To My Fellow Shareholders:

It's a new world for stroke survivors and others with upper extremity impairment caused by neurological injuries or disease. As of April 1, 2024, the Centers for Medicare & Medicaid Services (CMS) published the fee schedule for the MyoPro® powered arm braces, and Medicare Part B (standard Medicare fee-for-service) patients are eligible for our devices for the first time.

Medicare Coverage and Payment Schedule Established

Following CMS' January 2019 classification of the MyoPro as durable medical equipment (DME) requiring reimbursement as a monthly rental, we engaged with CMS staff to correct this misclassification and are extremely pleased that the MyoPro was re-classified in the brace category as of January 1, 2024. The MyoPro is a custom-fabricated device for long-term use by patients to restore arm movement and enable functional activities of daily living (ADL). CMS staff agreed to expand their definition of braces to include powered arm braces such as the MyoPro, with coverage based on individual consideration of medical necessity. Reimbursement is now a lump-sum payment upon delivery, similar to other custom orthotics and prosthetics (O&P) products.

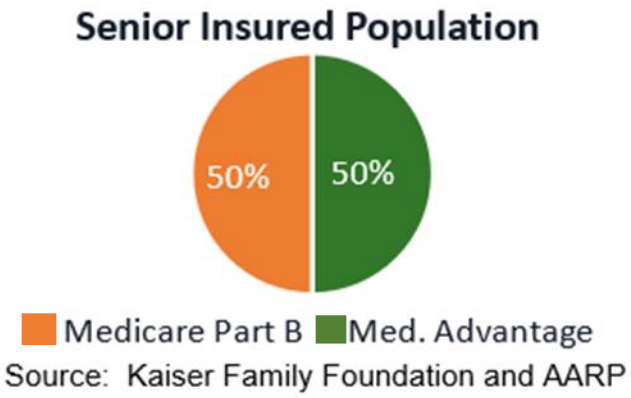
Senior members of Myomo's clinical team testified at the CMS public hearing in 2023 and met with the Medical Directors responsible for establishing coverage policies for new devices and treatments. Based on these meetings and recently published clinical research, and with the goal of health equity for Medicare Part B beneficiaries, in late 2023 CMS began approving payment of claims for medically qualified patients who met the inclusion/exclusion criteria for the MyoPro brace.

This progress was followed by CMS's determination of the appropriate fee to be paid for the MyoPro product family, and these prices are now in effect: For the MyoPro Motion G (which is an Elbow-Wrist-Hand Orthosis) under HCPCS (Healthcare Common Procedures Coding System) code L8702, the national fee is $65,872; and for the MyoPro Motion W (which is an Elbow-Wrist-Orthosis) under HCPCS code L8701, the national fee is $33,481. Medicare will pay 80% of the appropriate fee, and the remaining co-pay may be covered by secondary insurance, state Medicaid or the patient, depending on individual circumstances.

Medicare's Decisions on Coverage and Fees Will Increase Access to the MyoPro

Until now, the MyoPro has been reimbursed on a case-by-case basis by health insurance plans, such as certain Medicare Advantage payers, commercial payers like Blue Cross Blue Shield and the Veterans Administration (VA). However, other payers unreasonably denied coverage for patients enrolled in their plans, requiring the patient to go through a lengthy appeal process even though they meet the medical criteria for a MyoPro.

As a result, our ability to serve the large unmet need of arm and hand paralysis in the United States was constrained by these reimbursement policies. Every month we are contacted by patients, family members, physicians and therapists who are seeking ways to regain use of a paralyzed limb. Until now, we had to turn away many of these MyoPro candidates, including Medicare Part B patients. Now we can serve them.

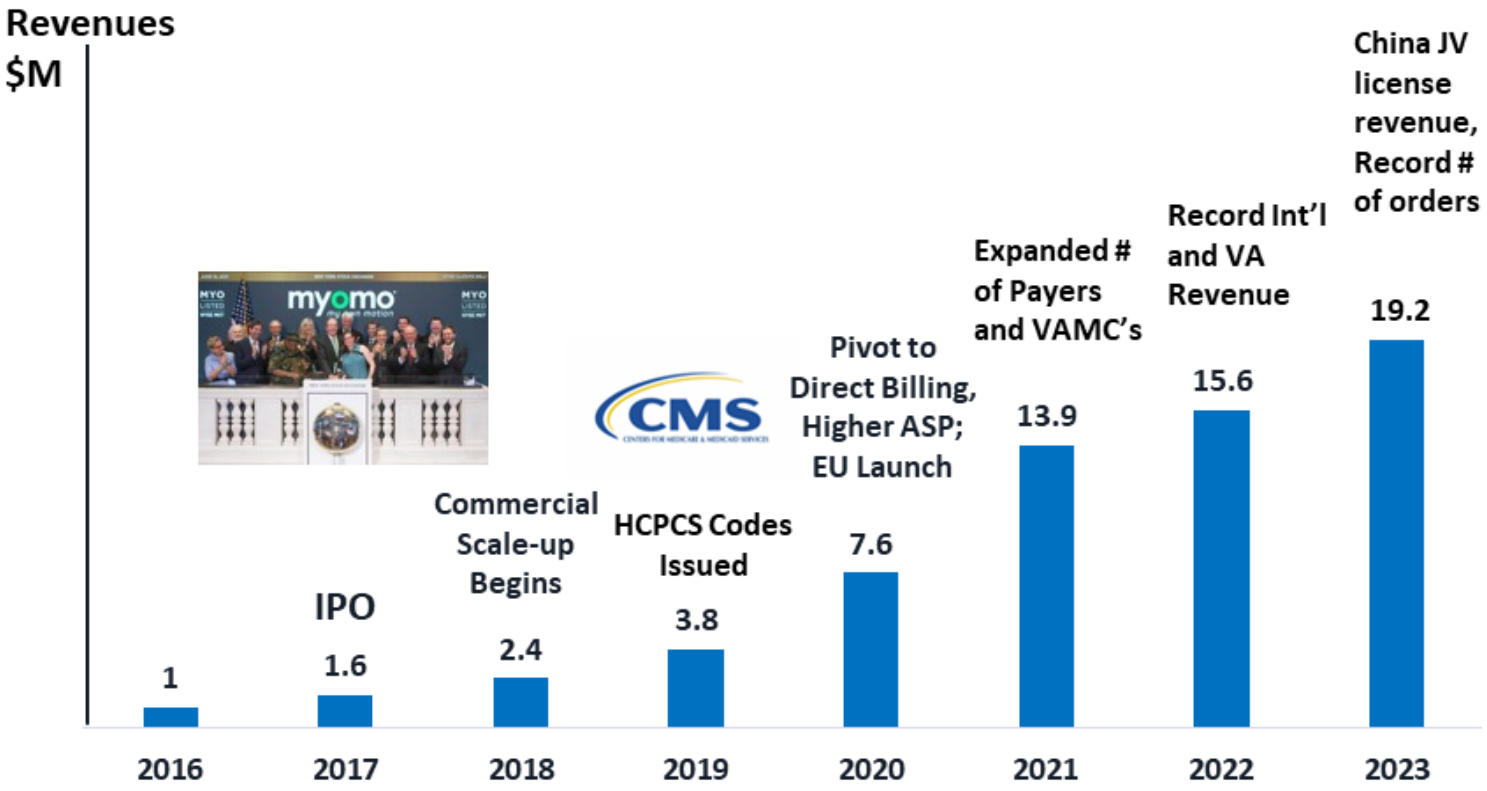


When prescribed by the patient's physician along with the necessary medical documentation, we can now perform a clinical evaluation on these Medicare patients to determine if they qualify for a MyoPro. We then can provide a custom fabricated MyoPro to the patient and bill Medicare. Since half of seniors in the U.S. are covered by standard, Part B Medicare – with the other half enrolled in a Medicare Advantage Plan – our addressable market has approximately doubled.

Under the Social Security Act, Medicare Advantage plans are required to cover what Medicare covers, and the Evidence of Coverage that every Medicare Advantage Plan issues states the same. Thus, we are optimistic about securing coverage from these Medicare Advantage Operators (MAOs) in the future. In addition, some commercial plans often follow Medicare's coverage policies, so we may see expanded reimbursement for younger patients that may be covered under these plans. With all of these payers, we will continue to seek individual consideration based on the medical necessity and documentation while working toward favorable medical coverage policies.

Obtaining Medicare Coverage was Only One of the Strategic Goals we Accomplished in 2023

We continued to post growth in volume and revenue, recording our 11th consecutive year of revenue growth in 2023.



At the beginning of last year, we set a number of objectives while in parallel working with CMS to advance the Medicare process:

- ***Focus on payers with a history of reimbursement for the MyoPro:***

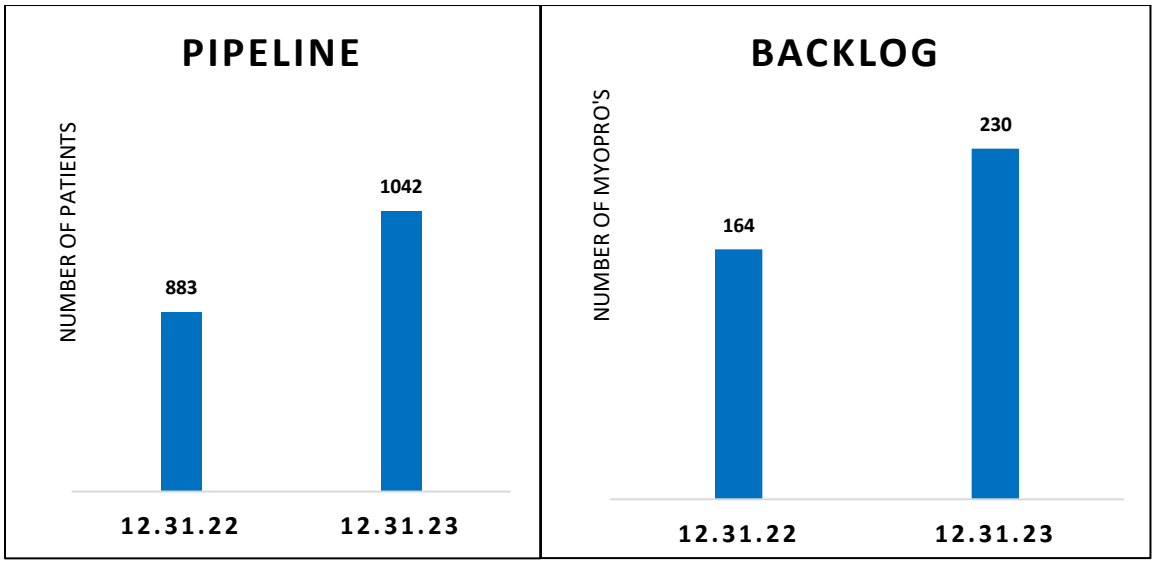
  We obtained a record number of insurance authorizations and orders in 2023 (a total of more than 600) despite a 12% reduction in our staffing levels at the beginning of the year.

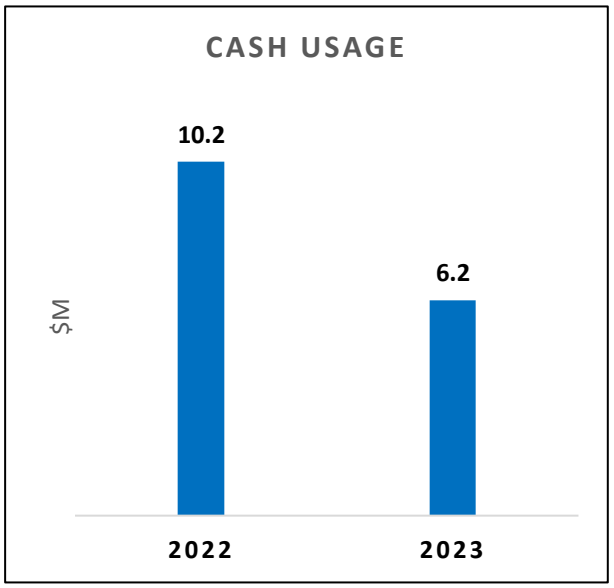
- ***Reduce our customer acquisition cost through efficiencies in marketing and claims processing:***

  We reduced our advertising spending by 23% last year, and achieved record growth in the patient pipeline, which represents the number of medically-qualified patients

covered by proven payers who wish to obtain a MyoPro. As a result, our cost per pipeline addition declined by 16%.

In 2023 medically qualified patients in the pipeline increased 18% year-over-year, and the backlog of MyoPros pending revenue grew 40% YOY.





-Reduce our cash utilization in operations:

By growing revenues and managing operating expenses, we reduced our cash used in operations to $6.2 million in 2023, down 40% from 2022.

- ***Continue to grow our international business:***

International revenues grew to a record $3.3 million as we recruited additional O&P clinics to our distribution network in Germany and won an increasing number of statutory health insurance cases for reimbursement of the MyoPro. Our joint venture in China, named Jiangxi Myomo, established operations upon payment of the second installment of the technology license fee, and is now in the process of conducting a clinical study to begin sales and

production of the MyoPro home product and the MARK (Mobile Arm Rehab Kit) clinical system.

German Social Media Posts to educate patients and clinicians

A Commitment to Improving Patients' Lives with a MyoPro

After a patient receives their own MyoPro, our MyoCare support team is deployed to support these individuals who may be learning to move their arm again for the first time in five, 10, 20 years (or even longer). We have expanded our training programs for therapists at rehab hospitals and clinics who work with new MyoPro users to ensure they get the maximum benefit from their new powered arm brace.

Our MyoCare coaches and regional clinical specialists follow up with patients and their therapists to promote good outcomes with the MyoPro orthosis, and our research team provides an ADL kit for at-home practice of everyday tasks such as preparing food, doing laundry, carrying objects, etc. We also enroll patients into our patient registry so that we can measure their outcomes over time. Clinical studies conducted on these subjects were published in peer-reviewed journals during the last year (see below), which greatly aided the process of obtaining coverage from Medicare and other payers.

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Archives of Rehabilitation Research and Clinical Translation 2023;5:100279

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Original Research

Myoelectric Arm Orthosis Assists Functional Activities: A 3-Month Home Use Outcome Report

Check for updates

Sarah R. Chang, PhD [a], Nicole Hofland, MS, OTR/L [b], Zhengyi Chen, PhD [c], Curtis Tatsuoka, PhD [d], Lorie G. Richards, PhD, OTR/L [e], Margaretta Bruestle, MS [b], Harry Kovelman, MD [b], Jonathan Naft, CPO [f]

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KEYWORDS
Activities of daily living;
Orthosis;
Rehabilitation;
Stroke;
Upper extremity

Abstract *Objective*: The objective was to compare task performance in individuals with upper limb impairments with and without a myoelectric arm orthosis.
Design: Three-month observational study. Participants met at 4 time points after receiving their myoelectric orthosis (2-Weeks, Month-1, Month-2, Month-3) to complete 4 standardized common daily tasks.
Setting: Nationwide sessions completed remotely over videoconference calls at home. There were no specific clinic affiliations.
Participants: Adults with upper limb impairment due to stroke who were in the process of being fit with a myoelectric arm orthosis as a first-time user.
Interventions: The orthosis was a custom-fabricated myoelectric arm orthosis called the MyoPro®.
Main Outcome Measures: Functional tasks were completed at each session with and without the MyoPro. Participants were evaluated on their success and the time required to complete each

List of abbreviations: CI, confidence interval; I/ADL, activity of daily living and instrumental activity of daily living; w/MyoPro, with the MyoPro; w/o-MyoPro, without the MyoPro; w/wo, with and without; w/wo-TTimeDiff, w/wo MyoPro total time difference.

This study was funded by Myomo, Inc.
Clinical Trial Registration Number: NCT04900896.
Device Status: The device is FDA approved for the indicated usage in the United States.
Disclosures: S.R.C. and J.N.'s employers received compensation for the coordination and execution of this research. L.G.R. is a member of the Myomo Advisory Board. Z.C. and C.T. received compensation for performing the statistical analyses and preparation of this manuscript. N.H., M.B., and H.K. were employees of Myomo, Inc.
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Original Research Report

OPEN

Improved Disabilities of the Arm, Shoulder and Hand scores after myoelectric arm orthosis use at home in chronic stroke: A retrospective study

Sarah R. Chang[1], Nicole Hofland[2], Zhengyi Chen[3], Harry Kovelman[2], George F. Wittenberg[4] and Jonathan Naft[5]

Abstract
Background: Most stroke survivors have persistent upper limb impairments after completing standard clinical care. The resulting impairments can adversely affect their quality of life and ability to complete self-care tasks and remain employed, leading to increased healthcare and societal costs. A myoelectric arm orthosis can be used effectively to support the affected weak arm and increase an individual's use of that arm.
Objective: The study objective was to retrospectively evaluate the outcomes and clinical benefits provided by the MyoPro® orthosis in individuals 65 years and older with upper limb impairment secondary to a stroke.
Methods: The Disabilities of the Arm, Shoulder and Hand (DASH) questionnaire was administered to individuals who have chronic stroke both before and after receiving their myoelectric orthosis. A Generalized Estimating Equation model was analyzed.
Results: After using the MyoPro, 19 individuals with chronic stroke had a mean improvement (decrease) in DASH score of 18.07, 95% CI = (−25.41, −10.72), adjusted for 8 covariates. This large change in DASH score was statistically significant and clinically meaningful as participants self-reported an improvement with engagement in functional tasks.
Conclusions: Use of the MyoPro increases independence in functional tasks as reported by the validated DASH outcome measure for older participants with chronic stroke.

Keywords
myoelectric arm orthosis, chronic stroke, intervention, upper extremity, DASH, rehabilitation, therapy

Date received: 7 July 2023; accepted 25 January 2024.

Introduction

Stroke is the third leading cause of death and disability worldwide,[1] with most strokes occurring in people age 65 years and older.[2] Upper extremity impairment occurs in approximately 80% of patients after stroke.[3] The amount of meaningful functional arm recovery not only typically occurs in the first 6 months after stroke onset but can also occur slowly for many years. Individuals with continuous impairment after 6 months to 1 year from onset are considered to have chronic stroke disease, have less aggressive therapies, and can have long-term impairment.[3,4] Currently, only 5% of adults affected with arm impairment regain full arm function after stroke and 20% regain no functional use.[5] Functional recovery of the upper extremity is critical for individuals poststroke because upper extremity dysfunction influences the amount of assistance one requires for their activities of daily living (ADLs)/instrumental activities of daily living (IADLs), affects their quality of life,[6] and can create an increased fall risk because it affects their ability to use a walking aid. An important focus of therapy and neurorehabilitation intervention in this population is to improve upper limb function and to increase independence with self-care tasks and IADLs.[6,7] Return of motor function of the upper extremity in chronic stroke survivors has shown to be possible outside of the acute window of stroke onset, especially when interventions use high-intensity repetitions, task-oriented training, and constraint-induced use of the affected arm because these interventions may re-establish or reinforce weakened neuromuscular pathways.[1,8-10] However, outpatient therapies are limited by insurance coverage in duration and frequency, such that the number of therapy sessions tends to be reduced after the first month and usually end when a person seems to stop making progress, which could be as soon as 6 months to 1 year.[11-13] Individuals who have had chronic stroke for longer durations have a lower probability that their healthcare provider will deem therapy medically necessary and therefore will not be able to receive coverage to pay for therapy.

Because of the limitations with current interventions (e.g., static bracing, electrical stimulation, clinic-based therapies, etc.), there is a need for stroke survivors to use their affected arm independently outside of therapy in their homes.[14] The MyoPro® (Myomo®, Inc., Boston, MA), a custom-fabricated myoelectric-powered orthosis, functionally supports the weak arm and provides users with the

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Associate Editor: Christopher Wong

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For more than a decade, the VA has recognized the value of the MyoPro for veterans in their care, and I'm proud to report that nearly 100 VA Medical Centers have provided MyoPro's to their patients. In addition, several research studies have been conducted at the Louis Stokes Cleveland VA Medical Center on the use of the MyoPro in the clinic and home environment.

Our Plans for 2024 and Beyond

We expect to accelerate growth in 2024 and beyond since we are now able to serve the large Medicare Part B population who need a MyoPro, and those Medicare Advantage patients whose insurers are now required to cover the MyoPro. We will be reaching out to these candidates and the physicians and therapists who treat them to educate them about our devices and the benefits that can be achieved.

With this clarity on reimbursement, we are also looking forward to working with the many O&P clinics across the country that are interested in becoming a MyoPro Center of Excellence so that they too can provide the MyoPro to their patients.

To meet this anticipated demand in the U.S. and international markets, we are expanding (i) our capacity at the "front end" of the process in our Customer Experience call center; (ii) the number of field clinicians who evaluate, deliver and support MyoPro patients; (iii) the clinical staff who engage with physicians and therapists on medical documentation; and (iv) the manufacturing operations so that we can ramp up monthly production volumes this year and in the foreseeable future.

We have established Myomo as the market leader in this new product category of upper extremity orthotics, with more than 2,500 devices reimbursed and provided to patients to date. To build upon our leadership position, we are investing in additional R&D staff to support our products and to develop the next generation of the MyoPro product line. We've outlined an exciting product roadmap for the future, incorporating new technological developments in robotics, software, materials and artificial intelligence. We have included in our plans the completion of the pediatric version of our product line, the MyoPal, the development of which we had to place on hold during the COVID-19 pandemic.

Commitment to Strong Corporate Governance

Since Myomo went public in 2017, I have sought to have an outstanding Board of Directors that brings deep experience across a spectrum of disciplines required for the success of a medical technology company, including expertise in reimbursement, knowledge of the O&P industry, success in product development and growing medical device companies, and a keen understanding of the investment community and financial markets. In the past year, we named Yitzchak Jacobovitz of the investment firm AIGH to our board, and we recently added Heather Getz, an experienced medtech and public company CFO, as a director and chair of our Audit Committee.

We also formed a new Technology-Quality-Regulatory Committee of the Board to work with management and advise on developments in these crucial areas for continued success.

I'll wrap up by thanking the shareholders who continued to support Myomo throughout our journey to achieve these important milestones, and those new investors who participated in our capital raises over the past year so that we can invest in growing our business, I also want to thank our staff, who each day demonstrate devotion to our patients and our commitment to grow Myomo into a much larger, profitable leader in conquering upper-limb paralysis and improving the lives of a greater number of patients in selected markets worldwide.

Paul R. Gudonis
Chairman and CEO
April 2024