



# Myomo, Inc.

*Q2 about inline. We expect continued strong revenue growth over the next year to be positive for stock. Lowering P/T to \$7.50.*

**Q2 about inline:** Myomo recently (on August 9) reported its Q2 2023 (ending June) results. Revenue was \$6.0 million (+62% y-o-y), compared with our and consensus estimates of \$5.5 – 5.6 million. EPS was \$(0.04), compared with our estimates of \$(0.05) and consensus of \$(0.03). There was no specific Q2 guidance.

**Solid sales and backlog:** Myomo sold 97 units in Q1 (vs. 80 units in Q1 and 80 in Q2 2022). The reimbursement pipeline was 969 units at Q2, up from 855 units at Q1. Backlog (insurance authorized) was 179, up from 176 at Q1.

**Payment from China:** In Q2, the company received \$1.7 million (second and final payment for its \$2.7 million upfront licensing fee) from its Chinese partner (which it recognized as revenue in Q2). The JV for MyoPro business in China is now beginning.

**Lowered costs:** In Q1, the company reduced its workforce by 12%. This is expected to save over \$2 million on an annual basis.

**Maintained strong 2023 guidance:** The company maintained 2023 guidance for product (not total) revenue growth of +20 – 30%.

**Strong 2023 expected:** Myomo's current pipeline is 969, with pipeline adds in Q2 strong at 408. The large pipeline should lead to strong revenues over the next year.

**Lowering estimates:** We are lowering our 2023 estimates for revenue to \$18.8 million, from \$19.3 million, and for EPS to \$(0.29) from \$(0.28).

**Recent growth solid:** We expect the company's recent solid revenue growth (was +12% (y-o-y) in 2022, +83% in 2021, and +98% in 2020) to continue over the near-term. We estimate +21% revenue growth in 2023.

**Focused on MyoPro commercialization:** Myomo's main product, the MyoPro custom fabricated myoelectric upper limb orthosis, is like an exoskeleton for the upper body. Myomo estimates that the addressable U.S. market for its products is \$10 billion.

**Key catalysts expected in 2023:** Key catalysts expected in 2023 include continued momentum in U.S. commercialization (particularly improved reimbursement and starting Medicare coverage), commercialization in Europe and international (which is only ~10% of revenues), a new MyoPro pediatric product, and the new MyoPro 2+ (offering lighter weight, easier donning, greater comfort, and improved grasp functionality over the MyoPro 2).

**Medicare ruling can be catalyst:** CMS (Centers for Medicare & Medicaid Services) may issue (timing is uncertain) new rulings for Medicare Part B benefits to include the MyoPro which would open up the potential market significantly. CMS has recently (in June) published that MyoPro can be a brace.

**Balance sheet:** The company had \$9 million in cash and no debt at the end of Q2. In Q1, the company raised ~\$6 million (20 million shares at \$0.325/share). The company should have enough cash through mid-2024.

**Positive high risks versus rewards:** Overall, concerns outweighed by growth prospects and valuation. We believe the ~billion dollars market potentials presents a high reward for the risks.

**Current valuation attractive:** Maintaining our BUY rating, but lowering our 12-month price target to \$7.50 from \$8.00. This is based on a NPV analysis, representing significant upside from the current share price. We believe this valuation appropriately balances out the company's risks with the company's high growth prospects and large upside opportunities.

## Company Description

Based in Boston, MA, Myomo is a wearable medical robotics company that develops myoelectric orthotics for people with neuromuscular disorders and upper limb paralysis.

## COMPANY UPDATE

**Rating: BUY**

Ticker: MYO

Price: \$0.69

Target: \$7.50  
(from \$8.00)

United States  
Healthcare

August 10, 2023

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## Stock Data

Exchange:	NYSE
52-week Range:	\$0.37 – 2.24
Shares Outstanding (million):	28
Market cap (\$million):	\$19
EV (\$million):	\$10
Debt (\$million):	\$0
Cash (\$million):	\$9
Avg. Daily Trading Vol. (\$million):	\$0.5
Float (million shares):	15
Short Interest (million shares):	0.3
Dividend, annual (yield):	\$0 (NA%)

## Revenues (US\$ million)

	<u>2023E</u> <u>(Cur.)</u>	<u>2023E</u> <u>(Old)</u>	<u>2024E</u> <u>(Cur.)</u>	<u>2024E</u> <u>(Old)</u>
Q1 Mar	3.4A		4.0E	
Q2 Jun	6.0A	5.5E	5.2E	4.6E
Q3 Sep	4.1E	5.0E	4.7E	5.6E
Q4 Dec	<u>5.3E</u>	<u>5.4E</u>	<u>6.2E</u>	<u>6.0E</u>
Total	<b>18.8E</b>	<b>19.3E</b>	<b>20.0E</b>	<b>20.1E</b>
EV/Revs	0.5x		0.5x	

## Earnings per Share (pro forma)

	<u>2023E</u> <u>(Cur.)</u>	<u>2023E</u> <u>(Old)</u>	<u>2024E</u> <u>(Cur.)</u>	<u>2024E</u> <u>(Old)</u>
Q1 Mar	(0.11)A		(0.09)E	
Q2 Jun	(0.04)A	(0.05)E	(0.06)E	(0.08)E
Q3 Sep	(0.09)E	(0.07)E	(0.07)E	(0.05)E
Q4 Dec	<u>(0.06)E</u>		<u>(0.03)E</u>	<u>(0.04)E</u>
Total	<b>(0.29)E</b>	<b>(0.28)E</b>	<b>(0.26)E</b>	
P/E	N/A		N/A	

## Important Disclosures

Ascendant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making an investment decision.

**For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 12.**

Exhibit 1: Myomo Investment Highlights (as of June 2022)

## Investment Highlights: Market Leader in New Product Category

- Creating a new product category for this large unmet medical need
  - Patient Population with Chronic Arm Paralysis = Approx. 3M in US
  - New Incidences in US each year = Approx. 250K due to new strokes, other neuro conditions
  - Worldwide need: Prevalence = Approx. 1% of Population
- Experienced management team is rapidly scaling the only commercially-available device to restore function for upper extremity paralysis
  - Revenue growth rates of 83% and 98% in 2021 and 2020, respectively.
- Over 900 patient candidates in pipeline; Backlog of 160 units = \$6.1M pending revenue
- Commercial and government health insurance plans reimburse for devices on a case-to-case basis (over 1600 delivered to patients)
- Revenue Growth driven by shift to Direct Billing channel and greater International sales, resulting in higher ASPs and gross margin
- Cash position as of 3/31/22 = \$12.9 million. Sufficient cash runway to last well into 2023

Source: Company reports.

Exhibit 2: Myomo's Market Opportunity

## Large Market Opportunity



**\*15M strokes per year. Roughly 1/3 of patients don't qualify medically, 1/3 recover and the remainder represent Myomo's market opportunity**

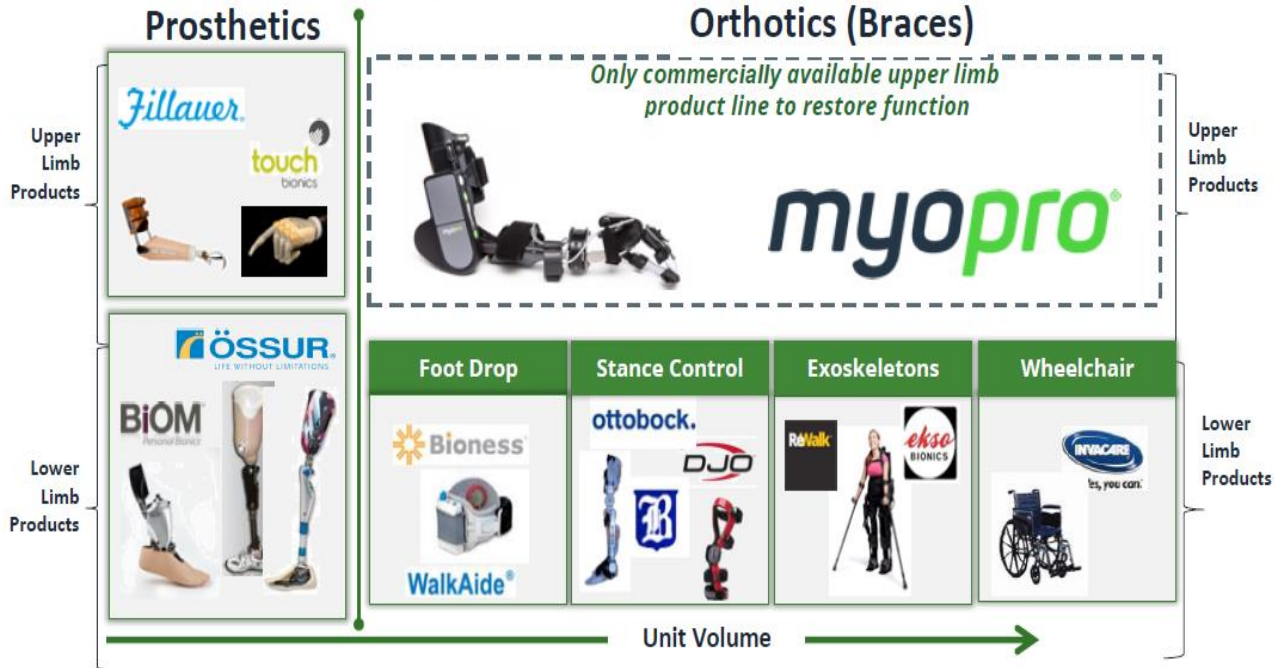
Source: Christopher and Dana Reeve Foundation Survey, National Stroke Association, World Health Organization, and Myomo base model estimates



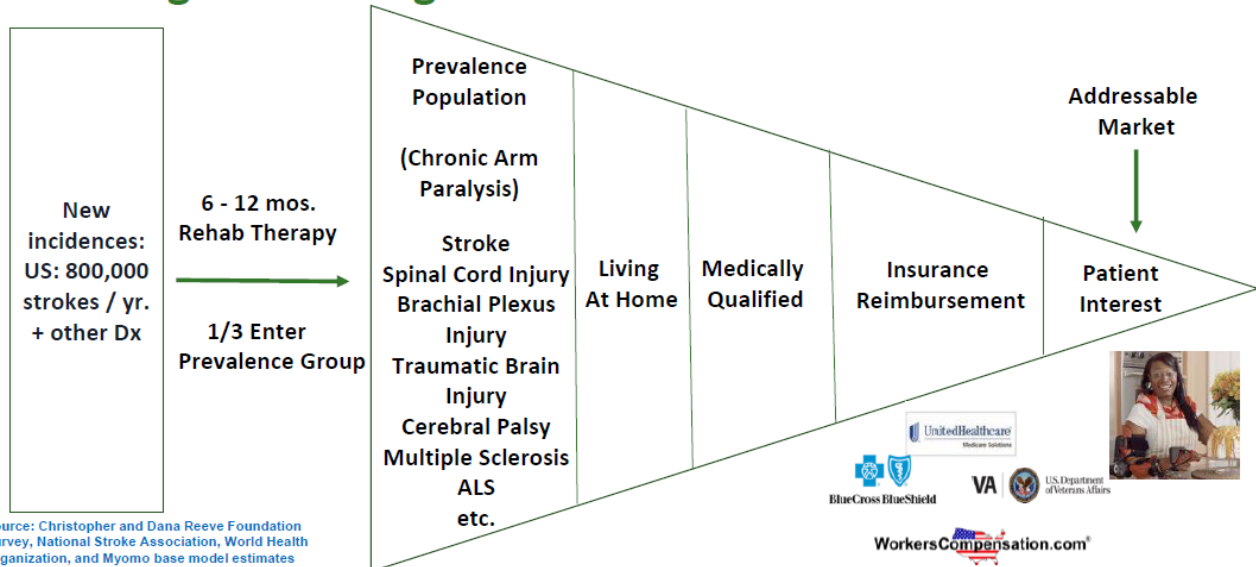
Source: Company reports.

**Exhibit 3: Myomo's MyoPro**

**Competitive Positioning**

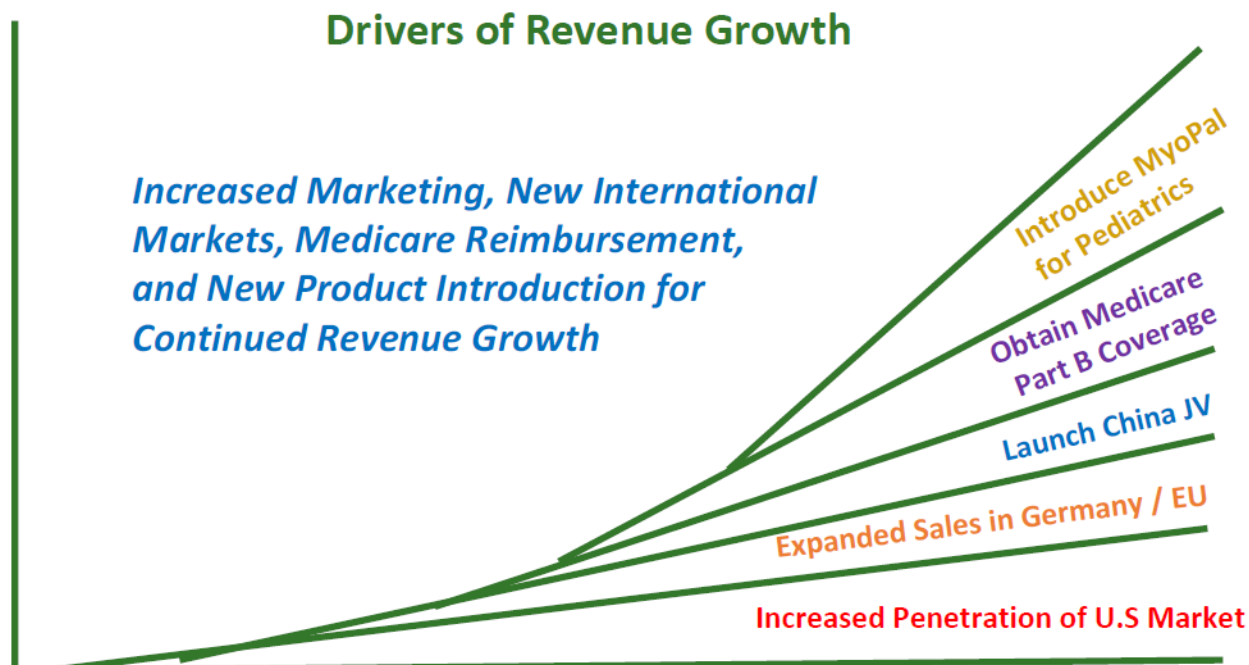


**Defining the US Target Market**



Source: Company reports.

Exhibit 4: Myomo's Long Term Strategy



## Strategic Goal: Reduce Cash Burn while Working on Medicare Part B

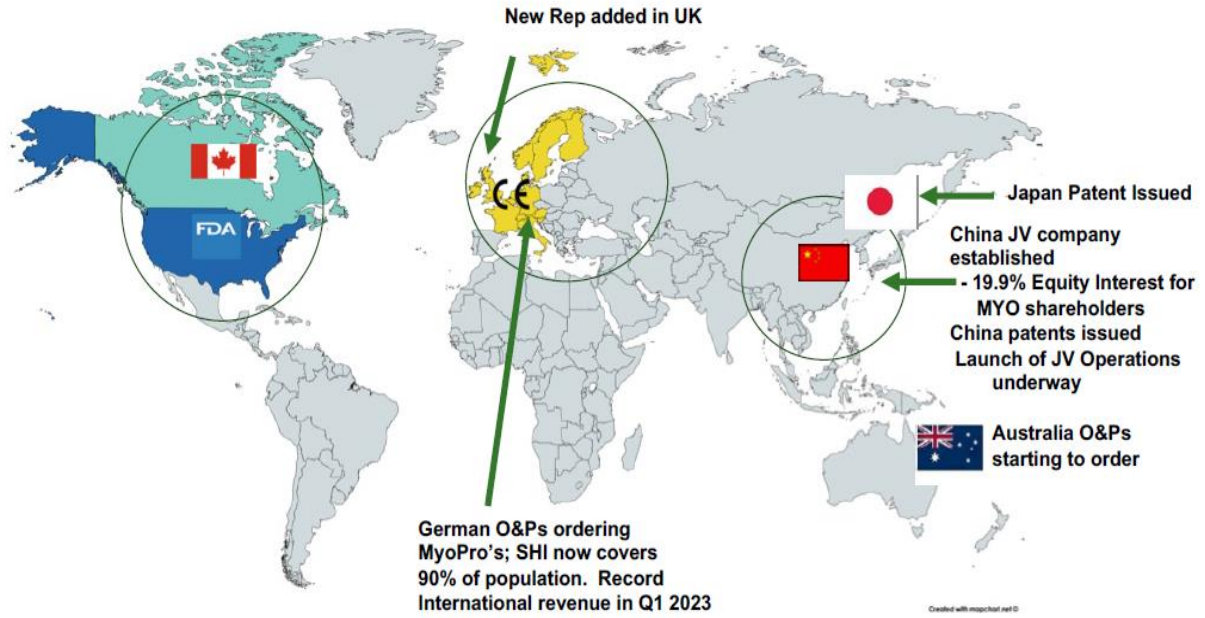
- Optimize Revenue Growth and Cash Utilization to Extend Cash Runway Well into 2024 with Proceeds from Offering.
- Work with CMS Staff and DME MAC Medical Directors to Obtain Coverage for Part B Medicare Beneficiaries.
- Reduce OpEx by Focusing Marketing, Reimbursement, and Clinical Activity on Patient Cases with Favorable Insurance Plans (Medicare Advantage, VA, Certain Commercial Plans).
- Grow Germany Revenues based on Favorable Statutory Health Insurance Rulings.
- Utilize Digital Technologies to Reduce Costs of Marketing, Manufacturing, and Delivery.

**Target to Reduce Annual Cash Burn in Half to \$5M in 2023**

Source: Company reports.

Exhibit 5: International Expansion

## International Update: Activity in Key Markets



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## European Expansion Underway and New China JV

### Europe

- Established Myomo footprint in Europe – Myomo Europe GmbH based in Germany
- Recruited O&P providers in Germany, Denmark, UK, Italy
- Obtaining initial reimbursements and booking orders
- Statutory Health Insurance to cover MyoPro in Germany on case-by-case basis; BARMER, Allianz and other payers (40% of population)

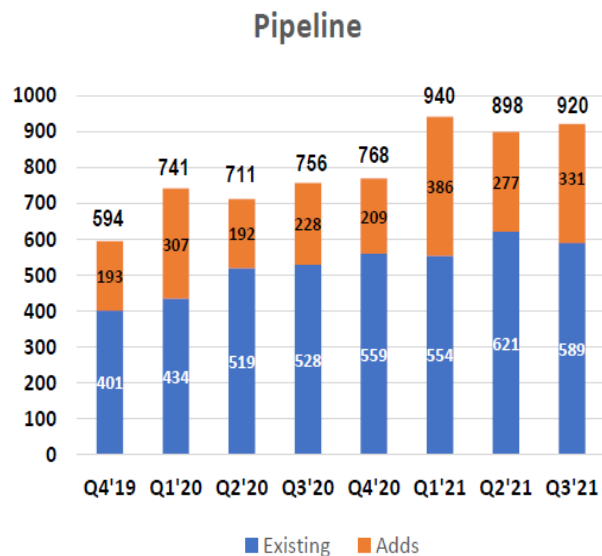
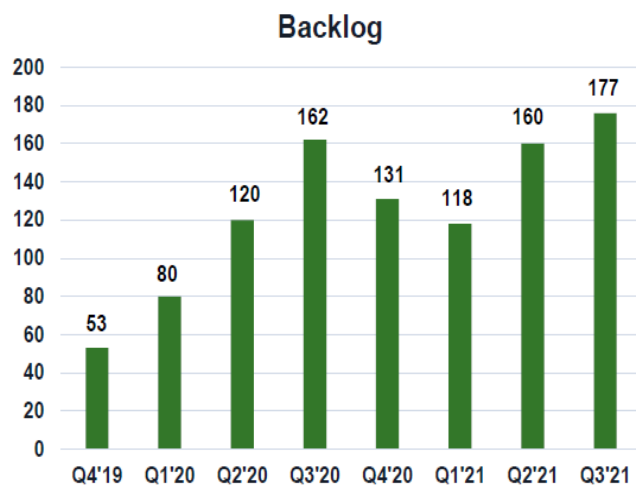
### China

- Announced Myomo China JV with Ryzur, medical device and rehab co.
- Chinese partners providing capital, local manufacturing and distribution
- Myomo to own 19.9% of JV
- JV to license Myomo technology for \$2.5M upfront + \$10M+ over 10 years
- Myomo to maintain IP on control system chips and software

Source: Company reports.

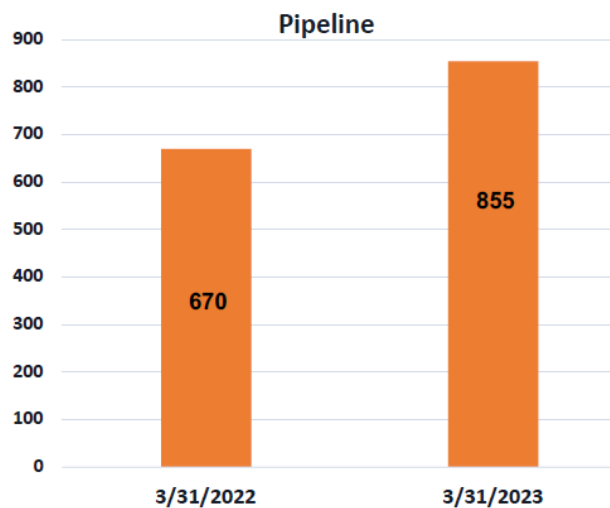
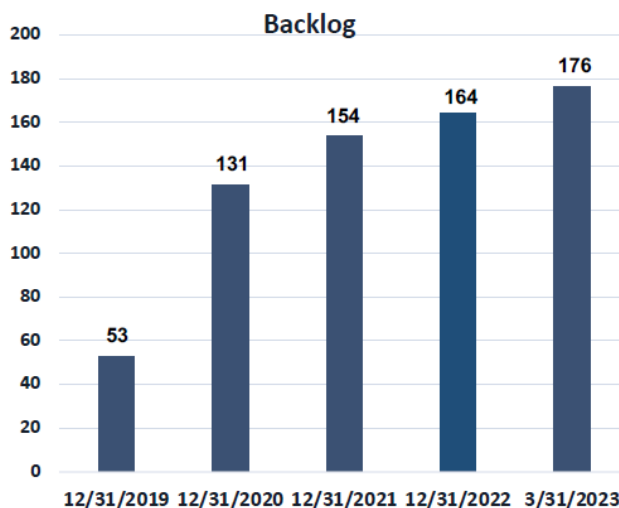
Exhibit 6: MyoPro Reimbursement Pipeline

**Backlog: Authorization to Revenue - Near-Term Indicator**  
**Pipeline: Successful Evaluation to Authorization – Longer-Term Indicator**



	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21
Authorizations	40	66	75	98	86	66	138	133
Revenue Units	43	30	24	51	97	65	80	102

**Backlog and Pipeline are Leading Indicators of Revenue**



➤ Patient pipeline in each period now only reflects patients with payers that have previously reimbursed for the MyoPro

Source: Company reports.

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Exhibit 7: Myomo Near Term Catalysts (as of 2022)



## Near Term Catalysts

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### Positioned for strong revenue growth in 2022:

- Increased pipeline and backlog from direct-to-patient marketing
- Additional payers covering the cost of MyoPro

### Upcoming Product Announcements:

- Enhancements to MyoPro Adult Version
- MyoPal Pediatric Device

**New research publications and studies undertaken**

**China JV company funding and initial license fees paid**

Source: Company reports.

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Exhibit 8: Myomo Q3 and 2023 Business Outlook (as of August 9, 2023)

### Business Outlook

"The backlog entering the third quarter is slightly higher than the backlog entering the second quarter, but given the order mix in the second quarter, the ASP in the backlog is slightly lower," added Mr. Gudonis. "As a result, we expect to achieve modest year-over-year revenue growth in the third quarter, while sequential revenue growth will depend on the number of new orders during the third quarter that can be delivered for revenue given the anticipated ASP. Meeting our target for full year product revenue growth of 20% to 30% will depend on the number of insurance authorizations we receive in the next few months."

Source: Company reports.

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### Exhibit 9: Myomo, Inc. Stock Price (5-Years)



Source: <https://bigcharts.marketwatch.com/>

### Exhibit 10: Consensus Expectations (as of August 9, 2023)

	Revenue (mil)			EPS	
	2023E	2024E		2023E	2024E
Q1 Mar	\$3.4A		Q1 Mar	\$(0.11)A	
Q2 Jun	\$5.6E		Q2 Jun	\$(0.03)E	
Q3 Sep	\$4.8E		Q3 Sep	\$(0.07)E	
Q4 Dec			Q4 Dec		
<b>Total</b>	<b>\$19.1E</b>	<b>\$23.3E</b>	<b>Total</b>	<b>\$(0.27)E</b>	<b>\$(0.18)E</b>

\*Quarterly estimates may not add to annual estimates due to variations in contributing estimates and rounding.

Source: Company report, Refinitiv, and Ascendant Capital Markets estimates



## FINANCIAL MODEL

### Myomo, Inc.

Income Statement (\$ mils)	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
<b>Total Revenue</b>	2.3	3.1	4.4	4.0	13.9	3.9	3.7	4.0	4.0	15.6	3.4	6.0	4.1	5.3	18.8	4.0	5.2	4.7	6.2	20.0
Cost of Revenues	0.6	0.9	1.1	0.9	3.5	1.3	1.3	1.3	1.4	5.3	1.1	1.7	1.3	1.6	5.7	1.0	1.3	1.2	1.5	5.0
Gross Profit	1.7	2.2	3.3	3.1	10.3	2.6	2.4	2.6	2.6	10.3	2.3	4.3	2.8	3.7	13.2	3.0	3.9	3.5	4.6	15.0
Research and development	0.5	0.6	0.6	0.8	2.6	0.7	0.6	0.7	0.5	2.5	0.5	0.6	0.6	0.6	2.2	0.6	0.6	0.6	0.6	2.4
Sales, general and administrative	4.1	4.2	4.7	5.0	18.0	4.7	4.7	4.8	4.4	18.4	4.5	4.8	4.8	4.8	18.9	5.0	5.0	5.0	5.0	20.0
Restructuring and other					0.0					0.0					0.0					0.0
Total operating expenses	4.6	4.8	5.3	5.8	20.6	5.3	5.3	5.5	4.9	20.9	5.0	5.4	5.4	5.4	21.2	5.6	5.6	5.6	5.6	22.4
<b>Operating income (loss)</b>	<b>(2.9)</b>	<b>(2.6)</b>	<b>(2.0)</b>	<b>(2.7)</b>	<b>(10.3)</b>	<b>(2.7)</b>	<b>(2.9)</b>	<b>(2.8)</b>	<b>(2.2)</b>	<b>(10.7)</b>	<b>(2.7)</b>	<b>(1.1)</b>	<b>(2.6)</b>	<b>(1.7)</b>	<b>(8.0)</b>	<b>(2.6)</b>	<b>(1.7)</b>	<b>(2.1)</b>	<b>(1.0)</b>	<b>(7.4)</b>
Interest income (expense)	(0.0)	(0.0)	0.0	(0.0)	(0.0)	(0.0)	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0
Other income (expense)	(0.6)	(0.6)	(0.6)	(0.6)	(2.4)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Income before income taxes	(2.9)	(2.6)	(2.0)	(3.4)	(10.9)	(2.7)	(2.9)	(2.8)	(2.2)	(10.7)	(2.6)	(1.0)	(2.6)	(1.7)	(7.9)	(2.6)	(1.7)	(2.1)	(1.0)	(7.4)
Income taxes	0.0	0.0	0.0	0.0	0.1	0.1	(0.0)	0.0	(0.0)	0.1	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (loss)	(3.0)	(2.6)	(2.0)	(3.4)	(11.0)	(2.8)	(2.9)	(2.8)	(2.2)	(10.7)	(2.6)	(1.0)	(2.6)	(1.7)	(7.9)	(2.6)	(1.7)	(2.1)	(1.0)	(7.4)
Nonrecurring/noncash adjustments					0.0					0.0					0.0					0.0
<b>Net income (pro forma)</b>	<b>(3.0)</b>	<b>(2.6)</b>	<b>(2.0)</b>	<b>(3.4)</b>	<b>(11.0)</b>	<b>(2.8)</b>	<b>(2.9)</b>	<b>(2.8)</b>	<b>(2.2)</b>	<b>(10.7)</b>	<b>(2.6)</b>	<b>(1.0)</b>	<b>(2.6)</b>	<b>(1.7)</b>	<b>(7.9)</b>	<b>(2.6)</b>	<b>(1.7)</b>	<b>(2.1)</b>	<b>(1.0)</b>	<b>(7.4)</b>
EBITDA	(2.7)	(2.2)	(1.7)	(2.4)	(9.0)	(2.4)	(2.5)	(2.5)	(1.9)	(9.3)	(2.5)	(0.8)	(2.2)	(1.3)	(6.8)	(2.3)	(1.4)	(1.8)	(0.6)	(6.1)
Shares, Basic	5.2	5.6	5.7	6.5	5.8	6.9	6.9	7.1	7.3	7.1	24.2	28.0	28.1	28.2	27.1	28.3	28.4	28.5	28.6	28.4
Shares, Diluted	5.2	5.6	5.7	6.5	5.8	6.9	6.9	7.1	7.3	7.1	24.2	28.0	28.1	28.2	27.1	28.3	28.4	28.5	28.6	28.4
EPS Basic (Pro forma)	(\$0.57)	(\$0.46)	(\$0.36)	(\$0.52)	(\$1.89)	(\$0.41)	(\$0.42)	(\$0.40)	(\$0.29)	(\$1.52)	(\$0.11)	(\$0.04)	(\$0.09)	(\$0.06)	(\$0.29)	(\$0.09)	(\$0.06)	(\$0.07)	(\$0.03)	(\$0.26)
EPS Diluted (Pro forma)	(\$0.57)	(\$0.46)	(\$0.36)	(\$0.52)	(\$1.89)	(\$0.41)	(\$0.42)	(\$0.40)	(\$0.29)	(\$1.52)	(\$0.11)	(\$0.04)	(\$0.09)	(\$0.06)	(\$0.29)	(\$0.09)	(\$0.06)	(\$0.07)	(\$0.03)	(\$0.26)
<b>Margins</b>																				
Gross margin	73%	71%	75%	77%	74%	67%	66%	66%	65%	66%	67%	72%	69%	70%	70%	75%	75%	75%	75%	75%
Research and development	23%	19%	15%	20%	18%	17%	17%	17%	12%	16%	14%	9%	15%	11%	12%	15%	12%	13%	10%	12%
Sales, general and administrative	176%	135%	106%	125%	130%	120%	127%	120%	108%	119%	131%	81%	117%	90%	100%	126%	96%	107%	81%	100%
Operating margin	-126%	-84%	-46%	-67%	-74%	-71%	-78%	-71%	-55%	-69%	-77%	-19%	-63%	-31%	-43%	-66%	-33%	-45%	-16%	-37%
Tax rate, GAAP	-1%	-1%	-1%	-1%	-1%	-3%	0%	-1%	1%	-1%	-2%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net margin	-127%	-84%	-47%	-84%	-79%	-73%	-79%	-71%	-54%	-69%	-77%	-17%	-63%	-31%	-42%	-66%	-33%	-45%	-16%	-37%
<b>YY % change</b>																				
Total Revenue	132%	262%	128%	6%	83%	66%	18%	-9%	0%	12%	-11%	62%	3%	32%	21%	15%	-13%	14%	16%	6%
Gross margin	148%	401%	206%	12%	107%	50%	9%	-19%	-16%	-1%	-10%	78%	7%	42%	28%	29%	-9%	24%	24%	14%
Research and development	4%	51%	86%	88%	53%	25%	5%	8%	-37%	-3%	-28%	-11%	-13%	20%	-10%	26%	6%	0%	0%	7%
Sales, general and administrative	14%	45%	43%	24%	30%	13%	11%	2%	-14%	2%	-3%	3%	1%	10%	3%	11%	4%	4%	4%	6%
Operating income (loss)	-14%	-9%	-20%	60%	-2%	-7%	11%	39%	-18%	4%	-2%	-62%	-9%	-25%	-25%	-2%	55%	-19%	-42%	-8%
Net income (loss)	-34%	-20%	-26%	99%	-10%	-5%	11%	38%	-36%	-3%	-6%	-65%	-9%	-23%	-26%	-1%	69%	-19%	-42%	-6%
EPS Diluted (Pro forma)	-77%	-59%	-49%	41%	-49%	-28%	-10%	11%	-43%	-19%	-73%	-91%	-77%	-80%	-81%	-15%	66%	-20%	-43%	-11%

Source: Company reports and Ascendant Capital Markets estimates.

**Myomo, Inc.**

Balance Sheet (\$ mils)	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
<b>Fiscal Year End: December 31</b>																
<b>Assets</b>																
Cash and cash equivalents	17.4	13.8	12.6	15.5	12.9	10.2	7.4	5.3	9.3	6.0	3.9	2.7	0.2	(1.0)	(3.1)	(3.6)
Short term investments										3.0	3.0	3.0	3.0	3.0	3.0	3.0
Accounts receivable, net	0.8	1.1	2.2	2.0	1.7	1.4	1.6	1.9	1.5	1.6	2.3	3.0	2.2	2.9	2.6	3.4
Inventory	0.8	0.7	0.6	0.8	1.0	1.3	1.5	1.4	1.6	1.3	1.3	1.6	1.0	1.3	1.2	1.5
Deferred income taxes											0.0	0.0	0.0	0.0	0.0	0.0
Prepaid expenses and other	1.0	1.0	1.0	0.9	0.9	0.5	0.6	0.6	0.5	0.7	3.7	4.8	3.6	4.7	4.2	5.6
<b>Total current assets</b>	<b>19.9</b>	<b>16.6</b>	<b>16.5</b>	<b>19.2</b>	<b>16.6</b>	<b>13.3</b>	<b>11.1</b>	<b>9.2</b>	<b>12.9</b>	<b>12.6</b>	<b>14.1</b>	<b>15.1</b>	<b>9.9</b>	<b>10.8</b>	<b>7.8</b>	<b>9.9</b>
Property and equipment, net	0.2	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.4	0.5
Intangibles, net											0.0	0.0	0.0	0.0	0.0	0.0
Deferred offering costs											0.0	0.0	0.0	0.0	0.0	0.0
Deferred income tax											0.0	0.0	0.0	0.0	0.0	0.0
Investment in JV					0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other	0.8	0.8	0.7	0.6	0.9	0.8	0.7	0.6	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4
<b>Total assets</b>	<b>20.9</b>	<b>17.7</b>	<b>17.5</b>	<b>20.1</b>	<b>18.0</b>	<b>14.6</b>	<b>12.2</b>	<b>10.2</b>	<b>13.7</b>	<b>13.3</b>	<b>14.8</b>	<b>15.8</b>	<b>10.6</b>	<b>11.5</b>	<b>8.8</b>	<b>10.9</b>
<b>Liabilities and stockholders' equity</b>																
Accounts payable	3.9	2.9	3.4	3.9	4.2	3.4	3.6	3.2	3.5	4.0	7.2	9.3	6.9	9.1	8.2	10.8
Accrued expenses											0.6	0.8	0.6	0.8	0.7	0.9
Derivative liabilities											0.0	0.0	0.0	0.0	0.0	0.0
Deferred revenue				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income tax								0.0	0.2	0.2	0.2	0.2	0.0	0.0	0.0	0.0
Other	0.2	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Short term debt											0.0	0.0	0.0	0.0	0.0	0.0
<b>Total current liabilities</b>	<b>4.1</b>	<b>3.2</b>	<b>3.7</b>	<b>4.3</b>	<b>4.7</b>	<b>3.9</b>	<b>4.1</b>	<b>3.6</b>	<b>3.9</b>	<b>4.3</b>	<b>8.1</b>	<b>10.5</b>	<b>7.7</b>	<b>10.0</b>	<b>9.1</b>	<b>11.9</b>
Deferred income taxes											0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities											0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.8	0.7	0.6	0.4	0.5	0.3	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Long term debt											0.0	0.0	0.0	0.0	0.0	0.0
<b>Total other liabilities</b>	<b>0.8</b>	<b>0.7</b>	<b>0.6</b>	<b>0.4</b>	<b>0.5</b>	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
Preferred stock											0.0	0.0	0.0	0.0	0.0	0.0
Common stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.6	0.8	1.1	1.4	1.7
Additional paid-in capital	86.7	87.1	88.5	93.5	93.8	94.1	94.5	95.1	101.0	101.2	101.2	101.2	101.2	101.2	101.2	101.2
Retained earnings	(70.7)	(73.3)	(75.3)	(78.1)	(80.9)	(83.8)	(86.6)	(88.8)	(91.4)	(92.4)	(95.0)	(96.7)	(99.3)	(101.0)	(103.1)	(104.1)
Accumulated other comprehensive in	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	(0.0)	(0.0)	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
<b>Total stockholders' equity</b>	<b>16.1</b>	<b>13.8</b>	<b>13.1</b>	<b>15.4</b>	<b>12.9</b>	<b>10.3</b>	<b>7.8</b>	<b>6.4</b>	<b>9.6</b>	<b>8.8</b>	<b>6.5</b>	<b>5.1</b>	<b>2.8</b>	<b>1.4</b>	<b>(0.4)</b>	<b>(1.1)</b>
<b>Total stockholders' equity and liabil</b>	<b>20.9</b>	<b>17.7</b>	<b>17.5</b>	<b>20.1</b>	<b>18.0</b>	<b>14.6</b>	<b>12.2</b>	<b>10.2</b>	<b>13.7</b>	<b>13.3</b>	<b>14.8</b>	<b>15.8</b>	<b>10.6</b>	<b>11.5</b>	<b>8.8</b>	<b>10.9</b>

**Balance Sheet Drivers**

	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	43%	32%	23%	22%	24%	12%	14%	14%	16%	12%	90%	90%	90%	90%	90%	90%
Accounts payable as % of total rev	167%	93%	78%	98%	110%	94%	92%	79%	101%	67%	175%	175%	175%	175%	175%	175%
Inventories as % of cost of rev	127%	81%	58%	89%	80%	100%	111%	99%	137%	80%	100%	100%	100%	100%	100%	100%
Accrued expenses as % of total rev	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	15%	15%	15%	15%	15%	15%
<b>Activity Ratios</b>																
A/R Days Sales Outstanding	29	33	45	44	39	33	36	42	40	25	50	50	50	50	50	50
Inventory Turnover	3.1x	4.9x	6.9x	4.5x	5.0x	4.0x	3.6x	4.0x	2.9x	5.0x	4.0x	4.0x	4.0x	4.0x	4.0x	4.0x
A/P Days Payable	562	289	277	391	296	245	247	202	275	213	508	525	630	630	630	630
<b>Book &amp; Cash Value (per share)</b>																
Book Value per Share (diluted)	\$3.09	\$2.45	\$2.31	\$2.35	\$1.87	\$1.49	\$1.11	\$0.87	\$0.40	\$0.32	\$0.23	\$0.18	\$0.10	\$0.05	-\$0.02	-\$0.04
Cash per Share (diluted)	\$3.35	\$2.44	\$2.22	\$2.37	\$1.88	\$1.48	\$1.05	\$0.73	\$0.38	\$0.32	\$0.24	\$0.20	\$0.11	\$0.07	-\$0.01	-\$0.02
Net cash per Share (diluted)	\$3.35	\$2.44	\$2.22	\$2.37	\$1.88	\$1.48	\$1.05	\$0.73	\$0.38	\$0.32	\$0.24	\$0.20	\$0.11	\$0.07	-\$0.01	-\$0.02

Source: Company reports and Ascendant Capital Markets estimates

**Myomo, Inc.**

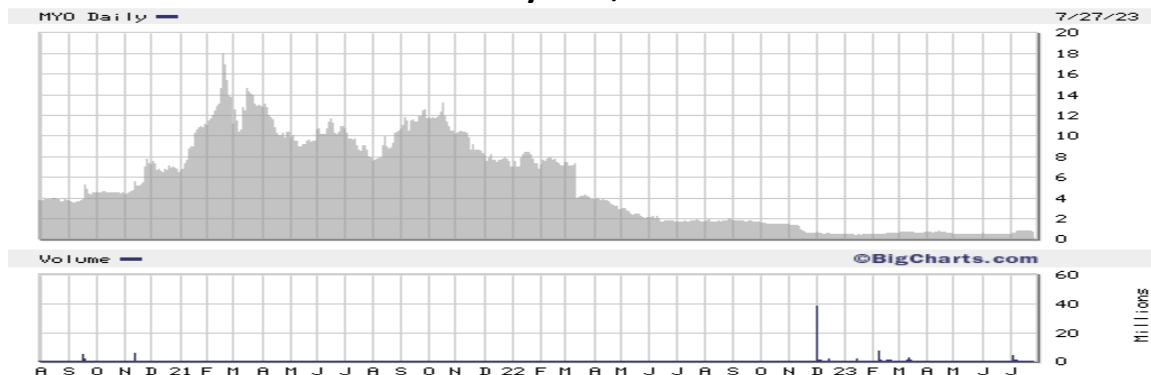
Cash Flow Statement (\$ mils)	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
<b>Cash flow from operating activities</b>																					
Net income	(3.0)	(2.6)	(2.1)	(2.7)	(10.4)	(2.8)	(2.9)	(2.8)	(2.2)	(10.7)	(2.6)	(1.0)	(2.6)	(1.7)	(7.9)	(2.6)	(1.7)	(2.1)	(1.0)	(7.4)	
Depreciation	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.2	0.0	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.2	
Amortization	0.0	0.0	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.3	0.1	0.1			0.2					0.0	
Debt related amortization expense					0.0					0.0					0.0					0.0	
Stock comp	0.2	0.4	0.3	0.3	1.1	0.3	0.3	0.3	0.3	1.2	0.2	0.3	0.3	0.3	1.0	0.3	0.3	0.3	0.3	1.1	
Bad debt expense					0.0	0.0				0.0	0.0				0.0					0.0	
Inventory reserve																					
Deferred income taxes					0.0					0.0				0.0	0.0	(0.2)	0.0	0.0	0.0	(0.2)	
Change in fair value of warrant liability					0.0					0.0					0.0					0.0	
Writedowns and impairments	(0.0)	0.0	(0.0)	(0.0)	(0.0)	(0.0)	0.1	(0.0)	0.0	0.1	0.0	0.0			0.0					0.0	
Other gains/losses	0.0				0.0			0.0	0.0	0.1	0.0	0.0			0.0					0.0	
Other					0.0					0.0	0.0	(0.1)			(0.0)					0.0	
<b>Changes in operating assets and liabilities:</b>																					
Accounts receivable	0.2	(0.4)	(1.1)	0.2	(1.0)	0.3	0.3	(0.2)	(0.3)	0.0	0.3	(0.1)	(0.6)	(0.7)	(1.1)	0.8	(0.7)	0.3	(0.8)	(0.5)	
Inventory	(0.1)	0.1	0.1	(0.2)	(0.1)	(0.2)	(0.3)	(0.3)	0.1	(0.6)	(0.2)	0.2	0.1	(0.3)	(0.2)	0.6	(0.3)	0.1	(0.4)	0.1	
Prepaid expenses & other curre	(0.4)	(0.0)	0.0	0.1	(0.3)	(0.1)	0.5	(0.1)	(0.0)	0.2	(0.1)	(0.2)	(3.0)	(1.1)	(4.3)	1.2	(1.1)	0.5	(1.3)	(0.8)	
Income tax					0.0					0.0	0.0	(0.0)			0.0					0.0	
Other assets					0.0	(0.0)	0.0	(0.0)	0.0	(0.0)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Accounts payable	1.0	(0.9)	0.6	0.5	1.1	0.3	(0.8)	0.2	(0.4)	(0.7)	0.4	0.5	3.2	2.2	6.2	(2.4)	2.1	(0.9)	2.6	1.5	
Accrued expenses		0.1	(0.1)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)			0.6	0.2	0.8	(0.2)	0.2	(0.1)	0.2	0.1	
Deferred revenue	(0.0)	0.0			(0.0)	0.0	0.0	(0.0)	(0.0)	0.0	(0.0)	(0.0)			(0.0)					0.0	
Other liabilities	0.0	(0.0)		(0.1)	(0.1)					0.0	(0.1)	(0.1)	0.0	0.0	(0.2)	0.0	0.0	0.0	0.0	0.0	
<b>Net cash (used in) provided by</b>	<b>(2.1)</b>	<b>(3.4)</b>	<b>(2.2)</b>	<b>(1.8)</b>	<b>(9.5)</b>	<b>(2.3)</b>	<b>(2.6)</b>	<b>(2.8)</b>	<b>(2.5)</b>	<b>(10.2)</b>	<b>(1.8)</b>	<b>(0.3)</b>	<b>(2.0)</b>	<b>(1.1)</b>	<b>(5.2)</b>	<b>(2.5)</b>	<b>(1.1)</b>	<b>(1.9)</b>	<b>(0.3)</b>	<b>(5.8)</b>	
<b>Cash flow from investing activities</b>																					
Purchases of property and equi	(0.0)	(0.2)	(0.1)	(0.0)	(0.3)	(0.0)	(0.1)	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	(0.1)	(0.0)	(0.2)	(0.1)	(0.0)	(0.2)	(0.1)	(0.5)	
Purchases of short-term investments					0.0					0.0			(2.9)		(2.9)					0.0	
Acquisitions					0.0	(0.2)				(0.2)					0.0					0.0	
Other					0.0					0.0					0.0					0.0	
<b>Net cash used in investing activ</b>	<b>(0.0)</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>(0.0)</b>	<b>(0.3)</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.3)</b>	<b>(0.0)</b>	<b>(3.0)</b>	<b>(0.1)</b>	<b>(0.0)</b>	<b>(3.2)</b>	<b>(0.1)</b>	<b>(0.0)</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>(0.5)</b>	
<b>Cash flow from financing activities</b>																					
Issuance of debt					0.0					0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Repayment of debt					0.0					0.0					0.0					0.0	
Issuance of stock				1.1	1.1				0.4	0.4	5.8	0.0	0.0	0.0	5.8	0.0	0.0	0.0	0.0	0.0	
Proceeds from stock option exe	7.3	0.0		4.8	12.1					0.0		(0.0)		(0.0)						0.0	
Other		0.0	(0.0)		0.0					0.0					0.0					0.0	
Dividends and distributions					0.0					0.0					0.0					0.0	
<b>Cash provided by (used in) fina</b>	<b>7.3</b>	<b>0.0</b>	<b>1.1</b>	<b>4.8</b>	<b>13.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.4</b>	<b>0.4</b>	<b>5.8</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>5.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	
Effect of exchange rate on cash	(0.0)		0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.0	(0.0)	0.0				0.0					0.0	
<b>Net increase (decrease) in cash</b>	<b>5.1</b>	<b>(3.6)</b>	<b>(1.2)</b>	<b>2.9</b>	<b>3.3</b>	<b>(2.6)</b>	<b>(2.7)</b>	<b>(2.8)</b>	<b>(2.1)</b>	<b>(10.2)</b>	<b>3.9</b>	<b>(3.3)</b>	<b>(2.1)</b>	<b>(1.2)</b>	<b>(2.6)</b>	<b>(2.6)</b>	<b>(1.2)</b>	<b>(2.1)</b>	<b>(0.5)</b>	<b>(6.3)</b>	
<b>Beginning cash and equivalents</b>	<b>12.2</b>	<b>17.4</b>	<b>13.8</b>	<b>12.6</b>	<b>12.2</b>	<b>15.5</b>	<b>12.9</b>	<b>10.2</b>	<b>7.4</b>	<b>15.5</b>	<b>5.3</b>	<b>9.3</b>	<b>6.0</b>	<b>3.9</b>	<b>5.3</b>	<b>2.7</b>	<b>0.2</b>	<b>(1.0)</b>	<b>(3.1)</b>	<b>2.7</b>	
<b>Ending cash and equivalents</b>	<b>17.4</b>	<b>13.8</b>	<b>12.6</b>	<b>15.5</b>	<b>15.5</b>	<b>12.9</b>	<b>10.2</b>	<b>7.4</b>	<b>5.3</b>	<b>5.3</b>	<b>9.3</b>	<b>6.0</b>	<b>3.9</b>	<b>2.7</b>	<b>2.7</b>	<b>0.2</b>	<b>(1.0)</b>	<b>(3.1)</b>	<b>(3.6)</b>	<b>(3.6)</b>	

Source: Company reports and Ascendant Capital Markets estimates

## ANALYST CERTIFICATION

Each analyst hereby certifies that the views expressed in this report reflect the analyst’s personal views about the subject securities or issuers. Each analyst also certifies that no part of the analyst’s compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report. The analyst who prepared this report is compensated based upon the overall profitability of Ascendant Capital Markets, LLC, which may, from time to time, include the provision of investment banking, financial advisory and consulting services. Compensation for research is based on effectiveness in generating new ideas for clients, performance of recommendations, accuracy of earnings estimates, and service to clients.

## Myomo, Inc.



Source: <https://bigcharts.marketwatch.com/>

Report	Report Date	Rating	Price Target
1	7/30/2019	Buy	60.00
2	8/12/2019	Buy	52.50
3	11/13/2019	Buy	45.00
4	3/23/2020	Buy	15.00
5	5/19/2020	Buy	12.00
6	8/11/2020	Buy	13.00
7	11/11/2020	Buy	14.00
8	3/11/2021	Buy	18.00
9	5/11/2021	Buy	19.00
10	8/15/2021	Buy	20.00
11	11/28/2021	Buy	19.00
12	3/21/2022	Buy	17.00
13	6/5/2022	Buy	14.00
14	8/7/2022	Buy	10.00
15	11/13/2022	Buy	9.00
16	3/30/2023	Buy	8.50
17	5/28/2023	Buy	8.00

- Ascendant Capital Markets, LLC has not received compensation for advisory or investment banking services from the company in the past 12 months.

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## Risks & Considerations

Risks to attainment of our share price target include balance sheet/liquidity risks, failure of product candidates to demonstrate safety and efficacy in clinical trials/studies, failure to gain/maintain regulatory approvals, ability to commercialize product, failure to obtain suitable reimbursement, competition, changing macroeconomic factors, investor sentiment for investing in biotech/medtech stocks, and changes in consumer or government priorities for healthcare.

## Ascendant Capital Markets, LLC Rating System

**BUY:** We expect the stock to provide a total return of 15% or more within a 12-month period.

**HOLD:** We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.

**SELL:** We expect the stock to have a negative total return of more than 15% within a 12-month period.

Total return is defined as price appreciation plus dividend yield.

## Ascendant Capital Markets, LLC Distribution of Investment Ratings (as of July 14, 2023)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	51	98%	16	31%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	52	100%	16	31%

### **Other Important Disclosures**

Our analysts use various valuation methodologies including discounted cash flow, price/earnings (P/E), enterprise value/EBITDAS, and P/E to growth rate, among others. Risks to our price targets include failure to achieve financial results, product risk, regulatory risk, general market conditions, and the risk of a change in economic conditions.

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