

Align Technology ApS

Ørestads Boulevard 73
DK-2300 København S

CVR no. 42 28 40 41

Annual report for the period 7 April – 31 December 2021

The annual report was presented and approved at
the Company's annual general meeting on

8 June 2022

James Tandy
Chairman of the annual general meeting

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Align Technology ApS
Annual report 2021
CVR no. 42 28 40 41

Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Align Technology ApS for the financial period 7 April – 31 December 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial period 7 April – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 8 June 2022
Executive Board:

Markus Christof Sebastian

Julie Ann Coletti

James Edward Tandy

Karen Elaine Silva

Independent auditor's report

To the shareholder of Align Technology ApS

Opinion

We have audited the financial statements of Align Technology ApS for the financial period 7 April – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial period 7 April – 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Independent auditor's report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Aarhus, 8 June 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Niklas R. Filipesen
State Authorised
Public Accountant
mne47781

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Management's review

Company details

Align Technology ApS
Ørestads Boulevard 73
DK-2300 København S

CVR no.:	42 28 40 41
Established:	7 April 2021
Registered office:	Copenhagen
Financial period:	7 April – 31 December

Executive Board

Markus Christof Sebastian
Julie Ann Coletti
James Edward Tandy
Karen Elaine Silva

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Frederiks Plads 42
DK-8000 Aarhus C
CVR no. 25 57 81 98

Management's review

Operating review

Principal activities

The Company's objective is to carry out sales and marketing activities and to provide services as well as to carry out any other activities which, in the discretion of Management, are related thereto.

Development in activities and financial position

The Company's income statement for 2021 shows a profit of DKK 425,250. Equity in the Company's balance sheet at 31 December 2021 stood at DKK 465,250.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of the annual report.

Financial statements 7 April – 31 December

Income statement

DKK	Note	7/4-31/12 2021
Gross profit		<u>5,351,044</u>
Staff costs	2	<u>-4,807,662</u>
Profit before financial income and expenses		543,382
Financial expenses		<u>-2,500</u>
Profit before tax		540,882
Tax on profit for the year		<u>-115,632</u>
Profit for the period		<u><u>425,250</u></u>
Proposed profit appropriation		
Retained earnings		<u><u>425,250</u></u>

Financial statements 7 April – 31 December

Balance sheet

DKK	Note	31/12 2021
ASSETS		
Fixed assets		
Financial assests		
Deposits		<u>425,719</u>
Total fixed assets		<u>425,719</u>
Current assets		
Receivables		
Receivables from group entities		1,803,540
Other receivables		1,014,539
Deferred tax asset		63,040
Prepayments		<u>186,179</u>
		<u>3,067,298</u>
Cash at bank and in hand		<u>3,279,180</u>
Total current assets		<u>6,346,478</u>
TOTAL ASSETS		<u><u>6,772,197</u></u>
EQUITY AND LIABILITIES		
Equity		
Contributed capital		40,000
Retained earnings		<u>425,250</u>
Total equity		<u>465,250</u>
Liabilities		
Current liabilities		
Trade payables		362,426
Payables to group entities		4,001,373
Corporation tax		178,672
Other payables		<u>1,764,476</u>
		<u>6,306,947</u>
Total liabilities		<u>6,306,947</u>
TOTAL EQUITY AND LIABILITIES		<u><u>6,772,197</u></u>
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Financial statements 7 April – 31 December

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Contribution 7 April 2021	40,000	0	40,000
Transferred over the profit appropriation	<u>0</u>	<u>425,250</u>	<u>425,250</u>
Equity at 31 December 2021	<u><u>40,000</u></u>	<u><u>425,250</u></u>	<u><u>465,250</u></u>

Financial statements 7 April – 31 December

Notes

1 Accounting policies

The annual report of Align Technology ApS for 2021 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

This is the Company's first financial year.

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Income from the sale of marketing and sales support is recognised in revenue when delivery and transfer of risk to the third party have taken place, and the income may be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Other external costs

Other external costs comprise distribution costs and costs related to administration, office premises, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial expenses

Financial expenses comprise interest expenses and revaluation of transactions denominated in foreign currencies.

Tax on profit for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Financial statements 7 April – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Financial assets

Deposits are measured at amortised cost.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash at bank and in hand

Cash and cash equivalents comprise cash in bank.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities

Liabilities are measured at net realisable value.

Financial statements 7 April – 31 December

Notes

2 Staff costs

	<u>7/4-31/12</u> <u>2021</u>
DKK	
Wages and salaries	4,288,884
Pensions	271,829
Other social security costs	219,466
Other staff costs	<u>27,483</u>
	<u>4,807,662</u>
Average number of full-time employees	<u>21</u>

3 Contractual obligations, contingencies, etc.

Operating lease obligations

The Company has entered into operating leases with a remaining term of 41 months. The total obligation of operating leases amounts to DKK 217 thousand as of 31 December 2021. Of the total obligation, DKK 64 thousand falls due within 1 year.

The Company has a rental obligation that is non-terminable until September 2022, which at the balance sheet date represents an obligation of DKK 1,916 thousand.

4 Related party disclosures

Control

Align Technology Switzerland GmbH, Suurstoffi 22, 6343 Rotkreuz, Switzerland.

Align Technology Switzerland GmbH holds all of the contributed capital in the Company.

Align Technology ApS is part of the consolidated financial statements of Align Technology, Inc, 410 North Scottsdale Road Suite 1300, Tempe, Arizona 85281, which is the smallest and largest group, in which the Company is included as a subsidiary.

The consolidated financial statements of Align Technology, Inc, 410 North Scottsdale Road Suite 1300, Tempe, Arizona 85281 can be obtained by contacting the company at the address above.