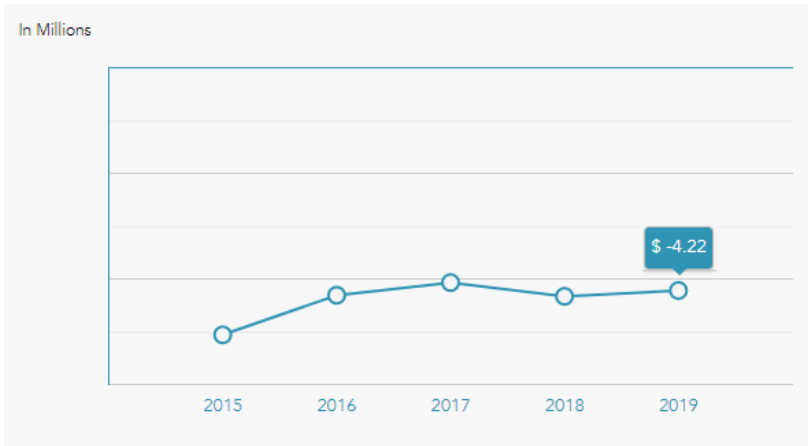
2019 REVENUE: \$1.03 (Million)



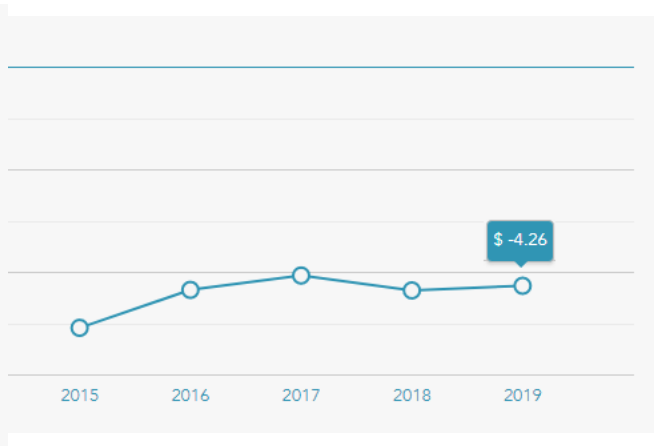
GROSS PROFIT: \$0.64 (Million)



OPERATING INCOME: -\$4.22 (Million)



PROFIT BEFORE TAX: -\$4.26 (Million)



First Quarter 2020

First Quarter 2020 Financial Results Including a 95% Increase in Net Revenues

<i>(amounts in thousands)</i>	Three Months Ended	
	March 31,	
	2020	2019
Net revenues	\$ 290	\$ 149
Cost of revenues	158	61
Gross profit	132	88
Operating expenses:		
Selling, marketing and research	202	275
Personnel and benefits	468	420
General and administrative	315	356
Total operating expenses	985	1,051
Operating loss	(853)	(963)
Other expense, net	(13)	(12)
Net loss	\$ (866)	\$ (975)

First Quarter 2020 Financial Highlights

Net Revenues

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 the White Label business offset by a decrease of \$31 from their older product lines.

Cost of Revenues

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 the company's product sales.

Operating Expenses

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.

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.

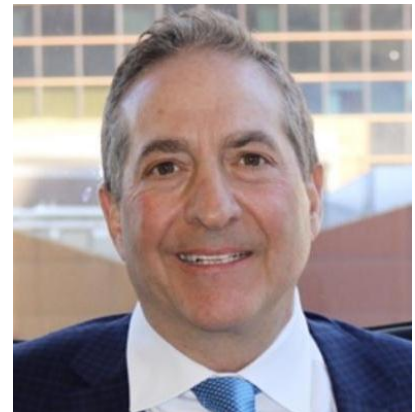
Other Highlights

- Signed a Distribution Partnership for MYOS Canine Muscle Formula® with Chewy (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® Sports Nutrition Brand.
- Signed an agreement with KVP International, Inc. (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 its MYOS Canine Muscle Formula products.

Key Personnel Due Diligence

#1 – Joseph Mannello

Role:	CEO
Age:	61
Tel:	(973) 509-0444
Address:	45 Horsehill Road, Suite 106 Cedar Knolls, NJ 07927
Email Contact:	jmannello@myoscorp.com
Status:	Active
Mortgages / Charges:	None Recorded
Legal Notices:	None Recorded
County Court Judgments:	None Recorded in Last 72 Months



Complaint/Lawsuit: Michael P. Maloney Consulting, Inc. counterclaimed in a lawsuit seeking the fees from BONY (Bank of New York) and also filed a third party complaint against BNY-NJ, its head **Joseph Mannello (Currently CEO of MYOS RENS Technology, Inc.)**

Career Summary

Focused on addressing musculoskeletal health through the development and commercialization of advanced nutrition products for both humans and pets.

Previously, from March 2013 to May 2015, Mr. Mannello was the Executive Managing Director at Brean Capital LLC, an independent investment bank and asset management firm

Prior to that, he was Head of the Fixed Income Division of BNY Capital Markets, Inc., a subsidiary of The Bank of New York Mellon Corp. In March of 1998 Joe and his partners sold their firm Mendham Capital Group to BNY.

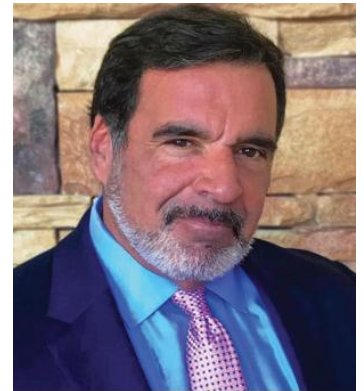
Education



Rutgers University
Bachelor's degree, Psychology
1975 – 1979

#2 – Dr. Robert J. Hariri

Role: Chairman of the Board
Age: 60
Tel: (973) 509-0444
Address: 5 Heritage Rd, Florham Park NJ, 07932
Email Contact: robert.hariri@celularity.com
Status: Active
Mortgages / Charges: None Recorded
Legal Notices: None Recorded
County Court Judgments: None Recorded in Last 72 Months



Complaint/Lawsuit: (2010) Allegation by a former Hunterdon County prosecutor in a whistleblower case claiming Hariri had close ties to Christie's administration and received one of those forged I.D. cards.

Experience



Chairman and CEO
Celularity
Oct 2016 – Present · 3 yrs 10 mos
New Jersey, San Diego



Commission for Cancer Research
State of New Jersey
May 2011 – Present · 9 yrs 3 mos
Trenton, NJ



Board of Trustees
Liberty Science Center
Aug 2010 – Present · 10 yrs



Cornell University
M.D., Ph.D., Doctor of Medicine, Doctor of Philosophy
1982 – 1987



Columbia University in the City of New York
A.B., Biological Anthropology
1976 – 1980

Dr. Robert J. Hariri joined us as a Director in July 2011 and was elected Chairman of the Board in April 2012. Dr. Hariri has served as the chairman and chief scientific officer of Celgene Cellular Therapeutics, a division of Celgene Corporation (NASDAQ: CELG), since 2014.

Company Due Diligence Summary

User Reviews:

No negative reviews found.

Factiva Media Database Search:

No notable, or negative media articles found.

Private Blacklist Database Search:

MYOS RENS is not on any global government blacklists.

Global Regulatory Data Research:

[Shaky Ground-Merger agreement investigation](#)

Patent Infringement Lawsuit:

None Recorded

FCPA/FDA violations

None Recorded

Reputational Risk Assessment

The reputation risk includes

- ✓ allegation and investigation is underway due to the proposed merger

Findings Summary

There were some remarkable noteworthy findings from the due diligence performed.

- The financial status in the first quarter of 2020 has been found surging
- The CEO, Chairman have been found legitimate in operating businesses.
- Merger with MedAvail, Inc. has been facing scrutiny
- Stock showed the surge in the first week of July; later collapsed due to the shaky merger investigations

As a result of the above, and given the company risk assessment and due diligence, we have MYOSRENS Technology Inc. as a Low - Medium Risk. Please refer to Appendix 1 for risk rating definitions.

Appendix 1 – Risk Rating Definitions

Low Risk: No negative findings present in the company due diligence report.

Low - Medium Risk: There were few minor negative findings in the due diligence report.

Medium – High Risk: There were multiple minor findings in the due diligence report.

High Risk: There was one or more major findings in the due diligence report.

Disclaimer: *The information contained in this report involves models and techniques based on statistical analysis, probability and predictive behavior. Your access to the information contained in this report is conditioned upon your agreement that in no event shall any information providers be responsible for any losses or damages, whether direct, indirect, incidental, special or consequential, including but not limited to lost revenues or lost profits, incurred as a result of your access or use of or reliance on this information*

References

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- <https://www.linkedin.com/company/myos-corporation/about/>
- https://ir.myosrens.com/annual-reports/content/0001213900-20-007278/f10k2019_myosrenstech.htm
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- <https://pro.edgar-online.com/ipo.aspx?colleft=613ecf6a-b2a7-4b42-a0c8-809161372aec&colright=76baaeb6-2549-44f5-8e1d-cd700701e704&cikid=748863&tabindex=2&fnid=76727&coname=myos%20rens%20technology%20inc.&ipo=0>
- <https://www.prnewswire.com/news-releases/myos-rens-technology-and-medavail-inc-announce-merger-and-spin-out-of-muscle-health-business-301086324.html>
- <https://ownsnap.com/myos-rens-technology-myos-rockets-on-merger-with-medavail-to-penetrate-muscle-health-market>
- https://opencorporates.com/companies/us_nv/E0106752016-8
- <https://eintaxid.com/company/900772394-myos-rens-technology-inc./>
- <https://eintaxid.com/company/900772394-myos-rens-technology-inc./>
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- [https://www.globenewswire.com/news-release/2012/05/21/1032715/0/en/Atlas-Therapeutics-Changes-Its-Name-and-Ticker-Symbol-to-MYOS-Corporation-and-MYOS-Launches-New-Corporate-Website.html#:~:text=CEDAR%20KNOLLS%2C%20NJ%2D%2D\(Marketwire,Corporation%20and%20its%20ticker%20symbol](https://www.globenewswire.com/news-release/2012/05/21/1032715/0/en/Atlas-Therapeutics-Changes-Its-Name-and-Ticker-Symbol-to-MYOS-Corporation-and-MYOS-Launches-New-Corporate-Website.html#:~:text=CEDAR%20KNOLLS%2C%20NJ%2D%2D(Marketwire,Corporation%20and%20its%20ticker%20symbol)
- <https://ownsnap.com/myos-rens-technology-myos-rockets-on-merger-with-medavail-to-penetrate-muscle-health-market/>
- <https://www.globenewswire.com/news-release/2016/03/22/1032685/0/en/MYOS-Corporation-Announces-Corporate-Name-Change-to-MYOS-RENS-Technology-Inc.html>
- <https://www.nasdaq.com/articles/stock-alert%3A-myos-rens-soars-250-on-merger-deal-2020-07-01>
<https://weisslawllp.com/myos-rens-technology-inc/>
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- <https://www.myosrens.com/about/member/1180/joseph-mannello>
- <https://www.linkedin.com/in/joe-mannello-88696b135/>
- <https://law.justia.com/cases/new-jersey/appellate-division-unpublished/2007/a0714-06-opn.html>
- <https://wallmine.com/people/16311/joseph-mannello>
- <https://www.whitepages.com/name/Robert-J-Hariri/Florham-Park-NJ/1c568v8q>
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