

# Vivos Therapeutics, Inc.

*Q4 revenue miss due lingering effects of competitor scandal. Company remains focused on revenue generation and cost discipline. Raising price target to \$6.20 (from \$6.00). Reiterate BUY*

## COMPANY UPDATE

### Rating: BUY

Ticker: VVOS

Price: \$3.01  
(intraday)

Target: \$6.20  
(from \$6.00)

**Q4 revenue miss:** On March 28, VVOS reported its Q4 and full year 2023 (ending December) results. Revenue was \$3.2 million (-18% YOY), compared to our estimate of \$3.6 million and consensus estimate of \$5.2 million. Pro forma EPS was \$(2.85), versus our estimate of \$(2.06) and consensus estimate of \$(1.75). Revenues were impacted by lingering softness due to safety issues at an unlicensed competitor (AGGA).

**Temporary uptick in operating expenses due to equity financing:** Operating expenses in Q4 2023 were \$6.2 million, down 26% YOY but higher than our expectation of \$5.1 million. The company indicated Q4 expenses were impacted by costs for the company's equity raise in November 2023 and expects the company's Q3 FY23 run rate of \$5.4 million to be more indicative of expense levels going forward.

**Reducing expenses remains a focus:** In FY22, VVOS began implementing a cost-cutting program which included layoffs, as part of a push to align expenses to revenues and achieve cash-flow break-even by the end of calendar 2024. In FY23 alone, the company reduced operating expenses from \$35.1 million to \$25.6 million. This effort continues apace, and Vivos is 'watching every penny'.

**Adjusting FY24 estimates and initiating FY25 estimates:** We are raising our FY24 EPS estimates to \$(3.95) from \$(4.62) on higher share count. We are lowering our FY24 revenue estimate to \$16.1 million from \$18.5 million. We are initiating a FY25 estimate of \$(3.07) on revenues of \$19 million. Consensus estimates are \$(4.62) and \$(1.50) on revenues of \$17.3 million and \$19.2 million for FY24 and FY25, respectively.

**VVOS working hard to unlock the CPAP substitution opportunity:** In 2021, Philips was forced to recall over 15 million of its CPAP devices due to safety hazards. Meanwhile, in November 2023, Vivos became the first oral appliance maker to receive FDA approval for the indication of severe sleep Apnea. These 2 events highlight the tremendous potential for Vivos to win over some of the estimated 33 million users of CPAP machines in the US today. Vivos is working hard to make this happen, by opening new distribution avenues, such as DMEs (Durable Medical Equipment suppliers), DSOs (Dental Service Organizations), and international distributors. In addition, the company has added lower-cost devices to its lineup via its acquisition of AFD. We believe it is a matter of time before the company's efforts bear fruit in the form of revenue re-acceleration.

**Cash-flow breakeven by end of 2024:** With more scope for cost-cutting and revenue potential from new products and channels in place, management remains optimistic on the prospects for breakeven by the end of FY24.

**Need for financing:** Vivos had \$1.6 million in cash exiting Q4 and subsequently raised \$4 million gross via a warrant exercise agreement. Given a current quarterly burn rate of \$2-3 million per quarter, the company will likely need to finance again by Q2 2024.

**Revenue bottoming provides stock catalyst:** 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. In addition, revenues likely bottomed in Q4, providing a near-term stock catalyst.

**Current valuation attractive:** Stock is trading at an EV/sales ratio of only 0.4x. We are maintaining our BUY rating and raising our 12-month price target to \$6.20 (from \$6.00), based on an NPV analysis. This represents 100% upside from the current share price, and we believe this valuation appropriately balances out the company's high risks with large upside opportunities.

### 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:	\$2.73-48.79
Shares Outstanding (million):	2.7
Market cap (\$million):	\$8.1
EV (\$million):	\$6.5
Debt (\$million):	\$0
Cash (\$million):	\$1.6
Avg. Daily Trading Vol. (\$million):	\$0.4
Float (million shares):	1.0
Short Interest (million shares):	0.03
Dividend, annual (yield):	NA

### Revenues (US\$ million)

	2024E (Cur.)	2024E (Old.)	2025E (Cur.)	2025E (Old.)
Q1 Mar	3.5E	3.9E	4.1E	
Q2 Jun	3.8E	4.3E	4.5E	
Q3 Sep	4.3E	4.8E	5.1E	
Q4 Dec	4.5E	5.5E	5.3E	
Total	16.1E	18.5E	19.0E	
EV/Rev	0.4x		0.3x	

### Earnings per Share (pro forma)

	2024E (Cur.)	2024E (Old.)	2025E (Cur.)	2025E (Old.)
Q1 Mar	(1.16)E	(1.53)E	(0.92)E	
Q2 Jun	(1.05)E	(1.26)E	(0.82)E	
Q3 Sep	(0.89)E	(1.01)E	(0.71)E	
Q4 Dec	(0.85)E	(0.81)E	(0.63)E	
Total	\$(3.95)E	\$(4.62)E	\$(3.07)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**  
Gaspings 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, Karstinos 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



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

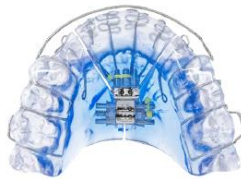
### Vivos Appliance Systems

 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)

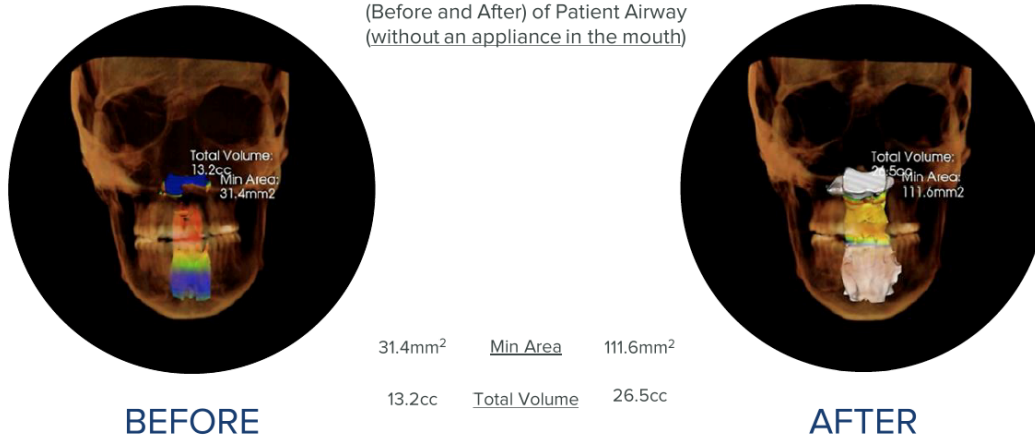


Source: Company Documents

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

## 30-Year-Old Male - 14 Months Treatment

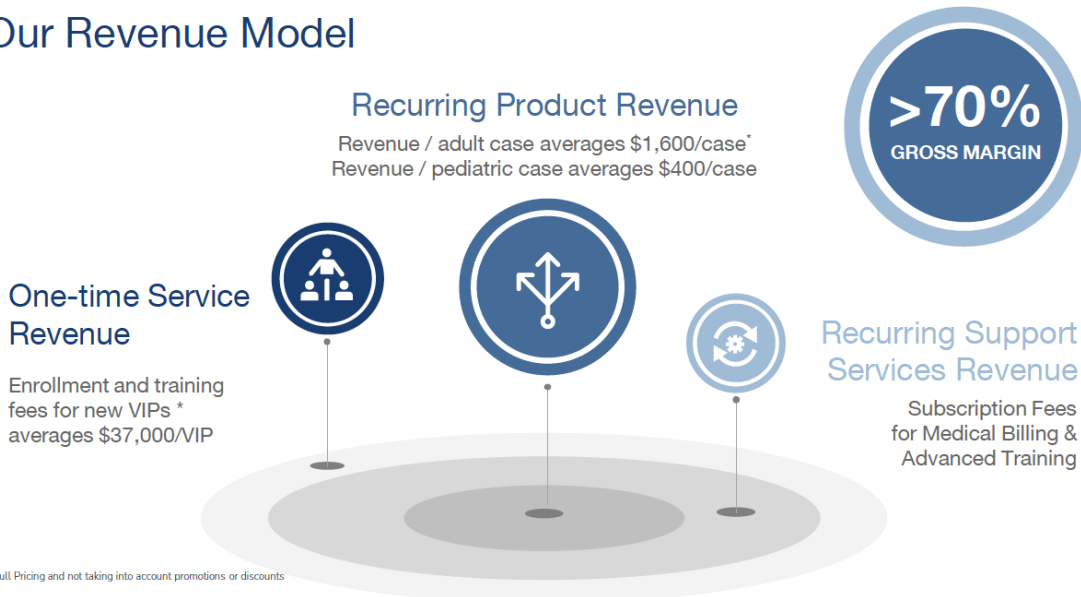
Cone-beam Computed Tomography Scans (Before and After) of Patient Airway (without an appliance in the mouth)



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**

VivoScore | THE VIVOS METHOD  
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  
Payers 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**

April 5, 2024

	Revenue (million)			EPS	
	2024E	2025E		2024E	2025E
Q1 Mar	3.6E		Q1 Mar	(1.53E)	
Q2 Jun	4.0E		Q2 Jun	(1.26E)	
Q3 Sep	4.5E		Q3 Sep	(1.01E)	
Q4 Dec	5.2E		Q4 Dec	(0.81E)	
<b>Total</b>	<b>17.25E</b>	<b>19.2E</b>	<b>Total</b>	<b>(4.62E)</b>	<b>(1.50E)</b>

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

Source: Yahoo Finance, 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) Fiscal Year End: December 31	2021 FY-A	2022 FY-A	Mar-23 Q1A	Jun-23 Q2A	Sep-23 Q3A	Dec-23 Q4A	2023 FY-A	Mar-24 Q1E	Jun-24 Q2E	Sep-24 Q3E	Dec-24 Q4E	2024 FY-E	Mar-25 Q1E	Jun-25 Q2E	Sep-25 Q3E	Dec-25 Q4E	2025 FY-E
<b>Product revenue</b>	39%	52%	46%	46%	44%	46%	45%										
<b>Service revenue</b>	61%	48%	54%	54%	56%	54%	55%										
Product revenue	6.5	8.4	1.8	1.5	1.5	1.5	6.3										
Service revenue	10.4	7.6	2.1	1.8	1.8	1.8	7.5										
<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>3.5</b>	<b>3.8</b>	<b>4.3</b>	<b>4.5</b>	<b>16.1</b>	<b>4.1</b>	<b>4.5</b>	<b>5.1</b>	<b>5.3</b>	<b>19.0</b>
Total cost of goods sold	4.3	6.0	1.5	1.3	1.4	1.3	5.5	1.4	1.4	1.5	1.6	5.9	1.4	1.6	1.8	1.9	6.6
<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>2.1</b>	<b>2.4</b>	<b>2.8</b>	<b>2.9</b>	<b>10.2</b>	<b>2.7</b>	<b>2.9</b>	<b>3.3</b>	<b>3.5</b>	<b>12.3</b>
<b>Operating expenses</b>																	
General and administrative	25.8	29.0	6.5	5.9	4.6	5.5	22.5	4.6	4.5	4.4	4.4	17.9	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	0.5	0.6	0.6	0.7	2.4	0.6	0.7	0.8	0.8	2.8
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	5.3	5.2	5.2	5.2	20.9	5.2	5.1	5.2	5.1	20.6
<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>(3.1)</b>	<b>(2.8)</b>	<b>(2.4)</b>	<b>(2.3)</b>	<b>(10.7)</b>	<b>(2.5)</b>	<b>(2.2)</b>	<b>(1.9)</b>	<b>(1.7)</b>	<b>(8.3)</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) IS</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>(3.1)</b>	<b>(2.8)</b>	<b>(2.4)</b>	<b>(2.3)</b>	<b>(10.7)</b>	<b>(2.5)</b>	<b>(2.2)</b>	<b>(1.9)</b>	<b>(1.7)</b>	<b>(8.3)</b>
Income before taxes	(20.3)	(23.8)	(1.7)	(5.5)	(2.1)	(4.3)	(13.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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
<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>(3.1)</b>	<b>(2.8)</b>	<b>(2.4)</b>	<b>(2.3)</b>	<b>(10.7)</b>	<b>(2.5)</b>	<b>(2.2)</b>	<b>(1.9)</b>	<b>(1.7)</b>	<b>(8.3)</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)	(3.1)	(2.8)	(2.4)	(2.3)	(10.7)	(2.5)	(2.2)	(1.9)	(1.7)	(8.3)
EBITDA	(21.1)	(25.7)	(5.2)	(4.7)	(3.6)	(4.4)	(17.9)	(3.1)	(2.8)	(2.4)	(2.3)	(10.7)	(2.5)	(2.2)	(1.9)	(1.7)	(8.3)
Weighted average common shares outstanding (6)	0.8	0.9	1.0	1.2	1.2	1.5	1.2	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
Shares, Diluted	0.8	0.9	1.0	1.2	1.2	1.5	1.2	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
EPS Basic (pro forma)	(23.89)	(25.90)	(1.72)	(4.62)	(1.75)	(2.85)	(11.14)	(1.16)	(1.05)	(0.89)	(0.85)	(3.95)	(0.92)	(0.82)	(0.71)	(0.63)	(3.07)
EPS Diluted (pro forma)	(23.89)	(25.90)	(1.72)	(4.62)	(1.75)	(2.85)	(11.14)	(1.16)	(1.05)	(0.89)	(0.85)	(3.95)	(0.92)	(0.82)	(0.71)	(0.63)	(3.07)
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%	61%	63%	65%	65%	64%	65%	65%	65%	65%	65%
General and admin	153%	181%	169%	173%	139%	168%	163%	131%	118%	102%	98%	111%	107%	96%	85%	79%	91%
Sales and marketing	33%	33%	16%	17%	19%	19%	18%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Operating margin	-121%	-156%	-130%	-133%	-106%	-132%	-125%	-90%	-74%	-56%	-51%	-66%	-60%	-49%	-38%	-32%	-44%
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%	-90%	-74%	-56%	-51%	-66%	-60%	-49%	-38%	-32%	-44%
<b>Y/Y % change</b>																	
Revenue	29%	-5%	6%	-19%	-22%	-18%	-14%	-9%	12%	30%	39%	17%	18%	18%	18%	18%	18%
COGS	61%	40%	39%	-19%	-20%	-16%	-8%	-10%	8%	7%	20%	6%	6%	12%	18%	18%	14%
Gross Profit	21%	-21%	-8%	-19%	-24%	-19%	-17%	-9%	14%	47%	51%	24%	26%	22%	18%	18%	20%
General and Admin	60%	2%	2%	-24%	-31%	2%	2%	-30%	-23%	-4%	2%	-20%	-4%	-4%	-2%	2%	-4%
Sales and marketing	140%	5%	5%	-65%	-42%	5%	5%	-17%	-3%	1%	5%	-2%	18%	18%	18%	5%	18%
Total operating expenses	47%	6%	-20%	-31%	-32%	-26%	-27%	-28%	-21%	-4%	-16%	-18%	-2%	-2%	0%	-1%	-1%
Operating Income	69%	23%	-25%	-35%	-35%	-29%	-31%	-37%	-37%	-31%	-46%	-38%	-21%	-22%	-20%	-26%	-22%
Net income	13%	18%	-68%	-21%	-61%	-30%	-43%	84%	-49%	15%	-46%	-22%	-21%	-22%	-20%	-26%	-22%
EPS	-32%	8%	-73%	1302%	583%	-57%	-57%	-32%	-77%	-49%	-70%	-65%	-21%	-22%	-20%	-26%	-22%
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

**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	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
<b>Current assets</b>														
Cash	24.0	3.5	7.0	3.9	1.0	1.6	2.5	(0.3)	(2.7)	(5.0)	(7.3)	(9.7)	(11.8)	(13.6)
Accounts receivable, net	1.2	0.5	0.3	0.3	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3
Current portion of note receivable - 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
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	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	0.7	0.7	0.8	0.9	0.8	0.9	1.0	1.0
<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>3.4</b>	<b>0.6</b>	<b>(1.6)</b>	<b>(3.8)</b>	<b>(6.3)</b>	<b>(8.6)</b>	<b>(10.5)</b>	<b>(12.2)</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	3.4	3.4	3.4	3.4	3.4	3.4
Operating lease right-of-use asset		1.7	1.6	1.5	1.5	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
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	0.4	0.4	0.4	0.4	0.4	0.5	0.5
<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>11.7</b>	<b>9.0</b>	<b>6.8</b>	<b>4.6</b>	<b>2.1</b>	<b>(0.1)</b>	<b>(2.0)</b>	<b>(3.7)</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	2.2	2.3	2.5	2.6	2.4	2.6	2.9	3.0
Payable to related party for redemption of Serie	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	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Current portion of contract liabilities	2.4	2.9	2.6	2.4	2.4	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
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>7.4</b>	<b>7.4</b>	<b>7.6</b>	<b>7.7</b>	<b>7.5</b>	<b>7.7</b>	<b>8.1</b>	<b>8.2</b>
Contract liabilities, net of current portion		0.1	0.3	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
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	1.2
Operating lease liability, net of current portion		2.0	1.9	1.8	1.6	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
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>10.4</b>	<b>10.5</b>	<b>10.6</b>	<b>10.8</b>	<b>10.5</b>	<b>10.7</b>	<b>11.1</b>	<b>11.2</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	97.5	97.5	97.5	97.5	97.5	97.5	97.5	97.5
Accumulated deficit	(55.6)	(79.5)	(81.2)	(86.7)	(88.8)	(93.1)	(96.2)	(99.0)	(101.4)	(103.7)	(106.2)	(108.4)	(110.3)	(112.0)
<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>1.3</b>	<b>(1.6)</b>	<b>(4.0)</b>	<b>(6.2)</b>	<b>(8.7)</b>	<b>(10.9)</b>	<b>(12.9)</b>	<b>(14.5)</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>11.7</b>	<b>8.9</b>	<b>6.7</b>	<b>4.5</b>	<b>1.8</b>	<b>(0.2)</b>	<b>(1.8)</b>	<b>(3.3)</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
	Q4A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
<b>Book &amp; Cash Value (per share)</b>														
Book Value per Share (diluted)	30.07	5.22	7.06	1.76	0.04	0.34	0.47	(0.57)	(1.46)	(2.31)	(3.23)	(4.05)	(4.76)	(5.39)
Cash per Share (diluted)	30.15	5.40	8.47	4.19	1.47	1.85	1.18	0.14	(0.70)	(1.52)	(2.43)	(3.27)	(4.01)	(4.66)
Net cash per Share (diluted)	26.80	3.82	7.11	3.29	0.83	1.35	0.93	(0.12)	(1.01)	(1.84)	(2.72)	(3.59)	(4.37)	(5.03)

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	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
<b>Cash flow from operating activities</b>																	
Net loss	(20.3)	(23.8)	(1.7)	(5.5)	(2.1)	(4.3)	(13.6)	(3.1)	(2.8)	(2.4)	(2.3)	(10.7)	(2.5)	(2.2)	(1.9)	(1.7)	(8.3)
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					0.0					0.0
Depreciation and amortization	0.7	0.7	0.2	0.1	0.1	0.1	0.6	0.1	0.1	0.1	0.1	0.6	0.1	0.1	0.1	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
Change in fair value of warrant liability, net of issuance costs of \$645			(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 se	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 settlem	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	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	0.0	0.0	0.0	0.1
Prepaid expenses and other	(0.9)	0.1	0.1	0.3	0.3	0.2	0.8	(0.0)	(0.1)	(0.1)	(0.0)	(0.2)	(0.1)	0.1	0.1	0.0	0.2
Deposits	(0.0)	(0.0)	0.1	0.0	0.0	(0.0)	0.1					0.0					0.0
Accounts payable	0.1	0.5	0.1	(0.2)	0.2	0.6	0.7	0.1	0.1	0.2	0.1	0.4	0.2	(0.2)	(0.3)	(0.1)	(0.5)
Accrued expenses	1.1	(0.9)	0.0	0.0	0.0	0.4	0.4	0.0	0.0	0.0	0.0	0.0	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)					0.0					0.0
Deferred rent and lease incentive liabil	0.5	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)					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
<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>(3.0)</b>	<b>(2.7)</b>	<b>(2.2)</b>	<b>(2.1)</b>	<b>(9.9)</b>	<b>(2.2)</b>	<b>(2.2)</b>	<b>(2.0)</b>	<b>(1.6)</b>	<b>(8.0)</b>
<b>Investing Activities</b>																	
Purchase of property and equipment	(2.4)	(0.9)	(0.2)	(0.2)	(0.2)	(0.2)	(0.8)	(0.2)	(0.2)	(0.2)	(0.2)	(0.7)	(0.2)	(0.2)	(0.2)	(0.2)	(0.7)
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 receivabl	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>(0.2)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.7)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.7)</b>
<b>Financing Activities</b>																	
Proceeds from sale of common stock, net	27.9	0.0				0.0	0.0	4.0	0.0	0.0	0.0	4.0	0.0	0.0	0.0	0.0	0.0
Proceeds from placement of common stock and prefunded warrant			8.0	0.0	0.0	4.0	12.0					0.0					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)					0.0					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>4.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>4.0</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>0.9</b>	<b>(2.8)</b>	<b>(2.4)</b>	<b>(2.3)</b>	<b>(6.6)</b>	<b>(2.4)</b>	<b>(2.3)</b>	<b>(2.1)</b>	<b>(1.8)</b>	<b>(8.6)</b>
Cash balance at beginning of period	18.2	24.0	3.5	7.0	3.9	1.0	3.5	1.6	2.5	(0.3)	(2.7)	1.6	(5.0)	(7.3)	(9.7)	(11.8)	(5.0)
<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>2.5</b>	<b>(0.3)</b>	<b>(2.7)</b>	<b>(5.0)</b>	<b>(5.0)</b>	<b>(7.3)</b>	<b>(9.7)</b>	<b>(11.8)</b>	<b>(13.6)</b>	<b>(13.6)</b>

Source: Company reports, Ascendant Capital Markets estimates

## ANALYST CERTIFICATION

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## Vivos Therapeutics, Inc.



Report	Date	PT after spli	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

- 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 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.

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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.

## Ascendant Capital Markets, LLC Distribution of Investment Ratings (as of January 15, 2024)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	52	98%	20	38%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	53	100%	20	38%

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