

Align Technology ApS

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

CVR no. 42 28 40 41

Annual report 2023

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

26 June 2024

James Edward 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 for Align Technology ApS for the financial year 1 January - 31 December 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

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, 26 June 2024

Executive Board:

James Edward Tandy
Director

Karen Elaine Silva
Director

Pierre Velu
Director



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 2023, 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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 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

- 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 Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 26 June 2024

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Niklas R. Filipsen
State Authorised Public Accountant
mne47781

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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

James Edward Tandy, Director
Karen Elaine Silva, Director
Pierre Velu, Director

Auditor

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

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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 2023 shows a profit of DKK 3,273 thousand as against a profit of DKK 3,185 thousand in 2022. Equity in the Company's balance sheet at 31 December 2023 stood at DKK 16,923 thousand as against DKK 13,650 thousand at 31 December 2022.

The financial year was in line with forecast, and results for the year are considered satisfactory.

Events after the balance sheet date

No events have occurred after the balance sheet date of material importance to the annual report for 2023.

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Income statement

DKK'000	Note	2023	2022
Gross profit		42,659	34,957
Staff costs	2	-37,694	-30,626
Depreciation of property, plant and equipment		-842	-176
Profit before financial income and expenses		4,123	4,155
Other financial income		289	18
Other financial expenses	3	-198	-211
Profit before tax		4,214	3,962
Tax on profit for the year	4	-941	-777
Profit for the year		<u>3,273</u>	<u>3,185</u>
Proposed profit appropriation			
Retained earnings		<u>3,273</u>	<u>3,185</u>

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Balance sheet

DKK'000	Note	31/12 2023	31/12 2022
ASSETS			
Fixed assets			
Property, plant and equipment			
Fixtures, fittings, tools and equipment		1,661	1,811
Leasehold improvements		1,461	1,472
Property, plant and equipment in progress		0	592
		<u>3,122</u>	<u>3,875</u>
Financial assets			
Deposits		802	802
Total fixed assets		<u>3,924</u>	<u>4,677</u>
Current assets			
Receivables			
Receivables from group entities		6,486	6,563
Other receivables		1,946	1,430
Prepayments		11	163
		<u>8,443</u>	<u>8,156</u>
Cash at bank and in hand		<u>13,246</u>	<u>10,875</u>
Total current assets		<u>21,689</u>	<u>19,031</u>
TOTAL ASSETS		<u>25,613</u>	<u>23,708</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2023	31/12 2022
EQUITY AND LIABILITIES			
Equity			
Contributed capital		40	40
Retained earnings		16,883	13,610
Total equity		<u>16,923</u>	<u>13,650</u>
Provisions			
Provisions for deferred tax		94	87
Total provisions		<u>94</u>	<u>87</u>
Liabilities other than provisions			
Current liabilities other than provisions			
Trade payables		849	2,411
Payables to group entities		0	443
Corporation tax		835	522
Other payables, including taxes payable		6,912	6,595
		<u>8,596</u>	<u>9,971</u>
Total liabilities other than provisions		<u>8,596</u>	<u>9,971</u>
TOTAL EQUITY AND LIABILITIES		<u>25,613</u>	<u>23,708</u>

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Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2023	40	13,610	13,650
Transferred over the profit appropriation	0	3,273	3,273
Equity at 31 December 2023	40	16,883	16,923

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1 Accounting policies

The annual report of Align Technology ApS for 2023 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.

With reference to the true and fair view laid down in the Danish Financial Statements Act, the Company has made some reclassifications to individual items in the income statement. The reclassifications have affected the items staff costs and other external costs (gross profit) but have no impact on results before tax, results for the year or equity. Comparative figures have been reclassified accordingly.

Income statement

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 income and expenses

Financial income and expenses comprise interest income and expense as well as payables and transactions denominated in foreign currencies.

Tax on profit for the year

Tax for the year comprises current 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 at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

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. Indirect production overheads and borrowing costs are not recognised in cost.

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1 Accounting policies

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, 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.

Property, plant and equipment in progress 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.

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.

Investments

Deposits are measured at amortised cost.

Impairment of fixed assets

The carrying amount of property, plant and equipment and financial assets is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised write-downs are reversed when the basis for the write-down no longer exists.

Receivables

Receivables are measured at amortised cost.

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

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1 Accounting policies

Prepayments

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

Cash at bank and in hand

Cash at bank and in hand comprise bank deposits.

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 measured on the planned use of the asset or settlement of the liability, respectively.

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.

2 Staff costs

DKK'000	2023	2022
Wages and salaries	33,538	25,720
Pensions	2,701	2,664
Other social security costs	1,455	2,242
	<u>37,694</u>	<u>30,626</u>
Average number of full-time employees	<u>45</u>	<u>36</u>

3 Other financial expenses

DKK'000	2023	2022
Interest paid to group entities	0	76
Other interest expenses	198	135
	<u>198</u>	<u>211</u>

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4 Tax on profit for the year

DKK'000	2023	2022
Current tax for the year	923	722
Deferred tax adjustment for the year	7	150
Adjustment of tax concerning previous years	11	-95
	<u>941</u>	<u>777</u>

5 Contractual obligations, contingencies, etc.

Operating lease obligations

The Company has entered into operating leases with a remaining term of 18 months. The total obligation of operating leases amounted to DKK 255 thousand as of 31 December 2023 (31 December 2022: DKK 425 thousand). Of the total obligation, DKK 170 thousand falls due within 1 year (31 December 2022: DKK 170 thousand).

The Company has entered into rental lease obligations with a remaining term of 21 months. The total obligation of operating leases amounts to DKK 2,816 thousand as of 31 December 2023 (31 December 2022: DKK 6,016 thousand). Of the total obligation, DKK 1,612 thousand falls due within 1 year (31 December 2022: DKK 1,604 thousand).

6 Related parties

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.