

Align Technology ApS

Kay Fiskers Plads 10, 6.
DK-2300 København S

CVR no. 42 28 40 41

Annual report 2022

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

24 May 2023

James Tandy
Chairman of the annual general meeting

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Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Align Technology ApS for the financial year 1 January – 31 December 2022.

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 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

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.

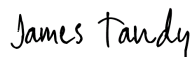
Copenhagen, 24 May 2023
Executive Board:

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Markus Christof Sebastian

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Julie Ann Coletti

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James Edward Tandy

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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 year 1 January – 31 December 2022 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 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022 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 financial statement 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

Independent auditor's report

- 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.
- 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, 24 May 2023

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98



Niklas R. Filip
State Authorised
Public Accountant
mne47781

Align Technology ApS
Annual report 2022
CVR no. 42 28 40 41

Management's review

Company details

Align Technology ApS
Kay Fiskers Plads 10, 6.
DK-2300 København S

CVR no.:	42 28 40 41
Established:	7 April 2021
Registered office:	Copenhagen
Financial year:	1 January – 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 2022 shows a profit of DKK 3,185 thousand as against a profit of DKK 427 thousand in 2021. Equity in the Company's balance sheet at 31 December 2022 stood at DKK 13,650 thousand as against DKK 465 thousand at 31 December 2021.

In 2022, the Company received a capital contribution from its Parent Company totalling DKK 10,000 thousand.

Events after the balance sheet date

No events have occurred after the balance sheet date of material importance to the annual report for 2022.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2022	7/4-31/12 2021
Gross profit		36,234	5,352
Staff costs	2	-31,903	-4,807
Depreciation		-176	0
Profit before financial income and expenses		4,155	545
Financial income		18	0
Financial expenses	3	-211	-2
Profit before tax		3,962	543
Tax on profit for the year	4	-777	-116
Profit for the year		3,185	427
Proposed profit appropriation			
Retained earnings		3,185	427

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2022	31/12 2021
ASSETS			
Fixed assets			
Property, plant and equipment			
Fixtures and fittings, tools and equipment		1,811	0
Leasehold improvements		1,472	0
Assets under construction		592	0
		<u>3,875</u>	<u>0</u>
Financial assets			
Deposits		802	426
Total fixed assets		<u>4,677</u>	<u>426</u>
Current assets			
Receivables			
Receivables from group entities		6,563	1,804
Other receivables		1,430	1,015
Deferred tax asset		0	63
Prepayments		163	186
		<u>8,156</u>	<u>3,068</u>
Cash at bank and in hand		<u>10,875</u>	<u>3,279</u>
Total current assets		<u>19,031</u>	<u>6,347</u>
TOTAL ASSETS		<u><u>23,708</u></u>	<u><u>6,773</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2022	31/12 2021
EQUITY AND LIABILITIES			
Equity			
Contributed capital		40	40
Retained earnings		13,610	425
Total equity		<u>13,650</u>	<u>465</u>
Provisions			
Provisions for deferred tax		87	0
Total provisions		<u>87</u>	<u>0</u>
Liabilities other than provisions			
Current liabilities other than provisions			
Trade payables		2,411	362
Payables to group entities		443	4,001
Corporation tax		522	179
Other payables		6,595	1,766
		<u>9,971</u>	<u>6,308</u>
Total liabilities other than provisions		<u>9,971</u>	<u>6,308</u>
TOTAL EQUITY AND LIABILITIES		<u><u>23,708</u></u>	<u><u>6,773</u></u>
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Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2022	40	425	465
Transferred over the profit appropriation	0	3,185	3,185
Contribution from group	0	10,000	10,000
Equity at 31 December 2022	40	13,610	13,650

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Align Technology ApS for 2022 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.

The accounting policies used in the preparation of the financial statements are consistent with those of last 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 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 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 1 January – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Prepayments

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

Cash at bank and in hand

Cash at bank and in hand comprises cash.

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 other than provisions

Liabilities are measured at amortised cost.

Leases

All of the Company's leases are considered operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations and contingencies, etc.

DKK'000	2022	7/4-31/12 2021
2 Staff costs		
Wages and salaries	26,629	4,289
Pensions	2,664	272
Other social security costs	2,242	219
Other staff costs	368	27
	<u>31,903</u>	<u>4,807</u>
Average number of full-time employees	<u>36</u>	<u>21</u>

Financial statements 1 January – 31 December

Notes

3 Financial expenses

Interest expense to group entities	76	0
Other financial costs	135	2
	<u>211</u>	<u>2</u>

4 Tax on profit for the year

Current tax for the year	722	179
Adjustment to deferred tax for the year	150	-63
Adjustment regarding current tax in previous years	-95	0
	<u>777</u>	<u>116</u>

5 Contractual obligations, contingencies, etc.

Operating lease obligations

The Company has entered into operating leases with a remaining term of 30 months. The total obligation of operating leases amounted to DKK 425 thousand as of 31 December 2022 (31 December 2021: DKK 217 thousand). Of the total obligation, DKK 170 thousand falls due within 1 year (31 December 2021: DKK 64 thousand).

The Company has entered into rental lease obligations with a remaining term of 33 months. The total obligation of operating leases amounts to DKK 6,016 thousand as of 31 December 2022 (31 December 2021: DKK 1,916 thousand). Of the total obligation, DKK 1,604 thousand falls due within 1 year (31 December 2021: DKK 1,916 thousand).

Financial statements 1 January – 31 December

Notes

6 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 85288, which is the smallest and largest group, in which the Company is included as a subsidiary.

The consolidated financial statements of Align Technology, Inc. can be obtained by contacting the company at the address above.