
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2023

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission file number: 001-40973

AirSculpt Technologies, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

87-1471855

(I.R.S. Employer
Identification No.)

1111 Lincoln Road, Suite 802

Miami Beach, FL

(Address of principal executive offices)

33139

(Zip Code)

Registrant's telephone number, including area code: **(786) 709-9690**

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.001 per share	AIRS	The Nasdaq Global Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The registrant had 56,784,968 shares of common stock outstanding as of August 11, 2023.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

We have made statements in the sections titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Quantitative and Qualitative Disclosures About Market Risk” and in other sections of this Quarterly Report on Form 10-Q that are forward-looking statements. In some cases, you can identify these statements by forward-looking words such as “may,” “might,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” or “continue,” the negative of these terms and other comparable terminology. These forward-looking statements, which are subject to risks, uncertainties and assumptions about us, may include projections of our future financial performance, our anticipated growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements, including those factors discussed in the section titled “Risk Factors” in our Annual Report on Form 10-K.

Our future results could be affected by a variety of other factors, including, but not limited to, failure to open and operate new centers in a timely and cost-effective manner; shortages or quality control issues with third-party manufacturers or suppliers; competition for surgeons; litigation or medical malpractice claims; inability to protect the confidentiality of our proprietary information; changes in the laws governing the corporate practice of medicine or fee-splitting; changes in the regulatory, macroeconomic conditions, including inflation and the threat of recession, economic and other conditions of the states and jurisdictions where our facilities are located; and business disruption or other losses from war, pandemic, terrorist acts or political unrest.

The risk factors discussed in the section titled “Risk Factors” in our Annual Report on Form 10-K could cause our results to differ materially from those expressed in the forward-looking statements made in this Quarterly Report on Form 10-Q. There also may be other risks that are currently unknown to us or that we are unable to predict at this time.

Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. Forward-looking statements speak only as of the date they were made, and we are under no duty to update any of these forward-looking statements after the date of this Quarterly Report on Form 10-Q to conform our prior statements to actual results or revised expectations.

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

AirSculpt Technologies, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets

(\$000s)	June 30, 2023 (Unaudited)	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	\$ 20,779	\$ 9,616
Taxes receivable	2,743	2,831
Prepaid expenses and other current assets	3,307	4,229
Total current assets	26,829	16,676
Property and equipment, net	28,917	24,206
Other long-term assets	3,359	3,280
Right of use operating lease assets	27,723	23,764
Intangible assets, net	48,722	51,099
Goodwill	81,734	81,734
Total assets	<u>\$ 217,284</u>	<u>\$ 200,759</u>
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 4,176	\$ 3,844
Accrued payroll and benefits	3,269	2,991
Current portion of long-term debt	2,125	2,125
Deferred revenue and patient deposits	4,271	2,358
Accrued and other current liabilities	5,162	6,644
Current operating lease liabilities	4,945	4,356
Total current liabilities	23,948	22,318
Long-term debt, net	80,875	81,420
Deferred tax liability, net	5,485	5,485
Long-term operating lease liabilities	24,479	19,745
Other long-term liabilities	1,025	1,025
Total liabilities	135,812	129,993
Commitments and contingent liabilities (Note 9)		
Stockholders' equity		
Common stock, \$0.001 par value; shares authorized - 450,000,000; shares issued and outstanding - 56,784,968 and 56,181,689, respectively	57	56
Additional paid-in capital	94,836	85,858
Accumulated other comprehensive loss	(111)	(76)
Accumulated deficit	(13,310)	(15,072)
Total stockholders' equity	81,472	70,766
Total liabilities and stockholders' equity	<u>\$ 217,284</u>	<u>\$ 200,759</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

AirSculpt Technologies, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations (Unaudited)

(in \$000s, except for shares and per share figures)	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenue	\$ 55,703	\$ 49,654	\$ 101,516	\$ 89,198
Operating expenses:				
Cost of service (exclusive of depreciation and amortization)	19,952	17,492	37,969	32,154
Selling, general and administrative	27,893	26,010	51,775	50,177
Depreciation and amortization	2,514	1,962	4,850	3,848
Loss/(gain) on disposal of long-lived assets	(18)	227	(202)	227
Total operating expenses	50,341	45,691	94,392	86,406
Income from operations	5,362	3,963	7,124	2,792
Interest expense, net	1,891	1,559	3,626	3,051
Pre-tax net income/(loss)	3,471	2,404	3,498	(259)
Income tax expense/(benefit)	1,695	1,821	1,736	(149)
Net income/(loss)	\$ 1,776	\$ 583	\$ 1,762	\$ (110)
Income per share of common stock				
Basic	\$ 0.03	\$ 0.01	\$ 0.03	\$ (0.00)
Diluted	\$ 0.03	\$ 0.01	\$ 0.03	\$ (0.00)
Weighted average shares outstanding				
Basic	56,753,498	55,640,154	56,599,291	55,640,154
Diluted	58,511,766	58,360,685	58,095,736	55,640,154

The accompanying notes are an integral part of these condensed consolidated financial statements.

AirSculpt Technologies, Inc. and Subsidiaries
Condensed Consolidated Statements of Other Comprehensive Income/(Loss) (Unaudited)

(\$000s)	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net income/(loss)	\$ 1,776	\$ 583	\$ 1,762	\$ (110)
Other comprehensive loss:				
Change in foreign currency translation adjustment	(57)	—	(35)	—
Total other comprehensive loss	(57)	—	(35)	—
Comprehensive income/(loss)	\$ 1,719	\$ 583	\$ 1,727	\$ (110)

The accompanying notes are an integral part of these condensed consolidated financial statements.

AirSculpt Technologies, Inc. and Subsidiaries
Condensed Consolidated Statements of Changes in Stockholders' Equity (Unaudited)

(\$000s)	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total
	Shares	Amount				
Balance at December 31, 2021	55,640,154	\$ 56	\$ 83,865	\$ —	\$ (393)	\$ 83,528
Distributions	—	—	(282)	—	—	(282)
Equity-based compensation	—	—	7,316	—	—	7,316
Net loss	—	—	—	—	(693)	(693)
Balance at March 31, 2022	55,640,154	56	90,899	—	(1,086)	89,869
Distributions	—	—	(294)	—	—	(294)
Equity-based compensation	—	—	7,275	—	—	7,275
Net income	—	—	—	—	583	583
Balance at June 30, 2022	55,640,154	\$ 56	\$ 97,880	\$ —	\$ (503)	\$ 97,433
Balance at December 31, 2022	56,181,689	\$ 56	\$ 85,858	\$ (76)	\$ (15,072)	\$ 70,766
Issuance of common stock through unit vesting	529,571	—	—	—	—	—
Dividends	—	—	66	—	—	66
Equity-based compensation	—	—	4,388	—	—	4,388
Net loss	—	—	—	—	(14)	(14)
Other comprehensive income	—	—	—	22	—	22
Balance at March 31, 2023	56,711,260	56	90,312	(54)	(15,086)	75,228
Issuance of common stock through unit vesting	73,708	1	—	—	—	1
Distributions	—	—	(79)	—	—	(79)
Equity-based compensation	—	—	4,603	—	—	4,603
Net income	—	—	—	—	1,776	1,776
Other comprehensive loss	—	—	—	(57)	—	(57)
Balance at June 30, 2023	56,784,968	\$ 57	\$ 94,836	\$ (111)	\$ (13,310)	\$ 81,472

The accompanying notes are an integral part of these condensed consolidated financial statements.

AirSculpt Technologies, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows (Unaudited)

(\$000s)	Six Months Ended June 30,	
	2023	2022
Cash flows from operating activities		
Net income/(loss)	\$ 1,762	\$ (110)
Adjustments to reconcile net income/(loss) to net cash provided by operating activities:		
Depreciation and amortization	4,850	3,848
Equity-based compensation	8,991	14,591
Non-cash interest expense; amortization of debt costs	518	482
Loss on disposal of long-lived assets	(202)	227
Changes in assets and liabilities		
Taxes receivable	88	—
Prepaid expense and other current assets	1,052	832
Other assets	(3,967)	(4,794)
Accounts payable	(392)	756
Deferred revenue and patient deposits	1,912	(203)
Accrued and other liabilities	3,843	1,849
Net cash provided by operating activities	18,455	17,478
Cash flows from investing activities		
Purchases of property and equipment, net	(5,976)	(6,139)
Net cash used in investing activities	(5,976)	(6,139)
Cash flows from financing activities		
Payment on term loan	(1,063)	(425)
Distribution to member	(79)	(1,008)
Dividends paid to shareholders	(206)	—
Other financing activity	32	—
Net cash used in financing activities	(1,316)	(1,433)
Net increase in cash and cash equivalents	11,163	9,906
Cash and cash equivalents		
Beginning of period	9,616	25,347
End of period	\$ 20,779	\$ 35,253
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 3,109	\$ 2,569
Cash paid for taxes	\$ 872	\$ 184
Supplemental disclosure of non-cash investing information:		
Property and equipment included in accounts payable and accrued expenses	\$ 724	\$ 2,284

The accompanying notes are an integral part of these condensed consolidated financial statements.

AirSculpt Technologies, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements (Unaudited)

NOTE 1 – ORGANIZATION AND SUMMARY OF KEY ACCOUNTING POLICIES

AirSculpt Technologies, Inc. (“AirSculpt” or the “Company”), was formed as a Delaware corporation on June 30, 2021. On October 28, 2021, AirSculpt completed an initial public offering (“IPO”) of 8,050,000 shares of common stock at an initial public offering price of \$11.00 per share. Immediately following the IPO, AirSculpt’s total outstanding shares were 55,640,154. Pursuant to a reorganization (the “Reorganization”) among entities under common control immediately prior to the IPO, AirSculpt became a holding company with its principal asset being 100% of the ownership interests in EBS Intermediate Parent LLC. The Company’s revenues are concentrated in the specialty, minimally invasive liposuction market. The operations of the Company prior to the IPO represent the predecessor to AirSculpt. The Company and its consolidated subsidiaries are referred to collectively in these consolidated financial statements as “we,” “our,” and “us.” Solely for convenience, some of the copyrights, trade names and trademarks referred to in these consolidated financial statements are listed without their ©, ® and ™ symbols, but we will assert, to the fullest extent under applicable law, our rights to our copyrights, trade names and trademarks.

The Company, through its wholly-owned subsidiaries, is a provider of practice management services to professional associations (“PAs”) located throughout the United States, Canada, and the United Kingdom. The Company owns and operates non-clinical assets and provides its management services to the PAs through management services agreements (“MSAs”). Management services provide for the administration of the non-clinical aspects of the medical operations and include, but are not limited to, financial, administrative, technical, marketing, and personnel services. Pursuant to the MSA, the PA is responsible for all clinical aspects of the medical operations of the practice.

Principles of Consolidation

These consolidated financial statements present the financial position and results of operations of the Company, its wholly-owned subsidiaries, and the PAs, which are under the control of the Company and are considered variable interest entities in which the Company is the primary beneficiary.

All intercompany accounts and transactions have been eliminated in consolidation.

Variable Interest Entities

The Company has a variable interest in the managed PAs where it has a long-term and unilateral controlling financial interest over such PAs’ assets and operations. The Company has the ability to direct the activities that most significantly affect the PAs’ economic performance via the MSAs and related agreements. The Company is a practice management service organization and does not engage in the practice of medicine. These services are provided by licensed professionals at each of the PAs. Certain key features of the MSAs and related agreements enable the Company to assign the member interests of certain of the PAs to another member designated by the Company (i.e., “nominee shareholder”) for a nominal value in certain circumstances at the Company’s sole discretion. The MSA does not allow the Company to be involved in, or provide guidance on, the clinical operations of the PAs. The Company consolidates the PAs into the financial statements. All of the Company’s revenue is earned from services provided by the PAs. The only assets and liabilities held by the PAs included in the accompanying consolidated balance sheets are clinical related. The clinical assets and liabilities are not material to the Company as a whole.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Concentration of Credit Risk

The Company considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. The Company’s revenues are concentrated in the specialty, minimally invasive liposuction market.

The Company maintains cash balances at financial institutions which may at times exceed the amount covered by the Federal Deposit Insurance Corporation. The Company has not experienced any losses in such accounts.

Revenue Recognition

Revenue consists primarily of revenue earned for the provision of the Company's patented AirSculpt® procedures. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account for revenue recognition. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Company's performance obligations are delivery of specialty, minimally invasive liposuction services.

The Company assists patients, as needed, by providing third-party financing options to pay for procedures. The Company has arrangements with various financing companies to facilitate this option. There is a financing transaction fee based on a set percentage of the amount financed and are not contingent upon any criteria. The Company recognizes revenue based on the expected transaction price which is reduced for financing fees.

Revenue for services is recognized when the service is performed. Payment is typically rendered in advance of the service. Customer contracts generally do not include more than one performance obligation.

The Company's policy is to require payment for services in advance. Payments received for services that have yet to be performed as of June 30, 2023 and December 31, 2022 are included in deferred revenue and patient deposits.

Cost of Service

Cost of service is comprised of all service and product costs related to the delivery of procedures, including but not limited to compensation to doctors, nurses and clinical staff, supply costs, and facility rent expense.

Deferred Financing Costs, Net

Loan costs and discounts are capitalized in the period in which they are incurred and amortized on the straight-line basis over the term of the respective financing agreement which approximates the effective interest method. These costs are included as a reduction of long-term debt on the condensed consolidated balance sheets. Total amortization of deferred financing costs was approximately \$0.3 million and \$0.3 million for the three months ended June 30, 2023 and 2022, respectively. Total amortization of deferred financing costs was approximately \$0.5 million and \$0.5 million for the six months ended June 30, 2023 and 2022, respectively. Amortization of loan costs and discounts is included as a component of interest expense.

Long-Lived Assets

The Company accounts for impairment of long-lived assets in accordance with the provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 350, *Intangibles – Goodwill and Other* and Topic 360, *Impairment or Disposal of Long-Lived Assets*. These standards require that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of long-lived assets to be held and used is measured by a comparison of the carrying amount of an asset to future estimated cash flows expected to arise as a direct result of the use and eventual disposition of the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell. No impairment charges were recognized for the three and six months ended June 30, 2023 and 2022.

Fair Value

ASC Topic 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a framework for measuring fair value in accordance with accounting principles generally accepted in the United States, and expands disclosure requirements about fair value measurements.

ASC Topic 820 defines three categories for the classification and measurement of assets and liabilities carried at fair value:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or observable inputs that are corroborated by market data.

Level 3: Unobservable inputs reflecting the reporting entity's own assumptions.

The fair value of financial instruments is generally estimated through the use of public market prices, quotes from financial institutions and other available information. Judgment is required in interpreting data to develop estimates of market value and, accordingly, amounts are not necessarily indicative of the amounts that could be realized in a current market exchange.

Short-term financial instruments, including cash, prepaid expenses and other current assets, accounts payable, and other liabilities, consist primarily of instruments without extended maturities, for which the fair value, based on management's estimates, approximates their carrying values. Borrowings bear interest at what is estimated to be current market rates of interest, accordingly, carrying value approximates fair value.

Earnings Per Share

Basic earnings per share of common stock is computed by dividing net income/(loss) for the three and six months ended June 30, 2023 and 2022 by the weighted-average number of shares of common stock outstanding during the same period. Diluted earnings per share of common stock is computed by dividing net income/(loss) for the three and six months ended June 30, 2023 and 2022 by the weighted-average number of shares of common stock adjusted to give effect to potentially dilutive securities.

Advertising Costs

Advertising costs are expensed in the period when the costs are incurred and are included as a component of selling, general and administrative costs. Advertising expenses were approximately \$6.9 million and \$5.2 million for the three months ended June 30, 2023 and 2022, respectively, and approximately \$12.9 million and \$10.0 million for the six months ended June 30, 2023 and 2022, respectively.

Income Taxes

The Company applies the provisions of ASC 740-10, *Accounting for Uncertain Tax Positions* ("ASC 740-10"). Under these provisions, companies must determine and assess all material positions existing as of the reporting date, including all significant uncertain positions, for all tax years that are open to assessment or challenge under tax statutes. Additionally, those positions that have only timing consequences are analyzed and separated based on ASC 740-10's recognition and measurement model.

ASC 740-10 provides guidance related to uncertain tax positions for pass-through entities and tax-exempt not-for profit entities. ASC 740-10 also modifies disclosure requirements related to uncertain tax positions for nonpublic entities and provides that all entities are subject to ASC 740-10 even if the only tax position in question is the entity's status as a pass-through.

As required by the uncertain tax position guidance, the Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the condensed consolidated financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company applied the uncertain tax position guidance to all tax positions for which the statute of limitations remained open and determined that there are no uncertain tax positions as of June 30, 2023 or December 31, 2022. The Company is not subject to U.S. federal tax examination prior to 2021, when it was formed.

The Company has an effective tax rate of approximately 48.8% and 75.7% for the three months ended June 30, 2023 and 2022, respectively, and approximately 49.6% and 57.5% for the six months ended June 30, 2023 and 2022, respectively, inclusive of all applicable U.S. federal and state income taxes.

NOTE 2 – GOODWILL AND INTANGIBLES, NET

The annual review of goodwill impairment will be performed in October 2023. There were no triggering events during the three and six months ended June 30, 2023 and 2022.

The Company had goodwill of \$81.7 million at June 30, 2023 and December 31, 2022.

Intangible assets consisted of the following at June 30, 2023 and December 31, 2022 (in 000's):

	June 30, 2023	December 31, 2022	Useful Life
Technology and know-how	\$ 53,600	\$ 53,600	15 years
Trademarks and tradenames	17,700	17,700	15 years
	71,300	71,300	
Accumulated amortization of technology and know-how	(16,973)	(15,186)	
Accumulated amortization of tradenames and trademarks	(5,605)	(5,015)	
Total intangible assets	<u>\$ 48,722</u>	<u>\$ 51,099</u>	

Aggregate amortization expense on intangible assets was approximately \$1.2 million for both of the three months ended June 30, 2023 and 2022, and \$2.4 million for both of the six months ended June 30, 2023 and 2022.

NOTE 3 – PROPERTY AND EQUIPMENT, NET

As of June 30, 2023 and December 31, 2022 property and equipment consists of the following: (in 000's):

	June 30, 2023	December 31, 2022
Medical equipment	\$ 10,088	\$ 8,906
Office and computer equipment	789	551
Furniture and fixtures	3,755	3,457
Leasehold improvements	20,286	14,614
Construction in progress	2,653	2,854
Less: Accumulated depreciation	(8,654)	(6,176)
Property and equipment, net	<u>\$ 28,917</u>	<u>\$ 24,206</u>

Depreciation expense was approximately \$1.3 million and \$0.8 million for the three months ended June 30, 2023 and 2022, respectively, and \$2.5 million and \$1.5 million for the six months ended June 30, 2023 and 2022, respectively.

NOTE 4 – DEBT

On November 7, 2022, the Company entered into a credit agreement with a syndicate of lenders (the "Credit Agreement") maturing November 7, 2027. Pursuant to the Credit Agreement, there is (i) an \$85.0 million aggregate principal amount of term loans and (ii) a revolving loan facility in an aggregate principal amount of up to \$5.0 million. The proceeds were used, in part, to pay off the Company's \$83.6 million outstanding principal balance under its previous credit facility.

Under the Credit Agreement, all outstanding loans bear interest based on either a base rate or SOFR plus an applicable per annum margin. The applicable per annum margin is 2.0% or 3.0% for base rate or SOFR, respectively, if the Company's total leverage ratio is equal to or greater than 2.0x. If the Company's total leverage ratio is equal to or greater than 1.0x and less than 2.0x, the applicable per annum margin is 1.5% or 2.5% for base rate or SOFR, respectively. If the Company's total leverage ratio is below 1.0x, the applicable per annum margin is 1.0% or 2.0% for base rate or SOFR, respectively. As of June 30, 2023, the interest rate was 7.23%.

Total borrowings as of June 30, 2023 and December 31, 2022 were as follows (in 000's):

	June 30, 2023	December 31, 2022
Term loan	\$ 83,937	\$ 85,000
Unamortized debt discounts and issuance costs	(937)	(1,455)
Total debt, net	83,000	83,545
Less: Current portion	(2,125)	(2,125)
Long-term debt, net	<u>\$ 80,875</u>	<u>\$ 81,420</u>

As of June 30, 2023 and December 31, 2022, the Company had \$5.0 million available on the revolving credit facility.

The scheduled future maturities of long-term debt as of June 30, 2023 is as follows (in 000's):

2023 (excluding the six months ended June 30, 2023)	\$ 1,062
2024	2,125
2025	4,250
2026	6,375
2027	70,125
Total maturities	<u>\$ 83,937</u>

All borrowings under the Credit Agreement are cross collateralized by substantially all assets of the Company and are subject to certain restrictive covenants including quarterly total leverage ratio and fixed charge ratio requirements. The Company is in compliance with all covenants and has no letter of credit outstanding as of June 30, 2023 and 2022.

NOTE 5 – LEASES

The Company's operating leases are primarily for real estate, including medical office suites and corporate offices. For the three months ended June 30, 2023 and 2022, the Company incurred rent expense of \$1.4 million and \$1.0 million, respectively, for its medical office suites. For the six months ended June 30, 2023 and 2022, the Company incurred rent expense of \$2.9 million and \$2.0 million, respectively, related to its medical office suites. The Company's rent expense related to its medical office suites is classified in cost of services within the Company's condensed consolidated statements of operations. The Company incurred rent expense of \$91,000 and \$119,000 for the three months ended June 30, 2023 and 2022, respectively, and \$182,000 and \$164,000 for the six months ended June 30, 2023 and 2022, respectively, related to the corporate offices which is classified in selling, general and administrative expenses. The Company currently does not have any finance leases.

Real estate lease agreements typically have initial terms of five to ten years and may include one or more options to renew. The useful life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise. The Company's lease agreements do not contain any material residual value guarantees, restrictions or covenants.

The following table presents supplemental cash flow information for the six months ended June 30, 2023 and 2022 (in 000's):

	June 30, 2023	June 30, 2022
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash outflows from operating leases	\$ 2,544	\$ 2,026
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ 8,991	\$ 6,138

Future minimum rental payments under all non-cancellable operating lease agreements for the succeeding five years are as follows, excluding common area maintenance charges that may be required by the agreements (in 000's):

Year ended December 31,	
2023 (excluding the six months ended June 30, 2023)	\$ 2,696
2024	6,240
2025	6,413
2026	6,043
2027	5,441
Thereafter	12,273
Total lease payments	39,106
Less: imputed interest	(9,683)
Total lease obligations	<u>\$ 29,423</u>

NOTE 6 – STOCKHOLDERS' EQUITY AND EQUITY-BASED COMPENSATION

During the three and six months ended June 30, 2023, the Company granted 158,306 and 767,261 restricted stock units ("RSUs"), respectively, to executive officers and employees under the 2021 Equity Incentive Plan. During the three and six months ended June 30, 2022, the Company granted 107,937 RSUs. These RSUs are not considered outstanding until vested. These RSUs have a time-based vesting condition. These units will vest 1/3 per year over three years. Vesting and payment of these RSUs are generally subject to continuing service of the employee or non-employee director over the ratable vesting periods beginning one year from the date of grant to three years after the date of grant. The fair values of these RSUs were determined based on the closing price of the Company's common stock on the trading date immediately prior to the grant date.

During the three and six months ended June 30, 2023, the Company also granted 89,258 and 674,846 performance based stock units ("PSUs"), respectively, which have market-based vesting conditions. In the three and six months ended June 30, 2022, the Company granted 103,936 PSUs, which have market-based vesting conditions. The vesting is based on achievement of a total shareholder return relative to a specified peer group ("rTSR"). Based on the rTSR, the awards can settle in shares in a range from 0% to 200%. In addition to the achievement of the performance conditions, these PSUs are generally subject to the continuing service of the employee over the ratable vesting period from the earned date continuing through the settlement of the shares. For these PSUs, the shares settle in the first quarter of the year following the year in which the vesting criteria is met. The fair values of PSUs with a market-based vesting condition were estimated using a Monte Carlo simulation model.

The Company recorded equity-based compensation expense of \$4.6 million and \$7.3 million for the three months ended June 30, 2023 and 2022, respectively, and \$9.0 million and \$14.6 million for the six months ended June 30, 2023 and 2022, respectively, in selling, general and administrative expenses on the condensed consolidated statements of operations. Forfeitures are recognized as incurred.

The Company paid dividends of approximately \$— and \$0.2 million for the three and six months ended June 30, 2023, respectively. The Company paid distributions to the Parent of approximately \$0.3 million and \$0.6 million for the three and six months ended June 30, 2022, respectively.

NOTE 7 – EARNINGS PER SHARE

Basic earnings per share of common stock is computed by dividing net income/(loss) attributable to AirSculpt Technologies, Inc. by the weighted-average number of shares of common stock outstanding during the same period. Diluted earnings per share of common stock is computed by dividing net income/loss attributable to AirSculpt Technologies, Inc. by the weighted-average number of shares of common stock adjusted to give effect to potentially dilutive securities. Where the inclusion of potentially dilutive shares would be antidilutive, diluted loss per share equals basic loss per share.

A reconciliation of the numerator and denominator used in the calculation of basic and diluted net income/(loss) per share of common stock is as follows (in 000's except for shares and per share figures):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Numerator:				
Net income/(loss)	\$ 1,776	\$ 583	\$ 1,762	\$ (110)
Denominator:				
Weighted average shares of common stock outstanding - basic	56,753,498	55,640,154	56,599,291	55,640,154
Add: Effect of dilutive securities	1,758,268	2,720,531	1,496,445	—
Weighted average shares of common stock outstanding - diluted	58,511,766	58,360,685	58,095,736	55,640,154
Income/(loss) per share of common stock outstanding - basic and diluted	\$ 0.03	\$ 0.01	\$ 0.03	\$ (0.00)

The following number of potentially dilutive shares were excluded from the calculation of diluted loss per share because the effect of including such potentially dilutive shares would have been antidilutive.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Restricted stock units	738,437	—	791,716	2,395,967
Performance and market-based stock units	1,971,274	—	2,033,737	2,444,464

NOTE 8 – INCOME TAXES

The Company's income tax expense for the three months ended June 30, 2023 and 2022 was \$1.7 million and \$1.8 million, respectively, and the income tax expense/(benefit) for the six months ended June 30, 2023 and 2022 was \$1.7 million and \$(0.1) million, respectively. The effective tax rate for the three months ended June 30, 2023 and 2022 was 48.8% and 75.7%, respectively. The effective tax rate for the six months ended June 30, 2023 and 2022 was 49.6% and 57.5%, respectively. The main driver of the difference between the effective and statutory rate is non-deductible executive compensation under Section 162(m) of the Internal Revenue Code. There are no uncertain tax positions as of June 30, 2023 or December 31, 2022.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Professional Liability

In the ordinary course of business, the Company becomes involved in pending and threatened legal actions and proceedings, most of which involve claims of medical malpractice related to medical services provided by the PAs employed and affiliated physicians. The Company may also become subject to other lawsuits which could involve large claims and significant costs. The Company believes, based upon a review of pending actions and proceedings, that the outcome of such legal actions and proceedings will not have a material adverse effect on its business, financial condition, results of operations, and cash flows. The outcome of such actions and proceedings, however, cannot be predicted with certainty and an unfavorable resolution of one or more of them could have a material adverse effect on the Company's business, financial condition, results of operations, and cash flows.

Although the Company currently maintains liability insurance coverage intended to cover professional liability and certain other claims, the Company cannot assure that its insurance coverage will be adequate to cover liabilities arising out of claims asserted against it in the future where the outcomes of such claims are unfavorable. Liabilities in excess of the Company's insurance coverage, including coverage for professional liability and certain other claims, could have a material adverse effect on the Company's business, financial condition, results of operations, and cash flows.

NOTE 10 – SEGMENT INFORMATION

The Company has one reportable segment: direct medical procedure services. This segment is made up of facilities and medical staff that provide the Company's patented AirSculpt® procedures to patients. Segment information is presented in

the same manner that the Company's chief operating decision maker ("CODM") reviews the operating results in assessing performance and allocating resources. The Company's CODM is the Company's chief executive officer. The CODM reviews financial information presented on a consolidated basis for purposes of making operating decisions, assessing financial performance and allocating resources. The Company's CODM reviews revenue, gross profit and Adjusted EBITDA. Gross profit is defined as revenues less cost of service incurred and Adjusted EBITDA as net income/loss excluding depreciation and amortization, net interest expense, income tax expense/(benefit), restructuring and related severance costs, IPO related costs, (gain)/loss on disposal of long-lived assets, and equity-based compensation.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read together with our financial statements and related notes and other financial information appearing in our Annual Report on Form 10-K dated March 10, 2023 filed with the Securities and Exchange Commission (“SEC”) pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. This discussion and analysis contains forward-looking statements that involve risk, uncertainties and assumptions. See the section entitled “Cautionary Note Regarding Forward-Looking Statements” in this Quarterly Report on Form 10-Q. Our actual results could differ materially from those anticipated in the forward-looking statements.

Unless otherwise indicated or the context otherwise requires, references in this Quarterly Report on Form 10-Q to the “Company,” “Elite Body Sculpture,” “we,” “us” and “our” refer to AirSculpt Technologies, Inc. and its consolidated subsidiaries and the Professional Associations.

Overview

AirSculpt is an experienced, fast-growing national provider of body contouring procedures delivering a premium consumer experience under its brand, Elite Body Sculpture. At Elite Body Sculpture, we provide custom body contouring using our proprietary AirSculpt® method that removes unwanted fat in a minimally invasive procedure, producing dramatic results. We opened a new center in Orange County, CA in March 2023, in Austin, TX in May 2023, in London, UK in June 2023 and in San Jose, CA in July 2023. We deliver our AirSculpt® procedures through a growing nationwide footprint of 26 centers across 18 states, Canada and the United Kingdom as of August 11, 2023.

For the three and six months ended June 30, 2023, we performed 4,186 and 7,826 cases, respectively, compared to 3,691 and 6,847 for the three and six months ended June 30, 2022, respectively. For the three and six months ended June 30, 2023, we generated approximately \$55.7 million and \$101.5 million of revenue, respectively, compared to \$49.7 million and \$89.2 million for the three and six months ended June 30, 2022, respectively. This represents approximately 12% growth in revenue for the three months ended June 30, 2023 over the same period in prior year and approximately 14% growth in revenue for the six months ended June 30, 2023 over the same period in prior year.

Key Operational and Business Metrics

In addition to the measures presented in our condensed consolidated financial statements, we use the following key operational and business metrics to evaluate our business, measure our performance, develop financial forecasts and make strategic decisions:

Cases Performed and Revenue per Case

Our case volumes in the table below, which are used for calculating revenue per case, represent one patient visit; notwithstanding that, a patient may have multiple areas treated during one visit. We believe this provides the best approach for assessing our revenue performance and trends.

Total Case and Revenue Metrics

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Cases	4,186	3,691	7,826	6,847
Case growth	13.4 %	N/A	14.3 %	N/A
Revenue per case	\$ 13,307	\$ 13,453	\$ 12,972	\$ 13,027
Revenue per case growth	(1.1)%	N/A	(0.4)%	N/A
Number of facilities	25	19	25	19
Number of total procedure rooms	53	38	53	38

Same-Center Case and Revenue Metrics

Same-Center Information

For the three months ended June 30, 2023 and 2022, we define same-center case and revenue growth as the growth in each of our cases and revenue at facilities that have been owned and operated since April 1, 2022. We define same-center facilities and procedure rooms based on if a facility has been owned or operated since April 1, 2022.

For the six months ended June 30, 2023 and 2022, we define same-center case and revenue growth as the growth in each of our cases and revenue at facilities that have been owned and operated since January 1, 2022. We define same-center facilities and procedure rooms as facilities and procedure rooms that have been owned or operated since January 1, 2022.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Cases	3,589	3,691	6,638	6,724
Case growth	(2.8)%	N/A	(1.3)%	N/A
Revenue per case	\$ 13,249	\$ 13,452	\$ 13,005	\$ 12,994
Revenue per case growth	(1.5)%	N/A	0.1 %	N/A
Number of facilities	19	19	18	18
Number of total procedure rooms	40	38	38	35

Non-GAAP Financial Measures—Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, and Adjusted Net Income per Share

We report our financial results in accordance with accounting principles generally accepted in the United States of America ("GAAP"), however, management believes the evaluation of our ongoing operating results may be enhanced by a presentation of Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income and Adjusted Net Income per Share, which are non-GAAP financial measures.

We define Adjusted EBITDA as net income/(loss) excluding depreciation and amortization, net interest expense, income tax expense/(benefit), restructuring and related severance costs, IPO related costs, (gain)/loss on disposal of long-lived assets, and equity-based compensation.

We define Adjusted Net Income as net income/(loss) excluding, restructuring and related severance costs, IPO related costs, (gain)/loss on disposal of long-lived assets, equity-based compensation and the tax effect of these adjustments.

We include Adjusted EBITDA and Adjusted Net Income because they are important measures on which our management assesses and believes investors should assess our operating performance. We consider Adjusted EBITDA and Adjusted Net Income each to be an important measure because they help illustrate underlying trends in our business and our historical operating performance on a more consistent basis. Adjusted EBITDA has limitations as an analytical tool including: (i) Adjusted EBITDA does not include results from equity-based compensation and (ii) Adjusted EBITDA does not reflect interest expense on our debt or the cash requirements necessary to service interest or principal payments. Adjusted Net Income has limitations as an analytical tool including that Adjusted Net Income does not include results from equity-based compensation.

We define Adjusted EBITDA Margin as Adjusted EBITDA as a percentage of revenue. We define Adjusted Net Income per Share as Adjusted Net Income divided by weighted average basic and diluted shares. We included Adjusted EBITDA Margin and Adjusted Net Income per Share because they are important measures on which our management assesses and believes investors should assess our operating performance. We consider Adjusted EBITDA Margin and Adjusted Net Income per Share to be important measures because they help illustrate underlying trends in our business and our historical operating performance on a more consistent basis.

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The following table reconciles Adjusted EBITDA and Adjusted EBITDA Margin to net income/(loss), the most directly comparable GAAP financial measure:

(\$ in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net income/(loss)	\$ 1,776	\$ 583	\$ 1,762	\$ (110)
<i>Plus</i>				
Equity-based compensation	4,603	7,275	8,991	14,591
IPO related costs	—	—	—	731
Restructuring and related severance costs	2,151	550	3,305	730
Depreciation and amortization	2,514	1,962	4,850	3,848
(Gain)/loss on disposal of long-lived assets	(18)	227	(202)	227
Interest expense, net	1,891	1,559	3,626	3,051
Income tax expense/(benefit)	1,695	1,821	1,736	(149)
Adjusted EBITDA	\$ 14,612	\$ 13,977	\$ 24,068	\$ 22,919
Adjusted EBITDA Margin	26.2 %	28.1 %	23.7 %	25.7 %

For the three months ended June 30, 2023 and 2022, pre-opening de novo and relocation costs were \$1.4 million and \$1.2 million, respectively. For the six months ended June 30, 2023 and 2022, pre-opening de novo and relocation costs were \$2.7 million and \$2.1 million, respectively.

The following table reconciles Adjusted Net Income and Adjusted Net Income per Share to net income/(loss), the most directly comparable GAAP financial measure:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net income/(loss)	\$ 1,776	\$ 583	\$ 1,762	\$ (110)
<i>Plus</i>				
Equity-based compensation	4,603	7,275	8,991	14,591
IPO related costs	—	—	—	731
Restructuring and related severance costs	2,151	550	3,305	730
(Gain)/loss on disposal of long-lived assets	(18)	227	(202)	227
Tax effect of adjustments	(869)	(477)	(1,328)	(1,000)
Adjusted net income	\$ 7,643	\$ 8,158	\$ 12,528	\$ 15,169
Adjusted net income per share of common stock ⁽¹⁾				
Basic	\$ 0.13	\$ 0.15	\$ 0.22	\$ 0.27
Diluted	\$ 0.13	\$ 0.14	\$ 0.22	\$ 0.26
Weighted average shares outstanding				
Basic	56,753,498	55,640,154	56,599,291	55,640,154
Diluted	58,511,766	58,360,685	58,095,736	58,360,685

(1) Diluted Adjusted Net Income Per Share is computed by dividing adjusted net income by the weighted-average number of shares of common stock outstanding adjusted for the dilutive effect of all potential shares of common stock.

Results of Operations

Three Months Ended June 30, 2023 Compared to Three Months Ended June 30, 2022

The following table and notes summarize certain results from the statements of operations for each of the periods indicated and the changes between periods. The table also shows the percentage relationship to revenue for the periods indicated:

(\$ in thousands)	Three Months Ended June 30,			
	2023		2022	
	Amount	% of Revenue	Amount	% of Revenue
Revenue	\$ 55,703	100.0 %	\$ 49,654	100.0 %
Operating expenses:				
Cost of service	19,952	35.8 %	17,492	35.2 %
Selling, general and administrative	27,893	50.1 %	26,010	52.4 %
Depreciation and amortization	2,514	4.5 %	1,962	4.0 %
(Gain)/loss on disposal of long-lived assets	(18)	— %	227	0.5 %
Total operating expenses	50,341	90.4 %	45,691	92.0 %
Income from operations	5,362	9.6 %	3,963	8.0 %
Interest expense, net	1,891	3.4 %	1,559	3.1 %
Pre-tax net income	3,471	6.2 %	2,404	4.8 %
Income tax expense	1,695	3.0 %	1,821	3.7 %
Net income	\$ 1,776	3.2 %	\$ 583	1.2 %

Overview—Our financial results for the three months ended June 30, 2023 compared to the three months ended June 30, 2022 reflect the addition of six de novo centers and expansion of existing centers which increased our procedure rooms by 15.

Revenue—Our revenue increased \$6.0 million, or 12.2%, compared to the same period in 2022. The increase is the result of adding six de novo centers which expanded our footprint from 19 centers to 25 centers and our number of procedure rooms from 38 to 53 as of June 30, 2023.

Cost of Service—Our cost of services increased \$2.5 million, or 14.1%, compared to the three months ended June 30, 2022. This increase is attributable to opening six centers since the 2022 period. Cost of service was 35.8% and 35.2% as a percentage of revenue for the three months ended June 30, 2023 and 2022, respectively. Cost of service as a percent of revenue was in line year over year.

Selling, General and Administrative Expenses—Selling, general and administrative expenses increased \$1.9 million, or 7.2%, for the three months ended June 30, 2023 compared to the same period in 2022. This increase is related to additional expenses we incurred for marketing and corporate support as we grow our center count through de novo expansion and providing support for our centers, offset by a decrease in our equity-based compensation expense. We expect our marketing and corporate support costs to continue to increase as we open de novo centers and expand the support we provide to our centers. Selling, general and administrative expenses as a percent of revenue was at 50.1% and 52.4% for the three months ended June 30, 2023 and 2022, respectively.

Selling expenses consist of advertising costs for social, digital and traditional marketing and sales and marketing personnel. Total selling expenses were approximately \$9.4 million and \$7.6 million for the three months ended June 30, 2023 and 2022, respectively. Our customer acquisition costs were approximately \$2,250 and \$2,000 per customer in the three months ended June 30, 2023 and 2022, respectively. We intend to continue investing in our sales and marketing capabilities as we add new centers and further increase our brand awareness, which will also drive further same-center growth. As a result, we expect these costs to increase on an absolute dollar basis. Additionally, selling expenses as a percentage of revenue may fluctuate from quarter to quarter based on the timing and scope of our initiatives and the related impact to our revenue.

General and administrative expenses include employee-related expenses, including salaries and related costs (excluding physician and clinical cost included in cost of service), equity-based compensation, technology, operations, finance, legal, corporate office rent and human resources. General and administrative expenses were approximately \$18.5 million and \$18.4 million for the three months ended June 30, 2023 and 2022, respectively. We expect to continue to expand our corporate team to support the opening of new centers and growth at existing facilities.

Depreciation and Amortization—Depreciation and amortization increased to approximately \$2.5 million for the three months ended June 30, 2023 compared to \$2.0 million for the same period in 2022. This increase is the result of having six additional de novo centers during the three months ended June 30, 2023 as compared to the 2022 period.

(Gain)/loss on disposal of long-lived assets—We recognized a \$18.0 thousand gain related to the disposal of previous long-lived assets as a result of relocations to expand certain centers.

Interest Expense, net—Interest expense increased to \$1.9 million from \$1.6 million for the three months ended June 30, 2023 and 2022, respectively. The increase is due to rising interest rates in the current quarter as compared to prior quarter.

Income Tax Expense/(Benefit)— Our effective tax rate is 48.8% and 75.7% for the three months ended June 30, 2023 and 2022, respectively. The main driver of the difference between the effective and statutory rate is non-deductible executive compensation under Section 162(m) of the Internal Revenue Code.

Six Months Ended June 30, 2023 Compared to Six Months Ended June 30, 2022

The following table and notes summarize certain results from the statements of operations for each of the periods indicated and the changes between periods. The table also show the percentage relationship to revenue for the periods indicated:

(\$ in thousands)	Six Months Ended June 30,			
	2023		2022	
	Amount	% of Revenue	Amount	% of Revenue
Revenue	\$ 101,516	100.0 %	\$ 89,198	100.0 %
Operating expenses:				
Cost of service	37,969	37.4 %	32,154	36.0 %
Selling, general and administrative	51,775	51.0 %	50,177	56.3 %
Depreciation and amortization	4,850	4.8 %	3,848	4.3 %
(Gain)/loss on disposal of long-lived assets	(202)	(0.2)%	227	0.3 %
Total operating expenses	94,392	93.0 %	86,406	96.9 %
Income from operations	7,124	7.0 %	2,792	3.1 %
Interest expense, net	3,626	3.6 %	3,051	3.4 %
Pre-tax net income/(loss)	3,498	3.4 %	(259)	(0.3)%
Income tax expense/(benefit)	1,736	1.7 %	(149)	(0.2)%
Net income/(loss)	\$ 1,762	1.7 %	\$ (110)	(0.1)%

Overview— Our financial results for the six months ended June 30, 2023 compared to the six months ended June 30, 2022 reflect the addition of six de novo centers.

Revenue—Our revenue increased \$12.3 million, or 13.8%, compared to the same period in 2022. The increase is the result of adding six de novo centers which increased our footprint from 19 centers to 25 centers as of June 30, 2023. Revenue per case decreased (0.4)% over the prior year as the increase in overall revenue was volume based.

Cost of Service—Our cost of service increased \$5.8 million, or 18.1%, compared to the six months ended June 30, 2022. This increase is primarily attributable to opening six de novo centers since the 2022 period. Cost of service was 37.4% and 36.0% as a percentage of revenue for the six months ended June 30, 2023 and 2022, respectively. This increase is primarily due to adding six de novo centers over the prior period. Cost of service as a percent of revenue is higher for a de novo center in the first year until the center reaches maturity, which can take up to two years.

Selling, General and Administrative Expenses—Selling, general and administrative expenses increased \$1.6 million, or 3.2%, for the six months ended June 30, 2023 compared to the same period in 2022. This increase is related to additional expenses we incurred for marketing and corporate support as we grow our center count through de novo expansion and providing support for our centers, offset by a decrease in our equity-based compensation expense. We expect our marketing and corporate support costs to continue to increase as we open de novo centers and expand the support we provide to our centers. Selling, general and administrative expenses as a percent of revenue were 51.0% and 56.3% for the six months ended June 30, 2023 and 2022, respectively.

Selling expenses consist of advertising costs for social, digital and traditional marketing and sales and marketing personnel. Total selling expenses were approximately \$18.0 million and \$14.7 million for the six months ended June 30, 2023 and 2022, respectively. Our customer acquisition costs were approximately \$2,300 and \$2,150 per customer in the six months ended June 30, 2023 and 2022, respectively. We intend to continue investing in our sales and marketing capabilities as we add new centers and further increase our brand awareness, which will also drive further same-center growth. As a result, we expect these costs to increase on an absolute dollar basis. Additionally, selling expenses as a percentage of revenue may fluctuate from quarter to quarter based on the timing and scope of our initiatives and the related impact to our revenue.

General and administrative expenses include employee-related expenses, including salaries and related costs (excluding physician and clinical cost included in cost of service), equity-based compensation, technology, operations, finance, legal, corporate office rent and human resources. General and administrative expense were approximately \$33.8 million and \$35.5 million for the six months ended June 30, 2023 and 2022, respectively. A decrease in equity-based compensation is the main driver of this decrease, offset by the costs associated with expanding our corporate team. We expect to continue growing our corporate team to support the opening of new centers and growth at existing facilities.

Depreciation and Amortization—Depreciation and amortization increased to approximately \$4.9 million for the six months ended June 30, 2023 compared to \$3.8 million for the same period in 2022. This increase is the result of having six additional de novo centers during the six months ended June 30, 2023 as compared to the 2022 period.

(Gain)/loss on disposal of long-lived assets—We recognized a \$202.0 thousand gain related to the disposal of previous leasehold improvements as a result of relocation to expand certain centers.

Interest Expense, net—Interest expense increased to \$3.6 million from \$3.1 million for the six months ended June 30, 2023 and 2022, respectively. The increase is due to rising interest rates in the current year as compared to prior year.

Income Tax Expense— Our effective tax rate is 49.6% and 57.5% for the six months ended June 30, 2023 and 2022, respectively. The main driver of the difference between the effective and statutory rate is non-deductible executive compensation under Section 162(m) of the Internal Revenue Code.

Liquidity and Capital Resources

We principally rely on cash flows from operations as our primary source of liquidity and, if needed, up to \$5.0 million in revolving loans under our revolving credit facility. Our primary cash needs are for payroll, marketing and advertisements, rent, capital expenditures associated with de novo locations and new procedure room additions, as well as information technology and infrastructure, including our corporate office. We believe that the cash expected to be generated from operations and the availability of borrowings under the revolving credit facility will be sufficient for our working capital requirements, liquidity obligations, anticipated capital expenditures relating to the opening of de novo centers, and the addition of new procedure rooms to our existing locations, and payments due under our existing credit facilities for at least the next 12 months.

As of June 30, 2023, we had \$20.8 million in cash and cash equivalents and an available amount of \$5.0 million under our revolving credit facility. We do not have any letters of credit outstanding as of June 30, 2023.

As of December 31, 2022, we had \$9.6 million in cash and cash equivalents and an available amount of \$5.0 million under our revolving credit facility. We did not have any letters of credit outstanding as of December 31, 2022.

The following table summarizes the net cash provided by (used for) operating activities, investing activities and financing activities for the periods indicated:

(\$ in thousands)	Six Months Ended June 30,	
	2023	2022
Cash Flows Provided By (Used For):		
Operating activities	\$ 18,455	\$ 17,478
Investing activities	(5,976)	(6,139)
Financing activities	(1,316)	(1,433)
Net increase in cash and cash equivalents	11,163	9,906

Operating Activities

The primary source of our operating cash flow is the collection of patient payments received prior to performing surgical procedures. For the six months ended June 30, 2023, our operating cash flow increased by \$1.0 million compared to the same period in 2022. The increase is the result of adding six de novo centers which increased our footprint from 19 centers to 25 centers and our number of procedure rooms from 38 to 53 as of June 30, 2023. At June 30, 2023, we had working capital of \$2.9 million compared to \$(5.6) million at December 31, 2022.

Investing Activities

Net cash used in investing activities for the six months ended June 30, 2023 and 2022 was \$6.0 million and \$6.1 million, respectively. Investing activities during both periods were attributable to the expansion of multiple existing facilities and opening of de novo locations.

Financing Activities

Net cash used in financing activities during the six months ended June 30, 2023 was \$1.3 million. During the six months ended June 30, 2023, we made principal payments on our debt of \$1.1 million.

Net cash used in financing activities for the six months ended June 30, 2022 was \$1.4 million. For the six months ended June 30, 2022, we made distributions to EBS Parent, LLC of \$1.0 million and paid scheduled principal payments on our debt of \$0.4 million.

Long-Term Debt

The carrying value of our total indebtedness was \$83.0 million and \$83.5 million, which includes unamortized deferred financing costs and issuance discount of \$0.9 million and \$1.5 million, as of June 30, 2023 and December 31, 2022, respectively.

On November 7, 2022, the Company entered into a credit agreement with a syndicate of lenders (the "Credit Agreement") maturing November 7, 2027. Pursuant to the Credit Agreement, there is (i) an \$85.0 million aggregate principal amount of term loans and (ii) a revolving loan facility in an aggregate principal amount of up to \$5.0 million. The proceeds were used, in part, to pay off the Company's \$83.6 million outstanding principal balance under its previous credit facility.

Under the Credit Agreement, all outstanding loans bear interest based on either a base rate or SOFR plus an applicable per annum margin. The applicable per annum margin is 2.0% or 3.0% for base rate or SOFR, respectively, if the Company's total leverage ratio is equal to or greater than 2.0x. If the Company's total leverage ratio is equal to or greater than 1.0x and less than 2.0x, the applicable per annum margin is 1.5% or 2.5% for base rate or SOFR, respectively. If the Company's total leverage ratio is below 1.0x, the applicable per annum margin is 1.0% or 2.0% for base rate or SOFR, respectively. As of June 30, 2023, the interest rate was 7.65%.

JOBS Act Accounting Election

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued

subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards and, therefore, will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

Subject to certain conditions set forth in the JOBS Act, if, as an “emerging growth company,” we choose to rely on such exemptions we may not be required to, among other things, (i) provide an auditor’s attestation report on our system of internal controls over financial reporting pursuant to Section 404, (ii) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Wall Street Reform and Consumer Protection Act, (iii) comply with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements (auditor discussion and analysis), and (iv) disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the CEO’s compensation to median employee compensation. These exemptions will apply for a period of five years following the completion of our IPO or until we are no longer an “emerging growth company,” whichever is earlier.

Critical Accounting Policies and Estimates

A summary of significant accounting policies is disclosed in our Annual Report on Form 10-K dated March 10, 2023 filed with the Securities and Exchange Commission (“SEC”) pursuant to Section 13 or 15d of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) under the caption “Critical Accounting Policies and Estimates” in the Management’s Discussion and Analysis of Financial Condition and Results of Operations section. There have been no material changes in the nature of our critical accounting policies and estimates or the application of those policies from our Annual Report on Form 10-K dated March 10, 2023.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and is not required to provide the information required under this item.

Item 4. Controls and Procedures

Management’s Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required financial disclosure.

As of the end of the period covered by this Quarterly Report on Form 10-Q, our management, under the supervision and with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(e) and 15d-15(e). Based upon this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of June 30, 2023.

Changes in Internal Controls Over Financial Reporting

There were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting during the quarter ended June 30, 2023.

Limitations on the Effectiveness of Controls

Our management, including the Chief Executive Officer and the Chief Financial Officer, recognizes that any set of controls and procedures, no matter how well-designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if

any, with the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of controls. For these reasons, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

During the ordinary course of business, we have become and may in the future become subject to pending and threatened legal actions and proceedings, including with respect to the quality of our services. All of the current legal actions and proceedings that we are a party to are of an ordinary or routine nature incidental to our operations, the resolution of which should not have a material adverse effect on our financial condition, results of operations or cash flows. These claims, to the extent they exceed our insurance deductibles, are covered by insurance, but there can be no assurance that our insurance coverage will be adequate to cover any such liability.

Item 1A. Risk Factors

Except to the extent updated below or to the extent additional factual information disclosed elsewhere in this Quarterly Report on Form 10-Q relates to such risk factors (including, without limitation, the matters discussed in Part I, “Item 2—Management’s Discussion and Analysis of Financial Condition and Results of Operations”), there were no material changes to the risk factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2022 dated March 10, 2023 and filed with the Securities and Exchange Commission (“SEC”) pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Description of Exhibit
3.1	<u>Amended and Restated Certificate of Incorporation</u>
31.1*	<u>Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
31.2*	<u>Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
32.1*†	<u>Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
32.2*†	<u>Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

+ Indicates a management contract or any compensatory plan, contract or arrangement.

† The certifications attached as Exhibit 32.1 that accompany this Quarterly Report on Form 10-Q are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of the Registrant under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AIRSCULPT TECHNOLOGIES, INC.

By: /s/ Dennis Dean
Dennis Dean
Chief Financial Officer
(Principal Accounting and Financial Officer)

Date: August 11, 2023

**AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
AIRSCULPT TECHNOLOGIES, INC.**

**ARTICLE I
NAME**

The name of the corporation is AirSculpt Technologies, Inc. (the "Corporation").

**ARTICLE II
REGISTERED OFFICE AND AGENT**

The address of the Corporation's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, County of New Castle, and the name of its registered agent at such address is The Corporation Trust Company.

**ARTICLE III
PURPOSE**

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "DGCL") as it now exists or may hereafter be amended and supplemented.

**ARTICLE IV
CAPITAL STOCK**

The Corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares of capital stock which the Corporation shall have authority to issue is 500,000,000. The total number of shares of Common Stock that the Corporation is authorized to issue is 450,000,000, having a par value of \$0.001 per share, and the total number of shares of Preferred Stock that the Corporation is authorized to issue is 50,000,000, having a par value of \$0.001 per share.

The designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation are as follows:

A. COMMON STOCK.

1. General. The voting, dividend, liquidation, and other rights and powers of the Common Stock are subject to and qualified by the rights, powers and preferences of any series of Preferred Stock as may be designated by the Board of Directors of the Corporation (the "Board of Directors") and outstanding from time to time.

2. Voting. Except as otherwise provided herein or expressly required by law, each holder of Common Stock, as such, shall be entitled to vote on each matter submitted to a vote of stockholders and shall be entitled to one (1) vote for each share of Common Stock held of record by such holder as of the record date for determining stockholders entitled to vote on such matter. Except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Amended and Restated Certificate (including any Certificate of Designation (as defined below)) that relates solely to the rights, powers, preferences (or the qualifications, limitations or restrictions thereof) or other terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Amended and Restated Certificate (including any Certificate of Designation) or pursuant to the DGCL.

Subject to the rights of any holders of any outstanding series of Preferred Stock, the number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the DGCL.

3. Dividends. Subject to applicable law and the rights and preferences of any holders of any outstanding series of Preferred Stock, the holders of Common Stock, as such, shall be entitled to the payment of dividends on the Common Stock when, as and if declared by the Board of Directors in accordance with applicable law.

4. Liquidation. Subject to the rights and preferences of any holders of any shares of any outstanding series of Preferred Stock, in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the funds and assets of the Corporation that may be legally distributed to the Corporation's stockholders shall be distributed among the holders of the then outstanding Common Stock *pro rata* in accordance with the number of shares of Common Stock held by each such holder.

B. PREFERRED STOCK

Shares of Preferred Stock may be issued from time to time in one or more series, each of such series to have such terms as stated or expressed herein and in the resolution or resolutions providing for the creation and issuance of such series adopted by the Board of Directors as hereinafter provided.

Authority is hereby expressly granted to the Board of Directors from time to time to issue the Preferred Stock in one or more series, and in connection with the creation of any such series, by adopting a resolution or resolutions providing for the issuance of the shares thereof and by filing a certificate of designation relating thereto in accordance with the DGCL (a "Certificate of Designation"), to determine and fix the number of shares of such series and such voting powers, full or limited, or no voting powers, and such designations, preferences and relative participating, optional or other special rights, and qualifications, limitations or restrictions thereof, including without limitation thereof, dividend rights, conversion rights, redemption privileges and liquidation preferences, and to increase or decrease (but not below the number of shares of such series then outstanding) the number of shares of any series as shall be stated and expressed in such resolutions, all to the fullest extent now or hereafter permitted by the DGCL. Without limiting the generality of the foregoing, the resolution or resolutions providing for the creation and issuance of any series of Preferred Stock may provide that such series shall be superior or rank equally or be junior to any other series of Preferred Stock to the extent permitted by law and this Amended and Restated Certificate (including any Certificate of Designation). Except as otherwise required by law, holders of any series of Preferred Stock shall be entitled only to such voting rights, if any, as shall expressly be granted thereto by this Amended and Restated Certificate (including any Certificate of Designation).

The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the DGCL.

ARTICLE V **BOARD OF DIRECTORS**

For the management of the business and for the conduct of the affairs of the Corporation it is further provided that:

A. Subject to the special rights of the holders of one or more outstanding series of Preferred Stock to elect directors, the directors of the Corporation shall be classified with respect to the time for which they severally hold office into three classes, designated as Class I, Class II and Class III. The initial Class I directors shall serve for a term expiring at the first annual meeting of the stockholders following the date of this Amended and Restated Certificate; the initial Class II directors shall serve for a term expiring at the second annual meeting of the stockholders following the date of this Amended and Restated Certificate; and the initial Class III directors shall serve for a term expiring at the third annual meeting of the stockholders following the date of this Amended and Restated Certificate. At each annual meeting of the stockholders of the Corporation beginning with the first annual meeting of the stockholders following the date of this Amended and Restated Certificate, subject to the special rights of the holders of one or more outstanding series of Preferred Stock to elect directors, the successors of the class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of the stockholders held in the third year following the year of their election. Each director shall hold office until his or her successor is duly elected and qualified or until his or her earlier death, resignation, disqualification or removal. No decrease in the number of directors shall shorten the term of any incumbent director. The Board of Directors is authorized to assign members of the Board of Directors already in office to Class I, Class II and Class III, subject to the terms of the Stockholders Agreement, dated on or about the date hereof, by and among the Corporation and the other signatories thereto (so long as such agreement remains in effect) (as the same may be amended, supplemented, restated or otherwise modified from time to time, the "Stockholders Agreement").

B. Except as otherwise expressly provided by the DGCL or this Amended and Restated Certificate, the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. The number of directors which shall constitute the whole Board of Directors shall be fixed exclusively by one or more resolutions adopted from time to time by the Board of Directors, subject to the terms of the Stockholders Agreement.

C. Subject to the special rights of the holders of one or more outstanding series of Preferred Stock to elect directors and subject to the terms of the Stockholders Agreement, the Board of Directors or any individual director may be removed from office at any time but only for cause and only by the affirmative vote of the holders of at least two-thirds (66 and 2/3%) of the voting power of all of the then outstanding shares of voting stock of the Corporation entitled to vote at an election of directors.

D. Subject to the special rights of the holders of one or more outstanding series of Preferred Stock to elect directors and subject to the terms of the Stockholders Agreement, except as otherwise provided by law, any vacancies on the Board of Directors resulting from death, resignation, disqualification, retirement, removal or other causes and any newly created directorships resulting from any increase in the number of directors shall be filled exclusively by the affirmative vote of a majority of the directors then in office, even though less than a quorum, or by a sole remaining director (other than any directors elected by the separate vote of one or more outstanding series of Preferred Stock), and shall not be filled by the stockholders. Any director appointed in accordance with the preceding sentence shall hold office until the expiration of the term of the class to which such director shall have been appointed or until his or her earlier death, resignation, retirement, disqualification, or removal.

E. Whenever the holders of any one or more series of Preferred Stock issued by the Corporation shall have the right, voting separately as a series or separately as a class with one or more such other series, to elect directors at an annual or special meeting of stockholders, the election, term of office, removal and other features of such directorships shall be governed by the terms of this Amended and Restated Certificate (including any Certificate of Designation). Notwithstanding anything to the contrary in this Article V, the number of directors that may be elected by the holders of any such series of Preferred Stock shall be in addition to the number fixed pursuant to paragraph B of this Article V, and the total number of directors constituting the whole Board of Directors shall be automatically adjusted accordingly. Except as otherwise provided in the Certificate of Designation(s) in respect of one or more series of Preferred Stock, whenever the holders of any series of Preferred Stock having such right to elect additional directors are divested of such right pursuant to the provisions of such Certificate of Designation(s), the terms of office of all such additional directors elected by the holders of such series of Preferred Stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional directors, shall forthwith terminate (in which case each such director thereupon shall cease to be qualified as, and shall cease to be, a director) and the total authorized number of directors of the Corporation shall automatically be reduced accordingly.

F. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to adopt, amend or repeal the Amended and Restated Bylaws of the Corporation (as amended and/or restated from time to time, the "Bylaws"). In addition to any vote of the holders of any class or series of stock of the Corporation required by applicable law or by this Amended and Restated Certificate (including any Certificate of Designation in respect of one or more series of Preferred Stock) or the Bylaws of the Corporation, the adoption, amendment or repeal of the Bylaws by the stockholders of the Corporation shall require the affirmative vote of the holders of at least two-thirds (66 and 2/3%) of the voting power of all of the then outstanding shares of voting stock of the Corporation entitled to vote generally in an election of directors.

G. The directors of the Corporation need not be elected by written ballot unless the Bylaws so provide.

H. For so long as the VSCP Investor (as defined in the Stockholders Agreement) is entitled to designate at least one VSCP Designee (as defined in the Stockholders Agreement), a quorum for a meeting of the Board shall require the attendance in person, telephonically, or in any other manner permitted by applicable law, of at least one VSCP Designee. For so long as Rollins (as defined in the Stockholders Agreement) is entitled to designate a Rollins Designee (as defined in the Stockholders Agreement), a quorum for a meeting of the Board shall require the attendance in person, telephonically, or in any other manner permitted by applicable law, of the Rollins Designee.

ARTICLE VI **STOCKHOLDERS**

A. Any action required or permitted to be taken by the stockholders of the Corporation must be effected at an annual or special meeting of the stockholders of the Corporation, and shall not be taken by written consent in lieu of a meeting. Notwithstanding the foregoing, any action required or permitted to be taken by the holders of any series of Preferred Stock, voting separately as a series or separately as a class with one or more other such series, may be

taken without a meeting, without prior notice and without a vote, to the extent expressly so provided by the applicable Certificate of Designation relating to such series of Preferred Stock, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding shares of the relevant series of Preferred Stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation in accordance with the applicable provisions of the DGCL.

B. Subject to the special rights of the holders of one or more series of Preferred Stock, special meetings of the stockholders of the Corporation may be called, for any purpose or purposes, at any time only by or at the direction of the Board of Directors or the Chairperson of the Board of Directors, and shall not be called by any other person or persons.

C. Advance notice of stockholder nominations for the election of directors and of other business proposed to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the Bylaws of the Corporation.

ARTICLE VII **LIABILITY**

No director of the Corporation shall have any personal liability to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL as the same exists or hereafter may be amended. Any amendment, repeal or modification of this Article VII, or the adoption of any provision of the Amended and Restated Certificate inconsistent with this Article VII, shall not adversely affect any right or protection of a director of the Corporation with respect to any act or omission occurring prior to such amendment, repeal, modification or adoption. If the DGCL is amended after approval by the stockholders of this Article VII to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL as so amended.

ARTICLE VIII **INDEMNIFICATION**

The Corporation shall have the power to provide rights to indemnification and advancement of expenses to its current and former officers, directors, employees and agents and to any person who is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise.

ARTICLE IX **COMPETITION AND CORPORATE OPPORTUNITIES**

A. In recognition and anticipation that (i) certain directors, officers, principals, partners, members, managers, employees, agents and/or other representatives of the VSCP Entities ("VSCP Non-Employee Agents") and their respective Affiliates and Affiliated Entities (each, as defined below) may serve as directors, officers or agents of the Corporation and may now engage and may continue to engage in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may engage and (ii) the VSCP Entities and their respective Affiliates may now engage and may continue to engage in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may engage, the provisions of this Article IX are set forth to regulate and define the conduct of certain affairs of the Corporation with respect to certain classes or categories of business opportunities as they may involve any of the VSCP Non-Employee Agents, the VSCP Entities or their respective Affiliates, and the powers, rights, duties and liabilities of the Corporation and its directors, officers and stockholders in connection therewith.

B. None of (i) any VSCP Non-Employee Agent or his or her Affiliates or Affiliated Entities or (ii) the VSCP Entities or any of their respective Affiliates (the Persons (as defined below) above being referred to, collectively, as "Identified Persons" and, individually, as an "Identified Person") shall, to the fullest extent permitted by law, have any duty to refrain from directly or indirectly (1) engaging in the same or similar business activities or lines of business in which the Corporation or any of its Affiliates now engages or proposes to engage or (2) otherwise competing with the Corporation or any of its Affiliates, and, to the fullest extent permitted by law, no Identified Person shall be liable to the Corporation or its stockholders or to any Affiliate of the Corporation for

breach of any fiduciary duty solely by reason of the fact that such Identified Person engages in any such activities. To the fullest extent permitted by law, the Corporation hereby renounces any interest or expectancy in, or right to be offered an opportunity to participate in, any business opportunity that may be a corporate opportunity for an Identified Person and the Corporation or any of its Affiliates, except as provided in paragraph C of this Article IX. Subject to said paragraph C of this Article IX, in the event that any Identified Person acquires knowledge of a potential transaction or other business opportunity that may be a corporate opportunity for itself, herself or himself and the Corporation or any of its Affiliates, such Identified Person shall, to the fullest extent permitted by law, have no duty to communicate or offer such transaction or other business opportunity to the Corporation or any of its Affiliates and, to the fullest extent permitted by law, shall not be liable to the Corporation or its stockholders or to any Affiliate of the Corporation for breach of any fiduciary duty as a stockholder, director or officer of the Corporation solely by reason of the fact that such Identified Person pursues or acquires such corporate opportunity for itself, herself or himself, or offers or directs such corporate opportunity to another Person or does not communicate information regarding such corporate opportunity to the Corporation.

C. Notwithstanding the foregoing provision of this Article IX, the Corporation does not renounce its interest in any corporate opportunity offered to any VSCP Non-Employee Agent if such opportunity is expressly offered to such VSCP Non-Employee Agent solely in his or her capacity as a director, officer or agent of the Corporation, and the provisions of paragraph B of this Article IX shall not apply to any such corporate opportunity. In addition, notwithstanding anything to the contrary set forth herein, the provisions of this Article IX shall not release any Person who is or was an employee of the Corporation or any of its subsidiaries from any obligations or duties that such Person may have pursuant to any other agreement that such Person may have with the Corporation or any such subsidiary.

D. In addition to and notwithstanding the foregoing provisions of this Article IX, a potential corporate opportunity shall not be deemed to be a corporate opportunity for the Corporation if it is a business opportunity that (i) the Corporation is neither financially or legally able, nor contractually permitted, to undertake, (ii) from its nature, is not in the line of the Corporation's business or is of no practical advantage to the Corporation or (iii) is one in which the Corporation has no interest or reasonable expectancy.

E. For purposes of this Article IX, (i) "Affiliate" shall mean (a) in respect of a VSCP Non-Employee Agent, any Person that, directly or indirectly, is controlled by such VSCP Non-Employee Agent (other than the Corporation and any entity that is controlled by the Corporation), (b) in respect of any of the VSCP Entities, a Person that, directly or indirectly, is controlled by any of the VSCP Entities, controls any of the VSCP Entities or is under common control with any of the VSCP Entities and shall include any principal, member, director, partner, stockholder, officer, employee or other representative of any of the foregoing (other than the Corporation and any entity that is controlled by the Corporation), and (c) in respect of the Corporation, any Person that, directly or indirectly, is controlled by the Corporation; (ii) "Affiliated Entity" shall mean (A) any Person of which a VSCP Non-Employee Agent serves as an officer, director, employee, agent or other representative (other than the Corporation and any entity that is controlled by the Corporation), (B) any direct or indirect partner, stockholder, member, manager or other representative of such Person or (C) any Affiliate of any of the foregoing; and (iii) "Person" shall mean any individual, corporation, general or limited partnership, limited liability company, joint venture, trust, association or any other entity.

F. For the purposes of this Article IX, "control," including the terms "controlling," "controlled by" and "under common control with," means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting stock, by contract, or otherwise. A person who is the owner of 20% or more of the outstanding voting stock of a corporation, partnership, unincorporated association or other entity shall be presumed to have control of such entity, in the absence of proof by a preponderance of the evidence to the contrary. Notwithstanding the foregoing, a presumption of control shall not apply where such person holds voting stock, in good faith and not for the purpose of circumventing the restrictions on business combinations set forth in Article X of this Amended and Restated Certificate, as an agent, bank, broker, nominee, custodian or trustee for one or more owners who do not individually or as a group have control of such entity.

G. To the fullest extent permitted by law, any Person purchasing or otherwise acquiring any interest in any shares of capital stock of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article IX.

ARTICLE X **DGCL SECTION 203 AND BUSINESS COMBINATIONS**

A. The Corporation hereby expressly elects not to be governed by Section 203 of the DGCL.

B. Notwithstanding the foregoing, the Corporation shall not engage in any business combination (as defined below), at any point in time at which the Corporation's Common Stock is registered under Section 12(b) or

12(g) of the Exchange Act of 1934, as amended (the "Exchange Act"), with any interested stockholder (as defined below) for a period of three years following the time that such stockholder became an interested stockholder, unless:

1. prior to such time, the Board approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder, or

2. upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock (as defined below) of the Corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned by (i) persons who are directors and also officers and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer, or

3. at or subsequent to such time, the business combination is approved by the Board and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least two-thirds (66 and 2/3%) of the voting power of all of the then outstanding shares of voting stock of the Corporation which is not owned by the interested stockholder.

C. For purposes of this Article X, references to:

1. "Affiliate" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another person.

2. "associate," when used to indicate a relationship with any person, means: (i) any corporation, partnership, unincorporated association or other entity of which such person is a director, officer or partner or is, directly or indirectly, the owner of 20% or more of any class of voting stock; (ii) any trust or other estate in which such person has at least a 20% beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity; and (iii) any relative or spouse of such person, or any relative of such spouse, who has the same residence as such person.

3. "business combination," when used in reference to the Corporation and any interested stockholder of the Corporation, means:

a. any merger or consolidation of the Corporation or any direct or indirect majority-owned subsidiary of the Corporation (a) with the interested stockholder, or (b) with any other corporation, partnership, unincorporated association or other entity if the merger or consolidation is caused by the interested stockholder and as a result of such merger or consolidation Section (B) of this Article X is not applicable to the surviving entity;

b. any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), except proportionately as a stockholder of the Corporation, to or with the interested stockholder, whether as part of a dissolution or otherwise, of assets of the Corporation or of any direct or indirect majority-owned subsidiary of the Corporation which assets have an aggregate market value equal to 10% or more of either the aggregate market value of all the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the outstanding stock of the Corporation;

c. any transaction which results in the issuance or transfer by the Corporation or by any direct or indirect majority-owned subsidiary of the Corporation of any stock of the Corporation or of such subsidiary to the interested stockholder, except: (a) pursuant to the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of the Corporation or any such subsidiary which securities were outstanding prior to the time that the interested stockholder became such; (b) pursuant to a merger under Section 251(g) of the DGCL; (c) pursuant to a dividend or distribution paid or made, or the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of the Corporation or any such subsidiary which security is distributed, pro rata to all holders of a class or series of stock of the Corporation subsequent to the time the interested stockholder became such; (d) pursuant to an exchange offer by the Corporation to purchase stock made on the same terms to all holders of said stock; or (e) any issuance or transfer of stock by the Corporation; *provided, however*, that in no case under items (c) through (e) of this subsection (iii) shall there be an increase in the interested stockholder's proportionate share of the stock of any class or series of the Corporation or of the voting stock of the Corporation (except as a result of immaterial changes due to fractional share adjustments);

d. any transaction involving the Corporation or any direct or indirect majority-owned subsidiary of the Corporation which has the effect, directly or indirectly, of increasing the proportionate share of the stock of any class or series, or securities convertible into the stock of any class or series, of the Corporation or of any such subsidiary which is owned by the interested stockholder, except as a result of immaterial changes due to fractional share adjustments or as a result

of any purchase or redemption of any shares of stock not caused, directly or indirectly, by the interested stockholder; or

e. any receipt by the interested stockholder of the benefit, directly or indirectly (except proportionately as a stockholder of the Corporation), of any loans, advances, guarantees, pledges, or other financial benefits (other than those expressly permitted in subsections (i) through (iv) above) provided by or through the Corporation or any direct or indirect majority-owned subsidiary.

4. “control,” including the terms “controlling,” “controlled by” and “under common control with,” shall have the meaning set forth in paragraph F in Article IX.

5. “interested stockholder” means any person (other than the Corporation or any direct or indirect majority-owned subsidiary of the Corporation) that (i) is the owner of 15% or more of the outstanding voting stock of the Corporation, or (ii) is an Affiliate or associate of the Corporation and was the owner of 15% or more of the outstanding voting stock of the Corporation at any time within the three year period immediately prior to the date on which it is sought to be determined whether such person is an interested stockholder; and the Affiliates and associates of such person; but “interested stockholder” shall not include (a) VSCP, any VSCP Direct Transferee, any VSCP Indirect Transferee or any of their respective Affiliates or successors or any “group,” or any member of any such group, to which such persons are a party under Rule 13d-5 of the Exchange Act. (b) any person whose ownership of shares in excess of the 15% limitation set forth herein is the result of any action taken solely by the Corporation or (c) Rollins; *provided, further*, that in the case of clause (b) such person shall be an interested stockholder if thereafter such person acquires additional shares of voting stock of the Corporation, except as a result of further corporate action not caused, directly or indirectly, by such person. For the purpose of determining whether a person is an interested stockholder, the voting stock of the Corporation deemed to be outstanding shall include stock deemed to be owned by the person through application of the definition of “owner” below but shall not include any other unissued stock of the Corporation which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

6. “owner,” including the terms “own” and “owned,” when used with respect to any stock, means a person that individually or with or through any of its Affiliates or associates:

a. beneficially owns such stock, directly or indirectly; or

b. has (a) the right to acquire such stock (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise; *provided, however*, that a person shall not be deemed the owner of stock tendered pursuant to a tender or exchange offer made by such person or any of such person’s Affiliates or associates until such tendered stock is accepted for purchase or exchange; or (b) the right to vote such stock pursuant to any agreement, arrangement or understanding; *provided, however*, that a person shall not be deemed the owner of any stock because of such person’s right to vote such stock if the agreement, arrangement or understanding to vote such stock arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made to 10 or more persons; or

c. has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent as described in item (b) of subsection (ii) above), or disposing of such stock with any other person that beneficially owns, or whose Affiliates or associates beneficially own, directly or indirectly, such stock.

7. “person” means any individual, corporation, partnership, unincorporated association or other entity.

8. “stock” means, with respect to any corporation, capital stock and, with respect to any other entity, any equity interest.

9. “voting stock” means stock of any class or series entitled to vote generally in the election of directors and, with respect to any entity that is not a corporation, any equity interest entitled to vote generally in the election of the governing body of such entity. Every reference to a percentage of voting stock shall refer to such percentages of the votes of such voting stock.

10. “VSCP” means the VSCP Entities and their respective successors and assigns.

11. “VSCP Direct Transferee” means any person that acquires (other than in a registered public offering) directly from VSCP or any of its successors or any “group,” or any member of any such group, of which such persons are a party under Rule 13d-5 of the Exchange Act beneficial ownership of 15% or more of the then outstanding voting stock of the Corporation.

12. “VSCP Entities” means investment funds affiliated with Vesey Street Capital Partners, L.L.C., a Delaware limited liability company, and their respective Affiliates.

13. “VSCP Indirect Transferee” means any person that acquires (other than in a registered public offering) directly from any VSCP Direct Transferee or any other VSCP Indirect Transferee beneficial ownership of 15% or more of the then outstanding voting stock of the Corporation.

ARTICLE XI **FORUM SELECTION**

Unless the Corporation consents in writing to the selection of an alternative forum, (a) the Court of Chancery (the “Chancery Court”) of the State of Delaware (or, in the event that the Chancery Court does not have jurisdiction, the federal district court for the District of Delaware or other state courts of the State of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action, suit or proceeding (“Proceeding”) brought on behalf of the Corporation, (ii) any Proceeding asserting a claim of breach of a fiduciary duty owed by any director, officer, other employee or stockholder of the Corporation to the Corporation or to the Corporation’s stockholders, (iii) any Proceeding arising out of or pursuant to any provision of the DGCL, this Amended and Restated Certificate or the Bylaws (in each case, as may be amended from time to time) or as to which the DGCL confers jurisdiction to the Court of Chancery of the State of Delaware, (iv) any Proceeding seeking to interpret, apply, enforce or determine the validity of this Amended and Restated Certificate or the Bylaws and (v) any Proceeding asserting a claim against the Corporation or any director, officer, other employee or stockholder of the Corporation governed by the internal affairs doctrine; and (b) subject to the preceding provisions of this Article XI, to the fullest extent permitted by applicable law, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause or causes of action arising under the Securities Act of 1933, as amended, including, without limitation, all causes of action asserted against any defendant to such complaint. If any Proceeding the subject matter of which is within the scope of clause (a) of the immediately preceding sentence is filed in a court other than the courts in the State of Delaware (a “Foreign Action”), such stockholder shall be deemed to have consented to (x) the personal jurisdiction of the state and federal courts in the State of Delaware in connection with any Proceeding brought in any such court to enforce the provisions of clause (a) of the immediately preceding sentence and (y) having service of process made upon such stockholder in any such Proceeding by service upon such stockholder’s counsel in the Foreign Action as agent for such stockholder. If any Proceeding the subject matter of which is within the scope of clause (b) of this Article XI is filed in a court other than the federal district courts of the United States of America (a “Foreign Securities Act Action”) in the name of any stockholder, such stockholder shall be deemed to have consented to (i) the personal jurisdiction of the federal district courts of the United States of America in connection with any Proceeding brought in any such court to enforce clause (b) (a “Securities Act Enforcement Action”), and (ii) having service of process made upon such stockholder in any such Securities Act Enforcement Action by service upon such stockholder’s counsel in the Foreign Securities Act Action as agent for such stockholder.

For the avoidance of doubt, this Article XI is intended to benefit and may be enforced by the Corporation, its officers and directors, the underwriters to any offering giving rise to any Proceeding, and any other professional or entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying the offering.

Any person or entity holding, owning, purchasing or otherwise acquiring any interest in any security of the Corporation shall be deemed to have notice of and consented to this Article XI.

If any provision or provisions of this Article XI shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever, (i) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Article XI (including, without limitation, each portion of any paragraph of this Article XI containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (ii) the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby.

ARTICLE XII **AMENDMENTS**

A. Notwithstanding anything contained in this Amended and Restated Certificate to the contrary, in addition to any vote required by applicable law, the following provisions in this Amended and Restated Certificate may be amended, altered, repealed or rescinded, in whole or in part, or any provision inconsistent therewith or herewith may be adopted, only by the affirmative vote of the holders of at least two-thirds (66 and 2/3%) of the total voting power of all the then outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single

class: Part B of Article IV, Article V, Article VI, Article VII, Article VIII, Article IX, Article X, Article XI and this Article XII.

B. If any provision or provisions of this Amended and Restated Certificate shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (i) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Amended and Restated Certificate (including, without limitation, each portion of any paragraph of this Amended and Restated Certificate containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not, to the fullest extent permitted by applicable law, in any way be affected or impaired thereby and (ii) to the fullest extent permitted by applicable law, the provisions of this Amended and Restated Certificate (including, without limitation, each such portion of any paragraph of this Amended and Restated Certificate containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service to or for the benefit of the Corporation to the fullest extent permitted by law.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Todd Magazine, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AirSculpt Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2023

AirSculpt Technologies, Inc.

By: /s/ Todd Magazine
Todd Magazine
Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Dennis Dean, certify that:

I have reviewed this quarterly report on Form 10-Q of AirSculpt Technologies, Inc.;

1. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
2. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
3. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (a) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

AirSculpt Technologies, Inc.

Date: August 11, 2023

By: /s/ Dennis Dean

Dennis Dean
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of AirSculpt Technologies, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certifies, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: August 11, 2023

By: /s/ Todd Magazine

Todd Magazine
Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of AirSculpt Technologies, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certifies, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: August 11, 2023

By: /s/ Dennis Dean

Dennis Dean

Chief Financial Officer