

# Vivos Therapeutics, Inc.

*Q3 FY24 revenue up 17% yoy. FDA approvals and new CPT codes dovetail nicely with Vivos' new emphasis on partnering with sleep doctors. Maintain \$6.60 PT, Reiterate BUY*

## COMPANY UPDATE

### Rating: BUY

Ticker: VVOS

Price: \$2.84

Target: \$6.60

**Q3 revenues up 17% yoy during a transitional quarter:** On November 14, VVOS reported Q3 (ending September) FY24 results. Revenue was \$3.9 million, up 17% yoy and down slightly qoq. This compares to ours and consensus estimate of \$4.3 million. Reduced discounting continued to support revenues, as new FDA clearances have allowed the company to charge fuller prices. Pro forma EPS was \$(0.55), versus our estimate of \$(0.70) and consensus estimate of \$(0.89).

**Operating expenses down 8% yoy:** Operating expenses in Q2 FY24 were \$5 million (down 8% yoy), versus our estimate of \$5.1 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 \$(1.79) from \$(3.13) on lower costs and higher share count. We are trimming our FY24 revenue estimate to \$15.2 million from \$16.3 million. We are raising our FY25 estimate to \$(1.43), from \$(2.47) previously, on revenues of \$18.3 million, versus \$19.2 million previously. Consensus estimates are \$(3.13) and \$(2.47) on revenues of \$16.3 million and \$19.2 million for FY24 and FY25, respectively.

**FDA approves use of Vivos CARE appliances to treat moderate to severe OSA in children:** On September 18, Vivos announced receipt of FDA 510(k) clearance to treat moderate to severe sleep apnea in children, a first in the industry. The clearance complements approval granted in November 2023 for use of Vivos' flagship CARE appliances to treat severe OSA in adults. Both are welcome validations of Vivos' non-surgical approach to curing OSA.

**AMA issues new CPT medical billing codes for Vivos CARE devices effective January 1, 2025.** The new CPT codes will facilitate billing by commercial payers for Vivos CARE appliances used to treat OSA in adults and children. Combined with FDA 510(k) approvals of Vivos devices for treating mild to severe, the issuance of CPT billing codes for Vivos CARE devices positions the company perfectly to drive revenues by allying with medical sleep specialists, who are more focused than dentists on treating OSA.

**Pilot marketing strategy expanding to 2 additional sleep centers in Colorado:** Vivos is in the process of transitioning its go-to-market strategy from selling through dentists, DMEs, and DSOs to direct alliances with sleep medicine specialists. Through sleep centers, the company will gain direct access to OSA patients who are likely to be interested in a CPAP alternative following a medical diagnosis of OSA. Following positive results at a pilot location, the company expects to expand to 2 additional locations over the next 3 months, while continuing to sell through its traditional channels.

**Financing extends runway:** Following on the heels of a \$7.5 million investment by Seneca Partners in June, Vivos raised \$4 million through an equity offering in September, bringing its cash resources to approximately \$10 million, or a year of runway. With additional pickup in revenues, the company has a good chance of reaching breakeven in FY2025.

**Revenue bottoming provides stock catalyst:** We are maintaining our BUY rating and 12-month price target of \$6.60 based on an NPV analysis. This represents 130% 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 have bottomed, 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):	4.8
Market cap (\$million):	\$13.5
EV (\$million):	\$7.2
Debt (\$million):	\$0
Cash (\$million):	\$6.3
Avg. Daily Trading Vol. (\$million):	\$3.9
Float (million shares):	3.1
Short Interest (million shares):	0.1
Dividend, annual (yield):	NA

### Revenues (US\$ million)

	2024E (Cur.)	2024E (Old.)	2025E (Cur.)	2025E (Old.)
Q1 Mar	3.4A	3.4A	4.1E	4.0E
Q2 Jun	4.1A	4.1A	4.9E	4.8E
Q3 Sep	3.9A	4.3E	4.6E	E
Q4 Dec	3.9E	4.5E	4.7E	5.3E
Total	15.2E	16.3E	18.3E	19.2E
EV/Rev	NM		NM	

### Earnings per Share (pro forma)

	2024E (Cur.)	2024E (Old.)	2025E (Cur.)	2025E (Old.)
Q1 Mar	(1.63)A	(1.63)A	(0.41)E	(0.77)E
Q2 Jun	(0.60)A	(0.60)A	(0.35)E	(0.62)E
Q3 Sep	(0.55)A	(0.70)E	(0.34)E	(0.58)E
Q4 Dec	(0.43)E	(0.67)E	(0.34)E	(0.51)E
Total	\$(1.79)E	\$(3.13)E	\$(1.43)E	\$(2.47)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.

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Exhibit 1: Vivos Therapeutics Inc. Sleep Apnea Technology

# VIVOS<sup>®</sup>

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



Vivos<sup>®</sup>

Source: Company Documents

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Exhibit 2: The Vivos Method

# THE VIVOS<sup>®</sup> 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<sup>®</sup>

Source: Company Documents

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**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**

**Fibromyalgia**

**Restless Leg Syndrome**

**VIVOS**

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, Chl DS, 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.

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

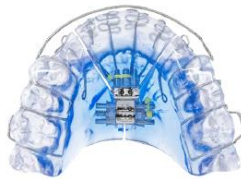
### Vivos Appliance Systems

 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)

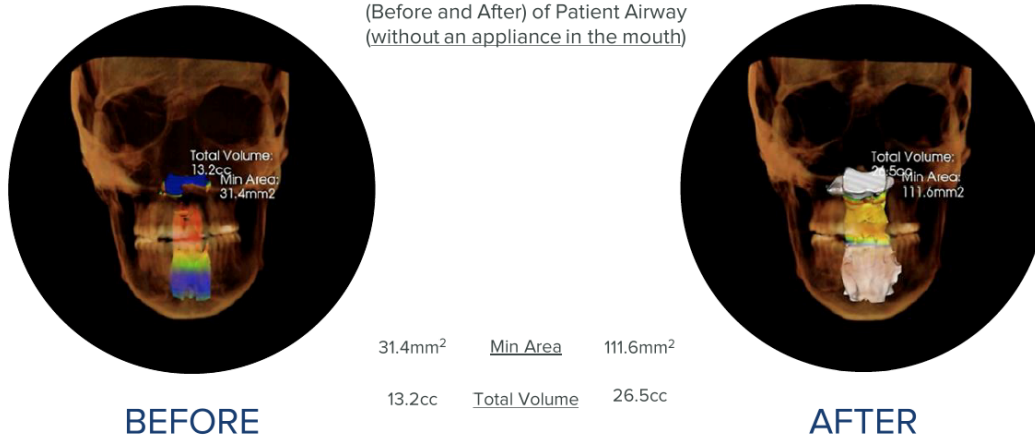


Source: Company Documents

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

30-Year-Old Male - 14 Months Treatment

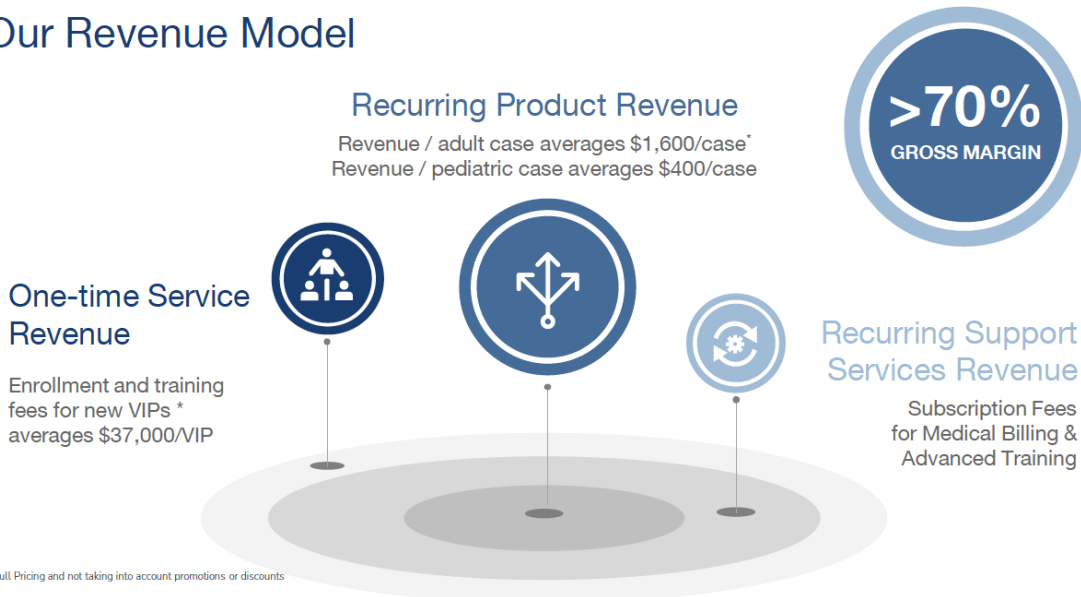
Cone-beam Computed Tomography Scans (Before and After) of Patient Airway (without an appliance in the mouth)



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	Targeting 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 <sup>®</sup>	★★★★★	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 <sup>®</sup>	★★★★☆	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**

November 18, 2024

	Revenue (million)			EPS	
	2024E	2025E		2024E	2025E
Q1 Mar	3.4A	4.0E	Q1 Mar	(1.63A)	(0.77E)
Q2 Jun	4.0A	4.8E	Q2 Jun	(0.60A)	(0.62E)
Q3 Sep	3.9A	5.1E	Q3 Sep	(0.40A)	(0.58E)
Q4 Dec	4.6E	5.3E	Q4 Dec	(0.67E)	(0.51E)
Total	16.3E	19.2E	Total	(3.13E)	(2.47E)

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	Q3A	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	2.0								
Service revenue	10.4	7.6	2.1	1.8	1.8	1.8	7.5	1.7	2.1	1.9								
<b>Total revenue</b>	<b>16.9</b>	<b>16.0</b>	<b>3.9</b>	<b>3.4</b>	<b>3.3</b>	<b>3.2</b>	<b>13.8</b>	<b>3.4</b>	<b>4.1</b>	<b>3.9</b>	<b>3.9</b>	<b>15.2</b>	<b>4.1</b>	<b>4.9</b>	<b>4.6</b>	<b>4.7</b>	<b>18.3</b>	
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	1.6	1.8	1.7	1.7	6.9	
<b>Gross profit (loss)</b>	<b>12.6</b>	<b>10.0</b>	<b>2.3</b>	<b>2.1</b>	<b>1.9</b>	<b>1.9</b>	<b>8.3</b>	<b>1.9</b>	<b>2.7</b>	<b>2.3</b>	<b>2.3</b>	<b>9.3</b>	<b>2.5</b>	<b>3.0</b>	<b>2.9</b>	<b>2.9</b>	<b>11.4</b>	
<b>Operating expenses</b>																		
General and administrative	25.8	29.0	6.5	5.9	4.6	5.5	22.5	4.9	4.1	4.5	4.3	17.8	4.3	4.3	4.2	4.2	17.0	
Sales and marketing	5.6	5.3	0.6	0.6	0.6	0.6	2.5	0.7	0.3	0.3	0.5	1.9	0.6	0.7	0.6	0.7	2.6	
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	5.0	5.0	20.3	5.0	5.1	5.0	5.0	20.1	
<b>Loss from operations</b>	<b>(20.4)</b>	<b>(25.0)</b>	<b>(5.0)</b>	<b>(4.5)</b>	<b>(3.5)</b>	<b>(4.3)</b>	<b>(17.3)</b>	<b>(3.8)</b>	<b>(1.9)</b>	<b>(2.6)</b>	<b>(2.7)</b>	<b>(11.0)</b>	<b>(2.5)</b>	<b>(2.1)</b>	<b>(2.1)</b>	<b>(2.1)</b>	<b>(8.8)</b>	
<b>Other income (expense)</b>																		
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	
<b>Other income (expense) (5)</b>	<b>(0.0)</b>	<b>1.2</b>	<b>0.1</b>	<b>(0.1)</b>	<b>(0.2)</b>	<b>0.2</b>	<b>(0.1)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>					<b>0.0</b>	
Income before taxes	(20.3)	(23.8)	(1.7)	(5.5)	(2.1)	(4.3)	(13.6)	(3.8)	(1.9)	(2.6)	(2.7)	(11.0)	(2.5)	(2.1)	(2.1)	(2.1)	(8.8)	
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	
<b>Net loss</b>	<b>(20.3)</b>	<b>(23.8)</b>	<b>(1.7)</b>	<b>(5.5)</b>	<b>(2.1)</b>	<b>(4.3)</b>	<b>(13.6)</b>	<b>(3.8)</b>	<b>(1.9)</b>	<b>(2.6)</b>	<b>(2.7)</b>	<b>(11.0)</b>	<b>(2.5)</b>	<b>(2.1)</b>	<b>(2.1)</b>	<b>(2.1)</b>	<b>(8.8)</b>	
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)	(2.6)	(2.7)	(11.0)	(2.5)	(2.1)	(2.1)	(2.1)	(8.8)	
EBITDA	(21.1)	(25.7)	(5.2)	(4.7)	(3.6)	(4.4)	(17.9)	(3.9)	(2.1)	(2.6)	(2.7)	(11.0)	(2.5)	(2.1)	(2.1)	(2.1)	(8.8)	
Weighted average common shares outstanding (6) Shares, Diluted	0.8 0.8	0.9 0.9	1.0 1.0	1.2 1.2	1.2 1.2	1.5 1.5	1.2 1.2	2.3 2.3	3.2 3.2	4.8 4.8	6.1 6.1	6.1 6.1	6.1 6.1	6.1 6.1	6.1 6.1	6.1 6.1	6.1 6.1	
EPS Basic (pro forma)	(23.89)	(25.90)	(1.72)	(4.62)	(1.75)	(2.85)	(11.14)	(1.63)	(0.60)	(0.55)	(0.43)	(1.79)	(0.41)	(0.34)	(0.34)	(0.33)	(1.43)	
EPS Diluted (pro forma)	(23.89)	(25.90)	(1.72)	(4.62)	(1.75)	(2.85)	(11.14)	(1.63)	(0.60)	(0.55)	(0.43)	(1.79)	(0.41)	(0.34)	(0.34)	(0.33)	(1.43)	
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																		
<b>Margins</b>																		
Gross margin	75%	63%	61%	62%	57%	60%	60%	57%	65%	60%	60%	61%	61%	62%	63%	63%	62%	
General and admin	153%	181%	169%	173%	139%	168%	163%	144%	102%	116%	110%	117%	105%	88%	91%	90%	93%	
Sales and marketing	33%	33%	16%	17%	19%	19%	18%	19%	8%	9%	14%	12%	14%	14%	14%	14%	14%	
Operating margin	-121%	-156%	-130%	-133%	-106%	-132%	-125%	-111%	-48%	-69%	-68%	-72%	-61%	-43%	-45%	-44%	-48%	
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%	-68%	-68%	-72%	-61%	-43%	-45%	-44%	-48%	
<b>Y/Y % change</b>																		
Revenue	29%	-5%	6%	-19%	-22%	-18%	-14%	-11%	19%	17%	20%	10%	20%	20%	20%	20%	20%	
COGS	61%	40%	39%	-19%	-20%	-16%	-8%	-3%	8%	9%	19%	8%	8%	32%	12%	11%	15%	
Gross Profit	21%	-21%	-8%	-19%	-24%	-19%	-17%	-17%	26%	23%	21%	12%	29%	14%	25%	26%	23%	
General and Admin	60%	2%	2%	-24%	-31%	2%	2%	-25%	-30%	-2%	2%	-21%	-13%	4%	-6%	2%	-5%	
Sales and marketing	140%	5%	5%	-65%	-42%	5%	5%	4%	-46%	-46%	5%	-24%	-12%	113%	87%	5%	37%	
Total operating expenses	47%	6%	-20%	-31%	-32%	-26%	-27%	-22%	-31%	-8%	-20%	-21%	-12%	12%	0%	0%	-1%	
Operating Income	69%	23%	-25%	-35%	-35%	-29%	-31%	-24%	-57%	-24%	-38%	-36%	-33%	9%	-22%	-23%	-21%	
Net income	13%	18%	-68%	-21%	-61%	-30%	-43%	121%	-65%	25%	-38%	-19%	-33%	9%	-21%	-23%	-20%	
EPS	-32%	8%	-73%	1302%	583%	-57%	-57%	-5%	-87%	-69%	-85%	-84%	-75%	-42%	-38%	-23%	-20%	
D&A as a % of PPE and Good will	21%	12%	12%	10%	10%	10%	10%	10%	9%	10%	10%	9%	10%	10%	10%	10%	9%	

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	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
<b>Current assets</b>														
Cash	24.0	3.5	7.0	3.9	1.0	1.6	2.6	6.9	6.3	7.6	5.0	2.9	0.8	(1.3)
Accounts receivable, net	1.2	0.5	0.3	0.3	0.2	0.2	0.5	0.4	0.5	0.5	0.5	0.5	0.5	0.5
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
<b>Total current assets</b>	<b>27.3</b>	<b>5.4</b>	<b>8.7</b>	<b>5.3</b>	<b>2.0</b>	<b>2.5</b>	<b>3.6</b>	<b>7.9</b>	<b>7.4</b>	<b>8.7</b>	<b>6.1</b>	<b>4.0</b>	<b>1.9</b>	<b>(0.2)</b>
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	3.3	3.4	3.4	3.5	3.5	3.5
Operating lease right-of-use asset		1.7	1.6	1.5	1.5	1.4	1.3	1.2	1.1	1.1	1.1	1.1	1.1	1.1
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
<b>Total assets</b>	<b>33.7</b>	<b>13.7</b>	<b>17.1</b>	<b>13.7</b>	<b>10.3</b>	<b>10.7</b>	<b>11.8</b>	<b>15.8</b>	<b>15.3</b>	<b>16.7</b>	<b>14.2</b>	<b>12.1</b>	<b>10.0</b>	<b>7.9</b>
<b>Liabilities and Stockholders' Equity</b>														
<b>Current liabilities</b>														
Accounts payable	0.9	1.4	1.5	1.3	1.5	2.1	2.5	2.0	1.1	1.1	1.1	1.1	1.1	1.1
Payable to related party for redemption of Seric	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	2.1	2.1	2.1	2.1	2.1	2.1
Current portion of contract liabilities	2.4	2.9	2.6	2.4	2.4	2.1	2.4	1.8	1.3	1.3	1.3	1.3	1.3	1.3
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
<b>Total current liabilities</b>	<b>7.5</b>	<b>6.8</b>	<b>8.0</b>	<b>8.4</b>	<b>7.2</b>	<b>7.3</b>	<b>8.1</b>	<b>6.6</b>	<b>5.1</b>	<b>5.1</b>	<b>5.1</b>	<b>5.1</b>	<b>5.1</b>	<b>5.1</b>
Contract liabilities, net of current portion		0.1	0.3	0.3	0.2	0.3	0.5	0.4	0.2	0.2	0.2	0.2	0.2	0.2
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	1.2	1.2	1.2	1.2	1.2	1.2
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
<b>Total liabilities</b>	<b>8.2</b>	<b>8.9</b>	<b>10.1</b>	<b>11.6</b>	<b>10.3</b>	<b>10.3</b>	<b>11.2</b>	<b>9.5</b>	<b>7.7</b>	<b>7.7</b>	<b>7.7</b>	<b>7.7</b>	<b>7.7</b>	<b>7.7</b>
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
<b>Stockholders' Equity</b>														
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	109.0	113.0	113.0	113.0	113.0	113.0
Accumulated deficit	(55.6)	(79.5)	(81.2)	(86.7)	(88.8)	(93.1)	(96.8)	(98.7)	(101.4)	(104.0)	(106.5)	(108.6)	(110.7)	(112.8)
<b>Total stockholders' equity</b>	<b>25.5</b>	<b>4.8</b>	<b>7.0</b>	<b>2.1</b>	<b>0.0</b>	<b>0.4</b>	<b>0.6</b>	<b>6.3</b>	<b>7.7</b>	<b>9.0</b>	<b>6.5</b>	<b>4.4</b>	<b>2.3</b>	<b>0.3</b>
<b>Total liabilities and stockholders' equity</b>	<b>33.7</b>	<b>13.7</b>	<b>17.1</b>	<b>13.7</b>	<b>10.3</b>	<b>10.7</b>	<b>11.8</b>	<b>15.8</b>	<b>15.3</b>	<b>16.7</b>	<b>14.2</b>	<b>12.1</b>	<b>10.0</b>	<b>7.9</b>

**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	Q3A	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	1.61	1.47	1.06	0.72	0.38	0.04
Cash per Share (diluted)	30.15	5.40	8.47	4.19	1.47	1.85	1.34	2.31	1.46	1.35	0.93	0.58	0.23	(0.11)
Net cash per Share (diluted)	26.80	3.82	7.11	3.29	0.83	1.35	1.13	2.14	1.32	1.24	0.82	0.47	0.13	(0.22)

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	Q3A	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)	(2.6)	(2.7)	(11.0)	(2.5)	(2.1)	(2.1)	(2.1)	(8.8)
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	0.1		0.7					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	0.15	0.1	0.15	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					0.0
Fair value of common stock issued for services									0.0	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	(0.1)	0.0	(0.3)	0.0	0.0	0.0	0.0	0.0
Operating lease liabilities, net									(0.1)	(0.0)		(0.1)					
Prepaid expenses and other	(0.9)	0.1	0.1	0.3	0.3	0.2	0.8	0.1	(0.1)	(0.1)	0.0	(0.0)	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					0.0
Accounts payable	0.1	0.5	0.1	(0.2)	0.2	0.6	0.7	0.4	(0.5)	(1.0)	0.0	(1.1)	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)	(0.1)	0.0	(0.3)	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)	(0.7)		(0.9)					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)					0.0
<b>Net cash used in operating activities</b>	<b>(15.7)</b>	<b>(19.6)</b>	<b>(3.5)</b>	<b>(2.9)</b>	<b>(2.8)</b>	<b>(2.7)</b>	<b>(11.9)</b>	<b>(2.5)</b>	<b>(3.0)</b>	<b>(4.2)</b>	<b>(2.5)</b>	<b>(12.3)</b>	<b>(2.4)</b>	<b>(2.0)</b>	<b>(1.9)</b>	<b>(1.9)</b>	<b>(8.2)</b>
<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)	(0.2)	(0.2)	(0.6)	(0.2)	(0.2)	(0.2)	(0.2)	(0.8)
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
<b>Net cash used in investing activities</b>	<b>(2.6)</b>	<b>(0.9)</b>	<b>(0.3)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.9)</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.6)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.8)</b>
<u>Financing Activities</u>																	
Proceeds from sale of common stock, net	27.9	0.0				0.0	0.0			4.3	4.0	8.3	0.0	0.0	0.0	0.0	0.0
Proceeds from exercise of warrants									7.5	0.0		7.5					
Proceeds from placement of common stock and preferred			8.0	0.0	0.0	4.0	12.0	3.9	0.0	0.0		3.9					0.0
Series A Preferred Stock redemption payment	(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)	(0.5)		(0.9)					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
<b>Net cash provided by financing activities</b>	<b>24.2</b>	<b>0.0</b>	<b>7.4</b>	<b>0.0</b>	<b>0.0</b>	<b>3.6</b>	<b>10.9</b>	<b>3.6</b>	<b>7.4</b>	<b>3.8</b>	<b>4.0</b>	<b>18.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Net cash increase (decrease)</b>	<b>5.8</b>	<b>(20.5)</b>	<b>3.5</b>	<b>(3.1)</b>	<b>(3.0)</b>	<b>0.7</b>	<b>(1.9)</b>	<b>1.0</b>	<b>4.3</b>	<b>(0.6)</b>	<b>1.3</b>	<b>6.0</b>	<b>(2.6)</b>	<b>(2.2)</b>	<b>(2.1)</b>	<b>(2.1)</b>	<b>(8.9)</b>
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	6.3	1.6	7.6	5.0	2.9	0.8	7.6
<b>Cash balance at end of period</b>	<b>24.0</b>	<b>3.5</b>	<b>7.0</b>	<b>3.9</b>	<b>1.0</b>	<b>1.6</b>	<b>1.6</b>	<b>2.6</b>	<b>6.9</b>	<b>6.31</b>	<b>7.6</b>	<b>7.6</b>	<b>5.0</b>	<b>2.9</b>	<b>0.8</b>	<b>(1.3)</b>	<b>(1.3)</b>

Source: Company reports, 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.

## 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	\$6.60	BUY
10	19-Nov-24	\$6.60	BUY

- 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 to gain regulatory approvals, ability to commercialize product, failure to obtain suitable reimbursement, competition, consumer attitudes towards Sleep Apnea treatment options, changing macroeconomic factors, investor sentiment for investing in healthcare 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.

## Ratings Distribution and Investment Banking Disclosure (As of October 11, 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%
<b>Total</b>	<b>59</b>	<b>100%</b>	<b>21</b>	<b>36%</b>

## Other Important Disclosures

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