

Vivos Therapeutics, Inc.

Q2 FY24 revenue up 19% yoy. New sleep medicine marketing strategy very promising. Raising price target to \$6.60 (from \$6.40). Reiterate BUY

United States
Healthcare

August 20, 2024

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COMPANY UPDATE

Rating: BUY

Ticker: VVOS

Price: \$2.33

Target: \$6.60
From \$6.40

Q2 revenues beat on better pricing: On August 14, VVOS reported Q2 (ending June) FY24 results. Revenue was \$4.1 million, up 19% yoy and qoq. This compares to our estimate of \$3.6 million and consensus estimate of \$3.8 million. Reduced discounting was a key driver of higher-than-expected revenues, as new FDA clearances have allowed the company to charge fuller prices. Pro forma EPS was \$(0.60), versus ours and consensus estimate of \$(1.05).

Operating expenses down 22% yoy: Operating expenses in Q2 FY24 were \$4.6 million (down 31% yoy), versus our estimate of \$5.4 million. The yoy decline in operating expenses reflects the company's ongoing focus on cost control, with headcount reduced from a high of 180 to 100, and cost ROI discipline introduced across the company.

Raising estimates: We are raising our FY24 EPS estimates to \$(3.13) from \$(4.14) on higher revenue expectations and lower cost run-rates. We are raising our FY24 revenue estimate to \$16.3 million from \$14.9 million. We are raising our FY25 estimate to \$(2.47), from \$(3.02) previously, on revenues of \$19.2 million, versus \$17.6 million previously. Consensus estimates are \$(3.95) and \$(2.29) on revenues of \$16.1 million and \$19.1 million for FY24 and FY25, respectively.

New medical sleep specialist marketing strategy taking shape: Last quarter, the company announced a new partnership initiative involving 'large medical groups, hospitals, and sleep testing centers'. The idea is to gain direct access to OSA patients who are likely to be interested in a CPAP alternative via affiliation with physicians, as opposed to the company's traditional channel: partnering with dentists who then recommend Vivos products and share revenues with the company. The first such partnership, with a large sleep center in Colorado, is already yielding positive results, and the company hopes that it will mark the beginning of a new growth phase for Vivos. Talks are underway to expand this model to 6 other centers.

Marketing pilot reveals 80% conversion rate for Vivos appliances versus CPAP: In June Vivos announced positive results from a 7-month, multi-site marketing pilot testing the core assumptions behind Vivos' new medical sleep specialist distribution model. 79% of newly diagnosed adult OSA patients chose Vivos' oral appliance therapy over either CPAP machines or choosing to do nothing. This suggests that when made aware of the non-invasive Vivos option, most patients will choose Vivos. The company estimates that for every 100 new patients introduced by sleep specialists, Vivos can realize \$8 million in annual revenues. For perspective, the US has 2,500 accredited sleep testing centers, with 100,000 new OSA patients diagnosed each month.

Private Equity investment extends cash runway: Following a \$7.5 million investment by Seneca Partners in June, Vivos had \$6.9 million in cash exiting Q2. Given the company's affirmed target of reaching cashflow breakeven by Q1 of FY25, the risk of further dilutive financing is falling.

Revenue bottoming provides stock catalyst: We are maintaining our BUY rating and raising our 12-month price target to \$6.60 from \$6.40, based on an NPV analysis. This represents 180% upside from the current share price. Despite hurdles the company has faced, we believe the company's multi-billion-dollar market potential and favorable product positioning present high rewards for the risks. Revenues appear to be re-accelerating, providing a near-term stock catalyst.

Company Description

Based in Littleton, Colorado, Vivos is a medical technology company focused on innovative solutions for obstructive sleep apnea (OSA) and snoring.

Stock Data

Exchange:	NasdaqCM
52-week Range:	\$1.91-48.79
Shares Outstanding (million):	3.2
Market cap (\$million):	\$7.5
EV (\$million):	\$0.6
Debt (\$million):	\$0
Cash (\$million):	\$6.9
Avg. Daily Trading Vol. (\$million):	\$0.125
Float (million shares):	2.5
Short Interest (million shares):	0.06
Dividend, annual (yield):	NA

Revenues (US\$ million)

	2024E (Cur.)	2024E (Old.)	2025E (Cur.)	2025E (Old.)
Q1 Mar	3.4A	3.5E	4.0E	
Q2 Jun	4.1A	3.6E	4.8E	4.2E
Q3 Sep	4.3E	3.8E	5.1E	4.5E
Q4 Dec	4.5E	4.1E	5.3E	4.8E
Total	16.3E	14.9E	19.2E	17.6E
EV/Rev	NM		NM	

Earnings per Share (pro forma)

	2024E (Cur.)	2024E (Old.)	2025E (Cur.)	2025E (Old.)
Q1 Mar	(1.63)A		(0.77)E	(0.85)E
Q2 Jun	(0.60)A	(1.05)E	(0.62)E	(0.78)E
Q3 Sep	(0.70)E	(0.96)E	(0.58)E	(0.74)E
Q4 Dec	(0.67)E	(0.87)E	(0.51)E	(0.65)E
Total	\$(3.13)E	\$(4.14)E	\$(2.47)E	\$(3.02)E
PE	NM		NM	

* Reflects a 1:25 reverse stock split in October 2023

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 13.

Exhibit 1: Vivos Therapeutics Inc. Sleep Apnea Technology

VIVOS[®]

Vivos brings to market breakthrough technology in both diagnosis and treatment of dentofacial abnormalities and/ or mild to moderate OSA and snoring.



Vivos[®]

Source: Company Documents

Exhibit 2: The Vivos Method

THE VIVOS[®] METHOD

is our multidisciplinary treatment protocol that uses
nonsurgical | noninvasive | cost-effective
ORAL APPLIANCE TECHNOLOGY

prescribed by trained dentists and medical professionals
to treat dentofacial abnormalities and/or mild to moderate OSA and snoring.

Vivos[®]

Source: Company Documents

Exhibit 3: Sleep Apnea Comorbidities

VIVOS

Many chronic conditions can be traced to unhealthy sleep.

Chronic Headaches
Aggressive Behavior
Hyperactivity Disorder
Alzheimer's Disease
Chronic Depression
Chronic Anxiety
Attention Deficit Disorder
Dementia

Persistent Snoring
Gasping Episodes
Hypothyroidism
Bruxism
Crowded Teeth

Cardiovascular Disease
Heart Disease
Chronic Fatigue
Hypertension
Asthma

Obesity

Nocturnal Enuresis

Chronic Pain

Restless Leg Syndrome

Fibromyalgia

Knutson KL, Ryden AM, Mander VA, Van Cauter E. Role of sleep duration and quality in the risk and severity of type 2 diabetes mellitus. Arch Intern Med 2006;166:1768-1704.

Kassabji E, Ch DSI, Kishnaswamy G. Inflammatory aspects of sleep apnea and their cardiovascular consequences. South Med J 2006;99:58-67.

Taheri S. The link between short sleep duration and obesity: We should recommend more sleep to prevent obesity. Arch Dis Child 2006;91:881-884.

Zimmerman M, McGlinchey JB, Young D, Chelminski I. Diagnosing major depressive disorder I: A psychometric evaluation of the DSM-IV symptom criteria. J Nerv Ment Dis 2006;194:106-103.

Schwartz DJ, Kohler WC, Karasinos G. Symptoms of depression in individuals with obstructive sleep apnea may be amenable to treatment with continuous positive airway pressure. Chest 2005;128:1304-1306.

VIVOS

Source: Company Documents

Exhibit 4: Vivos Therapeutics, Inc. Dentist Customer Stats

Over 1,450 Dentists Trained

Dentists have hundreds of existing patients of all ages who are suffering from OSA

- Typical VIP Dentist has well over 400 existing patients who may suffer from (undiagnosed) OSA
- Represents a multi-million-dollar revenue opportunity for dental practices

\$9,000

Typical Case Fee to Patient

(\$3,000)

Estimated Total Cost to DDS

\$6,000

Estimated Total Margin DDS



VIVOS

Source: Company Documents

Exhibit 5: Vivos Therapeutics, Inc. Competitive Strengths



Our Competitive Strengths

- FDA registrations and clearances since 2009
- Only appliance of its kind eligible for Medicare reimbursement
- Significant barriers to entry
- Vivos Method Insurance reimbursement
- Body of published research and strong patient outcomes
- First mover advantage in Sleep Dentistry Space and Differentiated Products
- Established strategic alliances within the medical and dental community
- Intellectual property portfolio and research and development capabilities
- Extensive Training and Support Systems
- Compelling economics and value-added services to VIPs at all levels of the product and service delivery chain
- Marketplace acceptance – approximately 25,000 patients treated – over 1,450 Vivos-trained independent dentists

Vivos

Source: Company Documents

Exhibit 6: Vivos Therapeutics, Inc. Oral Appliances

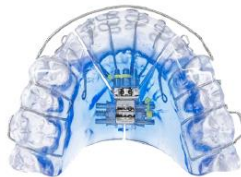
Vivos Appliance Systems

 Guide



The Vivos Guides are registered with the FDA as a Class I devices for orthodontic tooth positioning.

 DNA



The Vivos DNA appliance* is registered with the FDA as a Class I device for palatal expansion.

 mRNA



The Vivos mRNA appliance* has 510(k) clearance from the FDA as a Class II medical device for the treatment of snoring, mild to moderate OSA, and snoring.

 mmRNA



The Vivos mmRNA appliance* has a 510(k) clearance from the FDA as a Class II medical device for jaw repositioning and the treatment of snoring, mild to moderate OSA, and snoring.

Vivos

Source: Company Documents

Exhibit 7: 73-Year-Old Male Airway CBT Scan Before and After Vivos Treatment

73-Year-Old Male - 17 Months Treatment

Cone-beam Computed Tomography Scans (Before and After) of Patient Airway (without an appliance in the mouth)

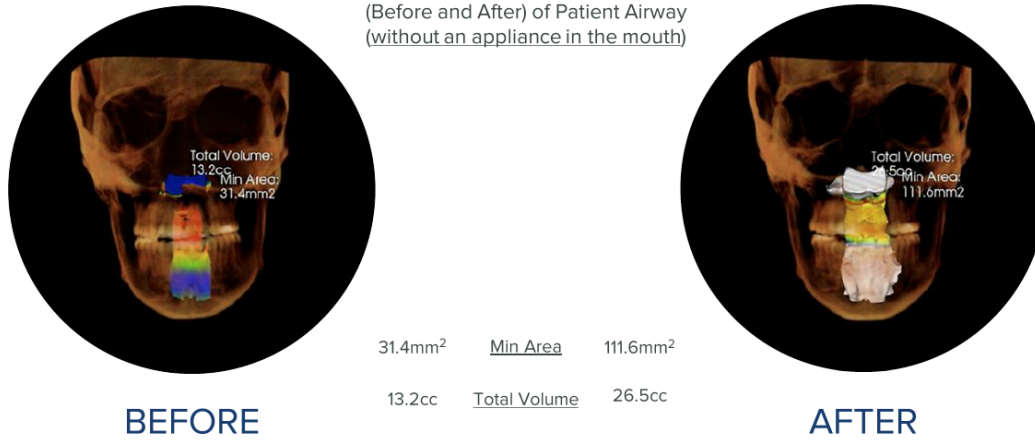


Source: Company Documents

Exhibit 8: 30-Year-Old Male Airway CBT Scan Before and After Vivos Treatment

30-Year-Old Male - 14 Months Treatment

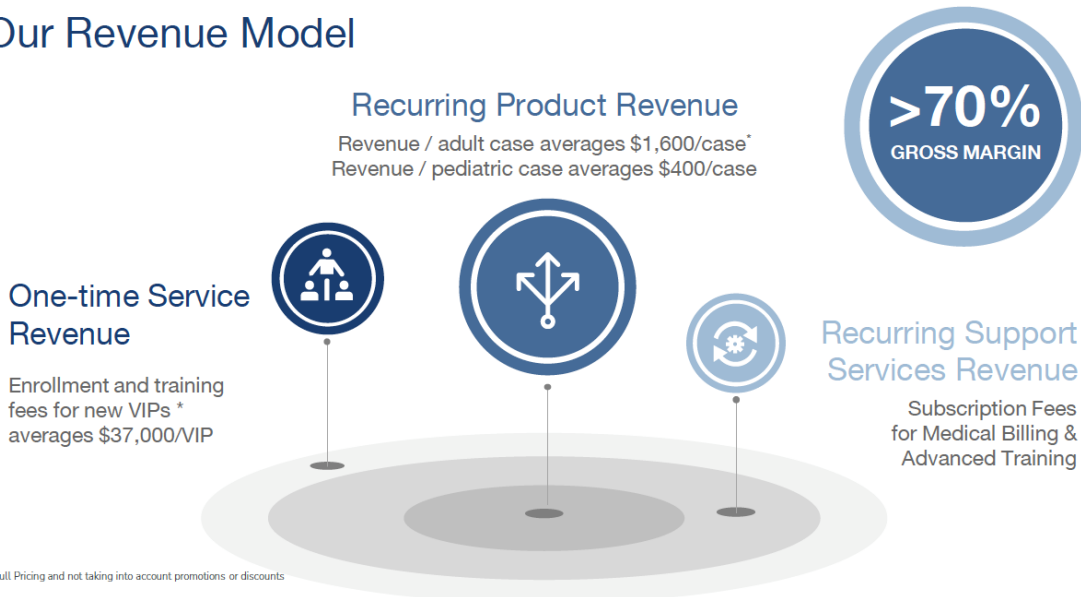
Cone-beam Computed Tomography Scans (Before and After) of Patient Airway (without an appliance in the mouth)



Source: Company Documents

Exhibit 9: Vivos Therapeutics, Inc. Revenue Model

Our Revenue Model



Source: Company Documents

Exhibit 10: The Vivos Ecosystem

The Vivos Ecosystem The VIP Program

- Our Secondary source of revenue is our clinical training and practice support programs.
- Our program to train dentists and offer them other value-added services is called the
- Vivos Integrated Practice (VIP) program.
- The VIP program provides dentists with a strong economic incentive to provide this treatment and prescribe the Vivos Method, together with practice support services.



Source: Company Documents

Exhibit 11: Illustrative Economics for Vivos Dentists



Illustrative Economics for a General Dentist

Number of Active Patients in Typical Dental Practice	Potential patients with OSA	Potential Additional Revenue for Dentist
1,250	375	\$3,375,000
1,500	450	\$4,050,000
1,750	525	\$4,725,000
2,000	600	\$5,400,000
2,250	675	\$6,075,000



Source: Company Documents

Exhibit 12: Sleep Apnea Competitive Landscape

Competitive Landscape

	Treatment Protocol	Target the Underlying Condition	Required Treatment Time to Resolve Symptoms	Overall Efficacy of Treatment	Pain Associated with Treatment	Potential Negative Side-Effects	Average Duration of Treatment/ Intervention	Duration of Benefits	Health Insurance Coverage	Health Insurance Coverage	Est. Average Treatment Cost
Non-Surgical Treatment Options (Non-Invasive)	Vivos [®]	★★★★★	Potentially Immediate	★★★★★	Minor or None	Minor	12-24 Months	★★★★★	Yes	YES In Most Case	\$9,000
	CPAP	★★★★☆	Potentially Immediate	★★★★★	Minor or None	Moderate	Lifetime	★★★★☆	Yes	Yes	\$10,000/ 10 years Plus Consumables
	Oral Appliance Therapy	★★★★☆	Potentially Immediate	★★★★☆	Minor or None	Moderate	Lifetime	★★★★☆	No	YES In Most Case	\$3,000 - \$8,000
Surgical Treatment Options (Invasive)	Inspire Medical [®]	★★★★☆	Potentially Immediate	★★★★☆	In Some Cases	Major	Lifetime	★★★★☆	No	YES In Most Case	\$30,000- \$40,000
	Uvulopalatopharyngoplasty (UPPP Surgery)	★★★★☆	Potentially Immediate	★★★★☆	During Recovery	Major	Surgery + Healing Time	★★★★☆	No	Yes	\$2,000 - \$10,000
	Maxillomandibular Advancement Surgery	★★★★★	Potentially Immediate	★★★★★	During Recovery	Major	Surgery + Healing Time	★★★★★	Yes	Yes	\$70,000



Source: Company Documents

Exhibit 13: Vivos Therapeutics, Inc. Insurance Reimbursement



Commercial Insurance Reimbursement



CODING
Cpt Code E0486
Other Cpt Codes
Based On Case



PAYMENT
Level Of
Reimbursement
Based On
Individual Policy



COVERAGE
Many Major Us
Commercial Medical
Payors and Medicare

Commercial Health Insurance

- Percentage of claims paid depends on several factors, including: Cost of treatment from individual provider; Patient's Medical Policy; Medical Payer's Guidelines
- Medical insurance is never a guarantee of payment, and patient deductibles may vary by policy



Source: Company Documents

Exhibit 14: Vivos Executive Leadership Team

Vivos Executive Leadership Team



R. Kirk Huntsman
Chairman, Chief Executive Officer



Brad Amman
Chief Financial Officer



Susie McCullough
Executive Vice President



Dr. Neil Kline
SVP of Medical Affairs



RaeAnn Byrnes
SVP of People Training & Development



Todd Huntsman
SVP of Product & Technology



George Gardiner
SVP of Sales



Nick DeGennaro
SVP of Medical Integration Division



Stephanie Huebner
SVP of DSO Operations



Ruth Hembree
SVP of Practice Services



Patrick Kircher
Sr. Business Analyst



Keith Batcheller
VP of Enrollments and Partner Relations



Julie Gannon
Chief of Staff and Strategy



Source: Company Documents

Exhibit 15: Vivos Therapeutics, Inc. Consensus Estimates

August 20, 2024

	Revenue (million)			EPS	
	2024E	2025E		2024E	2025E
Q1 Mar	3.4A	4.1E	Q1 Mar	(1.63A)	(0.92E)
Q2 Jun	3.8E	4.5E	Q2 Jun	(1.05E)	(0.82E)
Q3 Sep	4.3E	5.1E	Q3 Sep	(0.89E)	(0.71E)
Q4 Dec	4.5E	5.3E	Q4 Dec	(0.85E)	(0.63E)
Total	16.1E	19.1E	Total	(3.95E)	(2.29E)

Note: Quarterly estimates may not add up to annual estimates due to variance in analyst reporting practices

Source: CapitalIQ, Ascendant Capital Markets

Exhibit 16: Vivos Therapeutics, Inc. Stock Price (Since IPO)



* Reflects a 1:25 reverse stock split in October 2023

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

Financial Model

Vivos Therapeutics, Inc.

Income Statement (\$ mils)	2021	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025
Fiscal Year End: December 31	FY-A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
<i>Product revenue</i>	39%	52%	46%	46%	44%	46%	45%	49%	49%								
<i>Service revenue</i>	61%	48%	54%	54%	56%	54%	55%	118%	148%								
Product revenue	6.5	8.4	1.8	1.5	1.5	1.5	6.3	1.7	2.0								
Service revenue	10.4	7.6	2.1	1.8	1.8	1.8	7.5	1.7	2.1								
Total revenue	16.9	16.0	3.9	3.4	3.3	3.2	13.8	3.4	4.1	4.3	4.5	16.3	4.0	4.8	5.1	5.3	19.2
Total cost of goods sold	4.3	6.0	1.5	1.3	1.4	1.3	5.5	1.5	1.4	1.5	1.6	6.0	1.4	1.7	1.8	1.9	6.7
Gross profit (loss)	12.6	10.0	2.3	2.1	1.9	1.9	8.3	1.9	2.7	2.8	2.9	10.3	2.6	3.1	3.3	3.5	12.5
Operating expenses																	
General and administrative	25.8	29.0	6.5	5.9	4.6	5.5	22.5	4.9	4.1	4.3	4.3	17.6	4.4	4.3	4.3	4.2	17.2
Sales and marketing	5.6	5.3	0.6	0.6	0.6	0.6	2.5	0.7	0.3	0.6	0.6	2.2	0.6	0.7	0.7	0.7	2.7
Depreciation and amortization	0.7	0.7	0.2	0.1	0.2	0.1	0.6	0.1	0.1	0.1	0.1	0.6	0.1	0.1	0.1	0.1	0.6
Other (3, 4)	0.9																
Total operating expenses	33.0	35.1	7.3	6.6	5.4	6.2	25.6	5.7	4.6	5.1	5.1	20.4	5.1	5.1	5.2	5.1	20.5
Loss from operations	(20.4)	(25.0)	(5.0)	(4.5)	(3.5)	(4.3)	(17.3)	(3.8)	(1.9)	(2.3)	(2.2)	(10.1)	(2.5)	(2.0)	(1.9)	(1.6)	(8.0)
Other income (expense)																	
Excess warrant fair value			(6.5)			0.0	(6.5)					0.0					0.0
Change in fair value of warrant liability, net of issuance costs of \$645K			9.6	(0.9)	1.6	(0.1)	10.2					0.0					0.0
Interest income (expense)	0.1	0.0	0.0				0.0					0.0					0.0
Other income (expense) [5]	(0.0)	1.2	0.1	(0.1)	(0.2)	0.2	(0.1)	0.0	0.0	0.0	0.0	0.0	(2.5)	(2.0)	(1.9)	(1.6)	(8.0)
Income before taxes	(20.3)	(23.8)	(1.7)	(5.5)	(2.1)	(4.3)	(13.6)	(3.8)	(1.9)	(2.3)	(2.2)	(10.1)	(2.5)	(2.0)	(1.9)	(1.6)	(8.0)
Taxes	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	0.0
Net loss	(20.3)	(23.8)	(1.7)	(5.5)	(2.1)	(4.3)	(13.6)	(3.8)	(1.9)	(2.3)	(2.2)	(10.1)	(2.5)	(2.0)	(1.9)	(1.6)	(8.0)
Nonrecurring/noncash adjustments (1,2)	0.0																
Net income (pro forma)	(20.3)	(23.8)	(1.7)	(5.5)	(2.1)	(4.3)	(13.6)	(3.8)	(1.9)	(2.3)	(2.2)	(10.1)	(2.5)	(2.0)	(1.9)	(1.6)	(8.0)
EBITDA	(21.1)	(25.7)	(5.2)	(4.7)	(3.6)	(4.4)	(17.9)	(3.9)	(2.1)	(2.3)	(2.2)	(10.1)	(2.5)	(2.0)	(1.9)	(1.6)	(8.0)
Weighted average common shares outstanding (6)	0.8	0.9	1.0	1.2	1.2	1.5	1.2	2.3	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Shares, Diluted	0.8	0.9	1.0	1.2	1.2	1.5	1.2	2.3	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
EPS Basic (pro forma)	(23.89)	(25.90)	(1.72)	(4.62)	(1.75)	(2.85)	(11.14)	(1.63)	(0.60)	(0.70)	(0.67)	(3.13)	(0.77)	(0.62)	(0.58)	(0.51)	(2.47)
EPS Diluted (pro forma)	(23.89)	(25.90)	(1.72)	(4.62)	(1.75)	(2.85)	(11.14)	(1.63)	(0.60)	(0.70)	(0.67)	(3.13)	(0.77)	(0.62)	(0.58)	(0.51)	(2.47)
1 Preferred stock accretion (FY18-20)																	
2 Warrant beneficial conversion feature (Q4 '20)																	
3 Litigation settlement (Q4 '20 opex)																	
4 Impairment charge (Q4 '21 opex)																	
5 PPP loan forgiveness Q1 '22																	
6 Reverse stock-split on Oct 26, 2023, 1:25																	
Margins																	
Gross margin	75%	63%	61%	62%	57%	60%	60%	57%	65%	65%	65%	63%	65%	65%	65%	65%	65%
General and admin	153%	181%	169%	173%	139%	168%	163%	144%	102%	100%	96%	108%	109%	90%	85%	79%	90%
Sales and marketing	33%	33%	16%	17%	19%	19%	18%	19%	8%	14%	14%	14%	14%	14%	14%	14%	14%
Operating margin	-121%	-156%	-130%	-133%	-106%	-132%	-125%	-111%	-48%	-52%	-48%	-62%	-62%	-42%	-37%	-31%	-42%
Tax rate, GAAP	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Net margin	-120%	-149%	-44%	-163%	-63%	-131%	-98%	-110%	-48%	-52%	-48%	-62%	-62%	-42%	-37%	-31%	-42%
Y/Y % change																	
Revenue	29%	-5%	6%	-19%	-22%	-18%	-14%	-11%	19%	30%	39%	18%	18%	18%	18%	18%	18%
COGS	61%	40%	39%	-19%	-20%	-16%	-8%	-3%	8%	7%	20%	8%	-5%	19%	18%	18%	13%
Gross Profit	21%	-21%	-8%	-19%	-24%	-19%	-17%	-17%	26%	47%	51%	25%	35%	17%	18%	18%	21%
General and Admin	60%	2%	2%	-24%	-31%	2%	2%	-25%	-30%	-6%	2%	-22%	-11%	4%	0%	2%	-3%
Sales and marketing	140%	5%	5%	-65%	-42%	5%	5%	4%	-46%	-6%	5%	-11%	-14%	109%	18%	5%	22%
Total operating expenses	47%	6%	-20%	-31%	-32%	-26%	-27%	-22%	-31%	-6%	-18%	-20%	-11%	11%	2%	0%	0%
Operating Income	69%	23%	-25%	-35%	35%	29%	-31%	-24%	57%	35%	-50%	41%	-34%	4%	18%	-24%	-21%
Net income	13%	18%	-68%	-21%	-61%	-30%	-43%	121%	-65%	8%	-49%	-26%	-34%	4%	-18%	-24%	-21%
EPS	-32%	8%	-73%	1302%	583%	-57%	-57%	-5%	-87%	-60%	-77%	-72%	-53%	4%	-18%	-24%	-21%
D&A as a % of PPE and Good will	21%	12%	12%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%

Source: Company reports, Ascendant Capital Markets estimates

* Reflects a 1:25 reverse stock split in October 2023

Vivos Therapeutics, Inc.

Balance Sheet (\$ mils)	Dec-21	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Fiscal Year End: December 31	Q4A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Current assets														
Cash	24.0	3.5	7.0	3.9	1.0	1.6	2.6	6.9	4.7	2.7	0.3	(1.7)	(3.4)	(5.0)
Accounts receivable, net	1.2	0.5	0.3	0.3	0.2	0.2	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Current portion of note receivable - related part	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
Deferred offering costs		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
Tenant improvement allowance receivable	0.5	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
Prepaid expenses and other assets	1.6	1.4	1.3	1.1	0.8	0.6	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Total current assets	27.3	5.4	8.7	5.3	2.0	2.5	3.6	7.9	5.7	3.6	1.2	(0.7)	(2.5)	(4.0)
Goodwill	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Property and equipment, net	2.8	3.1	3.2	3.3	3.3	3.3	3.3	3.3	3.2	3.1	3.1	3.1	3.1	3.1
Operating lease right-of-use asset		1.7	1.6	1.5	1.5	1.4	1.3	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Intangible assets, net	0.3	0.3	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Note receivable, net - related party	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
Deposits	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Total assets	33.7	13.7	17.1	13.7	10.3	10.7	11.8	15.8	13.6	11.4	9.0	7.1	5.3	3.8
Liabilities and Stockholders' Equity														
Current liabilities														
Accounts payable	0.9	1.4	1.5	1.3	1.5	2.1	2.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Payable to related party for redemption of Serik	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
Warrant liability			1.3	2.2	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accrued expenses	2.9	1.9	1.9	1.9	1.9	2.3	2.5	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Current portion of contract liabilities	2.4	2.9	2.6	2.4	2.4	2.1	2.4	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Current portion of long-term debt	1.3	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
Current portion of deferred rent	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
Current portion of operating lease liability	0.1	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Other current liabilities	0.0	0.1	0.1	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Total current liabilities	7.5	6.8	8.0	8.4	7.2	7.3	8.1	6.6	6.6	6.6	6.6	6.6	6.6	6.6
Contract liabilities, net of current portion		0.1	0.3	0.3	0.2	0.3	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Employee retention credit liability				1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Operating lease liability, net of current portion		2.0	1.9	1.8	1.6	1.5	1.4	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Long-term debt	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
Deferred rent	0.3	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
Lease incentive liability, net of current portion	0.3	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
Total liabilities	8.2	8.9	10.1	11.6	10.3	10.3	11.2	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Commitments and Contingencies	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
Stockholders' Equity														
Preferred stock	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
Common stock	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
Additional paid-in capital	81.2	84.3	88.2	88.8	88.8	93.5	97.4	105.1	105.1	105.1	105.1	105.1	105.1	105.1
Accumulated deficit	(55.6)	(79.5)	(81.2)	(86.7)	(88.8)	(93.1)	(96.8)	(98.7)	(101.0)	(103.2)	(105.6)	(107.6)	(109.5)	(111.1)
Total stockholders' equity	25.5	4.8	7.0	2.1	0.0	0.4	0.6	6.3	4.1	1.9	(0.5)	(2.6)	(4.4)	(6.0)
Total liabilities and stockholders' equity	33.7	13.7	17.1	13.7	10.3	10.7	11.8	15.8	13.6	11.4	8.9	6.9	5.1	3.5

Balance Sheet Drivers

	Dec-21	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Book & Cash Value (per share)	Q4A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Book Value per Share (diluted)	30.07	5.22	7.06	1.76	0.04	0.34	0.25	1.97	1.27	0.60	(0.17)	(0.79)	(1.37)	(1.87)
Cash per Share (diluted)	30.15	5.40	8.47	4.19	1.47	1.85	1.34	2.31	1.64	1.00	0.25	(0.34)	(0.89)	(1.37)
Net cash per Share (diluted)	26.80	3.82	7.11	3.29	0.83	1.35	1.13	2.14	1.47	0.83	0.08	(0.51)	(1.06)	(1.54)

Source: Company reports, Ascendant Capital Markets estimates

Vivos Therapeutics, Inc.

Cash Flow Statement (\$ mils)	2021	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025
Fiscal Year End: December 31	FY-A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
<u>Cash flow from operating activities</u>																	
Net loss	(20.3)	(23.8)	(1.7)	(5.5)	(2.1)	(4.3)	(13.6)	(3.8)	(1.9)	(2.3)	(2.2)	(10.1)	(2.5)	(2.0)	(1.9)	(1.6)	(8.0)
Net loss from discontinuing operations		0.0															
Adjustments:																	
Stock-based compensation expense	2.7	2.4	0.3	0.5	0.2	0.2	1.1	0.3	0.3			0.6					0.0
Depreciation and amortization	0.7	0.7	0.18	0.1	0.15	0.1	0.6	0.15	0.1	0.15	0.1	0.6	0.14	0.1	0.14	0.1	0.6
Fair value of warrants issued for services	0.2	0.7	0.6	0.2	(0.2)	0.1	0.7	0.0	0.0			0.0					0.0
Fair value of common stock issued for services									0.0								
Change in fair value of warrant liability, net of issuance cost			(9.6)	0.9	(1.6)	0.1	(10.2)					0.0					0.0
Excess warrant fair value			6.5	0.0	0.0	0.0	6.5					0.0					0.0
Common stock issued for services and securities	0.0	0.0				0.1	0.1										
Accretion of discount on note receivable	(0.0)	0.0															
Impairment on note receivable	0.9	0.0															
Common stock issued in litigation settlement	0.0	0.0															
Forgiveness of indebtedness income	0.0	(1.3)															
Loss on sale of business	0.0	0.0															
WC changes																	
Accounts receivable	0.2	0.7	0.1	(0.0)	0.1	0.0	0.3	(0.3)	0.1	0.0	0.0	(0.2)	0.0	0.0	0.0	0.0	0.0
Operating lease liabilities, net									(0.1)								
Prepaid expenses and other	(0.9)	0.1	0.1	0.3	0.3	0.2	0.8	0.1	(0.1)	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Deposits	(0.0)	(0.0)	0.1	0.0	0.0	(0.0)	0.1	0.0	0.0			0.0					0.0
Accounts payable	0.1	0.5	0.1	(0.2)	0.2	0.6	0.7	0.4	(0.5)	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0
Accrued expenses	1.1	(0.9)	0.0	0.0	0.0	0.4	0.4	0.1	(0.3)	0.0	0.0	(0.2)	0.0	0.0	0.0	0.0	0.0
Employee retention credit liability				1.2	0.0	0.0	1.2										
Contract liability	(0.5)	0.6	(0.1)	(0.3)	(0.0)	(0.2)	(0.6)	0.5	(0.8)			(0.3)					0.0
Deferred rent and lease incentive liability	0.5	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	0.0			0.0					0.0
Tenant improvement allowance	(0.5)	0.5	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
Other liabilities		0.1	(0.0)	0.0	0.1	(0.1)	0.0	0.0	(0.0)			(0.0)					0.0
Net cash used in operating activities	(15.7)	(19.6)	(3.5)	(2.9)	(2.8)	(2.7)	(11.9)	(2.5)	(3.0)	(2.1)	(2.0)	(9.6)	(2.3)	(1.9)	(1.7)	(1.5)	(7.4)
<u>Investing Activities</u>																	
Purchase of property and equipment	(2.4)	(0.9)	(0.2)	(0.2)	(0.2)	(0.2)	(0.8)	(0.2)	(0.1)	(0.1)	(0.1)	(0.3)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)
Payment for asset purchase			(0.1)	0.0	0.0	0.0	(0.1)					0.0					0.0
Cash acquired from acquisition	(0.2)	0.0										0.0					0.0
Principal collections under note receivable	0.0	0.0										0.0					0.0
Net cash used in investing activities	(2.6)	(0.9)	(0.3)	(0.2)	(0.2)	(0.2)	(0.9)	(0.2)	(0.1)	(0.1)	(0.1)	(0.3)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)
<u>Financing Activities</u>																	
Proceeds from sale of common stock, net	27.9	0.0				0.0	0.0		7.5	0.0	0.0	7.5	0.0	0.0	0.0	0.0	0.0
Proceeds from placement of common stock and preferred			8.0	0.0	0.0	4.0	12.0	3.9	0.0			3.9					0.0
Series A Preferred Stock redemption pay	(1.5)	0.0					0.0					0.0					0.0
Payments for issuance costs	(2.2)	0.0	(0.6)	0.0	0.0	(0.4)	(1.1)	(0.3)	(0.1)			(0.4)					0.0
Principal payments on debt	(0.0)	0.0					0.0					0.0					0.0
Proceeds from issuance of preferred stock	0.0	0.0					0.0					0.0					0.0
Proceeds from issuance of debt	0.0	0.0					0.0					0.0					0.0
Net cash provided by financing activities	24.2	0.0	7.4	0.0	0.0	3.6	10.9	3.6	7.4	0.0	0.0	11.0	0.0	0.0	0.0	0.0	0.0
Net cash increase (decrease)	5.8	(20.5)	3.5	(3.1)	(3.0)	0.7	(1.9)	1.0	4.3	(2.2)	(2.1)	1.1	(2.4)	(1.9)	(1.8)	(1.6)	(7.6)
Cash balance at beginning of period	18.2	24.0	3.5	7.0	3.9	1.0	3.5	1.6	2.6	6.9	4.7	1.6	2.7	0.3	(1.6)	(3.4)	2.7
Cash balance at end of period	24.0	3.5	7.0	3.9	1.0	1.6	1.6	2.6	6.9	4.7	2.7	2.7	0.3	(1.6)	(3.4)	(4.9)	(4.9)

Source: Company reports, Ascendant Capital Markets estimates

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Vivos Therapeutics, Inc.



Report	Date	PT after split	Rating
1	17-Jan-23	\$62.50	BUY
2	6-Mar-23	\$68.75	BUY
3	4-Apr-23	\$70.00	BUY
4	13-Jun-23	\$72.50	BUY
5	30-Aug-23	\$72.50	BUY
6	14-Nov-23	\$6.00	BUY
7	5-Apr-24	\$6.20	BUY
8	21-May-24	\$6.40	BUY
9	20-Aug-24	\$6.40	BUY

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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.

Ratings Distribution and Investment Banking Disclosure (As of July 12, 2024)

	Investment Banking Services Past 12 Months			
	Count	Percent	Count	Percent
Buy	58	98%	21	36%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	59	100%	21	36%

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