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

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**FORM 10-Q**

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(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, 2025  
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: 000-32259

**ALIGN TECHNOLOGY, INC.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

94-3267295  
(I.R.S. Employer  
Identification No.)

410 North Scottsdale Road, Suite 1300  
Tempe, Arizona 85288  
(Address of principal executive offices) (Zip Code)  
(602) 742-2000  
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value	ALGN	The NASDAQ Stock Market LLC (NASDAQ Global Select 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 checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input 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

As of August 1, 2025, the number of shares outstanding of the registrant's Common Stock, \$0.0001 par value, was 72,486,368.

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ALIGN TECHNOLOGY, INC.

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## PART I—FINANCIAL INFORMATION

## Item 1. Financial Statements.

**ALIGN TECHNOLOGY, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except per share data)  
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net revenues	\$ 1,012,449	\$ 1,028,490	\$ 1,991,711	\$ 2,025,921
Cost of net revenues	304,332	305,862	603,486	605,477
Gross profit	708,117	722,628	1,388,225	1,420,444
Operating expenses:				
Selling, general and administrative	448,686	452,262	896,315	904,084
Research and development	96,398	92,193	193,599	184,052
Legal settlement loss	—	31,127	4,178	31,127
Total operating expenses	545,084	575,582	1,094,092	1,119,263
Income from operations	163,033	147,046	294,133	301,181
Interest income and other income (expense), net:				
Interest income	2,859	3,301	8,175	7,693
Other income (expense), net	7,624	(6,481)	11,650	(6,622)
Total interest income and other income (expense), net	10,483	(3,180)	19,825	1,071
Net income before provision for income taxes	173,516	143,866	313,958	302,252
Provision for income taxes	48,908	47,302	96,120	100,660
Net income	\$ 124,608	\$ 96,564	\$ 217,838	\$ 201,592
Net income per share:				
Basic	\$ 1.72	\$ 1.28	\$ 2.98	\$ 2.68
Diluted	\$ 1.72	\$ 1.28	\$ 2.98	\$ 2.68
Shares used in computing net income per share:				
Basic	72,565	75,184	73,061	75,180
Diluted	72,593	75,223	73,098	75,315

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

**ALIGN TECHNOLOGY, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(in thousands)**  
**(unaudited)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income	\$ 124,608	\$ 96,564	\$ 217,838	\$ 201,592
Other comprehensive income (loss):				
Change in foreign currency translation adjustment, net of tax	43,010	6,359	55,209	3,427
Change in unrealized gains (losses) on investments, net of tax	—	243	—	446
Other comprehensive income (loss)	43,010	6,602	55,209	3,873
Comprehensive income	<u>\$ 167,618</u>	<u>\$ 103,166</u>	<u>\$ 273,047</u>	<u>\$ 205,465</u>

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

**ALIGN TECHNOLOGY, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except per share data)  
(unaudited)

	June 30, 2025	December 31, 2024
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 901,157	\$ 1,043,887
Accounts receivable, net of allowance for doubtful accounts of \$24,381 and \$19,131, respectively	1,116,210	995,685
Inventories	243,750	254,287
Prepaid expenses and other current assets	186,941	198,582
Total current assets	2,448,058	2,492,441
Property, plant and equipment, net	1,260,909	1,271,134
Operating lease right-of-use assets, net	116,674	113,376
Goodwill	491,072	442,630
Intangible assets, net	103,485	103,488
Deferred tax assets	1,548,229	1,557,372
Other assets	250,667	234,159
Total assets	\$ 6,219,094	\$ 6,214,600
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 114,434	\$ 108,693
Accrued liabilities	563,059	598,188
Deferred revenues	1,317,990	1,331,146
Total current liabilities	1,995,483	2,038,027
Income tax payable	103,558	96,466
Operating lease liabilities	90,474	88,214
Other long-term liabilities	116,800	139,908
Total liabilities	2,306,315	2,362,615
Commitments and contingencies (Note 7 and Note 8)		
Stockholders' equity:		
Preferred stock, \$0.0001 par value (5,000 shares authorized; none issued)	—	—
Common stock, \$0.0001 par value (200,000 shares authorized; 72,486 and 73,849 issued and outstanding, respectively)	7	7
Additional paid-in capital	1,426,541	1,362,234
Accumulated other comprehensive income (loss), net	61,187	5,978
Retained earnings	2,425,044	2,483,766
Total stockholders' equity	3,912,779	3,851,985
Total liabilities and stockholders' equity	\$ 6,219,094	\$ 6,214,600

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

**ALIGN TECHNOLOGY, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(in thousands)  
(unaudited)

Three Months Ended June 30, 2025	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss), Net	Retained Earnings	Total
	Shares	Amount				
Balance as of March 31, 2025	73,057	\$ 7	\$ 1,386,807	\$ 18,177	\$ 2,389,252	\$ 3,794,243
Net income	—	—	—	—	124,608	124,608
Net change in foreign currency translation adjustment	—	—	—	43,010	—	43,010
Issuance of common stock relating to employee equity compensation plans	15	—	—	—	—	—
Tax withholdings related to net share settlements of equity awards	(1)	—	(253)	—	—	(253)
Common stock repurchased and retired	(585)	—	(8,221)	—	(88,816)	(97,037)
Stock-based compensation	—	—	48,208	—	—	48,208
Balance as of June 30, 2025	<u>72,486</u>	<u>\$ 7</u>	<u>\$ 1,426,541</u>	<u>\$ 61,187</u>	<u>\$ 2,425,044</u>	<u>\$ 3,912,779</u>

Six Months Ended June 30, 2025	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss), Net	Retained Earnings	Total
	Shares	Amount				
Balance as of December 31, 2024	73,849	\$ 7	\$ 1,362,234	\$ 5,978	\$ 2,483,766	\$ 3,851,985
Net income	—	—	—	—	217,838	217,838
Net change in foreign currency translation adjustment	—	—	—	55,209	—	55,209
Issuance of common stock relating to employee equity compensation plans	408	—	13,909	—	—	13,909
Tax withholdings related to net share settlements of equity awards	(100)	—	(19,830)	—	—	(19,830)
Common stock repurchased and retired	(1,671)	—	(22,977)	—	(276,560)	(299,537)
Stock-based compensation	—	—	93,205	—	—	93,205
Balance as of June 30, 2025	<u>72,486</u>	<u>\$ 7</u>	<u>\$ 1,426,541</u>	<u>\$ 61,187</u>	<u>\$ 2,425,044</u>	<u>\$ 3,912,779</u>

Three Months Ended June 30, 2024	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss), Net	Retained Earnings	Total
	Shares	Amount				
Balance as of March 31, 2024	75,281	\$ 7	\$ 1,238,739	\$ 18,439	\$ 2,502,675	\$ 3,759,860
Net income	—	—	—	—	96,564	96,564
Net change in unrealized gains (losses) from investments	—	—	—	243	—	243
Net change in foreign currency translation adjustment	—	—	—	6,359	—	6,359
Issuance of common stock relating to employee equity compensation plans	17	—	—	—	—	—
Tax withholdings related to net share settlements of equity awards	(4)	—	(1,547)	—	—	(1,547)
Common stock repurchased and retired	(598)	—	(7,922)	—	(142,677)	(150,599)
Stock-based compensation	—	—	47,028	—	—	47,028
Balance as of June 30, 2024	74,696	\$ 7	\$ 1,276,298	\$ 25,041	\$ 2,456,562	\$ 3,757,908

Six Months Ended June 30, 2024	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss), Net	Retained Earnings	Total
	Shares	Amount				
Balance as of December 31, 2023	75,075	\$ 7	\$ 1,162,140	\$ 21,168	\$ 2,447,174	\$ 3,630,489
Net income	—	—	—	—	201,592	201,592
Net change in unrealized gains (losses) from investments	—	—	—	446	—	446
Net change in foreign currency translation adjustment	—	—	—	3,427	—	3,427
Issuance of common stock relating to employee equity compensation plans	345	—	14,339	—	—	14,339
Tax withholdings related to net share settlements of equity awards	(90)	—	(27,602)	—	—	(27,602)
Common stock repurchased and retired	(634)	—	(7,922)	—	(142,677)	(150,599)
Equity forward contract related to accelerated stock repurchase	—	—	49,527	—	(49,527)	—
Stock-based compensation	—	—	85,816	—	—	85,816
Balance as of June 30, 2024	74,696	\$ 7	\$ 1,276,298	\$ 25,041	\$ 2,456,562	\$ 3,757,908

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

**ALIGN TECHNOLOGY, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)  
(unaudited)

	Six Months Ended June 30,	
	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 217,838	\$ 201,592
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred taxes	(759)	9,506
Depreciation and amortization	79,724	69,112
Stock-based compensation	93,205	85,816
Non-cash operating lease cost	19,457	19,040
Other non-cash operating activities	7,593	2,377
Changes in assets and liabilities, net of effects of acquisitions:		
Accounts receivable	(121,406)	(146,932)
Inventories	9,044	31,396
Prepaid expenses and other assets	(22,701)	(80,904)
Accounts payable	(7,516)	(6,398)
Accrued and other long-term liabilities	(35,503)	44,779
Long-term income tax payable	7,092	(12,961)
Deferred revenues	(64,742)	(27,932)
Net cash provided by operating activities	<u>181,326</u>	<u>188,491</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Acquisitions, net of cash acquired	—	(77,075)
Purchase of property, plant and equipment	(46,768)	(62,819)
Proceeds from maturities of marketable securities	—	15,560
Proceeds from sales of marketable securities	—	7,518
Purchase of equity investments	(10,000)	(75,390)
Other investing activities	—	129
Net cash used in investing activities	<u>(56,768)</u>	<u>(192,077)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from issuance of common stock	13,909	14,339
Common stock repurchases, net of excise tax	(297,134)	(150,012)
Payroll taxes paid upon the vesting of equity awards	(19,830)	(27,602)
Net cash used in financing activities	<u>(303,055)</u>	<u>(163,275)</u>
Effect of foreign exchange rate changes on cash, cash equivalents, and restricted cash	35,876	(9,196)
Net decrease in cash, cash equivalents, and restricted cash	<u>(142,621)</u>	<u>(176,057)</u>
Cash, cash equivalents and restricted cash at beginning of the period	1,044,963	938,519
Cash, cash equivalents and restricted cash at end of the period	<u>\$ 902,342</u>	<u>\$ 762,462</u>

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

**ALIGN TECHNOLOGY, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

**Note 1. Summary of Significant Accounting Policies**

***Basis of Presentation and Preparation***

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared by Align Technology, Inc. (“we”, “our”, the “Company” or “Align”) on a consistent basis with the audited Consolidated Financial Statements for the year ended December 31, 2024, and contain all adjustments, including normal recurring adjustments, necessary to fairly state the information set forth herein. These unaudited Condensed Consolidated Financial Statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission (“SEC”), and, therefore, omit certain information and footnote disclosures necessary to present the unaudited Condensed Consolidated Financial Statements in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

The information included in this Quarterly Report on Form 10-Q should be read in conjunction with the Consolidated Financial Statements and notes thereto included in Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2024, as filed with the SEC on February 28, 2025. The results of operations for the three and six months ended June 30, 2025 are not necessarily indicative of the results that may be expected for the year ending December 31, 2025 or any other future period, and we make no representations related thereto.

***Use of Estimates***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. Actual results could differ materially from those estimates. On an ongoing basis, we evaluate our estimates, including those related to revenue recognition and deferred revenues, useful lives of intangible assets and property, plant and equipment, goodwill, income taxes, contingent liabilities, the fair values of financial instruments, stock-based compensation and the valuation of investments in privately held companies among others. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities.

***Certain Risks and Uncertainties***

Financial instruments which potentially expose the Company to concentration of credit risk, consist principally of cash and cash equivalents. These instruments have minimal credit risk exposures. Management regularly monitors their compositions and maturities. The Company maintains its cash and cash equivalents in bank accounts that exceed federally insured FDIC limits. Through June 30, 2025, the Company has not experienced any material credit losses on such deposits.

We purchase certain inventory from sole suppliers. Additionally, we rely on a limited number of hardware manufacturers. The inability of any supplier or manufacturer to fulfill our supply requirements could materially and adversely impact our future operating results.

***Recent Accounting Pronouncements***

***(i) New Accounting Pronouncements Recently Adopted***

On November 27, 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-07 (“ASU 2023-07”), “*Improvements to Reportable Segment Disclosures*.” The amendments in this update improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses and other segment expenses. For public business entities, the provisions of ASU 2023-07 were effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. We adopted this standard in the fiscal year ended December 31, 2024. See *Note 14 “Segments and Geographical Information.”*

***(ii) Recent Accounting Pronouncements Not Yet Effective***

On December 14, 2023, the FASB issued ASU 2023-09, “*Improvements to Income Tax Disclosures*.” The amendments in this ASU require a public entity to disclose in tabular format, using both percentages and reporting currency amounts, specific categories in the rate reconciliation and to provide additional information for reconciling items that meet a quantitative

threshold. The amendments in this ASU also require taxes paid (net of refunds received) to be disaggregated by federal, state, and foreign taxes and further disaggregated for specific jurisdictions to the extent the related amounts exceed a quantitative threshold. For public business entities, the provisions of ASU 2023-09 are effective for fiscal years beginning after December 15, 2024. There will be no impact to our consolidated balance sheets or statements of operations; however, the Company is evaluating the effect of this pronouncement on our consolidated financial statement disclosures.

On November 4, 2024, the FASB issued ASU 2024-03, "Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures." The amendments in this ASU require a public entity to disclose, in the notes to the financial statements, specified information about certain costs and expenses, including the amounts of inventory purchases, employee compensation, depreciation and intangible asset amortization. For public business entities, the provisions of ASU 2024-03 are effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. There will be no impact to our consolidated balance sheets or statements of operations; however, the Company is evaluating the effect of this pronouncement on our consolidated financial statement disclosures.

## Note 2. Financial Instruments

### Cash, Cash Equivalents and Marketable Securities

The following tables summarize our cash, cash equivalents and marketable securities balances in our Condensed Consolidated Balance Sheets as of June 30, 2025 and Consolidated Balance Sheets as of December 31, 2024 (in thousands):

June 30, 2025	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Reported as:		
					Cash and Cash Equivalents	Marketable securities, short-term	Marketable securities, long-term
Cash	\$ 823,785	\$ —	\$ —	\$ 823,785	\$ 823,785	\$ —	\$ —
Money market funds	60,204	—	—	60,204	60,204	—	—
Certificate of deposits	17,168	—	—	17,168	17,168	—	—
Total	\$ 901,157	\$ —	\$ —	\$ 901,157	\$ 901,157	\$ —	\$ —

December 31, 2024	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Reported as:		
					Cash and Cash Equivalents	Marketable securities, short-term	Marketable securities, long-term
Cash	\$ 752,423	\$ —	\$ —	\$ 752,423	\$ 752,423	\$ —	\$ —
Money market funds	291,464	—	—	291,464	291,464	—	—
Total	\$ 1,043,887	\$ —	\$ —	\$ 1,043,887	\$ 1,043,887	\$ —	\$ —

We had no short-term or long-term marketable securities as of June 30, 2025 or December 31, 2024.

### Fair Value Measurements

Fair value is an exit price, representing the amount that would be received from selling an asset or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. We use the U.S. GAAP fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs that may be used to measure fair value:

*Level 1* — Inputs to the valuation techniques that are quoted prices in active markets for identical assets or liabilities.

*Level 2* — Inputs to the valuation techniques that are other than quoted prices but are observable for the assets or liabilities, either directly or indirectly.

*Level 3* — Inputs to the valuation techniques that are unobservable for the assets or liabilities.

The following tables summarize our financial assets measured at fair value as of June 30, 2025 and December 31, 2024 (in thousands):

Description	Balance as of June 30, 2025	Level 1
<b>Cash equivalents:</b>		
Money market funds	\$ 60,204	\$ 60,204
Certificate of deposits	17,168	17,168
	\$ 77,372	\$ 77,372

Description	Balance as of December 31, 2024	Level 1
<b>Cash equivalents:</b>		
Money market funds	\$ 291,464	\$ 291,464
	\$ 291,464	\$ 291,464

### *Accounts Receivable Factoring*

We enter into factoring transactions on a non-recourse basis with financial institutions to sell certain of our non-U.S. accounts receivable. We account for these transactions as sales of financial assets and include the cash proceeds as a part of our cash flows from operations in the Condensed Consolidated Statements of Cash Flows. Total accounts receivable sold under factoring arrangements was \$18.3 million and \$11.3 million during the three months ended June 30, 2025 and 2024, respectively, and \$24.7 million and \$25.9 million during the six months ended June 30, 2025 and 2024, respectively. Factoring fees on the sales of receivables were recorded in Other income (expense), net in our Condensed Consolidated Statements of Operations and were not material.

### *Investments in Privately Held Companies*

Our investments in privately held companies in which we cannot exercise significant influence and do not own a majority equity interest or otherwise control are accounted for as investments in equity securities. We have elected to account for all investments in equity securities in accordance with the measurement alternative. Under the measurement alternative, we record the value of our investments in equity securities at cost, minus impairment, if any. Additionally, we adjust the carrying value of our investments in equity securities for observable transactions for identical or similar investments of the same issuer.

On April 24, 2023 and April 22, 2024, we entered into Subscription Agreements (the “Subscription Agreements”) with Heartland Dental Holding Corporation (“Heartland”). Pursuant to the Subscription Agreements we acquired less than a 5% equity interest in Heartland through the purchase of Class A Common Stock for \$150 million in total. In the fourth quarter of 2024, we recorded a \$6 million increase to the carrying value of our investment, which increased the total carrying value of our investment in Heartland to \$156 million.

On December 19, 2024 and June 5, 2025, we entered into Subscription Agreements (the “Smile Doctors Subscription Agreements”) with New SD Holding Company, L.P. (“SD Holding Company”). Pursuant to the Smile Doctors Subscription Agreements we acquired less than a 3% equity interest in SD Holding Company through the purchase of Class A Common Units for \$40 million in total. SD Holding Company owns a controlling interest, through intermediary entities, in Smile Doctors, LLC.

Based on a review of the relevant facts and circumstances, primarily observable transactions for identical investments, we determined that no adjustments to the carrying values of our investments were necessary for the three or six months ended June 30, 2025.

Our investments in privately held companies in which we can exercise significant influence are accounted for as equity method investments. We have elected to account for our equity method investments under the fair value option.

The carrying value of our investments in equity securities and equity method investments are reported in our Condensed Consolidated Balance Sheets as Other assets and any price adjustments or impairment, if any, are recorded in Other income (expense), net in our Condensed Consolidated Statements of Operations.

***Derivatives Not Designated as Hedging Instruments***

We enter into foreign currency forward contracts to minimize the short-term impact of foreign currency exchange rate fluctuations on certain assets and liabilities. These forward contracts are classified within Level 2 of the fair value hierarchy. As a result of the settlement of foreign currency forward contracts, we recognized a net loss of \$27.1 million and a net gain of \$7.5 million, during the three months ended June 30, 2025 and 2024, respectively, and a net loss of \$38.6 million and a net gain \$27.2 million, respectively, during the six months ended June 30, 2025 and 2024. Recognized gains and losses from the settlement of foreign currency forward contracts are recorded in Other income (expense), net in our Condensed Consolidated Statements of Operations. As of June 30, 2025 and December 31, 2024, the fair value of outstanding foreign exchange forward contracts was not material.

The following tables present the gross notional value of all our foreign exchange forward contracts outstanding as of June 30, 2025 and December 31, 2024 (in thousands):

	June 30, 2025	
	Local Currency Amount	Notional Contract Amount (USD)
Euro	€176,860	\$ 207,674
Canadian Dollar	C\$95,000	69,619
Polish Zloty	PLN188,000	51,876
British Pound	£34,000	46,557
Chinese Yuan	¥251,400	35,183
Israeli Shekel	ILS92,300	27,396
Japanese Yen	¥3,700,000	25,707
Brazilian Real	R\$119,600	21,711
Swiss Franc	CHF7,500	9,436
New Taiwan Dollar	NT\$113,000	3,914
New Zealand Dollar	NZ\$5,900	3,579
Australian Dollar	A\$5,250	3,432
Czech Koruna	Kč70,000	3,329
Korean Won	₩4,500,000	3,327
Total notional contract amount		\$ 512,740

	December 31, 2024	
	Local Currency Amount	Notional Contract Amount (USD)
Euro	€176,080	\$ 183,172
Polish Zloty	PLN283,000	68,633
Canadian Dollar	C\$97,000	67,446
British Pound	£37,600	47,090
Israeli Shekel	ILS90,055	24,740
Chinese Yuan	¥164,500	22,417
Brazilian Real	R\$83,100	13,327
Japanese Yen	¥2,000,000	12,778
Swiss Franc	CHF5,700	6,314
New Zealand Dollar	NZ\$7,000	3,924
Czech Koruna	Kč72,800	3,004
Australian Dollar	A\$3,800	2,355
New Taiwan Dollar	NT\$58,700	1,786
Korean Won	₩2,000,000	1,361
Total notional contract amount		\$ 458,347

**Note 3. Balance Sheet Components**

Inventories consist of the following (in thousands):

	June 30, 2025	December 31, 2024
Raw materials	\$ 116,409	\$ 124,377
Work in process	69,417	73,660
Finished goods	57,924	56,250
Total inventories	<u>\$ 243,750</u>	<u>\$ 254,287</u>

Prepaid expenses and other current assets consist of the following (in thousands):

	June 30, 2025	December 31, 2024
Value added tax receivables	\$ 36,710	\$ 34,028
Prepaid expenses	93,157	82,978
Other current assets	57,074	81,576
Total prepaid expenses and other current assets	<u>\$ 186,941</u>	<u>\$ 198,582</u>

Accrued liabilities consist of the following (in thousands):

	June 30, 2025	December 31, 2024
Accrued payroll and benefits	\$ 224,346	\$ 248,003
Accrued expenses	71,647	66,391
Accrued income taxes	30,191	48,808
Accrued sales and marketing expenses	36,051	37,617
Current operating lease liabilities	32,546	31,063
Accrued property, plant and equipment	8,232	13,462
Other accrued liabilities	160,046	152,844
Total accrued liabilities	<u>\$ 563,059</u>	<u>\$ 598,188</u>

Accrued warranty, which is included in the “Other accrued liabilities” category of the Total accrued liabilities table above, consists of the following activity (in thousands):

	Six Months Ended June 30,	
	2025	2024
Balance at beginning of period	\$ 31,211	\$ 22,426
Charged to cost of net revenues	12,688	10,959
Actual warranty expenditures	(6,251)	(6,523)
Balance at end of period	<u>\$ 37,648</u>	<u>\$ 26,862</u>

Deferred revenues consist of the following (in thousands):

	June 30, 2025	December 31, 2024
Deferred revenues - current	\$ 1,317,990	\$ 1,331,146
Deferred revenues - long-term <sup>1</sup>	\$ 88,454	\$ 102,164

<sup>1</sup> Included in Other long-term liabilities within our Condensed Consolidated Balance Sheets.

During the three months ended June 30, 2025 and 2024, we recognized \$1,012.4 million and \$1,028.5 million of net revenues, respectively, of which \$229.4 million and \$222.4 million was included in the deferred revenues balance at December 31, 2024 and 2023, respectively.

During the six months ended June 30, 2025 and 2024, we recognized \$1,991.7 million and \$2,025.9 million of net revenues, respectively, of which \$475.4 million and \$459.2 million was included in the deferred revenues balance at December 31, 2024 and 2023, respectively.

Our unfulfilled performance obligations, including deferred revenues and backlog, as of June 30, 2025 were \$1,411.5 million. These performance obligations are expected to be fulfilled over a period of up to five years.

#### Note 4. Business Combination

On January 2, 2024 (the “Cubicure Acquisition Date”), we completed the acquisition of privately-held Cubicure GmbH (“Cubicure”) (the “Cubicure Acquisition”). Cubicure is an Austrian company and specializes in direct 3D printing solutions for polymer additive manufacturing that develops, produces and distributes innovative materials, equipment and processes for 3D printing solutions. The Cubicure Acquisition is intended to support and scale our strategic innovation roadmap and strengthen the Align Digital Platform. In fiscal year 2021, we acquired a 9.04% equity interest in Cubicure. Subsequently, on the Cubicure Acquisition Date, we acquired the remaining equity of Cubicure. Prior to the acquisition, we also had technology license and joint development agreements with Cubicure.

The fair value of consideration transferred in the acquisition is shown in the table below (in thousands):

Cash paid to Cubicure stockholders	\$	80,142
Fair value of pre-existing equity interest ownership		7,968
Settlement of pre-existing relationship - accounts payable		(2,316)
Total purchase consideration paid	\$	<u>85,794</u>

The Cubicure Acquisition was accounted for as a business combination under ASC Topic 805, Business Combinations (“ASC 805”) that was achieved in stages. As a result of the Cubicure Acquisition, we remeasured our pre-existing equity interest in Cubicure at fair value prior to the Cubicure Acquisition. Based on the fair value of this equity interest, derived from the purchase price, we estimated the fair value of our 9.04% pre-existing investment in Cubicure to be approximately \$8.0 million. The remeasurement resulted in the recognition of a pre-tax gain of \$4.1 million, which was reflected as a component of Other income (expense), net within our Condensed Consolidated Statements of Operations.

In 2021, we initiated Joint development (“JDA”) and Technology license agreements (“TLA”) to provide us with access to Cubicure’s technology. The settlement of the JDA and TLA were concluded to be at market terms on the Cubicure Acquisition Date; therefore, no gain or loss was recorded related to the settlement of these contracts. We also had accounts payable from the pre-existing arrangements with Cubicure of \$2.3 million, which were effectively settled and reduced from the purchase consideration of the Cubicure Acquisition.

The allocation of purchase price to assets acquired and liabilities assumed is as follows (in thousands):

Working capital	\$	1,039
Property & equipment		975
Developed technology		47,000
Other non-current asset		1,483
Other liabilities		(12,279)
Goodwill		47,576
Total	\$	<u>85,794</u>

Goodwill represents the excess of the purchase price over the fair value of the underlying net tangible and identifiable intangible assets, and represents the value associated with future technology, future customer relationships and the knowledge and experience of the workforce in place. None of this goodwill is deductible for tax purposes. We allocated all goodwill to our Clear Aligner reporting unit.

As part of the Cubicure Acquisition, we acquired a developed technology intangible asset. The acquired developed technology had an estimated fair value of \$47.0 million as of the Cubicure Acquisition Date and will be amortized over a useful life of thirteen years.

The fair value of developed technology was estimated under the Multi-Period Excess Earnings Method and the fair value estimates for developed technology include significant assumptions in the prospective financial information which include, but

are not limited to, the projected future cash flows associated with the technology, the asset's life cycle and a present value factor.

Acquisition related costs are recognized separately from the business combination and are expensed as incurred. Acquisition related costs were not material.

Our condensed consolidated financial statements include the operating results of Cubicure from the Cubicure Acquisition Date. Separate post-acquisition operating results and pro forma results of operations for this acquisition have not been presented as the effect is not material to our consolidated financial results.

## Note 5. Goodwill and Intangible Assets

### Goodwill

The change in the carrying value of goodwill for the six months ended June 30, 2025, categorized by reportable segment, is as follows (in thousands):

	Clear Aligner	Systems and Services	Total
Balance as of December 31, 2024	\$ 152,645	\$ 289,985	\$ 442,630
Foreign currency translation adjustments	11,401	37,041	48,442
Balance as of June 30, 2025	\$ 164,046	\$ 327,026	\$ 491,072

### Finite-Lived Intangible Assets

Acquired finite-lived intangible assets, excluding intangibles that were fully amortized, are as follows (in thousands):

	Weighted Average Amortization Period (in years)	Gross Carrying Amount as of June 30, 2025	Accumulated Amortization	Accumulated Impairment Loss	Net Carrying Value as of June 30, 2025
Existing technology	11	\$ 146,651	\$ (59,715)	\$ —	\$ 86,936
Customer relationships	10	21,500	(11,287)	—	10,213
Trademarks and tradenames <sup>1</sup>	7	9,800	(7,350)	—	2,450
Patents	12	480	(300)	—	180
		\$ 178,431	\$ (78,652)	\$ —	99,779
Foreign currency translation adjustments					3,706
Total intangible assets, net					\$ 103,485

<sup>1</sup> The Weighted Average Amortization Period decreased from 10 years to 7 years due to an intangible asset with a useful life of 15 years becoming fully amortized during the first quarter of 2025.

	Weighted Average Amortization Period (in years)	Gross Carrying Amount as of December 31, 2024	Accumulated Amortization	Accumulated Impairment Loss	Net Carrying Value as of December 31, 2024
Existing technology	11	\$ 146,651	\$ (52,238)	\$ —	\$ 94,413
Customer relationships	10	21,500	(10,079)	—	11,421
Trademarks and tradenames	10	16,600	(9,255)	(4,122)	3,223
Patents	12	480	(280)	—	200
		\$ 185,231	\$ (71,852)	\$ (4,122)	109,257
Foreign currency translation adjustments					(5,769)
Total intangible assets, net					\$ 103,488

The total estimated future amortization expense for these acquired finite-lived intangible assets as of June 30, 2025, is as follows (in thousands):

<b>Fiscal Year Ending December 31,</b>	<b>Amortization</b>
Remainder of 2025	\$ 9,219
2026	17,923
2027	15,607
2028	14,505
2029	14,505
2030	6,328
Thereafter	21,692
Total	<u>\$ 99,779</u>

Amortization expense for the three months ended June 30, 2025 and 2024 was \$4.7 million, and amortization expense for the six months ended June 30, 2025 and 2024 was \$9.3 million and \$9.6 million, respectively.

#### **Note 6. Credit Facility**

We maintain a credit facility, as amended in December 2022, that includes a \$300.0 million unsecured revolving line of credit and a \$50.0 million letter of credit sub-limit. The facility matures on December 23, 2027 and accrues interest, at our election, based on either the Secured Overnight Financing Rate ("SOFR") for the applicable period or a base rate, in each case plus an applicable margin.

The facility includes financial covenants and performance requirements. As of June 30, 2025, we had no outstanding borrowings under the facility and were in compliance with the terms and conditions of the facility in all material respects.

#### **Note 7. Legal Proceedings**

##### *Antitrust Class Actions*

On June 5, 2020, a dental practice named Simon and Simon, PC (doing business as City Smiles) brought an antitrust action in the U.S. District Court for the Northern District of California on behalf of itself and a putative class of similarly situated practices seeking treble monetary damages, interest, costs, attorneys' fees and injunctive relief relating to our alleged market activities in alleged clear aligner and intraoral scanner markets. Plaintiff filed an amended complaint and added VIP Dental Spas as a plaintiff on August 14, 2020. On December 18, 2023, the court certified a class of persons or entities that purchased Invisalign directly from us between January 1, 2019 and March 31, 2022. The court denied Plaintiffs' motion to certify a class of purchasers of scanners. On February 21, 2024, the court granted our motion for summary judgment on all claims brought by the plaintiffs. Plaintiffs have appealed the district court's summary judgment ruling to the United States Court of Appeals for the Ninth Circuit. Oral argument was held on April 10, 2025.

On May 3, 2021, an individual named Misty Snow brought an antitrust action in the U.S. District Court for the Northern District of California on behalf of herself and a putative class of similarly situated individuals seeking treble monetary damages, interest, costs, attorneys' fees and injunctive relief relating to our alleged market activities in alleged clear aligner and intraoral scanner markets based on Section 2 of the Sherman Act. Plaintiffs have since filed several amended complaints adding new plaintiffs, various state law claims and allegations based on Section 1 of the Sherman Act. On November 29, 2023, the court certified a class of indirect purchasers of Invisalign between July 1, 2018 and December 31, 2023 and a class of indirect purchasers of Invisalign seeking injunctive relief. On February 21, 2024, the court granted our motion for summary judgment on the claims related to Section 2 allegations. The court entered judgment for the Section 2 and related state law claims on March 22, 2024. Plaintiffs have appealed the district court's summary judgment ruling to the United States Court of Appeals for the Ninth Circuit. Oral argument was held on April 10, 2025.

We are currently unable to predict the outcome of these lawsuits and therefore we cannot determine the likelihood of loss, if any, nor estimate a range of possible loss.

In June 2024, we reached a settlement in principle with the Section 1 plaintiffs to resolve all remaining claims in the Section 1 lawsuit. In March, 2025, Align and plaintiffs agreed to a revised settlement to resolve all Section 1 claims for a

\$31.75 million cash payment. On May 28, 2025, the court granted preliminary approval of the proposed settlement. The Final Approval/Fairness hearing has been set for November 20, 2025. We are unable to predict the timeline or outcome of the court's final approval decision. We continue to believe that plaintiffs' Section 1 claims are without merit and remain ready to vigorously defend ourselves against those claims.

For the quarter ended June 30, 2025, Align accrued a total loss of \$31.75 million, consisting of \$27.5 million as of December 31, 2024 and an additional loss accrual of \$4.25 million in the first quarter of 2025, for the settlement of the Section 1 claims described above. Subsequent to June 30, 2025, we issued a payment for the full settlement amount to an escrow agency in accordance with the court's preliminary approval.

#### *Straumann Litigation*

On April 11, 2024, we filed a lawsuit in the U.S. District Court for the Western District of Texas against ClearCorrect Operating, LLC, ClearCorrect Holdings, Inc. and Institut Straumann AG (collectively the "Defendants"). The complaint asserts claims of false advertising, unfair competition, civil conspiracy and infringement of our patents related to aligner material, treatment planning, and intraoral scanner technologies. Among other things, the complaint seeks relief enjoining Defendants' infringement of multiple of our multilayer material patents through Defendants' manufacture, sale and offer for sale of aligners made with Zendura FLX/ClearQuartz materials. Defendants filed motions to dismiss the complaint, which are pending. Defendants are also seeking to invalidate all of our asserted patents at the district court and United States Patent and Trial Appeal Board.

On July 9, 2024, Defendants filed counterclaims against us alleging antitrust violations, false advertising, unfair competition and breach of contract. Among other things, the counterclaims seek to stop our alleged business practices and money damages. On September 13, 2024, we filed a motion to dismiss Defendants' counterclaims. On February 7, 2025, the magistrate judge recommended denial of the motion to dismiss. On February 21, 2025, we filed objections to the recommendation, which are pending before the district court judge. A trial is scheduled for May 11, 2026.

We believe Defendants' counterclaims are without merit and intend to vigorously defend ourselves. We are currently unable to predict the outcome of this lawsuit and cannot determine the likelihood of loss nor estimate a range of possible loss.

In addition to the above, in the ordinary course of our operations, we are involved in a variety of claims, suits, investigations and proceedings, including actions with respect to intellectual property claims, patent infringement claims, government investigations, labor and employment claims, breach of contract claims, tax and other matters. Regardless of the outcome, these proceedings can have an adverse impact on us because of defense costs, diversion of management resources and other factors. Although the results of complex legal proceedings are difficult to predict and our view of these matters may change in the future as litigation and events related thereto unfold; we currently do not believe that these matters, individually or in the aggregate, will materially affect our financial position, results of operations or cash flows.

#### **Note 8. Commitments and Contingencies**

##### *Tax Matter*

Beginning in the third quarter of 2023 and continuing through the first quarter of 2024, we received cumulative assessments of approximately \$100 million from His Majesty's Revenue and Customs ("HMRC") for unpaid value added tax ("VAT") related to certain clear aligner sales made during the period of October 2019 through May 2023. We were required to pay these assessments prior to contesting or litigating the matter in statutory appeal. We have historically asserted and continue to assert that doctor prescribed clear aligners sold by dentists for the orthodontic treatment of patient malocclusions are exempt from VAT, that we have reasonably relied upon statements and guidance by HMRC and that our interpretation of United Kingdom legislation is appropriate.

In October 2024, the Company and HMRC reached a settlement agreement regarding the unpaid VAT related to certain aligner sales made during the period of October 2019 through mid-October 2023. As part of the settlement, HMRC agreed to vacate the judicial review (before the Administrative Court) originally scheduled for October 9th and October 10th, 2024, refund to the Company all assessments paid for the period of October 2019 through May 2023 and withdraw any potential assessments for the period from June 2023 through mid-October 2023. HMRC has refunded to the Company the assessed amounts, approximately \$100 million.

A statutory appeal (before the First-tier Tribunal - "Tax Tribunal") was held on January 27th through January 30th, 2025. On April 24, 2025, the Tax Tribunal issued a ruling in our favor indicating that clear aligners are "dental prostheses for the

purposes of VAT”, which is a key condition for the VAT exemption. On June 13, 2025, HMRC applied for permission to appeal the Tax Tribunal decision, which was granted on July 15, 2025. On August 1, 2025, we were notified that HMRC had lodged their grounds for appeal to the Upper Tribunal.

In August 2025 we stopped charging VAT to our United Kingdom customers. It is not possible at this stage to accurately evaluate the likelihood of an unfavorable outcome from the Upper Tribunal statutory appeal, nor estimate a range of possible loss.

### ***Indemnification Provisions***

In the normal course of business, to facilitate transactions in our services and products, we indemnify certain parties: customers, vendors, lessors and other parties with respect to certain matters, including, but not limited to, services to be provided by us and intellectual property infringement claims made by third parties. In addition, we have entered into indemnification agreements with our directors and our executive officers that will require us, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers. Several of these agreements limit the time within which an indemnification claim can be made and the amount of the claim.

It is not possible to make a reasonable estimate of the maximum potential amount of future payments, if any, under these indemnification agreements due to the unique facts and circumstances involved in each particular agreement. Additionally, we have a limited history of prior indemnification claims and the payments we have made under such agreements have not had a material adverse effect on our results of operations, cash flows or financial position. However, to the extent that valid indemnification claims arise in the future, future payments by us could be significant and could have a material adverse effect on our results of operations or cash flows in a particular period. As of June 30, 2025, we did not have any material indemnification claims that were probable or reasonably possible.

### **Note 9. Stockholders’ Equity**

As of June 30, 2025, the Align Technology, Inc. 2005 Incentive Plan, as amended, has a total reserve of 32,168,895 shares, of which 1,893,259 shares are available for issuance.

### ***Summary of Stock-Based Compensation Expense***

Stock-based compensation related to our stock-based awards and employee stock purchase plan for the three and six months ended June 30, 2025 and 2024 is as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Cost of net revenues	\$ 1,636	\$ 2,582	\$ 3,174	\$ 4,646
Selling, general and administrative	33,485	34,274	64,351	62,768
Research and development	13,087	10,172	25,680	18,402
Total stock-based compensation	<u>\$ 48,208</u>	<u>\$ 47,028</u>	<u>\$ 93,205</u>	<u>\$ 85,816</u>

### ***Restricted Stock Units (“RSUs”)***

The fair value of RSUs is based on the closing price of our stock on the date of grant. Generally, RSUs vest over a period of four years. A summary for the six months ended June 30, 2025 is as follows:

	Number of Shares Underlying RSUs (in thousands)	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Unvested as of December 31, 2024	1,019	\$ 331.10		
Granted	670	197.17		
Vested and released	(301)	358.16		
Forfeited	(60)	292.10		
Unvested as of June 30, 2025	<u>1,328</u>	<u>\$ 259.13</u>	1.7	<u>\$ 251,343</u>

As of June 30, 2025, we expect to recognize \$261.8 million of total unamortized compensation costs, net of estimated forfeitures, related to RSUs over a weighted average period of 2.8 years.

#### **Market-Performance Based Restricted Stock Units (“MSUs”)**

We grant MSUs to members of senior management. Each MSU represents the right to one share of our common stock. The actual number of MSUs which will be eligible to vest will be based on the performance of our stock price relative to the performance of a stock market index over the vesting period. MSUs vest over a period of three years and the maximum number of shares eligible to vest is 250% of the MSUs initially granted.

The following table summarizes the MSU performance activity for the six months ended June 30, 2025:

	Number of Shares Underlying MSUs (in thousands)	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Unvested as of December 31, 2024	193	\$ 679.14		
Granted	127	362.98		
Vested and released <sup>1</sup>	(26)	915.22		
Forfeited	(10)	915.22		
Unvested as of June 30, 2025	284	\$ 506.66	1.8	\$ 53,699

<sup>1</sup> Includes MSUs vested during the period below 100% of the original grant as actual shares released is based on our stock performance relative to a market index over the vesting period.

As of June 30, 2025, we expect to recognize \$67.3 million of total unamortized compensation costs, net of estimated forfeitures, related to MSUs over a weighted average period of 1.8 years.

#### **Restricted Stock Units with Performance Conditions (“PSUs”)**

Our PSUs typically include a service and performance condition. We recognize share-based compensation expense for PSUs if it is probable that the performance condition will be achieved.

The following table summarizes the PSU performance activity for the six months ended June 30, 2025:

	Number of Shares Underlying PSUs (in thousands)	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Unvested as of December 31, 2024	11	\$ 204.33		
Granted	—	—		
Vested and released	(5)	201.63		
Forfeited	—	—		
Unvested as of June 30, 2025	6	\$ 206.36	1.5	\$ 1,193

As of June 30, 2025, we expect to recognize \$0.8 million of total unamortized compensation costs, net of estimated forfeitures, related to PSUs over a weighted average period of 1.5 years.

#### **Employee Stock Purchase Plan**

As of June 30, 2025, we have 1,800,725 shares available for future issuance under the Align Technology, Inc. 2010 Employee Stock Purchase Plan (as amended and restated, the “2010 Purchase Plan”).

The fair value of the option component of the 2010 Purchase Plan shares was estimated at the grant date using the Black-Scholes option pricing model with the following weighted average assumptions:

	Six Months Ended June 30,	
	2025	2024
Expected term (in years)	1.1	0.9
Expected volatility	40.9 %	56.0 %
Risk-free interest rate	4.2 %	4.8 %
Expected dividends	—	—
Weighted average fair value at grant date	\$ 70.62	\$ 100.10

As of June 30, 2025, we expect to recognize \$9.7 million of total unamortized compensation costs related to future employee stock purchases over a weighted average period of 0.7 years.

#### Note 10. Common Stock Repurchase Programs

In January 2023, our Board of Directors authorized a plan to repurchase up to \$1.0 billion of our common stock (“January 2023 Repurchase Program”).

The following tables summarize the total repurchases of our common stock pursuant to Accelerated Share Repurchase (“ASR”) agreements and open market common stock repurchases (“OMR”) under the January 2023 Repurchase Program:

##### *Accelerated Share Repurchase Agreements*

Agreement Date	Repurchase Program	Amount Paid (in millions)	Completion Date	Total Shares Received	Average Price per Share
Q4 2023	January 2023	\$ 250.0	Q1 2024	1,086,334	\$ 230.13

##### *Open Market Common Stock Repurchases*

Agreement Date	Repurchase Program	Amount Paid (in millions)	Completion Date	Total Shares Received	Average Price per Share
Q4 2023	January 2023	\$ 100.0	Q4 2023	465,518	\$ 214.81
Q2 2024	January 2023	\$ 150.0	Q2 2024	598,302	\$ 250.73
Q4 2024	January 2023	\$ 275.0	Q1 2025	1,241,509	\$ 221.50
Q1 2025	January 2023	\$ 225.0	Q2 2025	1,339,124	\$ 168.02

As of June 30, 2025 the January 2023 Repurchase Program was complete.

In April 2025, our Board of Directors authorized a plan to repurchase up to \$1.0 billion of our common stock (the “April 2025 Repurchase Program”). The April 2025 Repurchase Program is expected to be completed over a period of up to three years.

On August 5, 2025 we announced a plan to repurchase \$200 million of our common stock through open market repurchases beginning in the third quarter of 2025 and continuing into the first quarter of 2026. The number of shares to be repurchased and the average price per share are not determinable as of the filing of this Quarterly Report on Form 10-Q. Upon completion of these open market repurchases the Company will have \$800.0 million remaining available for repurchases under the April 2025 Repurchase Program.

#### Note 11. Accounting for Income Taxes

Our provision for income taxes was \$48.9 million and \$47.3 million for the three months ended June 30, 2025 and 2024, respectively, representing effective tax rates of 28.2% and 32.9%, respectively. Our provision for income taxes was \$96.1 million and \$100.7 million for the six months ended June 30, 2025 and 2024, respectively, representing effective tax rates of 30.6% and 33.3%. Our effective tax rate differs from the statutory federal income tax rate of 21% for the three and six months

ended June 30, 2025 and 2024 primarily due to the recognition of additional tax expense resulting from U.S. taxes on foreign earnings, foreign income taxed at different rates, state income taxes and non-deductible expenses in the U.S.

We exercise significant judgment in regard to estimates of future market growth, forecasted earnings and projected taxable income in determining the provision for income taxes and for purposes of assessing our ability to utilize any future benefit from deferred tax assets. We continue to assess the realizability of the deferred tax assets as we take into account new information. We may be required to adjust the valuation allowance for deferred tax assets if we determine, based on available evidence at the time of the determination, that it is more likely than not that some portion or all of the deferred tax assets will not be realized. Changes to the valuation allowance could have a material adverse effect on our results of operations.

Our total gross unrecognized tax benefits, excluding interest and penalties, were \$149.6 million and \$145.5 million as of June 30, 2025 and December 31, 2024, respectively, a material amount of which would impact our effective tax rate if recognized. The increase in our unrecognized tax benefits relates primarily to positions taken on income tax return calculations finalized during the three and six months ended June 30, 2025.

On July 4, 2025, the United States enacted tax reform legislation commonly referred to as the One Big Beautiful Bill Act. Included in this legislation are provisions that allow for the immediate expensing of certain domestic research and development expenses, immediate expensing of certain capital expenditures, and other changes to the U.S. taxation of profits derived from foreign operations. We are currently evaluating the impact this legislation will have on our future results of operations, financial position and cash flows, if any.

## Note 12. Net Income per Share

The following table sets forth the computation of basic and diluted net income per share attributable to common stock (in thousands, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Numerator:				
Net income	\$ 124,608	\$ 96,564	\$ 217,838	\$ 201,592
Denominator:				
Weighted average common shares outstanding, basic	72,565	75,184	73,061	75,180
Dilutive effect of potential common stock	28	39	37	135
Total shares, diluted	72,593	75,223	73,098	75,315
Net income per share, basic	\$ 1.72	\$ 1.28	\$ 2.98	\$ 2.68
Net income per share, diluted	\$ 1.72	\$ 1.28	\$ 2.98	\$ 2.68
Anti-dilutive potential common shares <sup>1</sup>	1,505	1,149	1,377	648

<sup>1</sup> Represents approximately 1,501.7 thousand RSU and 3.3 thousand ESPP weighted average outstanding common stock equivalent shares for the three months ended June 30, 2025 and approximately 1,374.6 thousand RSU and 2.2 thousand ESPP weighted-average outstanding common stock equivalent shares for the six months ended June 30, 2025. Approximately 1,148.7 thousand RSU and 0.3 thousand ESPP weighted average outstanding common stock equivalent shares for the three months ended June 30, 2024 and approximately 647.8 thousand RSU and 0.1 thousand ESPP weighted-average outstanding common stock equivalent shares for the six months ended June 30, 2024 that are excluded from the calculation of diluted net income per share as the effect would have been anti-dilutive.

**Note 13. Supplemental Cash Flow Information**

The supplemental cash flow information consists of the following (in thousands):

	Six Months Ended June 30,	
	2025	2024
Non-cash investing and financing activities:		
Acquisition of property, plant and equipment in accounts payable and accrued liabilities	\$ 12,995	\$ 16,657
Final settlement of prior year stock repurchase forward contract	—	50,000
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 19,323	\$ 19,643
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ 12,259	\$ 22,820

**Note 14. Segments and Geographical Information*****Segment Information***

We report segment information based on the management approach. The management approach designates the internal reporting used by our Chief Operating Decision Maker (“CODM”), our Chief Executive Officer, for decision making and performance assessment as the basis for determining our reportable segments. We group our operations into two reportable segments; Clear Aligner segment and Imaging Systems and CAD/CAM services (“Systems and Services”) segment, which are based on our predominant product lines.

Our CODM uses gross profit and income from operations to assess each reportable segments performance, by reviewing each measure against internal forecasts and historical performance. Our CODM may also benchmark each segments performance against our competitors and external expectations.

Summarized financial information by reportable segment is as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net revenues				
Clear Aligner	\$ 804,617	\$ 831,738	\$ 1,601,460	\$ 1,648,989
Systems and Services	207,832	196,752	390,251	376,932
Total net revenues	\$ 1,012,449	\$ 1,028,490	\$ 1,991,711	\$ 2,025,921
Cost of net revenues <sup>1</sup>				
Clear Aligner	\$ 240,811	\$ 243,201	\$ 475,565	\$ 481,306
Systems and Services	63,521	62,661	127,921	124,171
Total cost of goods sold	\$ 304,332	\$ 305,862	\$ 603,486	\$ 605,477
Gross profit				
Clear Aligner	\$ 563,806	\$ 588,537	\$ 1,125,895	\$ 1,167,683
Systems and Services	144,311	134,091	262,330	252,761
Total gross profit	\$ 708,117	\$ 722,628	\$ 1,388,225	\$ 1,420,444
Other Segment expenses				
Clear Aligner	\$ 296,795	\$ 288,911	\$ 598,660	\$ 581,819
Systems and Services	58,574	63,301	118,130	132,278
Unallocated corporate expenses	189,715	223,370	377,302	405,166
Total operating expenses	\$ 545,084	\$ 575,582	\$ 1,094,092	\$ 1,119,263
Segment income from operations				
Clear Aligner	\$ 267,011	\$ 299,626	\$ 527,235	\$ 585,864
Systems and Services	85,737	70,790	144,200	120,483
Total segment income from operations	\$ 352,748	\$ 370,416	\$ 671,435	\$ 706,347

<sup>1</sup> Management has identified cost of net revenues as a significant expense for our Clear Aligner and Systems and Services reportable segments.

Other segment expenses typically include employee related costs, marketing and advertising costs and depreciation and amortization expense incurred by various functions including selling, marketing, general and administrative and research and development. Our CODM does not regularly receive these operating expenses at the reportable segment level.

Income from operations for each segment includes all geographic revenues, related cost of net revenues and operating expenses directly attributable to the reportable segment. Certain operating expenses are not directly attributable to a reportable segment and must be allocated. Each allocation is measured differently based on the nature of the cost being allocated. Certain other operating expense are not specifically allocated to segment income from operations and generally include various corporate expenses such as stock-based compensation and costs related to information technology (“IT”), facilities, human resources, accounting and finance, legal and regulatory, other separately managed general and administrative costs outside the reportable segments and restructuring costs.

The following table reconciles total segment income from operations in the table above to net income before provision for (benefit from) income taxes (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Total segment income from operations	\$ 352,748	\$ 370,416	\$ 671,435	\$ 706,347
Unallocated corporate expenses	(189,715)	(223,370)	(377,302)	(405,166)
Total income from operations	163,033	147,046	294,133	301,181
Interest income	2,859	3,301	8,175	7,693
Other income (expense), net	7,624	(6,481)	11,650	(6,622)
Net income before provision for income taxes	\$ 173,516	\$ 143,866	\$ 313,958	\$ 302,252

The following table includes certain non-cash expenses for each reportable segment (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Stock-based compensation				
Clear Aligner	\$ 6,065	\$ 8,619	\$ 11,883	\$ 12,383
Systems and Services	403	421	806	780
Unallocated corporate expenses	41,740	37,988	80,516	72,653
Total stock-based compensation	\$ 48,208	\$ 47,028	\$ 93,205	\$ 85,816
Depreciation and amortization				
Clear Aligner	\$ 19,495	\$ 16,623	\$ 38,399	\$ 31,056
Systems and Services	9,302	8,070	17,771	14,908
Unallocated corporate expenses	11,779	11,473	23,554	23,148
Total depreciation and amortization	\$ 40,576	\$ 36,166	\$ 79,724	\$ 69,112

Our CODM does not regularly review total assets at the reportable segment level; however, we have provided geographical information related to our long-lived assets below.

### Geographical Information

Net revenues are presented below by geographic area (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net revenues <sup>1</sup> :				
U.S.	\$ 422,801	\$ 438,533	\$ 846,119	\$ 870,634
Switzerland	235,247	270,946	459,379	522,704
Other International	354,401	319,011	686,213	632,583
Total net revenues	\$ 1,012,449	\$ 1,028,490	\$ 1,991,711	\$ 2,025,921

<sup>1</sup> Net revenues are attributed to countries based on the location of where revenues are recognized by our legal entities.

Long-lived assets, which includes Property, plant and equipment, net and Operating lease right-of-use assets, net, are presented below by geographic area (in thousands):

	June 30, 2025	December 31, 2024
Long-lived assets <sup>1</sup> :		
Switzerland	\$ 562,566	\$ 571,628
U.S.	204,559	207,689
Other International	610,458	605,193
Total long-lived assets	\$ 1,377,583	\$ 1,384,510

<sup>1</sup> Long-lived assets are attributed to countries based on the location of our entity that owns or leases the assets.

### Note 15. Restructuring and Other Charges

#### 2023 Restructuring

During the fourth quarter of 2023, we incurred approximately \$14.0 million in restructuring expenses, of which \$5.3 million remained unpaid and were included in Accrued liabilities as of December 31, 2023. During the first half of 2024, we reduced our December 31, 2023 restructuring liability by approximately \$5.1 million, primarily due to cash payments.

#### 2024 Restructuring

During the fourth quarter of 2024, we initiated a restructuring plan to increase efficiencies across the organization which is expected to be completed in the second half of 2025. We incurred approximately \$37.0 million in restructuring expenses, of

which \$13.0 million remained unpaid and were included in Accrued liabilities as of December 31, 2024. During the first half of 2025, we reduced our December 31, 2024 restructuring liability by approximately \$12.9 million primarily due to cash payments, offset by approximately \$2.0 million of additional restructuring expense recorded in Cost of net revenues.

The 2023 and 2024 restructuring activities were primarily related to employee severance and other one-time post-employment benefits.

Activity related to the restructuring liabilities associated with our restructuring initiatives consist of the following (in thousands):

	Six Months Ended June 30,	
	2025	2024
Balance at beginning of period <sup>1</sup>	\$ 13,001	\$ 5,299
Restructuring charges	2,030	(509)
Cash payments and adjustments	(12,914)	(4,573)
Balance at end of period <sup>1</sup>	\$ 2,117	\$ 217

<sup>1</sup> Included in "Accrued liabilities" within our Condensed Consolidated Balance Sheets.

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

### **Forward-Looking Statements**

*In addition to historical information, this Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These statements include, among other things, our expectations and intentions regarding our strategic objectives and the means to achieve them, our beliefs and expectations regarding macroeconomic conditions, including fluctuations in currency exchange rates, higher interest rates, market volatility, threats or actual imposition of tariffs, customs duties and fees by nations and retaliatory actions, inflation, threats of or actual economic slowdowns or recessions, or trade wars and geopolitical tensions, our expectations and beliefs regarding customer and consumer confidence, purchasing behavior and demand for dental services and changes in consumer spending habits; our expectations regarding implemented or proposed tariffs and retaliatory actions or other trade restrictions or measures taken by the United States and other countries that have or could impact our products and product sales, our expectations regarding product mix, product launches, product pilots and product adoption, our expectations regarding competition and our ability to compete in our target markets, our expectations regarding the sales growth of our intraoral scanners, clear aligners and other products, our expectations regarding the impact of the military conflicts in the Middle East and Ukraine and increased geopolitical tensions involving Taiwan and the South China Sea and our operations and assets in Israel and Russia, our ability to implement and realize the anticipated benefits currently expected from actions to streamline operations and reallocate resources to better align our long-term growth with our profitability objectives, our marketing and efforts to build our brand awareness, our estimates regarding the size and opportunities of the markets we are targeting along with our expectations for growth in those markets and potential collaboration opportunities, our beliefs regarding the impact of technological innovation in general, and in our solutions and products in particular; on target markets and patient care, our beliefs regarding digital dentistry and its potential to impact our business, our intentions regarding expanding our business, including its impact on our operational flexibility and responsiveness to customer demand, our expectations regarding our tax positions and the judgments we make related to our tax obligations, our beliefs regarding the importance of our manufacturing operations on our success, our beliefs regarding the need for and benefits of our technological development on Invisalign treatment, the areas of development in which we focus our efforts, and the advantages of our intellectual property portfolio, our beliefs regarding our business strategy and growth drivers, our expectations regarding the utilization rates for our products, including the impact of marketing on those rates and causes for periodic fluctuations of the rates, our expectations regarding the existence and impact of seasonality, our expectations regarding the productivity impact sales representatives will have on our sales and the impact of specialization of those representatives in sales channels, our expectations regarding the continued expansion of our international markets and their growth, our expectations regarding impacts or staying in compliance with laws and regulations currently applicable to, or which may become applicable to, our business both in the United States and internationally, our beliefs regarding our culture and commitment and its impact on our financial and operational performance and its importance to our future success, our expectations for future investments in and benefits from sales and marketing activities, our preparedness and our customers’ preparedness to react to changing circumstances and demand, our expectations for our expenses and capital obligations and expenditures in particular, our intentions to control spending and for investments, our intentions regarding the investment of and ability to repatriate foreign earnings, our belief regarding the sufficiency of our cash and investment balances and borrowing capacity, our judgments regarding the estimates used in our revenue recognition and assessment of goodwill and intangible assets, our predicted level of operating expenses and gross margins and other factors beyond our control, as well as other statements regarding our future operations, financial condition and prospects and business strategies. These statements may contain words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “estimates,” or other words indicating future results. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in Part I, Item 2 “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and in particular, the risks discussed below in Part II, Item 1A “Risk Factors.” We undertake no obligation to revise or update these forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.*

The following discussion and analysis of our financial condition and results of operations should be read together with our Condensed Consolidated Financial Statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and with our audited Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2024 as filed with the Securities and Exchange Commission (the “SEC”) on February 28, 2025.

### **Executive Overview of Results**

#### *Trends and Uncertainties*

Our strategic priorities focus on four principal pillars for growth: (i) international expansion; (ii) general dental practitioners (“GP”) treatment; (iii) patient demand; and (iv) orthodontic utilization. Our growth strategy depends on our ability to facilitate the digital transformation of dentistry, our continuous focus on innovation, and expansion to meet and exceed evolving customer expectations as the array of products and services available to them increases. Below is a discussion of the significant trends and uncertainties that could impact our operations:

#### *Macroeconomic Challenges, Trade Impediments and Geopolitical Tensions*

Our revenues are susceptible to fluctuations resulting from events and circumstances, including macroeconomic conditions, threats or actual imposition of tariffs, inflation, higher interest rates, customs duties and fees by nations and retaliatory actions, threats of or actual slowdowns or recessions, wages, debt obligations, discretionary income, fluctuations in foreign currency exchange rates, supply chain challenges, market volatility, employment levels, health insurance coverage, and other factors, each of which impacts customer confidence, consumer sentiment and ultimately demand for dental services. Many of these factors also impact the availability of certain raw materials, parts and components used in our products as well as our costs and those of our suppliers through higher raw material prices, transportation costs, labor costs, supply and distribution operations. In the second quarter of 2025, we believe sales of our products were adversely impacted by certain macroeconomic conditions, including global tariff volatility, inflation, and higher interest rates, that negatively affected dental patient demand. Patient traffic growth remained uneven for many doctors, with orthodontic starts down for four consecutive years. We believe uncertainty not only impacts consumer purchasing decisions but also the decisions that doctors make, especially those doctors who offer both clear aligners and wires and brackets and who have existing inventories of wire and brackets and the time to treat patients when orthodontic starts are slowing or diminishing. In the second quarter of 2025, we believe this resulted in an increase in orthodontic starts using brackets and wires in lieu of clear aligners. We believe these trends may continue as long as consumer economic uncertainty persists, particularly if tariffs or the threat of tariffs and retaliatory actions impair discretionary spending. We also expect the geopolitical conflicts involving Ukraine, the Middle East, China and other regions will continue to add to market uncertainties and dampen consumer sentiment and demand.

More directly, we believe government actions relating to implemented or proposed tariffs and retaliatory actions in key strategic countries or regions, particularly in the United States, China, Europe, Brazil, Canada, Israel and Mexico may adversely impact our revenue and cost of goods sold. Additionally, the trade war and geopolitical tensions between the United States and China may result in the limitation or prohibition of the availability of certain raw materials, components and parts necessary for our products or the products of our suppliers. The degree of our exposure is dependent on, among other things, the type of goods subject to any tariffs or trade restrictions enacted, the tariff rates or limits imposed, the timing of the tariffs or restrictions and any other retaliatory measures enacted. The impact may vary by time and region, making operational results uncertain and difficult to predict. These events may also cause a shift in public opinion about companies based in the United States and this may have an adverse impact on our reputation and business. We continue to closely monitor the foregoing issues, assess their potential impact on our operations and financial results, and implement plans to mitigate the impact of any adverse events.

Additionally, a material amount of our revenues are derived internationally and many of our international operations are denominated in currencies other than the U.S. dollar. In the second quarter of 2025, the U.S. dollar weakened against major currencies, which positively impacted our financial condition and results of operations for the quarter. Foreign exchange volatility and the subsequent strengthening or weakening of the U.S. dollar against other currencies remains uncertain and unpredictable.

We continue to monitor the potential for violence and military actions that may directly or indirectly impact our personnel, manufacturing, supply chain, and sales. For instance, ongoing conflicts in Ukraine and the Middle East, including military actions in Iran and Israel, as well as increased geopolitical tensions involving Taiwan and the South China Sea may further exacerbate general and regional macroeconomic instability. This is particularly true if fighting erupts, intensifies, spreads to other locations, creates shipping and logistical challenges or cost increases, leads to sanctions or boycotts, or otherwise materially impacts our operations or consumer spending. Our iTero business is headquartered in Israel and, although the sales, delivery times and cost of shipping have not been materially impacted to date, the situation remains fluid. We have implemented contingency measures to help reduce future risks, but it is uncertain whether further escalation could disrupt our operations. While there have been export and import restrictions imposed against products originating from and businesses operating in Israel, they have not materially impacted our sales or operations to date although we continue to monitor the risk.

We expect to take a series of actions in the second half of fiscal 2025 to streamline operations and reallocate resources to better align with our long-term growth and profitability objectives. Further discussion of these potential actions may be found in Part II, Item 5 “Other Information.”

#### *Changing Product Preferences*

As the markets for clear aligners and digital processes and workflows used to transform the practice of dentistry continue to mature, we anticipate customer and patient expectations and demands will continue to evolve. We expect to meet customer

demands with innovative treatment options that include more choices to address a wider scope of treatment goals and budgets based on our existing and new products. This may result in larger and unpredictable variations in geographic and product mix and selling prices with uncertain implications on our financial statements and business operations. For instance, we continue to experience a shift from certain of our higher average selling priced comprehensive products to lower average selling priced products such as our Invisalign Comprehensive 3in3 product.

We strive to manage the challenges from the trends and uncertainties, including the macroeconomic conditions, tariffs and retaliatory measures, military conflicts and the evolution of our target markets, by focusing on improving our operations, further increasing flexibility and efficiencies in our processes, adjusting our business models to changing circumstances and offering products that meet market demand. Specifically, we are managing financial impacts through strategic product innovations, introductions and pricing actions, implementing cost saving measures and evaluating hiring needs.

Further discussion of the impact of these challenges on our business may be found in Part II, Item 1A “Risk Factors.”

### ***Key Financial and Operating Metrics***

We measure our performance against the foregoing strategic priorities by the achievement of key financial and operating metrics. For the three months ended June 30, 2025, our business operations reflect the following:

- Revenues of \$1,012 million, a decrease of 1.6% year-over-year;
- Clear Aligner revenues of \$805 million, a decrease of 3.3% year-over-year;
- Clear Aligner case volume increased 0.3% year-over-year and Clear Aligner case volume for teens and growing patients increased from 216.7 thousand shipments to 223.2 thousand or 3.0% year-over-year;
- Imaging Systems and CAD/CAM services revenues of \$208 million, an increase of 5.6% year-over-year;
- Income from operations of \$163 million and operating margin of 16.1%;
- Effective tax rate of 28.2%;
- Net income of \$125 million with diluted net income per share of \$1.72;
- Cash and cash equivalents of \$901 million as of June 30, 2025;
- Cash provided by operating activities of \$129 million;
- Capital expenditures of \$21 million, primarily related to investments in our manufacturing capacity and facilities; and
- Number of employees was 21,485 as of June 30, 2025, a decrease of 1.5% year-over-year.

### ***Other Statistical Data and Trends***

- As of June 30, 2025, approximately 21 million people worldwide have been treated with our Invisalign system. Management measures these results by comparing to the millions of people who can benefit from straighter teeth and uses this data to target opportunities to expand the market for orthodontics by educating consumers about the benefits of straighter teeth using the Invisalign system.
- For the second quarter of 2025, the total number of Invisalign trained doctors cases were shipped to (doctor submitters) was 86.3 thousand compared to 86.1 thousand in the second quarter of 2024, a 0.1% increase.
- The total utilization rate in the second quarter of 2025 remained flat at 7.5 cases per doctor compared to the second quarter of 2024.
- The clear aligner revenue per case shipment (clear aligner revenues divided by case shipments) decreased from \$1,295 in the second quarter of 2024 to \$1,250 in the second quarter of 2025, a 3.5% decrease.

### **Results of Operations**

#### ***Net Revenues by Reportable Segment***

We group our operations into two reportable segments: Clear Aligner segment and Systems and Services segment.

- Our Clear Aligner segment consists of Comprehensive Products, Non-Comprehensive Products and Non-Case revenues as defined below:

- Comprehensive Products include, but are not limited to, Invisalign Comprehensive, Invisalign First and Invisalign Comprehensive 3in3.
- Non-Comprehensive Products include, but are not limited to, Invisalign Moderate, Lite and Express packages, Invisalign Go and Invisalign Go Plus and Invisalign Palatal Expander.
- In the United States, Canada and EMEA, we also offer a Doctor Subscription Program which is our monthly subscription-based clear aligner program. The program allows doctors the flexibility to order retainers and low-stage “touch-up” clear aligners within their subscribed tier and is designed for a segment of experienced Invisalign trained doctors who are currently not regularly using our retainers or low-stage aligners. The low-stage aligners, the Touch up product, are included as a Non-Comprehensive Product.
- Non-Case revenues include, but are not limited to, retention products including retention aligners ordered through the Doctor Subscription Program, Invisalign training, adjusting tools used by dental professionals during the course of treatment and Invisalign Accessory Products that are complementary to our doctor-prescribed principal products such as aligner cases (clamshells), teeth whitening products, cleaning solutions (crystals, foam and other material) and other oral health products available in certain commerce channels in select markets.
- Our Systems and Services segment consists of sales related to our iTero intraoral scanning systems, which includes a single hardware platform and restorative or orthodontic software options, scanner wand upgrades, and non-system revenues from leases of scanner systems, sales of pre-owned scanner systems, subscription software, disposables, pay per scan services, as well as exocad’s CAD/CAM software solutions that integrate workflows to dental labs and dental practices.

Net revenues for our Clear Aligner and Systems and Services segments for the three and six months ended June 30, 2025 and 2024 are as follows (in millions)<sup>1</sup>:

Net Revenues	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2025	2024			2025	2024		
Clear Aligner net revenues	\$ 804.6	\$ 831.7	\$ (27.1)	(3.3)%	\$ 1,601.5	\$ 1,649.0	\$ (47.5)	(2.9)%
Systems and Services net revenues	207.8	196.8	11.1	5.6 %	390.3	376.9	13.3	3.5 %
Total net revenues	<u>\$ 1,012.4</u>	<u>\$ 1,028.5</u>	<u>\$ (16.0)</u>	<u>(1.6)%</u>	<u>\$ 1,991.7</u>	<u>\$ 2,025.9</u>	<u>\$ (34.2)</u>	<u>(1.7)%</u>

*Changes and percentages are based on actual values. Certain tables may not sum or recalculate due to rounding.*

<sup>1</sup> Beginning with the quarterly report on Form 10-Q for the quarter ended March 31, 2025, we are no longer disclosing Clear Aligner net revenues for Americas, International and Non-case. Rather our disclosure will align with our Clear Aligner reportable segment in total.

### Clear Aligner Case Volume

Case volume data which represents Clear Aligner case shipments for the three and six months ended June 30, 2025 and 2024 is as follows (in thousands):

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2025	2024			2025	2024		
Total case volume	644.4	642.7	1.6	0.3 %	1,286.7	1,247.8	38.9	3.1 %

*Changes and percentages are based on actual values. Certain tables may not sum or recalculate due to rounding.*

For the three and six months ended June 30, 2025, total net revenues decreased by \$16 million and \$34 million, respectively, as compared to the same periods in 2024, primarily due to a decrease in Clear Aligner net revenues driven by a decrease in average selling price (“ASP”). The decrease in Clear Aligner net revenues was partially offset by an increase in Systems and Services net revenues primarily due to an increase in sales of scanner wands.

### Clear Aligner

For the three months ended June 30, 2025, Clear Aligner net revenues decreased by \$27 million as compared to the same period in 2024, primarily due to a decrease in ASP, driven by a product mix shift to lower priced products and higher discounts,

resulting in a decrease of net revenues of \$34 million. The decrease from ASP was partially offset by favorable foreign exchange rates and an increase in volume, which increased net revenues by \$5 million and \$2 million, respectively.

For the six months ended June 30, 2025, Clear Aligner net revenues decreased by \$48 million as compared to the same period in 2024, primarily due to a decrease in ASP, driven by a product mix shift to lower priced products and higher discounts, resulting in a decrease of net revenues of \$73 million. Clear Aligner net revenues were further negatively impacted by \$21 million due to unfavorable foreign exchange rates. These decreases were partially offset by an increase in volume which increased net revenues by \$47 million.

#### *Systems and Services*

For the three months ended June 30, 2025, Systems and Services net revenues increased by \$11 million as compared to the same period in 2024, primarily due to an increase of \$11 million in sales of scanner wands, driven by strong volume partially offset by lower scanner wand ASP, a \$5 million increase from non-system sales and a \$1 million favorable impact from foreign exchange rates. These increases were partially offset by lower scanner system sales of \$6 million, primarily driven by lower scanner system ASP.

For the six months ended June 30, 2025, Systems and Services net revenues increased by \$13 million as compared to the same period in 2024, primarily due to an increase of \$23 million in sales of scanner wands, driven by strong volume partially offset by lower scanner wand ASP, and a \$10 million increase from non-system sales. These increases were partially offset by lower scanner system sales of \$15 million, driven by lower volume and ASP, and a \$4 million negative impact from unfavorable foreign exchange rates.

#### *Cost of net revenues and gross profit (in millions):*

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	Change	2025	2024	Change
<b>Clear Aligner</b>						
Cost of net revenues	\$ 240.8	\$ 243.2	\$ (2.4)	\$ 475.6	\$ 481.3	\$ (5.7)
<i>% of net segment revenues</i>	29.9 %	29.2 %		29.7 %	29.2 %	
Gross profit	\$ 563.8	\$ 588.5	\$ (24.7)	\$ 1,125.9	\$ 1,167.7	\$ (41.8)
<i>Gross margin %</i>	70.1 %	70.8 %		70.3 %	70.8 %	
<b>Systems and Services</b>						
Cost of net revenues	\$ 63.5	\$ 62.7	\$ 0.9	\$ 127.9	\$ 124.2	\$ 3.8
<i>% of net segment revenues</i>	30.6 %	31.8 %		32.8 %	32.9 %	
Gross profit	\$ 144.3	\$ 134.1	\$ 10.2	\$ 262.3	\$ 252.8	\$ 9.6
<i>Gross margin %</i>	69.4 %	68.2 %		67.2 %	67.1 %	
<b>Total cost of net revenues</b>	\$ 304.3	\$ 305.9	\$ (1.5)	\$ 603.5	\$ 605.5	\$ (2.0)
<i>% of net revenues</i>	30.1 %	29.7 %		30.3 %	29.9 %	
Gross profit	\$ 708.1	\$ 722.6	\$ (14.5)	\$ 1,388.2	\$ 1,420.4	\$ (32.2)
<i>Gross margin %</i>	69.9 %	70.3 %		69.7 %	70.1 %	

*Changes and percentages are based on actual values. Certain tables may not sum or recalculate due to rounding.*

Cost of net revenues includes personnel-related costs including payroll and stock-based compensation for staff involved in the production process, the cost of materials, packaging, freight and shipping, depreciation on capital equipment and facilities used in the production process, amortization of acquired intangible assets and training costs.

For the three and six months ended June 30, 2025, our gross margin percentage decreased as compared to the same periods in 2024 primarily due to lower clear aligner ASP partially offset by operational efficiencies.

#### *Clear Aligner*

For the three months ended June 30, 2025, our gross margin percentage decreased as compared to the same period in 2024 primarily due to lower ASPs partially offset by lower freight costs.

For the six months ended June 30, 2025, our gross margin percentage decreased as compared to the same period in 2024 primarily due to lower ASPs partially offset by lower manufacturing spend and freight costs.

#### *Systems and Services*

For the three and six months ended June 30, 2025, our gross margin percentage increased as compared to the same periods in 2024 primarily due to an increase in operational efficiencies partially offset by lower scanner wand and scanner system ASPs and tariffs.

#### *Selling, general and administrative (in millions):*

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	Change	2025	2024	Change
Selling, general and administrative	\$ 448.7	\$ 452.3	\$ (3.6)	\$ 896.3	\$ 904.1	\$ (7.8)
<i>% of net revenues</i>	44.3 %	44.0 %		45.0 %	44.6 %	

*Changes and percentages are based on actual values. Certain tables may not sum or recalculate due to rounding.*

Selling, general and administrative expense generally includes personnel-related costs, including payroll, stock-based compensation and commissions for our sales force, marketing and advertising expenses including media, market research, marketing materials, clinical education, trade shows and industry events, legal and outside service costs, equipment, software and maintenance costs, depreciation and amortization expense and allocations of corporate overhead expenses including facilities and IT.

For the three months ended June 30, 2025, selling, general and administrative expense decreased compared to the same period in 2024 primarily due to lower employee costs, including salaries, fringe benefits, stock-based compensation and bonus, partially offset by higher marketing expense and outside services.

For the six months ended June 30, 2025, selling, general and administrative expense decreased compared to the same period in 2024 primarily due to lower employee costs, including salaries, fringe benefits, and bonus and lower outside services, partially offset by higher marketing expense.

#### *Research and development (in millions):*

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	Change	2025	2024	Change
Research and development	\$ 96.4	\$ 92.2	\$ 4.2	\$ 193.6	\$ 184.1	\$ 9.5
<i>% of net revenues</i>	9.5 %	9.0 %		9.7 %	9.1 %	

*Changes and percentages are based on actual values. Certain tables may not sum or recalculate due to rounding.*

Research and development expense generally includes personnel-related costs, including payroll and stock-based compensation, outside service costs associated with the research and development of new products and enhancements to existing products, software, equipment, material and maintenance costs, depreciation and amortization expense and allocations of corporate overhead expenses including facilities and IT.

For the three and six months ended June 30, 2025, research and development expense increased compared to the same periods in 2024 primarily due to higher employee costs, including salaries, fringe benefits and stock-based compensation, partially offset by lower bonus cost.

**Legal settlement loss (in millions):**

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	Change	2025	2024	Change
Legal settlement loss	\$ —	\$ 31.1	\$ (31.1)	\$ 4.2	\$ 31.1	\$ (26.9)
% of net revenues	— %	3.0 %		0.2 %	1.5 %	

Changes and percentages are based on actual values. Certain tables may not sum or recalculate due to rounding.

For the six months ended June 30, 2025, we recorded losses of \$4 million due to legal settlements. Refer to Note 7 “Legal Proceedings” of the Notes to Condensed Consolidated Financial Statements for more information.

**Income from operations (in millions):**

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	Change	2025	2024	Change
<b>Clear Aligner</b>						
Income from operations	\$ 267.0	\$ 299.6	\$ (32.6)	\$ 527.2	\$ 585.9	\$ (58.6)
Operating margin %	33.2 %	36.0 %		32.9 %	35.5 %	
<b>Systems and Services</b>						
Income from operations	\$ 85.7	\$ 70.8	\$ 14.9	\$ 144.2	\$ 120.5	\$ 23.7
Operating margin %	41.3 %	36.0 %		37.0 %	32.0 %	
<b>Total income from operations</b> <sup>1</sup>	\$ 163.0	\$ 147.0	\$ 16.0	\$ 294.1	\$ 301.2	\$ (7.0)
Operating margin %	16.1 %	14.3 %		14.8 %	14.9 %	

Changes and percentages are based on actual values. Certain tables may not sum or recalculate due to rounding.

<sup>1</sup> Refer to Note 14 “Segments and Geographical Information” of the Notes to Condensed Consolidated Financial Statements for details on unallocated corporate expenses and the reconciliation to Condensed Consolidated Income from Operations.

For the three months ended June 30, 2025, our operating margin percentage increased compared to the same period in 2024 primarily due to legal settlement losses incurred in 2024 partially offset by lower gross margin from our clear aligner reportable segment.

For the six months ended June 30, 2025, our operating margin percentage decreased slightly compared to the same period in 2024 primarily due to lower gross margin from our clear aligner reportable segment partially offset by a decrease in legal settlement losses.

**Clear Aligner**

For the three and six months ended June 30, 2025, our operating margin percentage decreased compared to the same periods in 2024 primarily due to a decrease in gross margin and a decrease in operating leverage primarily due to higher marketing spend.

**Systems and Services**

For the three and six months ended June 30, 2025, our operating margin percentage increased compared to the same periods in 2024 primarily due to higher gross margin and improved operating leverage primarily from lower employee spend.

**Interest income (in millions):**

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	Change	2025	2024	Change
Interest income	\$ 2.9	\$ 3.3	\$ (0.4)	\$ 8.2	\$ 7.7	\$ 0.5
% of net revenues	0.3 %	0.3 %		0.4 %	0.4 %	

Changes and percentages are based on actual values. Certain tables may not sum or recalculate due to rounding.

Interest income generally includes interest earned on cash, cash equivalents and investment balances.

For the three months ended June 30, 2025, interest income decreased compared to the same period in 2024 primarily due to lower interest rates partially offset by higher cash and cash equivalents.

For the six months ended June 30, 2025, interest income increased compared to the same period in 2024 primarily due to higher cash and cash equivalents partially offset by lower interest rates.

**Other income (expense), net (in millions):**

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	Change	2025	2024	Change
Other income (expense), net	\$ 7.6	\$ (6.5)	\$ 14.1	\$ 11.7	\$ (6.6)	\$ 18.3
% of net revenues	0.8 %	(0.6)%		0.6 %	(0.3)%	

Changes and percentages are based on actual values. Certain tables may not sum or recalculate due to rounding.

Other income (expense), net, generally includes foreign exchange gains and losses, gains and losses on foreign currency forward contracts, interest expense, gains and losses on equity investments and other miscellaneous charges.

For the three months ended June 30, 2025, other income (expense), net increased compared to the same period in 2024 primarily due to favorable foreign exchange rates.

For the six months ended June 30, 2025, other income (expense), net increased compared to the same period in 2024 primarily due to favorable foreign exchange rates partially offset by a gain recorded on our equity investments in the first quarter of 2024.

**Provision for income taxes (in millions):**

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	Change	2025	2024	Change
Provision for income taxes	\$ 48.9	\$ 47.3	\$ 1.6	\$ 96.1	\$ 100.7	\$ (4.5)
Effective tax rates	28.2 %	32.9 %		30.6 %	33.3 %	

Changes and percentages are based on actual values. Certain tables may not sum or recalculate due to rounding.

Our effective tax rate differs from the statutory federal income tax rate of 21% for both the three and six month periods ended June 30, 2025 and 2024 primarily due to the recognition of additional tax expense resulting from U.S. taxes on foreign earnings, foreign income taxed at different rates, state income taxes and non-deductible expense in the U.S.

The decrease in our effective tax rate for the three months ended June 30, 2025 compared to the same period in 2024 is primarily attributable to a decrease in U.S. taxes on foreign earnings, partially offset by the change in our jurisdictional mix of income.

The decrease in our effective tax rate for the six months ended June 30, 2025 compared to the same period in 2024 is primarily attributable to a decrease in U.S. taxes on foreign earnings, partially offset by the change in our jurisdictional mix of income, remeasurement of Switzerland deferred tax assets due to a tax rate change in 2024 and lower tax deductions from stock-based compensation.

## Liquidity and Capital Resources

### Liquidity and Trends

As of June 30, 2025 and December 31, 2024, we had cash and cash equivalents of \$901 million and \$1,044 million, respectively, of which approximately \$708 million and \$855 million, respectively, were held by our foreign subsidiaries. We continue to evaluate opportunities to repatriate our foreign earnings if or when needed. We do not expect to incur significant additional costs upon repatriation of these foreign earnings. We generate sufficient operating cash flow from our domestic operations and have access to \$300 million under our revolving line of credit. We believe that our current cash balances and the borrowing capacity under our credit facility, if necessary, will be sufficient to fund our business for at least the next 12 months.

Our material cash requirements as of June 30, 2025 are as follows:

- Our purchase commitments consist primarily of open purchase orders for goods and services, including manufacturing inventory, supplies and services, sales and marketing, research and development services and technological services, issued in the normal course of business. There have been no material changes to our purchase commitments for goods and services during the six months ended June 30, 2025 as compared to the year ended December 31, 2024.
- There have been no material changes to our future operating lease payments during the six months ended June 30, 2025 as compared to the year ended December 31, 2024.
- We expect our investments in capital expenditures for fiscal year 2025 to be between \$100 million and \$125 million. Capital expenditures primarily relate to technology upgrades as well as additional manufacturing capacity in support of our continued expansion. Despite the challenging market conditions, we intend to continue to invest in research and development, manufacturing and treatment planning to meet actual and anticipated demand.
- In April 2025, our Board of Directors authorized a plan to repurchase up to \$1.0 billion of our common stock. The April 2025 Repurchase Program is expected to be completed over a period of up to three years. We continually evaluate opportunities to repurchase shares of our common stock depending on various factors including our share price and current liquidity requirements. Refer to *Note 10 "Common Stock Repurchase Program"* of the *Notes to Condensed Consolidated Financial Statements* for details on our stock repurchase programs.
- As of June 30, 2025, we had no material off-balance sheet arrangements that have or are reasonably likely to have, a current or future material impact on our liquidity or capital resources.
- On July 7, 2025, we issued a payment for \$31.75 million to an escrow agency to settle an antitrust matter. Refer to *Note 7 "Legal Proceedings"* of the *Notes to Condensed Consolidated Financial Statements* for more information.

### Sources and Uses of Cash

The following table summarizes our Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2025 and 2024 (in thousands):

	Six Months Ended June 30,	
	2025	2024
Net cash flow provided by (used in):		
Operating activities	\$ 181,326	\$ 188,491
Investing activities	(56,768)	(192,077)
Financing activities	(303,055)	(163,275)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	35,876	(9,196)
Net decrease in cash, cash equivalents and restricted cash	<u>\$ (142,621)</u>	<u>\$ (176,057)</u>

## Operating Activities

For the six months ended June 30, 2025, cash flows from operations of \$181 million resulted primarily from our net income of approximately \$218 million as well as the following:

### *Significant adjustments to net income*

- Depreciation and amortization of \$80 million related to our investments in property, plant and equipment and intangible assets;
- Stock-based compensation of \$93 million related to equity awards granted to employees and directors;
- Non-cash operating lease costs of \$19 million; and
- Other non-cash operating activities of \$8 million primarily related to an increase in our bad debt allowance.

### *Significant changes in working capital*

- Net outflow of \$121 million in accounts receivable due to timing of collections;
- Net outflow of \$36 million in accrued and other long-term liabilities primarily due to the payment of fiscal year 2024 bonuses in the first quarter of 2025; and
- Net outflow of \$65 million in deferred revenue.

## Investing Activities

Net cash used in investing activities was \$57 million for the six months ended June 30, 2025 which was primarily related to an outflow of \$47 million for purchases of property, plant and equipment and \$10 million for our additional investment in SD Holding Company.

## Financing Activities

Net cash used in financing activities was \$303 million for the six months ended June 30, 2025 and primarily consisted of an outflow of \$297 million for share repurchases and payroll taxes paid for equity awards through share withholdings of \$20 million which were partially offset by \$14 million of proceeds from the issuance of common stock under our employee stock purchase plan.

## Critical Accounting Estimates

Management's discussion and analysis of our financial condition and results of operations is based upon our Condensed Consolidated Financial Statements which have been prepared in accordance with accounting principles generally accepted in the U.S. The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses and disclosures at the date of the financial statements. We evaluate our estimates on an ongoing basis, including those related to revenue recognition, goodwill and finite-lived acquired intangible assets, income taxes and legal proceedings and litigation. We use authoritative pronouncements, historical experience and other assumptions as the basis for making estimates. Actual results could differ from those estimates.

### *Revenue Recognition*

Our revenues are derived primarily from the sale of aligners, scanners and services from our Clear Aligner and Systems and Services segments. We enter into sales contracts that may consist of multiple distinct performance obligations where certain performance obligations of the sales contract are not delivered in one reporting period. We measure and allocate revenues according to ASC 606-10, "Revenues from Contracts with Customers."

Determining the standalone selling price ("SSP") in order to allocate consideration from the contract to the individual performance obligations is the result of various factors, such as historical prices, changing trends and market conditions, costs and gross margins. While changes in the allocation of the SSP between performance obligations will not affect the amount of total revenues recognized for a particular contract, any material changes could impact the timing of revenue recognition, which would have a material effect on our financial position and result of operations. This is because the contract consideration is allocated to each performance obligation, delivered or undelivered, at the inception of the contract based on the SSP of each distinct performance obligation.

We allocate consideration for each clear aligner treatment plan based on each unit's SSP. Management considers a variety of factors such as same or similar product historical sales, costs and gross margin, which may vary over time depending upon

the unique facts and circumstances related to each performance obligation in making these estimates. In addition to historical data, we take into consideration changing trends and market conditions. For treatment plans with multiple options, we also consider usage rates, which is the number of times a customer is expected to order more aligners after the initial shipment. Our process for estimating usage rates requires significant judgment and evaluation of inputs, including historical usage data by region, country and channel.

We estimate the SSP of each element in a scanner system and services sale taking into consideration same or similar product historical prices as well as our discounting strategies. For CAD/CAM services, we estimate the SSP of each element, including the initial software license and maintenance and support, using data such as historical prices.

### **Recent Accounting Pronouncements**

See Note 1 “*Summary of Significant Accounting Policies*” of the Notes to Condensed Consolidated Financial Statements for a discussion of recent accounting pronouncements.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

In the normal course of business, we are exposed to interest rate, foreign currency exchange and inflation risks that could impact our financial position and results of operations. In addition, we are subject to the broad market risk that is created by the global market disruptions and uncertainties resulting from macroeconomic challenges, geopolitical events, trade and other international disputes, including various military conflicts and consumer confidence. Further discussion on these risks may be found in *Part II, Item 1A “Risk Factors.”*

#### ***Interest Rate Risk***

Changes in interest rates could impact our anticipated interest income earned on our cash and cash equivalents balance. As of June 30, 2025, we are not exposed to interest rate risk on our unsecured revolving line of credit. An immediate 10% change in interest rates would not have a material adverse impact on our future operating results and cash flows. As of June 30, 2025, we had no short term or long-term marketable securities.

We have not historically used derivative financial instruments to manage our exposure to changes in interest rates.

#### ***Foreign Currency Exchange Rate Risk***

As a result of our international operations, our financial performance has been affected by fluctuations in foreign currency exchange rates and economic conditions in global markets. There is no assurance that exchange rate fluctuations will not adversely impact our results of operations or financial position in the future; however, generally we conduct sales in the local currencies of the countries in which we operate, which provides a degree of natural hedging as most subsidiaries’ also incur their operating expenses in those same currencies.

To further reduce the short-term impact of foreign exchange rate fluctuations on certain assets and liabilities, we enter into foreign currency forward contracts in markets where we have meaningful exposure, primarily involving the Euro, British Pound, Chinese Yuan, Polish Zloty and Canadian Dollar. These contracts, which are not designated as hedging instruments, typically have original maturities of one month and are marked to market through earnings each reporting period. The gains and losses from these forward contracts are intended to offset the gains and losses in the underlying foreign currency denominated monetary assets and liabilities. We do not enter into foreign currency forward contracts for trading or speculative purposes.

As our international footprint expands, we continuously reassess our strategy for managing foreign exchange risk. Although we continue to monitor our exposure to currency fluctuations, and, where appropriate, mitigate our exposure through the use of forward contracts, a hypothetical 10% aggregate change in foreign currency exchange rates relative to the U.S. dollar could have a material impact on our results of operations and financial position.

### ***Inflation Risk***

The economy has been impacted by certain macroeconomic challenges which have contributed to a rising inflationary trend that have impacted both our revenues and costs globally. If our costs become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. There is no assurance that our results of operations and financial condition will not be adversely impacted by inflation in the future.

### ***Investment Risk***

We hold equity securities in privately held companies, which are subject to equity price risks and exposures from the evolving macroeconomic environment, including uncertainty and volatility in financial markets and other changes in economic conditions, such as an increase in trade tensions and related tariffs, that could have a material impact on the carrying value of our investments.

Our investments in privately held companies primarily consist of equity securities without readily determinable fair values. We elected to account for our investments in privately held companies using the measurement alternative, which is cost, less any impairment, adjusted for changes in fair value resulting from observable transactions for identical or similar investments of the same issuer. We perform a qualitative assessment at each reporting date to determine whether there are triggering events for impairment. The qualitative assessment considers factors such as but not limited to, the investee's financial performance and business prospects; industry performance; economic environment; and other relevant events and factors affecting the investee. Valuations of our equity investments are complex due to the lack of readily available market data and observable transactions. The carrying value of our investments in privately held companies was \$198.2 million at June 30, 2025 and \$188.2 million at December 31, 2024.

## **Item 4. Controls and Procedures.**

### ***Evaluation of disclosure controls and procedures.***

Our management, under the supervision and with the participation of our Chief Executive Officer and our Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based upon that evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that our disclosure controls and procedures are effective as of June 30, 2025, to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure, and that such information is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

### ***Changes in internal control over financial reporting.***

There have been no changes in our internal control over financial reporting during the quarter ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## **PART II—OTHER INFORMATION**

## **Item 1. Legal Proceedings.**

The information required by this item is incorporated herein by reference to the information set forth in *Note 7 "Legal Proceedings" of the Notes to Condensed Consolidated Financial Statements* in Part I, Item 1 of this Quarterly Report on Form 10-Q.

## **Item 1A. Risk Factors.**

*The following discusses some of the risks and uncertainties that may affect our business, reputation, results of operations, financial condition, cash flows, and the price of our common stock. You should carefully review this section, as well as our Condensed Consolidated Financial Statements and notes thereto and other information appearing in this Quarterly Report on Form 10-Q, for important information regarding these and other risks that may affect us. The order we have chosen to list the*

risks below or the sections in which we have identified them should not be interpreted to mean we deem any risks to be more or less important or likely to occur or, if any do occur, that their impact may be any less significant than any others. These risk factors should be considered in connection with the forward-looking statements contained in this Quarterly Report on Form 10-Q because they could cause our actual results and conditions to differ materially from those statements. Before you invest in Align, you should know that investing involves risks, including those described below. The risks below are not the only risks we face. If any of the risks actually occur, our business, financial condition and results of operations could be negatively affected, the trading price of our common stock could decline, and you may lose all or part of your investment.

## **Macroeconomic and External Risks**

***Our business, financial condition and results of operations depend on global and regional economic conditions. Inflation, fluctuations in foreign currency exchange rates, changes in consumer confidence and demand, general economic weakness and actual or potential slowdowns or recessions have and could in the future materially affect our business, financial condition, and results of operations.***

Macroeconomic conditions impact consumer confidence and discretionary spending, which can adversely affect demand for dental services and our products. Consumer spending habits are affected by, among other things, fluctuations in foreign currency exchange rates, consumer confidence, threats or actual imposition of tariffs, customs duties and fees by nations and retaliatory actions, inflation, general economic weakness, actual or potential slowdowns or recessions, pandemics, wars and military actions, employment levels, health insurance coverage, wages, debt obligations, discretionary income, interest rates, market volatility and perceptions of current and future economic conditions. Macroeconomic conditions can, among other things, reduce or shift spending away from elective procedures, drive patients to pursue less costly orthodontic treatments, decrease the number of orthodontic case starts, reduce patient traffic in dentists' offices, or reduce demand for dental services generally. For instance, decreased demand for dental services can cause dentists and labs to revert to using wires and brackets more often for orthodontic treatment instead of clear aligners and postpone investments in capital equipment, such as intraoral scanners and CAD/CAM equipment and software. Uncertain economic outlooks for, or declines in the economic outlooks of, the United States, Chinese, European and other international economies have and could in the future materially adversely affect consumer demand and dental practice spending. Increases in the cost of fuel and energy, food and other essential items as well as higher interest rates have and could in the future reduce consumers' disposable income, which could cause a decrease in discretionary spending for our products.

Inflation has and may continue to adversely impact spending and trade activities and may unpredictably impact global and regional economies. Efforts by central banks and federal, state and local governments to combat inflation could result in an economic recession or slowdown or adversely impact consumer spending for a prolonged period of time. Higher inflation has and may continue to increase domestic and international shipping costs, raw material prices and labor rates, which could adversely impact the costs of producing, procuring and shipping our products. Our products or one or more of the materials or components of our products may also be subject to tariffs imposed by the United States or other countries. We may not be able to fully mitigate the impact of the increased costs or pass price increases on to our customers, resulting in downward pressure on our operating results. Attempts to offset cost increases with price increases may reduce sales, increase customer dissatisfaction or otherwise harm our reputation. Any of these events could materially affect our business, financial condition or results of operations.

We have significant international operations and sales and are therefore exposed to fluctuations in foreign currencies that have and may continue to adversely impact our business, financial condition or results of operations. Although the U.S. dollar is our reporting currency, a large portion of our net revenues and expenses are generated in foreign currencies. While we forecast our balance sheet exposures to foreign currency fluctuations and utilize foreign currency forward contracts to moderate the impact of exchange rate fluctuations on certain assets and liabilities, these contracts may not eliminate our exposure to fluctuations in foreign currency. Currency exchange rate fluctuations have and may continue to materially adversely affect our results of operations and cash flows.

***Our business, financial condition and results of operations could be impacted by geopolitical events, new, proposed or retaliatory tariffs, trade and international disputes, wars, military actions and terrorism, or major public health crises.***

Geopolitical events, tariffs, trade and international disputes, wars, military actions and terrorism, or major public health crises have and could in the future harm or disrupt international commerce and the global economy and could materially adversely affect our business with our customers and consumers, suppliers, contract manufacturers, commercial intermediaries and other business partners. Such events have and could result in, among other things, supply chain and trade disruptions, changes in diplomatic and trade relationships, new tariffs and retaliatory tariffs, trade protection measures, quotas, embargoes, safeguards, trade sanctions and countersanctions, customs inquiries or restrictions, boycotts, reduced consumer spending, government shut downs, cyberattacks, energy shortages or power outages, energy rationing that adversely impacts our manufacturing facilities, rising fuel or rising costs of producing, procuring, and shipping our products, constraints, volatility or disruption in the financial markets, deaths or injuries to our employees, restrictions and shortages of food, water, shelter and medical supplies, data or information exchange, disruptions, interruptions or limitations in telecommunication services, critical systems or applications reliant on a stable and uninterrupted communications infrastructure, and protests that may impact delivery of our products to customers or destruction of property. Such events may also cause a shift in public opinion about companies based in the United States or in the regions where we operate or plan to operate, which could adversely impact our reputation and business.

Tariffs or proposed tariffs, and any retaliatory trade measures taken in response to such tariffs may increase the cost of our products and components and raw materials used to make them. A significant portion of the products we sell, and the components and raw materials used in our products are originally manufactured or sourced outside the United States. For

example, we manufacture clear aligners in our facility in Mexico and ship them to the United States, primarily for our United States customers with the remainder eventually shipping to other international locations. Tariffs would result in additional costs for our products, which may reduce demand for our products and adversely impact our gross margin and results of operations, and we may not be able to fully or substantially mitigate the impact of any new or increased tariffs or pass price increases on to our customers. Trade policies and disputes could result in increased tariffs and other trade restrictions and protectionist measures, which could increase our manufacturing costs, increase prices of and reduce demand for our products, limit our ability to sell to certain customers, limit or prohibit the availability of certain raw materials, components and parts necessary for our products or the products of our suppliers, or impede or slow the movement of our goods across borders. The extent and duration of the tariffs and the resulting impact on general economic conditions and on our business are uncertain.

Foreign countries have and may continue to adopt or rescind other measures, such as controls on the import or export of goods, technology or data, including personal data, which could adversely impact our operations and supply chains or limit our ability to offer certain products and services. We may take various actions in response to these measures, including changing suppliers, where we manufacture our products, or restructuring business relationships. Complying with new or revised trade restrictions may be expensive, time-consuming, disruptive to our logistics and operations, and more costly for us and our customers. Such restrictions may be announced with little or no advance notice and we may be unable to effectively mitigate any adverse impacts in a timely manner or at all.

Military conflicts have and may in the future materially adversely impact the economies in which we operate. Our iTero operations, headquartered in Israel, are close to areas that have been affected by ongoing conflict and military action, which may impact our employees and our iTero business and operations. Some employees in Israel have been called for military service in the current conflict and they may be absent for certain periods of time. Furthermore, our facilities may be damaged or our manufacturing capability or delivery schedules may be impacted as a result of the ongoing conflict. Our supply chains and demand for our products could be impaired as a result of hostilities, export and import restrictions, sanctions or boycotts. These events could disrupt ongoing operations and may materially impact the logistics, timing and cost of shipping of our products and materials or our ability to operate out of impacted areas. Additionally, China's territorial conflicts with other neighboring countries may impact our operations and sales in China. We cannot predict the progress or outcome of these events or the reactions by governments, businesses or consumers and each event could, individually or in the aggregate, materially adversely affect our business, financial condition, and results of operations.

***Our operations may be impacted by natural disasters, which may become more frequent or severe as a result of climate change, and may adversely impact our business, financial condition and results of operations, as well as those of our customers and consumers, suppliers, contract manufacturers, commercial intermediaries and other business partners.***

Natural disasters such as earthquakes, tsunamis, floods, droughts, hurricanes, wildfires, urban fires, volcanic eruptions and other extreme weather conditions can cause deaths, injuries and major public health crises, power outages, property damage, restrictions and shortages of food, water, shelter and medical supplies, telecommunications failures, materials scarcity, price volatility and other adverse consequences. If a natural disaster occurs in a region where one of our facilities or those of our customers or suppliers are located, our or their employees or facilities could be impacted, valuable research could be lost, and our ability to create treatment plans, respond to customer inquiries or manufacture and ship our products could be compromised, causing significant delays and reputational harm. Climate change could increase the frequency and severity of natural disasters and could change the supply, demand or availability of sources of energy or resources material to manufacturing our products and operations. It could also affect the availability or cost of materials, goods, and services on which we and our suppliers, contract manufacturers, commercial intermediaries and other business partners rely, which could materially adversely impact our business, financial condition and results of operations.

## **Business and Industry Risks**

***Demand for our products and services may not increase or may decrease for many reasons, including resistance to the innovative and business-model-disruptive nature of some of our products and services, which could have a material impact on our business, financial condition and results of operations.***

Our products and services require our customers and consumers to forego traditional treatment methods. For example, Invisalign treatment is a significant departure from traditional orthodontic wires and brackets, and our customers and consumers may not find it cost-effective or preferable. A number of dental professionals believe Invisalign treatment is only appropriate for a limited percentage of patients. Additionally, our clear aligners and iTero products utilize digital technology and some dental professionals have and may continue to resist moving to a digital platform. Increased acceptance of our products and services depends in part on the recommendations of dental professionals, professional associations, societies and organizations, as well as other factors, including efficacy, safety, ease of use, reliability, aesthetics, third-party reimbursement, price compared to competing products and traditional treatment methods, and perceptions regarding single-use or non-recyclable plastics. If demand for our products or services fails to increase, or decreases, our business, financial condition and results of operations may be materially adversely affected.

***Our net revenues depend primarily on sales of the Invisalign System and iTero intraoral scanners and declines in volume or ASP may adversely affect net revenues, gross profit and net income.***

Our net revenues are primarily dependent on sales of the Invisalign System and iTero intraoral scanners. Of the two, we expect the Invisalign System to continue to represent the majority of our net revenues, making sales of it critical to our success.

The ASPs of our products, particularly the Invisalign System, are influenced by numerous factors, including the mix of product treatment packages, geographical mix, channel mix and timing of products sold (particularly the timing and quantity of

orders for additional clear aligners for certain Invisalign products), promotions and discounts and foreign currency exchange rates. In addition, we sell our products at different prices and with varying shipping and handling charges or processing fees that may differ by country. Our ASPs for the Invisalign System and iTero intraoral scanners have been and could in the future be adversely affected if:

- we offer promotions or general or volume-based discount programs, product or services bundles, large account sales or consumer rebate programs;
- participation in promotions or programs unexpectedly increases, decreases or changes demand in material ways;
- our geographic, channel or product mix shifts to lower-priced products or to products with a higher percentage of deferred revenue;
- we decrease prices or are unable to increase prices on one or more products or services in response to increasing competitive pricing pressures;
- we introduce new or change existing products or services, or modify how we market or sell any of our new or existing products or services;
- we modify our pricing strategies for certain products or adjust pricing for certain items based on cancellation fees, shipping and handling charges or processing fees;
- we participate in government tenders, such as volume-based procurement in China; or
- our critical accounting estimates materially differ from actual results.

To stimulate product and services demand, we have a history of offering volume discounts, price reductions, and other promotions to targeted customers and consumers and releasing lower priced products. These promotional campaigns and lower-priced products have had, and may in the future have, unexpected and unintended consequences, including reduced net revenues, gross margins, operating margin and net income, ASPs and volume.

***Competition in the markets for our products and services is increasing and we expect aggressive competition from existing competitors and emerging companies that introduce new technologies, products or services in the future, and customers who alone or with others create orthodontic appliances and solutions or other products or services that compete with us.***

The dental industry is experiencing immense and rapid digital transformation, and we face competition from a variety of competitors including companies that specialize in products or systems and services that provide solutions similar to those that we offer. While solutions such as the Invisalign System, iTero intraoral scanners, CAD/CAM software and our digital platform facilitate this transition, we face competition from companies that seek to introduce new technologies and products and companies that remain dedicated to traditional products and services. As we continue to expand globally, we may see new competition in different geographic regions. We have experienced price-focused competition from competitors in various markets we serve and we anticipate this will continue. We may be unable to compete with these competitors or they may render our technology or products obsolete or economically unattractive, particularly as competitors incorporate artificial intelligence (“AI”) and machine learning into new or existing services and technologies that facilitate changes in doctor-patient interactions, expectations and treatment workflows. We may be unable to devote adequate financial resources to develop or acquire new AI technologies and systems in the future and sufficiently meet evolving industry trends and consumer demands.

The number and types of competitors we face are diverse and growing rapidly. The Invisalign System competes primarily against traditional wires and brackets and increasingly with clear aligners manufactured and distributed by new market entrants and existing competitors, including traditional medical device companies, laboratories, startups and, in some cases, doctors and dental service organizations (“DSOs”). Our competitors also include direct-to-consumer companies that provide clear aligners using a business model requiring little or no in-office care from trained and licensed doctors, and doctors and DSOs who manufacture custom aligners or procure products from third-party white-label providers. Large consumer product companies may also start supplying orthodontic products. Orthodontists, GPs and DSOs have and may continue to sample competitive and alternative products and take advantage of competitive promotions and sale opportunities. Additionally, negative experiences with clear aligner products manufactured and distributed by competitors may adversely affect our reputation and demand for the Invisalign System if consumers, orthodontists, GPs and DSOs attribute these negative experiences to clear aligner therapy generally, even if our products differ significantly in design, quality, and clinical effectiveness from competitive products.

Our iTero intraoral scanners are also facing increased competition from new and existing competitors. Our scanners compete with polyvinyl siloxane impressions and numerous new or existing intraoral scanners, as well as traditional bite wing 2D dental x-rays and dental imaging systems that leverage near infrared imaging technology for detecting interproximal caries. We experience and may continue to experience competition with our scanners and software solutions by competitors who introduce products at lower prices or with functionality that better meets customer demand, including expansion of their portfolios in the digital ecosystem. If we are unable to compete effectively with existing products, existing competitors, new market entrants, or respond effectively to new technologies, our business, financial condition, and results of operations could be materially adversely impacted.

***Our success depends on our ability to successfully develop, introduce, achieve market acceptance of, and manage new or improved products and services.***

Our success depends on our ability to quickly and profitably develop, manufacture, market, and obtain and maintain regulatory approval or clearance of new, improved or refurbished products and services. We cannot ensure successful development, sales or acceptance of our products and services. The extent and rate at which our new, improved or refurbished products or services achieve market acceptance and penetration depends on many factors, including our ability to:

- successfully predict, timely innovate, develop, and launch new or improved technologies, applications, features, products and services to meet market demand and keep pace with changes in technology, customers' demands and industry standards;
- successfully and timely obtain regulatory approval or clearance of new or improved products or services from government agencies such as the U.S. Food and Drug Administration ("FDA") and analogous agencies in other countries;
- cost-effectively and efficiently develop, manufacture, quality test, market, dispose of and sell new or improved products and services, including localized versions for international markets;
- properly forecast the amount and timing of new or improved product and services demand;
- allocate our research and development funding to products and services with higher growth prospects;
- ensure the compatibility of our technology, services and systems with those of our customers;
- anticipate and rapidly innovate in response to new competitive offerings and technologies;
- differentiate our products and services from those of our competitors as well as other products and services in our own portfolio and successfully articulate the benefits to potential customers;
- design and manufacture products that achieve the clinical and practice outcomes we believe necessary for market acceptance;
- manage the impact of nationalism or initiatives encouraging consumer purchases from domestic vendors;
- qualify for third-party reimbursement for procedures involving our products or services;
- offer attractive and competitive products, services and subscription plans;
- encourage customers to adopt new or improved technologies and provide the needed technical, sales and marketing support to make new or improved product and services launches successful;
- manage government procurement program restrictions; and
- source and receive quality raw materials or parts from our suppliers.

If we fail to accurately predict the needs and preferences of customers and their patients, or fail to offer viable products or services, we may invest heavily in research and development that does not lead to significant revenues. Even if we successfully innovate and develop new or improved products and services, we may incur substantial costs doing so and our profitability may suffer. Introduction and acceptance of any products and services may take significant time and effort, particularly if they require doctor education and training to understand their benefits or doctors choose to withhold judgment on a product until patients complete their treatments.

In addition, we periodically introduce new business and sales initiatives to meet customers' needs and demands. In general, our internal resources support these initiatives without clear indications they will prove successful or be without short-term execution challenges. Should these initiatives fail, our business, financial condition and results of operations could be materially adversely impacted.

***We may invest in or acquire other businesses, products, technologies or other assets which may require significant management attention, disrupt our business, dilute stockholder value or adversely affect our business, financial condition and results of operations.***

We have and may in the future acquire, or make investments in, companies, technologies or other assets. Alternatively, we may be unable to find suitable investment or acquisition opportunities or be unable to complete investments or acquisitions on favorable terms. If we make such investments or complete acquisitions, we may not ultimately strengthen our competitive position or achieve desired synergies and integration. Investments or acquisitions we complete could be viewed negatively and may lead to negative ratings by analysts or investors, or give rise to stockholder objections or activism, which could disrupt our operations or harm our stock price. Moreover, to the extent we make strategic investments, the companies in which we invest may fail or we may ultimately own less than a majority of the outstanding shares of the company and be unable to control or have significant influence over critical issues that could harm the value of our investment.

We are subject to various risks when making a strategic investment or acquisition and integrating the operations and cultures of acquired businesses within our own, which could materially impact our business, financial condition or results of operations, including that we may:

- fail to perform proper due diligence and inherit unexpected material issues or assets, including intellectual property ("IP") or other litigation or ongoing investigations, accounting irregularities or compliance liabilities;
- fail to comply with regulations, governmental actions, orders or decrees;
- experience information technology ("IT") security and privacy compliance issues;
- invest in companies that generate net losses or are slow or fail to develop;
- not realize a positive return on our investment or determine that investments have declined in value, which could potentially require recording impairments;
- need to pay cash, incur debt or issue equity securities to pay for an acquisition, adversely affecting our liquidity, financial condition or the trading price of our common stock;
- find it difficult to implement and harmonize company-wide financial reporting, forecasting and budgeting, accounting, billing, IT and other systems due to inconsistencies in standards, internal controls, procedures and policies;
- require significant time and resources to effectuate the integration;
- fail to retain key personnel or harm our existing culture or the culture of an acquired entity;
- not realize material portions of the expected synergies and benefits of the investment or acquisition; or
- unsuccessfully evaluate or utilize the acquired technology or acquired company's know-how or fail to successfully integrate the technologies acquired.

## **Operational Risks**

***Our results of operations have and will continue to fluctuate in the future, which makes predicting the timing and amount of customer demand and our revenues, costs, and expenditures difficult.***

Our quarterly and annual operating results have and will continue to fluctuate for a variety of reasons. Some of the factors that have and could in the future cause our operating results to fluctuate include:

- changes in consumer, customer and industry demand;
- changes in manufacturing, packaging, delivery and inventory costs;
- the creditworthiness, liquidity and solvency of our customers and their ability to timely make payments when due;
- our ability to collect payments;
- our acceptance of longer customer payment cycles;
- changes in the timing of revenue recognition and our ASPs;
- seasonal fluctuations;
- geographic, channel or product mix shifts to lower priced products or to products with a higher percentage of deferred revenue;
- improvements to or changes in our products, capabilities or technologies that replace or shorten the life cycles of legacy products or cause customers to defer or stop purchasing legacy products until new products become available;
- changes in costs and expenditures, including in connection with new treatment planning and fabrication facilities and the hiring and deployment of personnel;
- the timing of clear aligner treatment order submissions, acceptance, processing and fulfillment, which can cause fluctuations in our backlog; and
- timing and fluctuation of spending around marketing and brand awareness campaigns and industry trade shows.

If we fail to accurately predict product demand, we may not have the appropriate level of our manufacturing capacity or that of one or more of our suppliers, staffing, materials, components, space, equipment or finished products. Specifically, our manufacturing process relies on sophisticated computer software and requires new technicians to undergo a long training process, often 120 days or longer. Additionally, production levels for our iTero intraoral scanners are generally based on forecasts and historic demand and we often place orders with suppliers for materials, components, sub-assemblies and finished products weeks or more in advance of projected orders. If we do not hire and train the appropriate number of technicians in anticipation of demand, our costs and expenditures may not align with our revenues or revenue growth. Additionally, to secure supplies for production of products, we periodically enter into non-cancelable minimum purchase commitments with vendors, which could impact our ability to adjust inventory for declining demand. In addition, we may be required to purchase or lease additional or larger facilities and equipment to manage demand. If we fail to timely manufacture and deliver products to meet demand, this could damage our relationships with existing customers or harm our ability to attract new customers and adversely affect our business, financial condition and results of operations.

We may make business decisions that adversely affect our operating results such as modifications to our pricing policies and payment terms, promotions, development efforts, product releases, business structure or operations. The majority of our expenses, such as employee compensation and lease obligations, are relatively fixed in the short term. Moreover, our expense levels are based, in part, on expectations for future revenues. As a result, if our net revenues for a particular period are below expectations, we may be unable to timely or effectively reduce spending to offset any shortfalls. This variability and unpredictability could also result in our failing to meet the expectations of industry, financial analysts or investors.

***We are subject to operating risks, including excess or constrained capacity and operational inefficiencies, which could adversely affect our results of operations.***

We are subject to operating risks, including excess or constrained capacity, operational inefficiencies and pressure on our internal systems, personnel and suppliers. To manage current and anticipated future operations effectively, we must continually implement and improve our operational, financial and management information systems, hire, train, motivate, manage and retain employees, and ensure our suppliers remain diverse and capable of meeting demand for the systems, raw materials, parts and components essential to product manufacturing and delivery. We may fail to balance near-term efforts to meet existing demand with future demand, including adding personnel, creating scalable, secure and robust systems and operations, and automating processes for long-term efficiencies. Production of the Invisalign System and iTero intraoral scanners could also be limited by capacity constraints due to a variety of factors, including labor shortages, shipping delays, our dependency on third-party vendors for key materials, parts, components and equipment, the quality of or changes in product components, and limited production yields. Any such failure could materially impact our business, financial condition and results of operations.

Additionally, we have established treatment planning and manufacturing facilities closer to our international customers to provide better experiences, create efficiencies and provide redundancy should other facilities become unavailable. If one of these facilities is temporarily, partially or fully shut down, we may be unable to timely fulfill orders, which may negatively impact our reputation, business, financial condition and results of operations.

***Our IT systems are critical to our business. Issues with IT system and software integration, implementation, updates, and upgrades, or third-party software have previously and could again in the future disrupt our operations and have a material impact on our business, our reputation, and operating results.***

We rely on the efficient, uninterrupted, and secure operation of complex IT systems and are dependent on key third-party software embedded in IT systems as well as third-party hosted IT systems to support our operations, including third-party cloud platforms. All software and IT systems are vulnerable to damage, cybersecurity attacks, or interruptions or other disruptions from a variety of sources, including rapidly developing advanced technologies (e.g., generative and agentic AI technologies).

To effectively manage and improve our operations, our IT systems and applications require an ongoing commitment of significant expenditures and resources to maintain, protect, upgrade, enhance, and restore existing systems and develop new systems to keep pace with continuing changes in information processing technology, evolving industry and regulatory standards, including privacy, security and data protection laws, regulations and actions, increasingly sophisticated cybersecurity threats, and changing customer preferences. Usage of online and hosted technology platforms by us, our customers, and suppliers, including remote working, telemedicine, and new or expanded use of online service platforms, products, and solutions such as doctor, consumer, and patient apps have increased the demands on and risks to our IT systems and personnel. Moreover, we continue to transform business processes, extend established processes to new subsidiaries, and implement additional functionality in our enterprise resource planning, product development, manufacturing, and other software and IT systems. This entails certain risks, including operational disruptions, such as our ability to continue developing and updating products while addressing safety and security, track orders and timely ship products, manage our supply chain, and aggregate financial and operational data. Failure to adequately protect and maintain the integrity of our products, IT systems and data in those systems, and those of our suppliers and customers may materially impact our business, financial condition, and results of operations.

Additionally, we continuously upgrade and issue new software releases upon which customer facing manufacturing and treatment planning operations depend. Software applications and products containing software may contain errors or defects, especially when first introduced or released. The discovery of a defect, error, or security vulnerability in our products, software applications or IT systems, incompatibility with customers' computer operating systems and hardware configurations with a new release or upgraded version or the failure of our products or primary IT systems, which we are unable to cure in a timely fashion, may cause adverse consequences. These may include delays or loss of revenues, significant remediation costs, market acceptance delays, data damage, loss, or unavailability, unintended disclosure or other processing of financial, health or other information relating to individuals, product recalls, loss of market share or increased service costs, any of which could have a material effect on our reputation, business, financial condition or results of our operations and the operations of our customers or our business partners.

***Products in our Systems and Services segment, such as our iTero intraoral scanners, are subject to software and hardware risks that, if improperly managed, could have a material adverse impact on our business and financial results.***

The success of our Systems and Services segment depends on the quality and reliability of our products. We face software and hardware risks related to the manufacturing, design, quality and safety of our complex, global installed base of iTero intraoral scanners, which are continually updated to add, expand, or improve features with new hardware we manufacture or components that we source, to integrate new or existing software or other components manufactured by third parties, or to provide repair or replacement parts, any of which may contain errors or exhibit failures, especially when products are first introduced. We may be unable to ensure that third party components or changes to them will be completely compatible with our iTero intraoral scanners, which could result in failures of our iTero intraoral scanners to perform as anticipated. Additionally, the third-party software integrated into or interoperable with our iTero intraoral scanners will routinely reach end of life, and as a consequence, certain applications and models may be exposed to additional vulnerabilities, including security risks, errors, and malfunctions that may be irreparable or difficult to repair. We may not timely and adequately remediate or implement corrective measures for such failures, including due to reliance on third-party providers or suppliers. Consequently, any remediation may be time-consuming and difficult to achieve, which may materially impact our customers and business partners, damage our reputation, and result in lost business and revenue opportunities, and could be materially costly. If our products experience component aging, errors, or performance problems, or do not otherwise satisfy our stringent quality processes and controls we may choose to or be compelled to recall certain products, which may include, product withdrawals from the market, labeling changes, design changes, customer notifications, and notifications to global regulatory bodies.

A significant portion of our clear aligner production is dependent on digital scans from our globally dispersed and decentralized installed base of iTero and third-party intraoral scanners. Failures of all or any portion of our or third-party software or other components or systems to interoperate with iTero or third-party intraoral scanners, termination of interoperability with third-party intraoral scanners, malware or ransomware attacks, product or system vulnerabilities or defects, interference or disruptions for us, our customers, labs or other business partners in the use of our products or the transmission or processing of data needed for the use or ordering of our products, or system outages, regardless of cause, have harmed our operations previously and in the future could materially and adversely affect our ability to accept scans, manufacture clear aligners or restorative procedures or treatments and services, or otherwise service our customers. Any of these events could harm our sales, damage our reputation, adversely impact our strategic partners, or result in claims, demands, litigation, and liabilities, which could have a material effect on our reputation, business, financial condition or results of our operations and the operations of our customers or business partners.

***We are highly dependent on third-party suppliers, some of whom are sole source suppliers, for certain key machines, components and materials, and our business, financial condition and results of operations could be materially adversely affected if supply is restricted or ends or the price materially increases.***

We are highly dependent on our supply chain, particularly manufacturers of specialized and customized scanning equipment, rapid prototyping machines, resin and other advanced materials, as well as the optics, electronic and other mechanical components of our iTero intraoral scanners. We maintain single and sole supply relationships for many of these machines and materials. By using single and sole suppliers in limited locations for materials and manufacturing, we are exposed to multiple supply chain vulnerabilities. We are reliant upon manufacturers that we contract with for quality and stability and any failures on their part may have an impact on our ability to supply our products.

Because of our dependence on our suppliers, changes in key relationships can materially disrupt our supply chain. For instance, we may be unable to quickly establish or qualify replacement suppliers, which could create production interruptions,

delays and inefficiencies. Finding substitute manufacturers may be expensive, time-consuming or impossible and could result in significant interruptions in the supply of one or more products, product retesting or additional product registration, causing us to lose revenues and damage customer relationships. Technology changes by our service providers, vendors and other third parties could disrupt access to required manufacturing capacity or require expensive, time-consuming development efforts to adapt and integrate new equipment or processes. In the event of technology changes, delivery delays, labor stoppages or shortages, or increases in price for these items, sales may decrease and our business and prospects may be harmed.

***We contract with commercial intermediaries to distribute a portion of the importation, marketing and sales of our products and services, which exposes us to risks to our sales, operations and reputation, including the risk these intermediaries do not comply with applicable laws or our internal procedures.***

In addition to our direct sales force, we have and expect to continue to use distributors, resellers or other commercial intermediaries to import, market, sell, service and support our products and services. Our distribution agreements are generally non-exclusive and terminable by either party with customary notice. If qualified and acceptable alternative commercial intermediaries cannot be quickly found and trained in the use, marketing, sales and support of our products and services, our revenues and ability to sell or service our products and services in key markets could be adversely affected. These commercial intermediaries may also choose to sell alternative or competing products or services. In addition, we may be held responsible for the actions of these commercial intermediaries, their employees and commercial intermediaries for compliance with laws and regulations, including fair competition, bribery and corruption, import and export compliance, safety, data privacy, false advertising or unfair and deceptive trade practices, and marketing and sales activities. The conduct of these commercial intermediaries may impact our reputation and brand and if they fail to satisfy customers, our reputation and brand loyalty could be harmed. An intermediary may also affect our ability to effectively market our products in certain foreign countries or regulatory jurisdictions if it holds the regulatory authorization in such countries or within such regions and causes, by action or inaction, the suspension of such marketing authorization or sanctions for non-compliance or prevents us from taking control of any such authorization. It may be difficult, expensive, and time-consuming for us to re-establish market access or regulatory compliance.

***A disruption in the operations of a primary freight carrier, higher shipping costs or shipping delays could disrupt our supply chain and impact our operating and financial results.***

We depend on commercial freight carriers, primarily United Parcel Service, Inc., to deliver our products. If the operations of commercial freight carriers are disrupted or we fail to mitigate any disruptions, we may be unable to timely deliver products to our customers who may choose alternative products, causing our net revenues and gross margin to decline, possibly materially. Moreover, when fuel costs increase, our freight costs generally do as well. In addition, we earn an increasingly larger portion of our total revenues from international sales, which carry higher shipping costs that negatively impact our gross margin and results of operations. If freight costs materially increase and we are unable to successfully pass all or significant portions of the increases along to our customers, or we cannot otherwise offset such increases, our gross margin and financial results could be materially affected.

***Our success depends on our personnel. If we cannot attract, motivate, train or retain personnel, it will be difficult to achieve our strategic priorities, which could materially adversely affect our business, financial condition and results of operations.***

We are highly dependent on the talent and efforts of our personnel. We strive to retain our personnel by providing competitive compensation and benefits, development opportunities and training, flexible work options and an inclusive corporate culture. However, competition for highly skilled personnel, particularly technical and digital talent, is intense, and our competitors have and are likely to continue to recruit our personnel. Our compensation and benefit arrangements may not successfully attract new personnel or retain and motivate existing personnel. In addition, other internal and external factors can impact our ability to hire and retain talent, including insufficient advancement or career opportunities, in office or hybrid work policies, our past and any future restructuring efforts and restrictive immigration policies. The loss of any key personnel, particularly executive management, research and development, or sales personnel, could harm our business and prospects and impede the achievement of our research and development, operational or strategic objectives.

We provide significant training to our personnel and our business will be harmed if our training fails to properly prepare them to perform the work required, we are unable to successfully instill technical expertise in new and existing personnel, or if our techniques prove unsuccessful or are not cost-effective. Moreover, for certain roles, this training and experience can make key personnel, such as our sales personnel, highly desirable to competitors and lead to increased attrition. It can take 12 months or more to train sales representatives to successfully market and sell our products and services and for them to establish strong customer relationships. The loss of the services and knowledge of our highly skilled personnel may significantly delay or prevent the achievement of our development, operational or strategic objectives.

Additionally, seamless leadership transitions for key positions are critical to sustaining our culture and organizational success. If our succession planning is ineffective, it could adversely impact our business. We continually assess key personnel we believe are essential to our long-term success. Moreover, future organizational changes may cause attrition rates to increase. If we fail to effectively manage any organizational or strategic changes, our financial condition, results of operations, and reputation, as well as our ability to successfully attract, motivate, and retain key personnel, may be adversely affected.

We recently announced that commencing September 1, 2025, employees are expected to return to working five days per week in the office for most locations. Many companies, including companies that we compete with for talent, have adopted work policies and arrangements that our employees may consider to be more appealing, which could impact our ability to attract and retain qualified personnel.

We believe a key to our success has been the culture we have created that emphasizes a shared vision and core values of Agility, Customer and Accountability. We have experienced and may continue to experience difficulties attracting and retaining personnel that meet the qualifications, experience, compliance mindset and values we expect. If we cannot attract and retain personnel that meet our selection criteria or relax our standards, our corporate culture, ability to achieve our strategic objectives and our compliance with obligations under our internal controls and other requirements may be harmed. This could have a material adverse effect on our results of operations and our ability to maintain market share.

We have personnel represented by works councils and trade unions in certain countries and others that may be or may become eligible to be represented by works councils, trade unions and other employee associations. Labor disputes and work stoppages involving our personnel may disrupt our operations and could materially impact our results or operations.

***We depend on our marketing activities to deepen our market penetration and raise awareness of our brands, products, and services, which may prove unsuccessful or may become less effective or more costly to maintain in the long term.***

Our marketing efforts and costs are significant and include national and regional campaigns in multiple countries involving television, print, social media and alliances with professional sports teams, athletes, social media influencers and other strategic partners. There is no assurance our advertising campaigns will achieve the desired returns on advertising spend, increase brand, product or services awareness sufficiently or generate goodwill and positive reputational goals, or that we will be able to maintain commercial relationships with social media influencers and other strategic partners. Moreover, should any entity or individual endorsing us, our products or services take actions, make or publish statements in support of, or lend support to events or causes which are perceived by a portion of society negatively, our sponsorships or support of these entities or individuals may be questioned, our products and services boycotted and our brand image and reputation harmed, any of which could materially affect our business, financial condition and results of operations.

In addition, many countries prohibit certain types of marketing activities. For example, some countries restrict direct to consumer advertising of medical devices. We have and may in the future be alleged to violate marketing restrictions and be ordered to stop certain marketing activities or prevented from selling our products and services. Moreover, competitors do not always follow these restrictions, which can create an unfair advantage and make it more difficult and costly to compete.

Additionally, we rely heavily on data generated from our campaigns to target specific audiences and evaluate their effectiveness, particularly data generated from internet activities on mobile devices. To obtain this data, we are dependent on third parties and popular mobile operating systems, networks, technologies, products and standards we do not control, such as the Android and iOS operating systems, and mobile browsers. Changes in such systems that degrade or eliminate our ability to target or measure the results of ads or increase costs to target audiences could adversely affect our campaigns. Operating systems could also include data privacy settings that may limit our ability to interpret, target and measure ads effectively.

### **Legal, Regulatory and Compliance Risks**

***We are subject to antitrust and competition regulations, litigation and enforcement that may result in fines, penalties, restrictions on our business practices, and product, services or operational changes which could materially impact our business, financial condition and results of operations.***

We currently are and may in the future be subject to antitrust, competition or unfair competition-related investigations, enforcement actions or claims by governmental agencies, competitors, consumers, customers and others which, even if unfounded, could cause us to incur substantial costs, enter into settlements, consent decrees, be subject to judgments, involve negative publicity and divert management time and attention, which may materially impact our business, financial condition and results of operations. Resolving these matters may require us to change our business practices in materially adverse ways. Governments and regulators are actively developing new competition laws, regulations and actions aimed at the technology sector, AI and digital platforms, and global activities and expansion, including in large markets such as the United States, the European Union, and China. Government regulatory actions and court decisions may result in fines or hinder our ability to provide certain benefits to our customers and consumers, reducing the attractiveness of our products, services and the net revenue derived from them. These actions and decisions may also hinder our ability to pursue certain mergers, acquisitions, business combinations, investments or other transactions.

***Failure to obtain or maintain approvals or comply with regulations and government actions regarding our products or services or those of our suppliers could materially harm our sales, result in substantial penalties and fines, interrupt our supply chain and cause harm to our reputation.***

We and many of our healthcare provider customers, suppliers and commercial intermediaries are subject to extensive and frequently changing regulations and government actions under numerous federal, state, local, and foreign laws, including those regulating:

- the access, storage, transmission, disclosure, and other processing of, and security measures with respect to, personal, financial and medical information as well as healthcare records, including children's personal and health data;
- websites and application advertising, including that involving the use of cookies or involving the collection, use, disclosure, or other processing of data relating to individuals for marketing purposes and other business purposes;
- prohibitions against the offer, payment or receipt of remuneration to induce referrals to entities providing healthcare services or goods or to induce the order, purchase or recommendation of our products and services; and
- the design, manufacture, marketing and advertising of our products and services.

The healthcare and technology markets are also highly regulated and subject to evolving political, economic and regulatory influences and government actions. Global regulators are expanding and changing regulations and guidance for products and services, which can limit their potential benefits and cause protracted review timelines for new products and services. Our critical third-party vendors and service providers are subject to similar regulations. Our failure or the failure of our suppliers, customers, advertisers, consultants, and influencers to strictly adhere to clearances or approvals in the labeling, marketing and sales of our products and services could subject us to claims or litigation, including allegations of false or misleading advertising or violations of laws or regulations, which may result in costly investigations, fines, penalties, as well as material judgments, settlements or decrees. We are also subject to complex, new and evolving environmental, health and safety regulations. There can be no assurance we will adequately address the risks associated with the implementation and compliance with such laws and our internal processes and procedures to comply with such laws or that we will be able to take advantage of any resulting business opportunities.

Furthermore, before we can sell a new medical device or market a new use of, or claim for, an existing product, we frequently must obtain regulatory clearance or approval. For instance, in the United States, FDA regulations are wide-ranging and govern, among other things, product design, product materials, development, manufacturing and testing, product labeling and product storage. It takes significant time, effort, and expense to obtain and maintain clearances and approvals of products and services, and there is no guarantee we will timely succeed, if at all, in the countries in which we do business. In other countries, the requirements, time, effort and expense to obtain and maintain clearances may differ materially. Moreover, these laws may change, resulting in additional time, expense or loss of market access. If the requirements to market our products or services are delayed, we may be unable to offer them in markets we deem important. Additionally, failure to comply with applicable regulatory requirements could result in enforcement actions with sanctions, including fines, civil penalties and criminal prosecution. Delays or failures to obtain or maintain regulatory approvals, clearances or to comply with regulatory requirements may materially adversely affect our domestic or international operations, and adversely impact our business.

We and certain of our third-party vendors must also comply with and adhere to facility registration and product listing requirements for Quality System regulations. The FDA enforces its Quality System regulations through periodic unannounced inspections. Failure to satisfactorily correct an adverse inspection finding or comply with applicable regulations can result in enforcement actions, or require us to find alternative manufacturers, which could be a long and costly process and may cause reputational harm. Enforcement actions by regulators could have a material effect on our business, financial condition and results of operations.

We are also subject to anti-corruption and anti-bribery (“ABAC”) laws such as the Foreign Corrupt Practices Act (“FCPA”) and the U.K. Bribery Act of 2010, which generally prohibit payments to foreign officials for the purpose of obtaining or maintaining business, securing an advantage and directing business to another. To comply with ABAC laws, regulators require we maintain accurate books and records and a system of internal accounting controls. Under the FCPA, we may be held liable for corruption by directors, officers, employees, agents, or other strategic or local partners, intermediaries or representatives acting on our behalf.

While we have policies and procedures requiring compliance with applicable laws and regulations and we provide training to foster compliance, our employees, third parties acting on our behalf, and customers may not adhere to our policies and procedures or applicable laws or regulations, including the use of certain electronic communications and maintaining accurate books and records. If our personnel or the personnel of our agents or suppliers fail to comply with any laws, regulations, policies or procedures, or we fail to audit and enforce compliance, our reputation may be harmed, we may lose customers or revenues or we may face regulatory investigations, actions and fines.

In June 2024, the U.S. Supreme Court reversed its longstanding approach to evaluating administrative rulemaking under the *Chevron* doctrine, which provided for judicial deference to regulatory agencies, including the FDA. Following this decision, there may be increased challenges to existing agency regulations or how lower courts will apply the decision in the context of other regulatory schemes without more specific guidance from the courts. For example, this decision may result in more companies suing the FDA to challenge its longstanding decisions and policies, which could undermine the FDA's authority, lead to uncertainties in the industry, and disrupt the FDA's normal operations, which could impact the timely review of any regulatory filings or applications we submit.

In 2025, there have been significant and wide-ranging reforms to federal policy and the federal government including significant workforce reductions across federal agencies. We may be impacted by inadequate funding for government agencies, including from government shutdowns, or other disruptions to or reductions in federal agencies including obtaining and maintaining clearances and approvals of our products and services. The rapid increase in new or changed government regulations could result in significant costs and expenses, including those related to compliance, and require modifications in the way we and our customers conduct business. If we are unable to respond to changing regulations in a timely and effective manner, our business, financial condition and results of operations could materially adversely be impacted.

***Security breaches, data breaches, cybersecurity attacks, other cybersecurity incidents, or the failure to comply with privacy, security and data protection laws could materially adversely impact our operations and patient care, and we could be liable for damages, and our reputation, business, financial condition and results of operations could be harmed.***

We retain confidential employee, applicant and customer personal, health and financial, and our own proprietary information and data essential to our operations. We rely on the effectiveness of our IT systems, policies and contracts and the policies of our third-party vendors, and their IT systems to safeguard information and data. Additionally, our cybersecurity controls depend on our customers, many of whom are individual or small healthcare providers with limited IT experience and inadequate or untested security protocols, to successfully manage data privacy and security requirements. It is critical that the

facilities, infrastructure and IT systems on which we depend and the products and services we develop remain secure and be perceived as secure. Despite the implementation of security features in our products and services and security measures in our IT systems, we and our service providers, third-party vendors and other third parties could be targeted by or subject to physical break-ins, computer viruses and other malicious code, unauthorized or fraudulent access, programming errors or other technical malfunctions, hacking attacks, phishing, vishing, deepfakes, and other social engineering attacks, malware, ransomware, employee noncompliance, error or malfeasance, cybersecurity attacks, malicious code, and other breaches of, or incidents impacting, IT systems or similar malicious or otherwise disruptive actions, including by organized groups and nation-state actors, which may disrupt or limit the availability of, or result in damage to, our IT systems and result in loss or unavailability of, damage to, or the unauthorized acquisition, use, disclosure, or other processing of confidential information. For example, we have experienced, and may again experience in the future, cybersecurity incidents, data incidents, and unauthorized internal employee exfiltration of information. This risk is exacerbated with the advancement of technologies like AI, which malicious third parties can use to create new, more sophisticated and more frequent or other attacks. There can be no assurance our cybersecurity risk management program and processes, including our policies, controls or procedures, will be fully implemented, complied with or effective in protecting our systems and information or any other information we maintain or otherwise process.

Further, the frequency and sophistication of third-party cybersecurity attacks are increasing. Significant service disruptions, breaches, incidents, interruptions or other disruptive events impacting our infrastructure and IT systems, or other cybersecurity incidents, or any belief or reporting that any of the foregoing has occurred, could expose us to regulatory investigations, or other proceedings, private claims, demands, and litigation, impair our reputation and competitive position, distract management and require significant time and resources to address. Legal or regulatory action against us could prevent us from resolving issues quickly or force us to resolve them in unanticipated ways, cause us to incur significant expense and damages, or result in orders forcing us to cease operations or modify our business practices in ways that materially limit or restrict our products and services. Concerns over our practices with respect to privacy, data protection, data governance, and cybersecurity could adversely affect our reputation and deter customers and consumers from using our products and services. In addition, patient care could suffer, and we could be liable if our products, services or IT systems fail to timely deliver accurate and complete information. We have cybersecurity and other forms of insurance coverage related to cyberattacks, breaches, and other incidents or security problems, but we cannot guarantee applicable insurance will be available to us in the future on economically reasonable terms or at all. Damages and claims arising from incidents may not be covered, may exceed coverage limits, and may not cover the time and effort we incur investigating and responding to any incidents, or other costs or liabilities, which may be material. The costs to eliminate, mitigate, or recover from security problems and cybersecurity attacks and incidents could be material and require us to implement additional or different security controls or other measures and, depending on the nature and extent of the problem and the products, services or IT systems impacted, such security problems and cybersecurity attacks and incidents may result in network, IT system interruptions or other disruptions, decreased product sales, data loss, damage, unavailability, or other liabilities, any of which may have a material impact on our operations, net revenues and operating results. The costs associated with cybersecurity tools and infrastructure and competition for scarce cybersecurity and IT resources could limit our ability to identify, eliminate or remediate cybersecurity or other security vulnerabilities or problems or enact changes to minimize the attack surface of our network.

Additionally, our iTero intraoral scanners may be independently or collectively the target of cybersecurity incidents or attacks or subject to security vulnerabilities, bugs, errors, defects, or viruses or other malicious code. Due to the large and growing number of these decentralized devices, we may be unable, or not have the capacity, knowledge or infrastructure, to respond to or remedy a cybersecurity incident in a timely manner. Any such cybersecurity incident may cause loss or damage to us, our customers or strategic business partners or may cause further malfunctions in, or damage to, our products, services, or IT systems, damage to, or loss, unavailability, or unauthorized acquisition, use, or other processing of our data, or disruption, interruption or temporary cessation of our operations. Further, any such security breach or incident, or other cybersecurity incident, or any belief or reporting that any of the foregoing has occurred, may otherwise have a negative impact upon our business or reputation.

We also are or may become, or alleged to be or become, subject to certain federal, state, and foreign laws and regulations respecting the security and privacy of patient healthcare information applicable to healthcare providers and their business associates, such as the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), the HIPAA Standards for Privacy of Individually Identifiable Health Information and the Security Standards for the Protection of Electronic Protected Health Information under HIPAA and the Health Information Technology for Economic and Clinical Health Act of 2009, as well as those relating to privacy, data security, content regulation and consumer protection, such as the California Consumer Protection Act, as amended by the California Privacy Rights Act (as amended, the “CCPA”). The CCPA requires covered businesses that process personal information of California residents to disclose certain practices, provides California residents with data privacy rights, imposes operational requirements, and provides for significant civil penalties for violations as well as a private right of action for certain data breaches and statutory damages. There are limited exemptions under the CCPA for protected health information covered by HIPAA and certain other state laws, but the CCPA and other new and evolving state laws could impact our business activities. Numerous other states have enacted, or plan to enact, laws relating to privacy, data protection, data governance and cybersecurity, with such enacted laws either in operation or slated to go into operation over the next several years. Many of these laws are comprehensive privacy laws similar to the CCPA. States also are enacting laws addressing specific subject matter, such as Washington’s My Health, My Data Act, which includes a private right of action. Laws in all 50 U.S. states have required notice to individuals whose personal data has been disclosed as a result of a data breach. Outside of the U.S., relevant legal requirements continue to evolve. For example, the collection and use of health data and other personal information is governed in the EU by the General Data Protection Regulation, which imposes significant obligations upon companies and rights for individuals, with substantial penalties for noncompliance up to the greater of €20,000,000 or 4% of the total worldwide annual turnover of the preceding financial year, and by certain EU member state-level legislation. Numerous other jurisdictions maintain similar legislation or other laws or regulations addressing privacy, data protection, data governance, or cybersecurity.

We are also subject to data export restrictions and international transfer laws and regulations that prohibit or impose conditions upon certain data transfers. The mechanisms upon which we and many other companies rely for European data transfers have been the subject of legal challenge, regulatory interpretation and judicial decisions by the EU courts and regulators, and may be subject to significant changes. Several jurisdictions, including the EU, the United States, China, Australia, and Japan, have established legal requirements for cross-border transfers of all or certain personal information and certain jurisdictions have also established legal requirements for data localization, which may require us to maintain separate servers located in those countries so that all or certain personal information are maintained locally. These laws and regulations addressing cross-border data transfers and data localization are constantly evolving and may be created, interpreted, applied or amended in ways that could restrict our activities in certain jurisdictions, limit our ability to provide our products and services in those jurisdictions, require us to modify our policies and practices and to engage in additional contractual negotiations, or increase our costs and obligations and impose limitations upon our ability to efficiently transfer personal data across borders. We have and likely will again in the future be required to implement new or expand existing data storage protocols, build new storage facilities, devote additional resources, and modify relevant policies or procedures to comply with the foregoing laws and regulations, any of which could be costly and which may adversely affect our business and our customers' businesses, our financial condition and our results of operations in those jurisdictions.

With laws, regulations and other obligations relating to privacy, data protection, data governance and cybersecurity imposing new and relatively burdensome obligations, and with substantial uncertainty over the interpretation and application of these and other obligations, we may face challenges in addressing their requirements and making necessary changes to our policies and practices and may incur significant costs and expenses in an effort to do so. Further, any failure or perceived failure by us or our vendors, customers, or service providers to comply with our applicable policies or notices relating to privacy, data protection, data governance or cybersecurity, our contractual or other obligations to third parties, or any of our other legal obligations, laws, rules, regulations, government actions or standards relating to privacy, data protection, data governance or cybersecurity, may result in governmental investigations or enforcement actions, litigation, claims and other proceedings, harm our reputation, and could result in significant liability.

***Our business exposes us to potential liability for the quality and safety of our products and services, how we advertise and market those products and services, and how and to whom we sell them, and we may incur substantial expenses or be found liable for substantial damages or penalties if we are subject to claims or litigation.***

Our products and services involve an inherent risk of claims concerning their design, materials, manufacture, safety, and performance, how we package, bundle, or sell them to individual customers or companies, including hospitals and clinics, and how we train and support doctors, their staffs and patients who use our products and services. Moreover, consumer products and services are routinely subject to claims of false, deceptive or misleading advertising, consumer fraud and unfair business practices. Additionally, we may be held liable if our products or services cause injury or are otherwise found unhealthy. If our products and services are safe but they are promoted for use or used in unintended or unexpected ways or for which we have not obtained clearance ("off-label" usage), we may be investigated, fined or have our products or services enjoined or approvals rescinded or we may be required to defend ourselves in litigation. Although we maintain insurance for product liability, business practices, and other types of activities we make or offer, coverage may not be available on acceptable terms, if at all, and may be insufficient for actual liabilities. Any claim for product liability, sales, advertising and business practices, regardless of its merit or eventual outcome, could result in material legal defense costs and damage our reputation, increase our expenses, and divert management's attention.

***Current and anticipated sustainability and social ("Sustainability") laws and scrutiny of our Sustainability policies and practices may materially increase our costs, expose us to liability, and adversely impact our reputation, employee retention, willingness of customers and suppliers to do business with us and willingness of investors to invest in us.***

Our operations are subject to a variety of existing local, regional and global Sustainability laws and regulations, and we are and may be required to comply with new, broader, more complex and more costly Sustainability laws and regulations, such as the EU's Corporate Sustainability Reporting Directive. Our compliance obligations span all aspects of our business and operations, including product design and development, materials sourcing and other procurement activities, product packaging, product safety, energy and natural resources usage, facilities design and utilization, recycling and collection, transportation, disposal activities, workers' and human rights.

Sustainability regulations are expected to have an increasingly larger impact on us or our suppliers. Many U.S. and foreign regulators have or are considering enacting new or additional disclosure requirements or limits on the emissions of greenhouse gases from power generated using fossil fuels. The effects of greenhouse gas emission limits on power generation are subject to significant uncertainties, including the timing of new requirements, levels of emissions reductions and the scope and types of emissions regulated. Additionally, as Sustainability laws are increasing, customers and consumers may demand our products, packaging and operations be more sustainable, affect how we manufacture and package our products, increase our costs and those of our suppliers, and may result in manufacturing, transportation and supply chain disruptions if sustainable clean energy is not readily available in adequate amounts when required. Moreover, clean energy sources, coupled with reduced investments in traditional energy production and infrastructure, may not provide the predictable, reliable and consistent energy we, our suppliers and other business partners require.

Additionally, the sourcing and availability of metals used in the manufacture of, or contained in, our products may be affected by laws and regulations governing the use of minerals obtained from certain regions of the world like the Democratic Republic of Congo and adjoining countries. Our expanding geographic operations may increase the risk of purchasing "conflict minerals" and our diligence efforts to identify whether any of our products contain minerals impacted by these laws and regulations may not be accurate, adequate or complete. Other restrictions apply to the substances incorporated into our

products, including the chemical compounds in our clear aligners, the electronics in our iTero intraoral scanners and the packaging in which they are shipped. These laws are proliferating and new substances subject to restrictions are added regularly and may require additional reporting or phasing out of certain chemicals and compounds such as per- and polyfluoroalkyl substances (PFAS). We may be required to re-design our products or identify new suppliers to maintain our compliance with these laws. Further, these laws and regulations may decrease the number of suppliers capable of supplying our needs, thereby negatively affecting our ability to manufacture products in sufficient quantities at competitive prices, leading customers to potentially choose competitive goods and services.

Meeting our obligations under existing Sustainability laws and regulations is costly for us and our suppliers, and we expect these regulations and costs to increase, in particular as the regulatory frameworks in each jurisdiction in which we operate become more complex and distinct. Additionally, regulators may perform investigations, inspections and periodically audit our compliance with these laws and regulations, and our efforts or operations may not be compliant. If we fail to comply with any requirements, we could be subject to significant penalties or liabilities and we may be required to implement new and materially more costly processes and procedures. Even if we successfully comply with these laws and regulations, our suppliers may not. We may also suffer financial and reputational harm if customers require, and we are unable to deliver, certification that our products are compliant. In all of these situations, customers may stop purchasing products from us, and may take legal action against us, which could harm our reputation, business, financial condition and results of operations.

Investor advocacy groups, institutional investors, investment funds, proxy advisory services, stockholders and customers have and could in the future focus on corporate Sustainability practices. Additionally, public interest and legislative pressure related to companies' Sustainability practices has been evolving in recent years. If we fail to adopt Sustainability standards or practices as quickly as stakeholders desire, comply with or timely report on our Sustainability efforts or practices accurately, or satisfy the disclosure and other expectations of stakeholders, our brand, reputation, employee retention, business, financial performance, growth, and stock price may be adversely impacted.

***We have been incorporating and continue to work to further incorporate AI technologies into our products, services and IT systems. Implementation of AI and machine learning technologies may result in legal and regulatory risks, reputational harm or have other adverse consequences to our business.***

We have and are continuing to incorporate AI, including machine learning and independent algorithms, in certain of our products, services and IT systems, which is intended to enhance their operation and effectiveness internally and for our customers, consumers and suppliers. There can be no assurance that we or our customers will realize the expected benefits from these investments. AI innovation presents risks and challenges that could impact our business. Our, or our vendors', AI algorithms may be flawed. Our datasets or AI training algorithms may be insufficient or contain biased information.

Additionally, many countries and regions, including the EU, have proposed new and evolving regulations related to the use of AI and machine learning technologies. In Europe, the EU AI Act entered into force on August 1, 2024 which will become fully effective on August 2, 2026, with some provisions effective in February 2025. Other jurisdictions are considering similarly focused legislation. Although we do not engage in developing or providing AI systems for which their placement on the market, putting into service, or use would qualify as "prohibited AI practices," restrictions and obligations under this regulation, to the extent applicable to us, could have a negative impact on our business, global systems, financial condition and results of operations. Additionally, other jurisdictions have proposed, and in certain cases enacted, laws and regulations addressing aspects of the use and development of AI. The evolving AI regulatory environment may, among other impacts, result in:

- inconsistencies among AI regulations and frameworks across jurisdictions;
- onerous compliance, governance, research and development obligations that may require us to rework or reevaluate improvements to be compliant or result in the development of products that are unacceptable under new or revised regulatory frameworks;
- increased risk of regulatory enforcement and litigation related to our AI models;
- increased liability related to the use of AI by our customers, consumers or suppliers that are beyond our control;
- delays in the deployment of new products and services;
- competitive and reputational harm; and
- increased cybersecurity risks.

The input of confidential information or trade secrets into AI systems may result in the loss of intellectual property, proprietary rights or attorney-client privilege in such information or trade secrets. The use of AI technologies for developing products or services may adversely affect or preclude our intellectual property rights in such products or services, or may expose us to liability related to the infringement, misappropriation or other violation of third-party intellectual property. Further, particularly given the nascent stage of the technology, the use of AI can lead to unintended consequences, including the generation of outputs that appear correct but are factually inaccurate, misleading, or that result in unintended biases and discriminatory outcomes, or are otherwise flawed, which could harm our reputation and business and expose us to risks related to such inaccuracies or errors in these outputs.

### **Intellectual Property Risks**

***Our success depends in part on our proprietary technology, and if we fail to successfully obtain or enforce our IP rights, our competitive position may be harmed.***

Our success depends in part on our ability to maintain existing IP rights and obtain, maintain and enforce further IP protections for our products. Our inability to do so could harm our competitive position.

We rely on our portfolio of issued and pending patent applications in the United States and other countries to protect a large part of our IP and our competitive position; however, these patents may not prevent third parties from producing competing products similar in design to ours if they are invalidated, held unenforceable, circumvented or otherwise limited in scope. Furthermore, our foreign patent protections may be more limited in geographic scope than those under U.S. patent and IP laws.

Additionally, any of our patent applications may not result in an issued patent or the scope of the patent ultimately issued may be narrower than initially sought. We may not be afforded the protection of a patent if our currently pending or future patent filings do not result in the issuance of patents or we fail to timely apply for patent protection. We may not apply for a patent if our personnel fail to disclose or recognize new patentable ideas or innovations. We may choose not to file a foreign patent application if the limited protections provided by a foreign patent do not outweigh the costs to obtain it. Further, third parties may file patents or develop IP strategies that prevent or limit the effectiveness of our patents.

We also protect our IP through copyrights, trademarks, trade secrets and confidentiality obligations. We generally enter into confidentiality agreements with our employees, consultants and collaborative partners upon commencement of a relationship with us. However, despite the existence of these protections, we have experienced incidents in which our proprietary information has been misappropriated and believe it could be misappropriated in the future. If these agreements do not provide meaningful protection against the unauthorized use or disclosure of our trade secrets or other confidential information, adequate remedies may not exist to prevent unauthorized uses or disclosures.

Enforcement of our IP rights is time-consuming and costly, and could ultimately prove to be unsuccessful. In certain jurisdictions, enforcement of IP rights is more difficult due to legislation and geopolitical circumstances. As we launch our products in different regions at different times, our products may be acquired and reverse engineered by potential competitors in regions where infringement is more difficult to pursue.

Our inability to maintain the proprietary nature of our technology through patents, copyrights, or trade secrets would impair our competitive advantages and could have a material effect on our operating results, financial condition, and future growth prospects. In particular, a failure to protect our IP rights might allow competitors to copy our technology or create counterfeit or pirated versions of our products, which could adversely affect our reputation, pricing, and market share.

***Litigation regarding our IP rights, rights claimed by third parties or IP litigation by any vendors on whose products or services we rely for our products and services may impact our ability to grow our business and adversely impact our reputation and results of operations.***

Extensive litigation over IP rights is common in technologies and industries on which our products and services are based. Litigation, interferences, oppositions, re-exams, *inter partes* reviews, post grant reviews or other proceedings have been necessary and will likely be needed in the future to determine the validity and scope of certain of our IP rights and those claimed by third parties. These proceedings are used to determine the validity, scope or non-infringement of certain patent rights pertinent to the manufacture, use or sale of our products and the products of competitors. We have been, and may in the future be, sued and need to defend against lawsuits alleging infringement of third parties' IP rights or other legal claims challenging our IP rights. In addition, we periodically receive letters from third parties drawing our attention to their IP rights and there may be other third-party IP rights of which we are presently unaware. As dentistry continues to become more digital, competitors may make defense of our IP more challenging. Asserting or defending these proceedings can be unpredictable, protracted, time-consuming, expensive, and distracting to management and technical personnel. Their outcomes may adversely affect our ability to manufacture and market our products and services, require us to seek licenses for infringing products or technologies, or result in the assessment of significant monetary damages. Unfavorable rulings could include monetary damages, injunctions prohibiting us from selling our products, or exclusion orders preventing us from importing our products in one or more countries. Moreover, independent actions by competitors, customers, or others have alleged that our efforts to enforce our IP rights constitute unfair competition or violations of antitrust laws and investigations and additional litigation based on the same or similar claims may be brought in the future. The potential effects on our business operations resulting from litigation, whether or not ultimately determined in our favor or settled by us, are costly and could materially affect our reputation, business, financial condition and results of operations.

## **Financial, Tax and Accounting Risks**

***If our goodwill, intangible or long-lived assets become impaired, we may be required to record material charges to income.***

Under U.S. GAAP, we review our goodwill annually or more frequently if we identify events or circumstances that indicate it is more likely than not that the fair value of a reporting unit has been reduced below its carrying value. We review finite-lived intangible assets and long-lived assets for impairment when events or circumstances indicate the carrying value of the asset (asset group) may not be recoverable. The qualitative analysis performed by management to identify indicators of impairment or the quantitative analysis used to determine fair value requires management to exercise significant judgment in determining appropriate assumptions and estimates, including revenue growth rates, gross and operating margins, and discount rates. Management is responsible for continually assessing qualitative factors that could negatively impact the fair value of goodwill and intangible and long-lived assets and if required, assesses the fair value of each to determine if they have become impaired. Consequently, we may be required to record material charges to income during the period in which any impairment of goodwill, intangible assets or long-lived assets is determined.

***Changes in, or interpretations of, accounting rules and regulations, could result in unfavorable accounting charges.***

We prepare our consolidated financial statements in conformity with U.S. GAAP. These principles are subject to interpretation by the SEC and various bodies formed to interpret and create appropriate accounting principles. A change in these principles or in the way these principles are interpreted by us or by our regulators could materially affect our current or previously issued financial statements.

***We are required to annually assess our internal control over financial reporting and any adverse results from such assessment may result in a loss of investor confidence in our financial reports and adversely affect our stock price.***

We are required to furnish in our Annual Report on Form 10-K a report by our management regarding the effectiveness of our internal control over financial reporting that includes, among other things, an assessment of the effectiveness of our internal control over financial reporting as of the end of our fiscal year, including an assertion by management that our internal control over financial reporting were effective as of the end of our fiscal year. Our internal controls may become ineffective because of changes in personnel, updates and upgrades to or migration away from existing software, failure to maintain accurate books and records, changes in accounting standards or interpretations of existing standards, or changes to business models that may require adjustments to our financial reporting and, as a result, the degree of compliance of our internal control over financial reporting with the existing policies or procedures may become ineffective. Establishing, testing and maintaining an effective system of internal control over financial reporting requires significant resources and time commitments on the part of our management and our finance staff, and may require additional staffing and infrastructure investments and increases our costs of doing business. If we are unable to assert that our internal control over financial reporting is effective, if our auditors are unable to express an opinion on the effectiveness of our internal controls, or conclude that our internal controls are ineffective, the timely filing of our financial reports could be delayed or we could be required to restate past reports. This could cause our investors to lose confidence in the accuracy and completeness of our financial reports, which could have an adverse effect on our stock price.

***Our effective tax rate may vary significantly from period to period, which could result in volatility of our operating results and adversely affect our financial results.***

We are subject to taxes in the United States and foreign countries. Various internal and external factors may impact our future effective tax rate. These include changes in the global economic environment, our legal entity structure or activities performed within our entities, our business operations, tax laws, regulations and/or rates, changes to existing accounting pronouncements, changes in interpretations of existing tax laws or regulations, the relative proportions of revenues and income before taxes in the various jurisdictions in which we operate that have differing statutory tax rates, overall levels of pretax earnings, settlements of income tax audits, non-deductible goodwill impairments, and changes in the valuation allowance offsetting deferred tax assets. Furthermore, we may continue to experience variation in our effective tax rate related to excess tax benefits or tax expense on stock-based compensation, particularly in the first quarter of each year when the majority of our equity awards vest.

***New tax laws and practices, changes to existing tax laws and practices, or disputes regarding the positions we take regarding tax laws, could negatively affect our provision for income taxes as well as our ongoing operations.***

Compliance with tax laws requires significant judgment concerning our worldwide provision for income taxes. Changes in tax laws or changes to how those laws are applied to our business could affect the amount of tax which we are subject to and the manner in which we operate. Specifically, the Organization for Economic Cooperation and Development (“OECD”) established the Inclusive Framework on Base Erosion and Profit Shifting to among other things, allocate greater taxing rights to countries where customers are located and establish a global minimum tax rate. Countries including EU member countries have enacted, are considering enacting, or have committed to enact the OECD/G20 Framework’s Pillar Two 15% global minimum tax, including Switzerland which is a significant jurisdiction for us. On June 28, 2025, the G7 released a joint statement announcing an understanding regarding a proposed “side-by-side” solution that would exempt U.S.-parented multinational businesses from certain provisions of the global minimum tax; however, no agreement regarding implementation of the proposal has been reached yet. On July 4, 2025, the United States enacted tax reform legislation commonly referred to as the One Big Beautiful Bill Act. Included in this legislation are provisions that allow for the immediate expensing of certain domestic research and development expenses, immediate expensing of certain capital expenditures, and other changes to the U.S. taxation of profits derived from foreign operations. We are currently evaluating the impact this legislation will have on our future results of operations, financial position and cash flows, if any. We continue to monitor the enactment of legislation to evaluate the impact of changing global tax laws, which could adversely affect our provision for income taxes or operations.

Moreover, the application of indirect taxes (such as sales and use tax (“SUT”), value-added tax (“VAT”), goods and services tax (“GST”), and other indirect taxes) to our operations is complex and evolving. U.S. states, local and foreign taxing jurisdictions have differing rules and regulations governing differing types of taxes, and these rules and regulations are subject to varying interpretations and exemptions that may change over time. We collect and remit SUT, VAT, GST and other taxes in many jurisdictions and we are routinely subject to audits. The positions we take regarding taxes as well as the amounts we collect or remit have and may continue to be challenged and we may be liable for failing to collect or remit all taxes deemed owed or the taxes could exceed our estimates. Certain jurisdictions have applied novel or aggressive interpretations of their laws in new ways in an effort to raise additional tax revenue from U.S. based companies such as us, and we may experience similar developments in the future. In addition, ongoing volatility due to international trade may prompt foreign governments to expand regulatory authority or adopt new measures, increasing compliance risks, taxes, and operational complexities. We have and may continue to dispute rulings or positions taken by tax authorities, which have and may continue to incur significant expenses, time, and effort to defend our positions.

The application of existing and new tax laws, and the results of audits could harm our business. Furthermore, there have been and will continue to be substantial ongoing costs associated with complying with the various tax requirements and defending our positions in the numerous markets in which we conduct or will conduct business.

***Historically, the market price for our common stock has been volatile.***

The market price of our common stock is subject to rapid and large price fluctuations attributable to various factors, many of which are beyond our control. The factors include:

- quarterly variations in our results of operations and liquidity, our ability to meet or exceed our forecasts and guidance or changes to or withdrawal of our previous forecasts and guidance;
- our ability to regain or sustain our historical growth rates;
- changes in recommendations or valuation models for our stock by the investment community, or speculation in the press or investment community regarding estimates of our net revenues, results of operations, or other key performance indicators;
- announcements by us, our competitors, or new market entrants, including strategic actions, management changes, and material transactions or acquisitions;
- technical factors in the public trading markets for our stock that may produce price movements inconsistent with macroeconomic, industry, or company-specific fundamentals, including the sentiment of retail investors (as it may be expressed on financial trading and other social media sites), the amount and status of short interest in our securities, access to margin debt, trading in options and other derivatives on our common stock, fractional share trading, and other technical trading factors or strategies;
- stockholder activism or securities class action litigation;
- announcements regarding stock repurchases, sales or purchases of our common stock by us, our officers or directors, credit agreements, and debt issuances;
- announcements of technological innovations or new, additional or revised programs, business models, products, or product offerings by us, our customers, or competitors;
- key decisions in pending litigation, new litigation, settlements, judgments, or decrees;
- short selling or other hedging activity in our stock; and
- general economic market conditions, including rising interest rates, new, proposed or retaliatory tariffs, uncertainty regarding changes in trade policies, including trade wars, inflationary pressures, recessions, consumer sentiment and demand, global geopolitical conflict, and industry factors unrelated to our actual performance.

In addition, the stock market in general, and the market for technology and medical device companies, in particular, often experience extreme price and volume fluctuations unrelated or disproportionate to corporate operating performance. Any such fluctuations have and may continue to adversely affect the market price of our common stock. These broad market and industry factors may include market expectations of, or actual changes in, monetary policies that have the goal of easing or tightening interest rates such as the U.S. federal funds rate and austerity measures of governments intended to control budget deficits. Securities litigation, including securities class action lawsuits and securities derivative lawsuits, is often brought against an issuer following periods of volatility in the market price of its securities and we have not been exempt from such litigation.

***We cannot guarantee that we will continue to repurchase our common stock in the future, and any repurchases we may make may not achieve our desired objectives.***

We have a history of recurring stock repurchase programs intended to return capital to our investors. Future stock repurchase programs are contingent on a variety of factors, including our financial condition, market conditions, results of operations, business requirements, and our continuing determination that stock repurchases are in the best interests of our stockholders and in compliance with all applicable laws and agreements. There is no assurance that we will continue repurchasing our common stock in the future at historical levels or at all, or that our stock repurchase programs will beneficially impact our stock price. Additionally, the Inflation Reduction Act imposes a 1% excise tax on our stock repurchases, net of certain stock issuances, which will increase our tax liabilities and the cost to repurchase stock and may impact if and how much stock we choose to repurchase in the future.

***Future sales of significant amounts of our common stock may depress our stock price.***

A significant percentage of our outstanding common stock is currently owned by a small number of stockholders. These stockholders have sold in the past, and may sell in the future, large amounts of our stock over relatively short periods of time. Sales of substantial amounts of our stock by existing stockholders may adversely affect the market price of our stock by creating the perception of difficulties or problems with our business, which may depress our stock price.

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

None.

***Purchases of Equity Securities by the Issuer and Affiliated Purchasers***

The following table summarizes the stock repurchase activity for the three months ended June 30, 2025.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs <sup>(1)</sup>
April 1, 2025 through April 30, 2025	555,454	\$ 163.51	555,454	\$ 1,005,214,000
May 1, 2025 through May 31, 2025	29,677	\$ 176.07	29,677	\$ 1,000,000,000
June 1, 2025 through June 30, 2025	—	\$ —	—	\$ 1,000,000,000
Total	585,131		585,131	

<sup>1</sup> *January 2023 Repurchase Program.* In January 2023, we announced that our Board of Directors had authorized a plan to repurchase up to \$1,000,000,000 of our common stock (“January 2023 Repurchase Program”). See Note 10 “*Common Stock Repurchase Programs*” of the Notes to Condensed Consolidated Financial Statements for details on the January 2023 Repurchase Program.

In April 2025, our Board of Directors authorized a plan to repurchase up to \$1.0 billion of our common stock. The April 2025 Repurchase Program is expected to be completed over a period of up to three years.

**Item 3. Defaults Upon Senior Securities.**

Not applicable.

**Item 4. Mine Safety Disclosures.**

Not applicable.

**Item 5. Other Information.**

During the fiscal quarter ended June 30, 2025, no director or officer (as defined in Rule 16a-1(f) of the Exchange Act) adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement” (each as defined in Item 408 of Regulation S-K).

***Actions to Streamline Operations and Reallocate Resources***

We expect to take a series of actions in the second half of fiscal 2025 to streamline operations and reallocate resources to better align with our long-term growth and profitability objectives. Our management, with approvals from our board of directors, as necessary, may determine to realign certain business groups and reduce our global workforce, optimize our manufacturing footprint and dispose of certain manufacturing capital assets.

We expect these actions will incur one-time charges of approximately \$150 million to \$170 million in the second half of 2025, primarily for the write-down of assets, accelerated depreciation expense, and restructuring charges. The foregoing estimates that we expect to incur in connection with these actions are contingent upon various assumptions and actual results may differ. We may also incur additional costs not currently contemplated due to events related to or resulting from any such action. Our management or board of directors may determine not to pursue certain portions of any of these actions and any actions ultimately pursued may not achieve the benefits currently expected.

**Item 6. Exhibits.**

(a) Exhibits:

<u>Exhibit Number</u>	<u>Description</u>	<u>Filing</u>	<u>Date</u>	<u>Exhibit Number</u>	<u>Filed herewith</u>
<a href="#">3.1</a>	<a href="#">Amended and Restated Certificate of Incorporation of Align Technology, Inc.</a>				X
<a href="#">3.2</a>	<a href="#">Amended and Restated Bylaws of Align Technology, Inc.</a>				X
<a href="#">10.1</a>	<a href="#">Align Technology, Inc. 2005 Incentive Plan (as amended on May 21, 2025)</a>	8-K	5/21/2025	10.1	
<a href="#">31.1</a>	<a href="#">Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>				X
<a href="#">31.2</a>	<a href="#">Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>				X
<a href="#">32.1†</a>	<a href="#">Certifications pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>				X
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)				X
101.SCH	Inline XBRL Taxonomy Extension Schema Document				X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document				X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document				X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document				X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document				X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)				X

† Furnished herewith.



**AMENDED AND RESTATED CERTIFICATE OF INCORPORATION  
OF  
ALIGN TECHNOLOGY, INC.**

Align Technology, Inc., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), hereby certifies as follows:

1. The name of the Corporation is Align Technology, Inc. The Corporation's original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on April 3, 1997.
2. The following Amended and Restated Certificate of Incorporation, which restates, integrates and further amends provisions of the Certificate of Incorporation of the Corporation, has been duly adopted by the Board of Directors and by the stockholders of the Corporation in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware (the "DGCL").
3. The following Amended and Restated Certificate of Incorporation shall be effective upon filing with the Secretary of State of the State of Delaware.
4. The Amended and Restated Certificate of Incorporation of the Corporation is hereby amended and restated in its entirety to read as follows:

ARTICLE I.  
NAME

The name of the Corporation is Align Technology, Inc.

ARTICLE II.  
REGISTERED OFFICE

The address of the registered office of the Corporation in the State of Delaware is:

251 Little Falls Drive  
City of Wilmington  
County of New Castle  
Delaware 19808

The name of the Corporation's registered agent at said address is Corporation Service Company.

ARTICLE III.  
POWERS/TERM

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the DGCL. The Corporation shall have perpetual existence.

ARTICLE IV.  
CAPITAL STOCK

A. Classes of 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 which the Corporation is authorized to issue is Two Hundred Five Million (205,000,000) shares, Two Hundred Million (200,000,000) shares of which shall be Common Stock (the "Common Stock") and Five Million (5,000,000) shares of which shall be

Preferred Stock (the "Preferred Stock"). The Common Stock shall have a par value of one-hundredth of one cent (\$0.0001) per share and the Preferred Stock shall have a par value of one-hundredth of one cent (\$0.0001) per share.

B. Preferred Stock. The Preferred Stock may be issued from time to time in one or more series. The Board of Directors is hereby authorized to provide for the issuance of shares of Preferred Stock in one or more series and, by filing a certificate pursuant to the applicable law of the State of Delaware (the "Preferred Stock Designation"), to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations and restrictions thereof. The authority of the Board of Directors with respect to each series shall include, but not be limited to, determination of the following:

- i. The designation of the series, which may be by distinguishing number, letter or title.
- ii. The number of shares of the series, which number the Board of Directors may thereafter (except where otherwise provided in the Preferred Stock Designation) increase or decrease (but not below the number of shares thereof then outstanding).
- iii. The amounts payable on, and the preferences, if any, of shares of the series in respect of dividends, and whether such dividends, if any, shall be cumulative or noncumulative.
- iv. Dates at which dividends, if any, shall be payable.
- v. The redemption rights and price or prices, if any, for shares of the series.
- vi. The terms and amount of any sinking funds provided for the purchase or redemption of shares of the series.
- vii. The amounts payable on, and the preferences, if any, of shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.
- viii. Whether the shares of the series shall be convertible into or exchangeable for shares of any other class or series, or any other security, of the Corporation or any other corporation, and, if so, the specification of such other class or series or such other security, the conversion or exchange price or prices or rate or rates, any adjustments thereof, the date or dates at which such shares shall be convertible or exchangeable and all other terms and conditions upon which such conversion or change may be made.
- ix. Restrictions on the issuance of shares of the same series or of any other class or series.
- x. The voting rights, if any, of the holders of shares of the series.

C. Common Stock; Voting. The Common Stock shall be subject to the express terms of the Preferred Stock and any series thereof. Except as may otherwise be provided in this Certificate of Incorporation, in a Preferred Stock Designation or by applicable law, the holders of shares of Common Stock shall be entitled to one vote for each such share upon all questions presented to the stockholders, the Common Stock shall have the exclusive right to vote for the election of directors and for all other purposes, and holders of Preferred Stock shall not be entitled to vote at or receive notice of any meeting of stockholders.

The number of shares of authorized Common Stock may be increased or decreased (but not below the number then outstanding) by the affirmative vote of the holders of a majority in voting power of the outstanding shares of capital stock of the Corporation entitled to vote thereon, voting together as a single class, notwithstanding the provisions of Section 242(b)(2) of the DGCL.

The Corporation shall be entitled to treat the person in whose name any share of its stock is registered as the owner thereof for all purposes and shall not be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person whether or not the Corporation shall have notice thereof, except as expressly provided by applicable law.

ARTICLE V.  
DIRECTORS

The number of directors of the Corporation shall be determined by resolution of the Board of Directors.

Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide. Advance notice of stockholder nominations for the election of directors and of any other business to be brought before any meeting of the stockholders shall be given in the manner provided in the Bylaws of the Corporation.

At each annual meeting of stockholders, directors of the Corporation shall be elected to hold office until the expiration of the term for which they are elected, or until their successors have been duly elected and qualified; except that if any such election shall not be so held, such election shall take place at a meeting of stockholders called and held in accordance with the DGCL.

Vacancies occurring on the Board of Directors for any reason may be filled by vote of a majority of the remaining members of the Board of Directors, even if less than a quorum, at any meeting of the Board of Directors. A person so elected by the Board of Directors to fill a vacancy shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been duly elected and qualified. A director or the entire Board of Directors may be removed from office at any time by the affirmative vote of a majority of the outstanding shares of voting stock of the Corporation entitled to vote at an election of directors.

ARTICLE VI.  
STOCKHOLDER MEETINGS

Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws of the Corporation may provide. Special meetings of stockholders for any purpose may be called only by the Board of Directors. The books of the Corporation may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation. The stockholders of the Corporation may not take any action by written consent in lieu of a meeting.

ARTICLE VII.  
LIMITATION OF DIRECTORS' AND OFFICERS' LIABILITY

To the fullest extent permitted by law, no director or officer of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director or officer, as applicable, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL as the same exists or may hereafter be amended. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director or officer of the Corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification or repeal. 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 or officers, then the liability of a director or officer shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

ARTICLE VIII.  
INDEMNIFICATION

A. Right to Indemnification. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (a "Covered Person") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he is or was or has agreed to become, or a person for whom he is the legal representative, is or was or has agreed to become a director

or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Covered Person. Notwithstanding the preceding sentence, except as otherwise provided in this Article VIII, the Corporation shall be required to indemnify a Covered Person in connection with a proceeding (or part thereof) commenced by such Covered Person only if the commencement of such proceeding (or part thereof) by the Covered Person was authorized by the Board of Directors of the Corporation. The rights to indemnification provided herein shall continue with respect to a Covered Person notwithstanding that such Covered Person ceases to be a director, officer or other employee or agent of the Corporation.

B. Prepayment of Expenses. The Corporation shall pay the expenses (including attorneys' fees) incurred by a Covered Person in defending any proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Covered Person to repay all amounts advanced if it should be ultimately determined that the Covered Person is not entitled to be indemnified under this Article VIII or otherwise.

C. Claims. If a claim for indemnification or advancement of expenses under this Article VIII is not paid in full within sixty (60) days after a written claim therefor by the Covered Person has been received by the Corporation, the Covered Person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the Covered Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

D. Nonexclusivity of Rights. The rights conferred on any Covered Person by this Article VIII shall not be exclusive of any other rights which such Covered Person may have or hereafter acquire under any statute, provision of the certificate of incorporation, the bylaws, agreement, vote of stockholders or disinterested directors or otherwise. The Corporation may, to the extent authorized from time to time by its Board of Directors, grant indemnification rights to other employees or agents of the Corporation or other persons serving the Corporation and such rights may be equivalent to, or greater or less than, those provided herein.

E. Other Sources. The Corporation's obligation, if any, to indemnify or to advance expenses to any Covered Person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such Covered Person may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or non-profit enterprise. The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or 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 against any liability asserted against and incurred by such person in any such capacity, or arising out of such person's status as such.

F. Amendment, Modification or Repeal. Any amendment, modification or repeal of the foregoing provisions of this Article VIII shall not adversely affect any right or protection hereunder of any Covered Person in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.

G. Other Indemnification and Prepayment of Expenses. This Article VIII shall not limit the right to the Corporation to the extent and in the manner permitted by law, to indemnify and to advance expenses to persons other than Covered Persons when and as authorized by appropriate corporate action.

ARTICLE IX.  
AMENDMENT OF BYLAWS

In furtherance of and not in limitation of powers conferred by statute, the Board of Directors of the Corporation is expressly authorized to adopt, amend, modify and repeal the Bylaws of the Corporation by vote of a majority of the Board of Directors. In addition, the Bylaws of the Corporation may be amended, adopted or repealed by the affirmative vote of holders of at least a majority of the outstanding shares of voting stock of the Corporation entitled to vote at an election of directors.

ARTICLE X.  
AMENDMENT OF CERTIFICATE OF INCORPORATION

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute and this Amended and Restated Certificate of Incorporation, and all rights conferred upon stockholders herein are granted subject to this reservation. Notwithstanding the foregoing, the provisions set forth in Articles V, VI, VII, VIII, IX and X of this Amended and Restated Certificate of Incorporation may not be repealed or amended in any respect without the affirmative vote of holders of at least a majority of the outstanding shares of voting stock of the Corporation entitled to vote at an election of directors.

\*\*\*

IN WITNESS WHEREOF, this Amended and Restated Certificate of Incorporation has been duly executed by an authorized officer of the Corporation on May 22, 2025.

ALIGN TECHNOLOGY, INC.

By: /s/ Julie Coletti  
Name: Julie Coletti

**AMENDED AND RESTATED BYLAWS OF ALIGN TECHNOLOGY, INC.****ARTICLE I - CORPORATE OFFICES****1.1 REGISTERED OFFICE**

The registered office and registered agent of Align Technology, Inc. (the “**corporation**”) in the State of Delaware shall be fixed in the corporation’s certificate of incorporation, as the same may be amended from time to time (the “**certificate of incorporation**”).

**1.2 OTHER OFFICES**

The corporation may at any time establish other offices at any place or places.

**ARTICLE II - MEETINGS OF STOCKHOLDERS****2.1 PLACE OF MEETINGS**

Meetings of stockholders shall be held at any place, within or outside the State of Delaware, designated by the board of directors of the corporation (the “**board of directors**”). The board of directors may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211(a)(2) of the Delaware General Corporation Law (the “**DGCL**”). In the absence of any such designation or determination, stockholders’ meetings shall be held at the corporation’s principal executive office.

**2.2 ANNUAL MEETING**

The annual meeting of stockholders shall be held each year. The board of directors shall designate the date and time of the annual meeting. At the annual meeting, directors shall be elected and any other proper business, brought in accordance with Section 2.4 of these bylaws, may be transacted. The board of directors may cancel, postpone or reschedule any previously scheduled annual meeting at any time, before or after the notice for such meeting has been sent to the stockholders.

**2.3 SPECIAL MEETING**

(i) *Calling/Cancelling a Special Meeting.* A special meeting of the stockholders may be called only by the board of directors. The board of directors may cancel, postpone or reschedule any previously scheduled special meeting at any time, before or after the notice for such meeting has been sent to the stockholders.

(ii) *Notice of and Business Conducted at a Special Meeting.* The notice of a special meeting shall include the purpose for which the meeting is called. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting by or at the direction of the board of directors. Nothing contained in this Section 2.3(ii) shall be construed as limiting, fixing or affecting the time when a meeting of stockholders called by action of the board of directors may be held.

**2.4 ADVANCE NOTICE PROCEDURES**

(i) *Advance Notice of Stockholder Business at Annual Meetings.* At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be brought: (A) pursuant to the corporation’s notice of the annual meeting (or any supplement thereto) with respect to such meeting, (B) by or at the direction of the board of directors

(or a duly authorized committee thereof), or (C) by a stockholder of the corporation who (1) is a stockholder of record at the time of the giving of the notice required by this Section 2.4(i), (2) is a stockholder of record on the record date for the determination of stockholders entitled to vote at the annual meeting, (3) is a stockholder of record at the time of the annual meeting, and (4) has timely complied in proper written form with the notice procedures set forth in this Section 2.4. In addition, for business to be properly brought before an annual meeting by a stockholder, such business must be a proper matter for stockholder action pursuant to these bylaws and applicable law. Except for proposals properly made in accordance with Rule 14a-8 under the Securities Exchange Act of 1934, and the rules and regulations thereunder (as so amended and inclusive of such rules and regulations and any successors thereto (the “**1934 Act**”)), and included in the notice of meeting given by or at the direction of the board of directors, for the avoidance of doubt, subsection (C) above shall be the exclusive means for a stockholder to bring business before an annual meeting of stockholders.

(a) To comply with subsection (C) of Section 2.4(i) above, a stockholder’s notice must set forth all information required under this Section 2.4(i) and must be timely received by the secretary of the corporation (the “**secretary**”). To be timely, a stockholder’s notice must be received by the secretary at the principal executive offices of the corporation not later than 5:00 p.m., Mountain Standard Time, on the 90th day nor earlier than 8:00 a.m., Mountain Standard Time, on the 120th day before the one-year anniversary of the date of the preceding year’s annual meeting; *provided, however*, that in the event that no annual meeting was held in the previous year or the date of the annual meeting is advanced by more than 30 days prior to or delayed by more than 70 days after the one-year anniversary of the date of the previous year’s annual meeting, then, for notice by the stockholder to be timely, it must be so received by the secretary at the principal executive offices of the corporation not earlier than 8:00 a.m., Mountain Standard Time, on the 120th day prior to such annual meeting and not later than 5:00 p.m., Mountain Standard Time, on the later of (i) the 90th day prior to such annual meeting, or (ii) the 10th day following the day on which Public Announcement (as defined below) of the date of such annual meeting is first made. In no event shall any adjournment, rescheduling, postponement or other delay of an annual meeting or the announcement thereof commence a new time period (or extend any time period) for the giving of a stockholder’s notice as described in this Section 2.4(i)(a). “**Public Announcement**” shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or a comparable national news service, in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the 1934 Act or by such other means as is reasonably designed to inform the public or stockholders of the corporation in general of such information, including, without limitation, posting on the corporation’s investor relations website.

(b) To be in proper written form, a stockholder’s notice to the secretary must set forth as to each matter of business the stockholder intends to bring before the annual meeting: (1) a brief description of the business intended to be brought before the annual meeting, the text of the proposed business (including the text of any resolutions proposed for consideration and, in the event that such proposal or business includes a proposal to amend any incorporation document, including but not limited to, the certificate of incorporation or these bylaws, the text of the proposed amendment) and the reasons for conducting such business at the annual meeting, (2) the name and address, as they appear on the corporation’s books, of the stockholder proposing such business and any Stockholder Associated Person (as defined below), (3) the class or series and number of shares of capital stock of the corporation that are, directly or indirectly, held of record or are beneficially owned by the stockholder or any Stockholder Associated Person, including any shares of any class or series of capital stock of the corporation as to which such stockholder or such Stockholder Associated Person has a right to acquire beneficial ownership at any time in the future, (4) a description of any (i) shares of the corporation owned by such stockholder or any Stockholder Associated Person that are (A) pledged by the stockholder or otherwise subject to a lien, charge or other encumbrance or (B) subject to any option, warrant, forward contract, swap, contract of sale, other derivative or similar instrument or agreement entered into by such stockholder or any Stockholder Associated Person, whether any such instrument or agreement described in this subsection (B) is to be settled with shares or with cash based on the notional amount or value of outstanding shares of the corporation, in any such case which instrument or agreement described in this subsection (B) has, or is intended to have, the purpose or effect of (x) reducing or increasing in any manner, to any extent or at any time in the future, such stockholder’s or any Stockholder Associated Person’s full right to vote or direct the voting of any such shares, and/or (y) hedging, offsetting, or altering to any degree, gain or loss arising from the full economic ownership of such shares by such stockholder or

any Stockholder Associated Person (any of the foregoing, a “**Derivative Instrument**”), and (ii) other agreement, arrangement or understanding that has been made, the effect or intent of which is to create or mitigate loss to, or to manage the risk or benefit from share price changes for, or to increase or decrease the voting power of, the stockholder or any Stockholder Associated Person with respect to any securities of the corporation, (5) a description of any rights to dividends or other distributions on the shares of the corporation’s securities, directly or indirectly, owned beneficially by the stockholder or any Stockholder Associated Person that are separated or separable from the underlying security, (6) any material interest of the stockholder or any Stockholder Associated Person in such business, (7) a description of any agreement, arrangement or understanding between the stockholder or any Stockholder Associated Person or others acting in concert with them and any other person or persons (including, in each case, their full legal names) in connection with the proposal of such business, (8) a description of any proportionate interest in the corporation’s securities or any Derivative Instruments held, directly or indirectly, by a general or limited partnership, limited liability company or similar entity in which the stockholder or any Stockholder Associated Person (A) is a general partner or, directly or indirectly, beneficially owns an interest in a general partner of such general or limited partnership or (B) is the manager, managing member or, directly or indirectly, beneficially owns an interest in the manager or managing member of such limited liability company or similar entity, (9) a description of any performance-related fees (other than an asset-based fee) that the stockholder or any Stockholder Associated Person is entitled to based on any increase or decrease in the value of the corporation’s securities or any Derivative Instruments, including, without limitation, any such interests held by members of the immediate family of such persons sharing the same household, (10) any significant equity interests or any Derivative Instruments in any principal competitor of the corporation that are held by the stockholder or any Stockholder Associated Person, (11) any direct or indirect interest of the stockholder or any Stockholder Associated Person in any contract with the corporation or any affiliate of the corporation (in each case, including, without limitation, any employment agreement, collective bargaining agreement or consulting agreement), (12) a representation and undertaking that the stockholder is a holder of record of stock of the corporation as of the date of submission of the stockholder’s notice and intends to appear in person or by proxy at the annual meeting to bring such business before the annual meeting, (13) any other information relating to the stockholder or any Stockholder Associated Person or others acting in concert with them, or the proposed business that, in each case, would be required to be disclosed in a proxy statement or other filing required to be made in connection with the solicitation of proxies in support of such proposal pursuant to Section 14(a) of the 1934 Act, (14) such other information relating to any proposed item of business as the corporation may reasonably require to determine whether such proposed item of business is a proper matter for stockholder action, (15) a description of any proxy (other than a revocable proxy given in response to a public proxy solicitation made pursuant to, and in accordance with, the 1934 Act), contract, arrangement, understanding or relationship pursuant to which the stockholder or any Stockholder Associated Person has a right to vote any shares of any class or series of capital stock of the corporation, (16) any material pending or threatened legal proceeding in which the stockholder or any Stockholder Associated Person is a party or material participant involving the corporation or any of its officers, directors or affiliates, (17) any material relationship between the stockholder or any Stockholder Associated Person, on the one hand, and the corporation or any of its officers, directors or affiliates, on the other hand, (18) a representation and undertaking as to whether the stockholder or any Stockholder Associated Person or others acting in concert with them intends, or is part of a group that intends, to (x) deliver a proxy statement or form of proxy to or otherwise solicit proxies from holders of at least the percentage of the voting power of the corporation’s then-outstanding stock required to approve or adopt the proposal and/or (y) otherwise solicit proxies from stockholders in support of such proposal, (19) an acknowledgment that, if such stockholder (or representative) does not appear to present such business or nominees, as applicable, at such meeting, the corporation need not present such business or nominees for a vote at such meeting, notwithstanding that proxies in respect of such vote may have been received by the corporation, (20) all information that would be required to be set forth in a Schedule 13D filed pursuant to Rule 13d-1(a) under the Exchange Act or an amendment pursuant to Rule 13d-2(a) under the Exchange Act if such a statement were required to be filed under the Exchange Act by such stockholder or any Stockholder Associated Person with respect to the corporation, including a description of any agreement that would be required to be disclosed by such stockholder or any Stockholder Associated Person pursuant to Item 5 or Item 6 of Schedule 1, (21) the names and addresses of other stockholders and beneficial owners known by any stockholder giving the notice (and/or beneficial owner, if any, on whose behalf the nomination or proposal is made) to support such nomination or proposal, and to the extent known, the class and number of all shares of the corporation’s capital stock owned beneficially and/or of record by such other stockholder(s) and beneficial owner(s), (22) the identity of any beneficial holder of the shares of any class or

series of the capital stock of the corporation that reasonably could have influenced the decision of the stockholder or any Stockholder Associated Person to propose such business or nomination to be brought before the meeting, and (23) if the stockholder or any Stockholder Associated Person is a natural person, the qualifications and background of such natural person and any material interests or relationships of such natural person that are not shared generally by any other record or beneficial holder of the shares of any class or series of the capital stock of the corporation and that reasonably could have influenced the decision of such stockholder or any Stockholder Associated Person to propose such business or nomination to be brought before the meeting, and (such information provided and statements made as required by subsections (1) through (23), a “**Business Solicitation Statement**”). In addition, to be in proper written form and timely, a stockholder’s notice (and any additional information submitted to the corporation in connection therewith) to the secretary must be updated and supplemented, if necessary, (A) so that the information provided or required to be provided in such notice is true and correct as of the record date(s) for determining the stockholders entitled to notice of, and to vote at, the annual meeting and as of the date that is 10 business days prior to the annual meeting or any adjournment, rescheduling, postponement or other delay thereof, and (B) to provide any additional information that the corporation may reasonably request. Such update and supplement or additional information must be in writing and received by the secretary at the principal executive offices of the corporation (x) in the case of any update and supplement required to be made as of the record date for notice of the meeting, not later than 5 business days after the later of such record date for the annual meeting and the public announcement of such record date and, (y) in the case of any update or supplement required to be made as of 10 business days prior to the annual meeting or any adjournment, rescheduling, postponement or other delay thereof, not later than 8 business days prior to the date of the annual meeting or any adjournment, rescheduling, postponement or other delay thereof and, (z) in the case of a request from the corporation for additional information, promptly following a request therefor and not later than such reasonable time as is specified in any such request from the corporation. The failure to timely provide such update, supplement or additional information shall result in the proposal no longer being eligible for consideration at the annual meeting. For purposes of this Section 2.4, a “**Stockholder Associated Person**” of any stockholder shall mean (i) any person who is a member of a “group” (as such term is used in Rule 13d-5 of the Exchange Act) with or otherwise acting in concert with such stockholder, (ii) any beneficial owner of shares of capital stock of the corporation beneficially owned or of record by such stockholder (other than a stockholder that is a depository), (iii) any person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such stockholder or such Stockholder Associated Person and beneficially owns, directly or indirectly, shares of capital stock of the corporation and (iv) any participant (as defined in paragraphs (a)(ii)-(vi) of Instruction 3 to Item 4 of Schedule 14A, or any successor instructions) with such stockholder or such Stockholder Associated Person in respect of any proposals or nominations, as applicable.

(c) Without exception, no business shall be conducted at any annual meeting except in accordance with the provisions set forth in this Section 2.4 and Section 2.5. In addition, business proposed to be brought by a stockholder may not be brought before the annual meeting if such stockholder or a Stockholder Associated Person, as applicable, takes action contrary to the representations made in the Business Solicitation Statement applicable to such business or if the Business Solicitation Statement applicable to such business contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein not misleading. The chairperson of the annual meeting (and, in advance of any annual meeting, the board of directors) shall have the power and duty (1) to determine whether any business proposed to be brought before the meeting was made in accordance with the provisions of this Section 2.4, and (2) if any proposed business was not made in compliance with this Section 2.4, to declare that any such business was not properly brought before the annual meeting and shall not be conducted, notwithstanding that such nomination or proposal is set forth in the notice of meeting or other proxy materials and notwithstanding that proxies in respect of such vote may have been received by the corporation.

(ii) *Advance Notice of Director Nominations at Annual Meetings.* Notwithstanding anything in these bylaws to the contrary, only persons who are nominated in accordance with the procedures set forth in this Section 2.4 and Section 2.5 shall be eligible for election or re-election as directors at an annual meeting of stockholders. Nominations of persons for election to the board of directors shall be made at an annual meeting of stockholders only (A) by or at the direction of the board of directors (or a duly authorized committee thereof), (B) by a

stockholder of the corporation who (1) is a stockholder of record at the time of the giving of the notice required by this Section 2.4(ii), (2) is a stockholder of record on the record date for the determination of stockholders entitled to vote at the annual meeting, (3) is a stockholder of record at the time of the annual meeting and (4) has complied with the notice procedures set forth in this Section 2.4, or (C) by any Eligible Stockholder (as defined in Section 2.5) who meets the requirements of and complies with the procedures set forth in Section 2.5. In addition to any other applicable requirements, for a nomination to be made by a stockholder, the stockholder must have given timely notice thereof in proper written form to the secretary at the principal executive offices of the corporation.

(a) To comply with subsection (B) of Section 2.4(ii) above, a nomination to be made by a stockholder must set forth all information required under this Section 2.4(ii) and must be received by the secretary at the principal executive offices of the corporation at the time set forth in, and in accordance with, Section 2.4(i)(a) above; *provided, however*, in the event that the number of directors to be elected to the board of directors is increased and there is no Public Announcement by the corporation naming all of the nominees for director or specifying the size of the increased board of directors at least 10 days before the last day that a stockholder may deliver a notice of nomination pursuant to the foregoing provision, then a stockholder's notice required by this Section 2.4(ii) will also be considered timely, but only with respect to any nominees for any new positions created by such increase, if it is received by the secretary at the principal executive offices of the corporation not later than 5:00 p.m., Mountain Standard Time, on the 10th day following the day on which such Public Announcement is first made. In no event may a stockholder provide notice with respect to a greater number of director candidates than there are director seats subject to election by stockholders at the annual meeting, and for the avoidance of doubt, subject to applicable law, no stockholder shall be entitled to make additional or substitute nominations following the expiration of the time periods set for in this Section 2.4.

(b) To be in proper written form, such stockholder's notice to the secretary must set forth:

(1) as to each person (a "**nominee**") whom the stockholder proposes to nominate for election or re-election as a director: (A) the name, age, business address and residence address of the nominee, (B) the principal occupation or employment of the nominee, (C) the class and number of shares of the corporation that are held of record or are beneficially owned by the nominee and any Derivative Instruments held or beneficially held by the nominee, including the full notional amount of any securities that, directly or indirectly, underlie any such Derivative Instrument, (D) a description of any other agreement, arrangement or understanding that has been made the effect or intent of which is to create or mitigate loss to, or to manage the risk or benefit of share price changes for, or to increase or decrease the voting power of the nominee with respect to the corporation's securities, (E) a description of any direct or indirect compensatory, payment, indemnification or other financial agreement, arrangement or understanding that such nominee has, or has had within the past three years, with any person or entity other than the corporation, in each case in connection with candidacy or service as a director of the corporation (such agreement, arrangement or understanding, a "**Third-Party Compensation Arrangement**"), which description shall include, without limitation, the name of each other person who is party to such Third-Party Compensation Arrangement and the amount of any payment or payments received or receivable thereunder, (F) a description of any other material relationships between the stockholder giving the notice and any Stockholder Associated Person, on the one hand, and the nominee and such nominee's respective affiliates and associates, or others acting in concert with them, on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Item 404 under Regulation S-K if such stockholder or Stockholder Associated Person were the "registrant" for the purposes of such rule and such nominee were a director or executive officer of such registrant, (G) a written statement executed by the nominee consenting to (x) being named as a nominee of such stockholder, (y) serving as a director of the corporation if elected and (z) being named in any proxy statement and any associated proxy card for the corporation's next meeting of stockholders for the election of directors, (H) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nominations are to be made by the stockholder, (I) a written statement of such person that such person, if elected, intends to tender, promptly following such person's election or re-election, an irrevocable resignation effective upon such person's failure to receive the required vote for re-election at the next meeting at which such person would face re-election and upon acceptance of such resignation by the board of directors, in accordance with the corporation's Corporate Governance Guidelines, (J) a written

statement that such nominee will comply with the corporation's processes for evaluating any person being considered for nomination to the board of directors, including an agreement to submit to interviews with the board of directors or any committee thereof to discuss matters relating to the nomination of such nominee to the board of directors, including the information provided by such nominee to the corporation in connection with their nomination and such nominee's eligibility to serve as a member of the board of directors and each such nominee shall make themselves available for any such interviews within ten (10) days following such any such request and (K) any other information relating to the nominee that would be required to be disclosed about such nominee if proxies were being solicited for the election of the nominee as a director, or that is otherwise required, in each case pursuant to Section 14(a) of the 1934 Act, and the rules and regulations promulgated thereunder; and

(2) as to such stockholder giving notice, (A) the information required to be provided pursuant to subsections (2) through (23) of Section 2.4(i)(b) above, and the update and supplement referenced in the second sentence of Section 2.4(i)(b) above (except that the references to "business" in such subsections shall instead refer to nominations of directors for purposes of this paragraph), with such update and supplement being subject to the terms of the second and third sentences of Section 2.4(i)(b), and (B) a representation and undertaking as to whether such stockholder or Stockholder Associated Person or others acting in concert with them intends, or is part of a group that intends, to (x) deliver a proxy statement or form of proxy to or otherwise solicit proxies from holders of at least the percentage of the voting power of the corporation's then-outstanding stock required to elect such nominee(s) (which representation and undertaking must include a statement as to whether such stockholder or any Stockholder Associated Person intends to solicit the holders of shares representing at least 67% of the voting power of shares entitled to vote on the election of directors pursuant to Rule 14a-19 of the 1934 Act), or (y) otherwise solicit proxies from stockholders in support of such nomination (such information provided and statements made as required by Section 2.4(ii)(b)(1) and this Section 2.4(ii)(b)(2), a "**Nominee Solicitation Statement**").

(c) To be eligible to be a nominee of any stockholder for election as a director of the corporation, any person nominated by a stockholder for election as a director must, at the request of the board of directors, furnish to the secretary (1) that information required to be set forth in the stockholder's notice of nomination of such person as a director as of a date subsequent to the date on which the notice of such person's nomination was given, (2) such other information as may reasonably be required by the corporation to determine the eligibility of such proposed nominee to serve as an independent director of the corporation or, if applicable, audit committee financial expert of the corporation under applicable law, securities exchange rule or regulation, or any publicly-disclosed corporate governance guidelines or committee charter of the corporation and (3) such other information that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, or the qualifications of such nominee. Such additional information, if applicable, must be received by the secretary at the principal executive offices of the corporation promptly following a request therefor, not later than such reasonable time as is specified in any such request from the corporation. In the absence of the timely furnishing of such information if requested, such stockholder's nomination shall not be considered in proper form and shall be ineligible for consideration at the annual meeting pursuant to this Section 2.4(ii).

(d) Without exception, no person shall be eligible for election or re-election as a director of the corporation at an annual meeting of stockholders unless nominated in accordance with the provisions set forth in this Section 2.4. In addition, a nominee shall not be eligible for election or re-election if a stockholder or Stockholder Associated Person, as applicable, takes action contrary to the representations made in the Nominee Solicitation Statement applicable to such nominee or in any other notice to the corporation or if the Nominee Solicitation Statement applicable to such nominee or any other information provided to the corporation by or on behalf of such nominee contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein not misleading. The chairperson of the annual meeting (and, in advance of the annual meeting, the board of directors) shall have the power and duty (1) to determine whether a nomination was made in accordance with the procedures prescribed by this Section 2.4 and (2) if any proposed nomination was not made in compliance with this Section 2.4 to declare that such defective nomination shall be disregarded, notwithstanding that such nomination is set forth in the notice of meeting or other proxy materials and notwithstanding that proxies in respect of such vote may have been received by the corporation.

(iii) *Advance Notice of Director Nominations for Special Meetings.*

(a) For a special meeting of stockholders at which directors are to be elected, nominations of persons for election to the board of directors shall be made only (1) by or at the direction of the board of directors (or a duly authorized committee thereof) or (2) provided that the board of directors has determined that directors shall be elected at such meeting, by any stockholder of the corporation who (A) is a stockholder of record at the time of the giving of the notice required by this Section 2.4(iii), (B) is a stockholder of record on the record date for the determination of stockholders entitled to vote at the special meeting, (C) is a stockholder of record at the time of the special meeting and (D) delivers a timely written notice of the nomination to the secretary that includes the information set forth in Sections 2.4(ii)(b) and (ii)(c) above (with references therein to “annual meeting” deemed to mean “special meeting” for the purposes of this Section 2.4(iii)). To be timely, such notice must be received by the secretary at the principal executive offices of the corporation not earlier than 8:00 a.m., Mountain Standard Time, on the 120<sup>th</sup> day prior to the day of the special meeting and not later than 5:00 p.m., Mountain Standard Time, on the later of (i) the 90<sup>th</sup> day prior to such special meeting or (ii) the 10<sup>th</sup> day following the day on which Public Announcement is first made of the date of the special meeting and of the nominees proposed by the board of directors to be elected at such special meeting. In no event shall any adjournment, rescheduling, postponement or other delay of a special meeting or any announcement thereof commence a new time period (or extend any time period) for the giving of a stockholder’s notice as described above. A person shall not be eligible for election or re-election as a director at a special meeting unless the person is nominated (i) by or at the direction of the board of directors (or a duly authorized committee thereof) or (ii) provided that the board of directors has determined that directors shall be elected at such meeting, by a stockholder in accordance with the notice procedures set forth in this Section 2.4(iii). In addition, a nominee shall not be eligible for election or re-election (i) if a stockholder or Stockholder Associated Person, as applicable, takes action contrary to the representations made in the Nominee Solicitation Statement applicable to such nominee or in any other notice to the corporation or (ii) if the Nominee Solicitation Statement applicable to such nominee or any other information provided to the corporation by or on behalf of such nominee contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein not misleading. Any person nominated in accordance with this Section 2.4(iii) is subject to, and must comply with, the provisions of Section 2.4(ii)(c).

(b) The chairperson of the special meeting (and, in advance of the special meeting, the board of directors) shall have the power and duty (1) to determine whether a nomination or other proposed business was made or proposed, as the case may be, in accordance with the procedures prescribed by this Section 2.4, and (2) if any proposed nomination or business was not made or proposed in compliance with this Section 2.4 to declare that such defective nomination shall be disregarded or that such proposed business shall not be transacted, notwithstanding that such nomination or proposal is set forth in the notice of meeting or other proxy materials and notwithstanding that proxies in respect of such vote may have been received by the corporation.

(iv) *Other Requirements and Procedures.*

(a) In addition to the foregoing provisions of this Section 2.4, a stockholder must also comply with all applicable requirements of state and federal law, including the 1934 Act and the rules and regulations thereunder, with respect to the matters set forth in this Section 2.4, including, with respect to business such stockholder intends to bring before the annual meeting that involves a proposal that such stockholder requests to be included in the corporation’s proxy statement, the requirements of Regulation 14A (or any successor provision) under the 1934 Act. Nothing in this Section 2.4 shall be deemed to affect any right of the corporation to omit a proposal from the corporation’s proxy statement pursuant to Regulation 14A (or any successor provision) under the 1934 Act.

(b) To be eligible to be a nominee of any stockholder for election or re-election as a director of the corporation, the proposed nominee must provide to the secretary, in accordance with the applicable time periods prescribed for delivery of notice under Section 2.4(ii)(a) or Section 2.4(iii): (1) a signed and completed written questionnaire (in the form provided by the secretary at the written request of the nominating stockholder, which form will be provided by the secretary within 10 days of receiving such request) containing information regarding such nominee’s background and qualifications and such other information as may reasonably be required by the

corporation to determine the eligibility of such nominee to serve as a director of the corporation or to serve as an independent director of the corporation; (2) a written representation and undertaking that, unless previously disclosed to the corporation, such nominee is not, and will not become, a party to any agreement, arrangement, commitment, assurance or understanding with any person or entity as to how such nominee, if elected as a director of the corporation, will act or vote on any issue or question (a “**Voting Commitment**”) or any Voting Commitment that could limit or interfere with such director nominee’s ability to comply, if elected as a director of the corporation, with such director nominee’s fiduciary duties under applicable law; (3) a written representation and undertaking that, unless previously disclosed to the corporation, such nominee is not, and will not become, a party to any Third-Party Compensation Arrangement; (4) a written representation and undertaking that, if elected as a director, such nominee would be in compliance, and will continue to comply, with all applicable rules of any securities exchanges upon which the corporation’s securities are listed, the certificate of incorporation, these bylaws, the corporation’s corporate governance, ethics, conflict of interest, confidentiality, stock ownership and trading guidelines, applicable fiduciary duties under state law, and other policies and guidelines applicable to directors and in effect during such person’s term in office as a director (and, if requested by any candidate for nomination, the secretary will provide to such proposed nominee all such policies and guidelines then in effect); (5) a written representation and undertaking that such nominee, if elected as a director, such nominee will provide facts, statements and other information in all documents and communications with the corporation and its stockholders that are or will be true and correct and that do not and will not omit to state any fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading, inaccurate or incomplete; and (6) a written representation and undertaking that such nominee, if elected, intends to serve a full term on the board of directors.

(c) For the avoidance of doubt, the obligation to update and supplement, or provide additional information or evidence, as set forth in these bylaws shall not limit the corporation’s rights with respect to any deficiencies in any notice provided by a stockholder, extend any applicable deadlines pursuant to these bylaws or enable or be deemed to permit a stockholder who has previously submitted notice pursuant to these bylaws to amend or update any nomination or proposed business or to submit any new nomination or proposal. No disclosure pursuant to these bylaws will be required with respect to the ordinary course business activities of any broker, dealer, commercial bank, trust company or other nominee who is the stockholder submitting a notice pursuant to this Section 2.4 solely because such broker, dealer, commercial bank, trust company or other nominee has been directed to prepare and submit the notice required by these bylaws on behalf of a beneficial owner.

(d) Notwithstanding anything to the contrary in these bylaws, unless otherwise required by law, if (1) any stockholder or Stockholder Associated Person, if any, on whose behalf a nomination is made provides notice pursuant to Rule 14a-19(b) under the 1934 Act or includes the information required by Rule 14a-19(b) in a preliminary or definitive proxy statement previously filed by such person (it being understood that such notice or filing shall be in addition to, and not in lieu of, the notices required under these bylaws) and (2) (A) such stockholder or Stockholder Associated Person subsequently either (i) notifies the corporation that it no longer intends to solicit proxies in support of the election or reelection of such director nominee in accordance with Rule 14a-19(b) under the 1934 Act or (ii) fails to comply with the requirements of Rule 14a-19(a)(2) or Rule 14a-19(a)(3) under the 1934 Act (or fails to timely provide reasonable evidence sufficient to satisfy the corporation that such stockholder or such Stockholder Associated Person has met the requirements of Rule 14a-19(a)(3) under the 1934 Act in accordance with the following sentence) and (B) no other stockholder or Stockholder Associated Person that has provided notice pursuant to Rule 14a-19(b) under the Exchange Act with respect to such proposed nominee (i) to the corporation’s knowledge based on information provided pursuant to Rule 14a-19 under the Exchange Act or these bylaws, still intends to solicit proxies in support of the election or reelection of such director nominee in accordance with Rule 14a-19(b) under the Exchange Act and (ii) has complied with the requirements of Rule 14a-19(a)(2) and Rule 14a-19(a)(3) under the Exchange Act and the requirements set forth in the following sentence, then the nomination of each such proposed nominee shall be disregarded and no vote on the election of such proposed nominee shall occur, notwithstanding that such nomination is set forth in the notice of meeting or other proxy materials and notwithstanding that proxies in respect of the election of such proposed nominees may have been received by the corporation. If any stockholder or Stockholder Associated Person, if any, on whose behalf a nomination is made, provides notice pursuant to Rule 14a-19(b) under the 1934 Act or includes the information required by Rule 14a-19(b) in a preliminary or definitive proxy statement previously filed by such person, such stockholder or such

Stockholder Associated Person shall deliver to the corporation, no later than five business days prior to the applicable meeting, reasonable evidence that it has met the requirements of Rule 14a-19(a)(3) under the 1934 Act.

(e) Notwithstanding anything to the contrary in this Section 2.4, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear in person at the applicable meeting to present a nomination or other proposed business, such nomination will be disregarded or such proposed business will not be transacted, as the case may be, notwithstanding that such nomination or proposal is set forth in the notice of meeting or other proxy materials and notwithstanding that proxies in respect of such vote may have been received by the corporation. For purposes of this Section 2.4, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the applicable meeting, and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the applicable meeting.

## 2.5 PROXY ACCESS FOR DIRECTOR NOMINATIONS

(i) *Proxy Access.* Subject to the terms of this Section 2.5, a stockholder, or group of stockholders, that qualify as an “**Eligible Stockholder**” may nominate a person (a “**Stockholder Nominee**”) for election to the board of directors and the corporation shall include the Stockholder Nominee as a nominee for election as a director in its proxy statement and form of proxy card (“**Proxy Materials**”) for the annual meeting. Except as provided under Rule 14a-19 under the 1934 Act, this Section 2.5 shall be the exclusive method for stockholders to require that the corporation include nominees for election as a director in the corporation’s Proxy Materials.

(ii) *Eligible Stockholder.* In order to be an Eligible Stockholder for the purpose of being granted proxy access under this Section 2.5, the stockholder(s) shall:

(a) be one, but not more than twenty (20), holder(s) or beneficial owner(s) of common stock of the corporation (“**Shares**”);

(b) own Shares that represent at least three percent (3%) or more of the outstanding Shares (“**Required Shares**”). No Shares may be attributed to more than one group constituting an Eligible Stockholder;

(c) have owned the Required Shares continuously for at least three (3) years as of the date the Nomination Notice is received by the corporation pursuant to this Section 2.5;

(d) continue to hold the Required Shares through the record date for determining stockholders entitled to vote at the annual meeting of stockholders and the first anniversary of the annual meeting of stockholders or any adjournment, rescheduling, postponement or other delay thereof; and

(e) satisfy such additional requirements as are set forth in these bylaws, including this Section 2.5. In the event that an Eligible Stockholder consists of more than one stockholder, any and all requirements and obligations for an individual Eligible Stockholder that are set forth in these bylaws shall apply to each member of such group, except that the Required Shares shall apply to the ownership of stockholders in the aggregate.

(iii) *Ownership.* To own the Required Shares, the stockholder must satisfy the following ownership requirements:

(a) The number of stockholders shall be calculated as follows:

(1) the Shares owned by one (1) or more stockholders, or by the person or persons who own Shares and on whose behalf any stockholder is acting, may be aggregated, but the number of stockholders and other persons whose ownership of Shares is aggregated for such purpose shall not exceed twenty (20);

(2) two or more funds that are (A) under common management and investment control, (B) under common management and funded primarily by the same employer or (C) a “group of investment companies,” as such term is defined in Section 12(d)(1)(G)(ii) of the Investment Company Act of 1940, as amended, shall be treated as one stockholder or beneficial owner, provided that such funds otherwise meet the requirements under this Section 2.5 and, provided, further, that such funds provide to the secretary documentation reasonably satisfactory to the board of directors that demonstrates that the funds satisfy this Section 2.5; and

(3) no stockholder or person may be a member of more than one group of persons constituting an Eligible Stockholder under this Section 2.5.

For the avoidance of doubt, a stockholder may withdraw from a group of stockholders at any time prior to the annual meeting of stockholders or any adjournment, rescheduling, postponement or other delay thereof. If, as a result of such withdrawal, the Eligible Stockholder no longer owns the Required Shares, then all nominations by such Eligible Stockholder shall be disregarded.

(b) The board of directors (or a duly authorized committee thereof) shall determine whether outstanding Shares are “owned” for the purposes of this Section 2.5. The determination shall be in good faith and shall be conclusive and binding on the corporation and its stockholders. Ownership shall be determined by the board of directors (or a duly authorized committee thereof) based on the following criteria:

(1) an Eligible Stockholder shall be deemed to “own” only those outstanding Shares as to which the stockholder possesses both (A) the full voting and investment rights pertaining to the Shares and (B) the full economic interest in (including the opportunity for profit and risk of loss on) such Shares; provided, that the number of Shares calculated in accordance with the foregoing subsections (A) and (B) shall not include any Shares (1) sold by such stockholder or any of its affiliates in any transaction that has not been settled or closed; (2) borrowed by such stockholder or any of its affiliates for any purposes or purchased by such stockholder or any of its affiliates pursuant to an agreement to resell; or (3) subject to any option, warrant, forward contract, swap, contract of sale or other derivative or similar instrument or agreement entered into by such stockholder or any of its affiliates, whether any such instrument or agreement is to be settled with Shares or with cash based on the notional amount or value of outstanding Shares, in any such case which instrument or agreement has, or is intended to have, the purpose or effect of either or both of (y) reducing in any manner, to any extent or at any time in the future, such stockholder’s or its affiliates’ full right to vote or direct the voting of any such Shares; or (z) hedging, offsetting or altering to any degree gain or loss arising from maintaining the full economic ownership of such Shares by such stockholder or affiliate;

(2) a stockholder shall “own” Shares held in the name of a nominee or other intermediary so long as the stockholder retains the right to instruct how the Shares are voted with respect to the election of directors and possesses the full economic interest in the Shares;

(3) a person’s ownership of Shares shall be deemed to continue during any period in which the person has loaned such Shares so long as the person has the power to recall such loaned Shares on five (5) business days’ notice, and has recalled the loaned Shares by the record date of the relevant annual meeting and the person holds the recalled Shares through the date of the annual meeting of stockholders or any adjournment, rescheduling, postponement or other delay thereof; and

(4) a person’s ownership of Shares shall be deemed to continue during any period in which the person has delegated any voting power by means of a proxy, power of attorney or other instrument or arrangement that is revocable at any time by the person without condition.

(iv) *Nomination Notice.* The Eligible Stockholder expressly elects to have the Stockholder Nominee included in the Proxy Materials by timely submitting a “**Nomination Notice**” to the secretary of the corporation.

(a) The Nomination Notice shall set forth the following information:

(1) one or more written statements from the record holder(s) of the Shares (and from each intermediary through which the Shares are or have been held during the requisite three-year holding period) verifying that, as of a date within seven (7) calendar days prior to the date of the Nomination Notice, the Eligible Stockholder (including each member of any group of stockholders that together is an Eligible Stockholder) owns, and has owned continuously for the preceding three (3) years, the Required Shares;

(2) the Eligible Stockholder’s agreement to provide, within five (5) business days after (A) the record date for determining stockholders entitled to vote at the annual meeting of stockholders (if, prior to the record date, the corporation (1) has made a public announcement of such record date or (2) sent a written notice of the record date (including by electronic mail) to the Eligible Stockholder) or (B) the date on which the corporation sent to the Eligible Stockholder written notice (including by electronic mail) of the record date (if such notice is provided after the record date), written statements from the record holder and intermediaries verifying the continuous ownership by such Eligible Stockholder (including each member of any group of stockholders that together is an Eligible Stockholder) of the Required Shares through such record date;

(3) the information (including with respect to the Stockholder Nominees of such Eligible Stockholder) that would be required to be set forth in a stockholder’s notice of a nomination for the election of directors pursuant to Section 2.4 of these bylaws;

(4) the written consent of each Stockholder Nominee to being named as a nominee in any Proxy Materials for the corporation’s next annual meeting of stockholders for the election of directors and to serving as a director if elected;

(5) a copy of the Schedule 14N that has been filed with the Securities and Exchange Commission as required by Rule 14a-18 under the 1934 Act, as such rule may be amended;

(6) in the case of a nomination by a group of stockholders that together is an Eligible Stockholder, the designation by all group members of one group member that is authorized to act on behalf of all members of the nominating stockholder group with respect to the nomination and matters related thereto, including withdrawal of the nomination;

(7) a representation that the Eligible Stockholder (including each member of any group of stockholders that together is an Eligible Stockholder) (A) acquired the Required Shares in the ordinary course of business and not with the intent to change or influence control at the corporation, and does not presently have such intent; (B) has not nominated and will not nominate for election to the board of directors at the annual meeting of stockholders any person other than the Stockholder Nominee(s) being nominated pursuant to this Section 2.5; (C) has not engaged and will not engage in, and has not and will not be a “participant” in another person’s, “solicitation” within the meaning of Rule 14a-1(l) under the 1934 Act in support of the election of any individual as a director at the annual meeting of stockholders other than its Stockholder Nominee or a nominee of the board of directors; (D) will not distribute to any stockholder any form of proxy for the annual meeting other than the form distributed by the corporation; and (E) intends to own the Required Shares through the first anniversary of the date of the annual meeting of stockholders; and

(8) an undertaking that the Eligible Stockholder (including each member of any group of stockholders that together is an Eligible Stockholder) agrees to (A) assume all liability stemming from any actual or alleged legal or regulatory violation arising out of the communications by the Eligible Stockholder, as well

as its affiliates, associates and their respective agents and representatives, with the stockholders of the corporation or out of the information that the Eligible Stockholder provided to the corporation and indemnify and hold harmless (jointly with all other group members, in the case of a group member) the corporation and each of its directors, officers and employees individually for any liability, loss, damages, expenses or other costs (including attorneys' fees) arising therefrom; (B) comply with all other laws and regulations applicable to any solicitation in connection with the annual meeting of stockholders; and (C) provide to the corporation prior to the annual meeting of stockholders such additional information as reasonably requested by the corporation with respect thereto.

(b) The Nomination Notice shall be timely submitted. To be timely, a Nomination Notice must be delivered to or mailed and received by the secretary at the principal executive offices of the corporation not later than 5:00 p.m., Mountain Standard Time, on the 120th day (the "**Final Nomination Date**") and not earlier than 8:00 a.m., Mountain Standard Time, on the 150th day prior to the anniversary of the date (as stated in the corporation's Proxy Materials) the definitive proxy statement with respect to the preceding year's annual meeting was first sent to stockholders; provided, however, that in the event that the date of the annual meeting for the current year is changed by more than 25 days from the anniversary of the preceding year's annual meeting, notice by the stockholder to be timely must be so received no earlier than the 8:00 a.m., Mountain Standard Time, on the 150th day prior to such annual meeting and not later than 5:00 p.m., Mountain Standard Time, on the later of (i) the 120th day prior to such annual meeting or (ii) the 10th day following the day on which Public Announcement of the date of such meeting is first made by the corporation. In no event shall the Public Announcement of an adjournment, rescheduling, postponement or other delay of an annual meeting commence a new time period (or extend any time period) for the delivery or receipt of a Nomination Notice as described above.

(v) *Stockholder Nominee Written Representation.*

(a) Within the time period specified in this Section 2.5 for delivering the Nomination Notice, a Stockholder Nominee must deliver to the secretary a written representation, in a form deemed satisfactory by the board of directors (or a duly authorized committee thereof), that the Stockholder Nominee:

(1) is not and will not become a party to any agreement, arrangement, or understanding with, and has not given any commitment or assurance to, any person or entity as to how such Stockholder Nominee, if elected as a director, will act or vote on any issue or question;

(2) is not and will not become a party to any agreement, arrangement, or understanding with any person with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a Stockholder Nominee, and is not and will not become a party to any agreement, arrangement or understanding with any person other than the corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director; and

(3) if elected as a director, will comply with all of the corporation's corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines, and any other corporation policies and guidelines applicable to directors, as well as any applicable law, rule or regulation or listing requirement.

(b) At the request of the corporation, the Stockholder Nominee must promptly, but in any event within five (5) business days after such request, submit to the secretary all completed and signed questionnaires required of the corporation's directors and officers and provide the corporation with such other information as it shall reasonably request. The corporation may request such additional information as is necessary to permit the board of directors to determine if each Stockholder Nominee is independent under the listing standards of the principal U.S. exchange upon which the corporation's common stock is listed, any applicable rules of the Securities and Exchange Commission and any publicly disclosed standards used by the board of directors in determining and disclosing the independence of the corporation's directors (the "**Applicable Independence Standards**").

(vi) *Disqualification of the Stockholder Nominee.*

(a) The corporation shall not be required to include, pursuant to this Section 2.5, any Stockholder Nominees in its Proxy Materials for any annual meeting of stockholders:

(1) for which the secretary receives a notice that any stockholder has nominated a person for election to the board of directors pursuant to the advance notice requirements for stockholder nominees for director set forth in Section 2.4 of these bylaws and for which the corporation's board of directors has not elected to have such nominee included in the corporation's Proxy Materials pursuant to this Section 2.5;

(2) if the Eligible Stockholder who has nominated such Stockholder Nominee has engaged in or is currently engaged in a, or has been or is a "participant" in another person's, "solicitation" within the meaning of Rule 14a-1(l) under the 1934 Act in support of the election of any individual as a director at the annual meeting of stockholders other than its Stockholder Nominee(s) or a nominee of the Board of Directors;

(3) who is not independent under the Applicable Independence Standards, as determined by the board of directors;

(4) whose election as a member of the board of directors would cause the corporation to be in violation of these bylaws, its certificate of incorporation, the listing standards of the principal exchange upon which the corporation's common stock is traded, or any applicable law, rule or regulation;

(5) who is or has been, within the past three (3) years, an officer or director of, or is presently a nominee for director (or comparable position) at, a competitor, as defined in Section 8 of the Clayton Antitrust Act of 1914, as determined by the corporation's board of directors;

(6) who is or has been, within the past ten (10) years, a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses) or convicted in such a criminal proceeding;

(7) who is or has been, within the past ten (10) years, the subject of or a director, officer, or other principal of any entity that was the subject of a bankruptcy or insolvency proceeding;

(8) who is subject to any order of the type specified in Rule 506(d) of Regulation D promulgated under the Securities Act of 1933, as amended;

(9) if such Stockholder Nominee or the applicable Eligible Stockholder shall have provided information to the corporation in respect to such nomination that was untrue in any material respect or omitted to state a material fact necessary in order to make the statement made, in light of the circumstances under which it was made, not misleading, as determined in good faith by the board of directors;

(10) if such Stockholder Nominee or the applicable Eligible Stockholder otherwise contravenes any of the agreements or representations made by such Stockholder Nominee or Eligible Stockholder or fails to comply with its obligations pursuant to this Section 2.5; or

(11) if such Stockholder Nominee was nominated for election to the board of directors pursuant to this Section 2.5 at one of the corporation's three preceding annual meetings of stockholders and failed at any such annual meeting to receive at least twenty five percent (25%) of the votes cast in favor of such Stockholder Nominee's election.

(b) Notwithstanding anything to the contrary set forth herein, the board of directors or the chairperson of the meeting presiding at the applicable annual meeting of stockholders shall declare a nomination by an Eligible Stockholder to be invalid, and such nomination shall be disregarded notwithstanding that proxies in respect of such vote may have been received by the corporation, if (1) the Stockholder Nominee(s), the applicable Eligible Stockholder or both shall have breached its or their obligations, agreements or representations under this Section 2.5, as determined in good faith by the board of directors or the chairperson of the meeting presiding at the annual meeting of stockholders; or (2) the Eligible Stockholder (or a qualified representative thereof) does not appear at the annual meeting of stockholders to present any nomination pursuant to this Section 2.5.

(vii) *Maximum Number of Stockholder Nominees.*

(a) The maximum number of Stockholder Nominees included in the Proxy Materials with respect to an annual meeting of stockholders pursuant to this Section 2.5 (the “**Permitted Number**”) shall be the greater of (i) two (2) persons and (ii) twenty percent (20%) of the number of directors in office as of the last day on which a Nomination Notice may be delivered pursuant to this Section 2.5 or, if such amount is not a whole number, the closest whole number (rounded down) below twenty percent (20%). In the event that (A) one or more vacancies for any reason occurs on the board of directors after the Final Nomination Date but before the date of the annual meeting of stockholders and (B) the board of directors resolves to reduce the size of the board of directors in connection therewith, then the Permitted Number shall be calculated based on the number of directors in office as so reduced. In addition, the Permitted Number shall be reduced by: (1) Stockholder Nominees who the board of directors itself decides to nominate as a nominee at such annual meeting; (2) Stockholder Nominees whose nomination is withdrawn after the corporation has received a Nomination Notice with respect to such Stockholder Nominee; and (3) the number of directors in office as of the Final Nomination Date who had been nominees nominated by a Eligible Stockholder pursuant to this Section 2.5, or pursuant to Section 2.4 of these bylaws with respect to any of the preceding three (3) annual meetings (including any nominee who had been counted at any such annual meeting pursuant to the immediately preceding subsection (2)) and whose re-election at the upcoming annual meeting is being recommended by the board of directors.

(b) In the event that the number of Stockholder Nominees submitted by Eligible Stockholders pursuant to this Section 2.5 exceeds the Permitted Number, then each Eligible Stockholder will select one (1) Stockholder Nominee for inclusion in the corporation’s Proxy Materials until the Permitted Number is reached, going in order of the amount (largest to smallest) of Shares that each Eligible Stockholder disclosed as owned in its respective Nomination Notice. If the Permitted Number is not reached after each Eligible Stockholder has selected one Stockholder Nominee, this selection process will continue as many times as necessary, following the same order each time, until the maximum number is reached.

(c) Following such determination, if any Stockholder Nominee, who satisfies the eligibility requirements in this Section 2.5, (i) thereafter withdraws from the election (or their nomination is withdrawn by the applicable Eligible Stockholder) or (ii) thereafter is not submitted for director election for any reason (including the Eligible Stockholder’s or Stockholder Nominee’s failure to comply with this Section 2.5), no other nominee or nominees shall be included in the corporation’s Proxy Materials or otherwise submitted for director election pursuant to this Section 2.5.

(viii) *Information Included in the Proxy Materials by the corporation.* For purposes of this Section 2.5, the “**Required Information**” that the corporation will include in its proxy statement is:

(a) the information concerning the Stockholder Nominee and the Eligible Stockholder that is required to be disclosed in the corporation’s proxy statement by the regulations promulgated under the 1934 Act; and

(b) if the Eligible Stockholder so elects, a written statement, not to exceed five hundred (500) words, and which may not include charts, graphs or other non-verbal images, submitted by an Eligible Stockholder

in support of the Stockholder Nominee's candidacy, which must be provided at the same time as the Nomination Notice for inclusion in the corporation's Proxy Materials for the annual meeting of stockholders (the "**Stockholder Nominee Statement**").

Notwithstanding anything to the contrary contained in this Section 2.5, the corporation may omit from the Proxy Materials any information or Stockholder Nominee Statement (or portion thereof) that it, in good faith, (A) believes would violate any applicable law or regulation, (B) determines would directly or indirectly impugn the character, integrity or personal reputation of, or directly or indirectly makes charges concerning improper, illegal or immoral conduct or associations, without factual foundation, with respect to, any person, or (C) determines that such information is not true in all material respects or omits a material statement necessary to make the statements not misleading. Nothing in this Section 2.5 shall limit the corporation's ability to solicit or recommend against and include in its Proxy Materials its own statements relating to any Eligible Stockholder or Stockholder Nominee.

(ix) *False or Inaccurate Information Provided.* If any information or communication provided by the Eligible Stockholder or the Stockholder Nominee to the corporation or its stockholders ceases to be true and accurate in all material respects or omits a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading, then each Eligible Stockholder or Stockholder Nominee, as the case may be, shall promptly (and in any event within 48 hours of discovering such misstatement, omission or failure) notify the secretary of any defect in such previously provided information and of the information that is required to correct any such defect; it being understood that providing any such notification shall not be deemed to cure any defect or limit the corporation's right to omit a Stockholder Nominee from the Proxy Materials as provided in this Section 2.5.

(x) *Eligible Stockholder Filing Requirements.* The Eligible Stockholder (including any person who owns Shares that constitute part of the Eligible Stockholder's ownership for purposes of satisfying the requirements of this Section 2.5) shall file with the Securities and Exchange Commission any solicitation with the corporation's stockholders relating to the meeting at which the Stockholder Nominee will be nominated, regardless of whether any such filing is required under Regulation 14A of the 1934 Act or whether any exemption from filing is available for such solicitation or other communication under Regulation 14A of the 1934 Act.

(xi) *Interpretation of this Section 2.5.* The board of directors (or a duly authorized committee thereof) shall have the exclusive power and authority to interpret the provisions of this Section 2.5 and make all determinations deemed necessary or advisable in connection with this Section 2.5. All such actions, interpretations and determinations that are done or made by the board of directors (or a duly authorized committee thereof) shall be final, conclusive and binding on the corporation, the stockholders and all other parties. For the avoidance of doubt, this Section 2.5 shall not prevent any stockholder from nominating any person to the board of directors pursuant to and in accordance with Section 2.4 of these bylaws.

## 2.1 NOTICE OF STOCKHOLDERS' MEETINGS

Whenever stockholders are required or permitted to take any action at a meeting, a notice of the meeting shall be given which shall state the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Except as otherwise provided in the DGCL, the certificate of incorporation or these bylaws, the notice of any meeting of stockholders shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting.

## 2.2 QUORUM

The holders of a majority of the voting power of the capital stock of the corporation issued and outstanding and entitled to vote, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders, unless otherwise required by law, the certificate of incorporation, these bylaws or the rules of any applicable stock exchange on which the corporation's securities are listed. Where a separate vote by a class or series or classes or series is required, a majority of the voting power of the outstanding shares of such class or series or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter, except as otherwise required by law, the certificate of incorporation, these bylaws or the rules of any applicable stock exchange on which the corporation's securities are listed.

If, however, such quorum is not present or represented at any meeting of the stockholders, then either (i) the chairperson of the meeting, or (ii) the stockholders entitled to vote at the meeting, present in person or represented by proxy, shall have power to adjourn the meeting from time to time until a quorum is present or represented. At such adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the meeting as originally noticed.

### 2.3 ADJOURNED MEETING; NOTICE

Unless these bylaws otherwise require, when a meeting is adjourned to another time or place (including an adjournment taken to address a technical failure to convene or continue a meeting using remote communication), notice need not be given of the adjourned meeting if the time, place, if any, thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are (i) announced at the meeting at which the adjournment is taken, (ii) displayed, during the time scheduled for the meeting, on the same electronic network used to enable stockholders and proxy holders to participate in the meeting by means of remote communication or (iii) set forth in the notice of meeting given in accordance with Section 222(a) of the DGCL. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the board of directors shall fix a new record date for notice of such adjourned meeting in accordance with Section 213(a) of the DGCL and Section 2.12 of these bylaws, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

### 2.4 CONDUCT OF BUSINESS

The chairperson of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of business. The chairperson of any meeting of stockholders shall be designated by the board of directors. In the absence of such designation, the chairperson of the board of directors, if any, or the chief executive officer (in the absence of the chairperson of the board of directors) or the president (in the absence of the chairperson of the board of directors and the chief executive officer), or in their absence, any other executive officer of the corporation, shall serve as the chairperson of the stockholder meeting. The chairperson of any meeting of stockholders shall have the power to adjourn the meeting to another place, if any, date or time, whether or not a quorum is present. The rules or procedures of any meeting of stockholders, whether adopted by the board of directors or prescribed by the chairperson of the meeting, may include the following: (a) the establishment of an agenda or order of business for the meeting; (b) the determination of when the polls shall open and close for any given matter to be voted on at the meeting; (c) rules and procedures for maintaining order at the meeting and the safety of those present; (d) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized proxies or such other persons as the chairperson of the meeting shall determine; (e) restrictions on entry to the meeting after the time fixed for the commencement of the meeting; (f) limitations on the time allotted to questions or comments by participants; (g) removal of any stockholder or any other individual who refuses to comply with meeting rules, regulations or procedures; (h) restrictions on the use of audio and video recording devices, cell phones and other electronic devices; (i) rules, regulations or procedures for compliance with any state or local laws or regulations including those concerning safety, health and security; (j) procedures (if any) requiring attendees to provide the corporation

advance notice of their intent to attend the meeting including whether they plan to attend in person or virtually, if and to such extent either or both are permitted under the circumstances; and (k) any rules or procedures as the chairperson may deem appropriate regarding the participation by means of remote communication of stockholders and proxyholders not physically present at a meeting, whether such meeting is to be held at a designated place or solely by means of remote communication.

## 2.5 VOTING

(i) *Stockholders Entitled to Vote.* The stockholders entitled to vote at any meeting of stockholders shall be determined in accordance with the provisions of Section 2.12 of these bylaws, subject to Section 217 (relating to voting rights of fiduciaries, pledgors and joint owners of stock) and Section 218 (relating to voting trusts and other voting agreements) of the DGCL.

(ii) *Votes Per Share.* Except as may be otherwise provided in the certificate of incorporation, each stockholder shall be entitled to one vote for each share of capital stock held by such stockholder as of the applicable record date that has voting power upon the matter in question.

(iii) *Majority of Votes.* Unless a different or minimum vote is required by law, the certificate of incorporation, these bylaws or the rules of any applicable stock exchange on which the corporation's securities are listed, in which case such different or minimum vote shall be the applicable vote on the matter, in all matters other than the election of directors, the affirmative vote of a majority of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders. Except as otherwise required by law, the certificate of incorporation or these bylaws, directors shall be elected by the vote of the majority of the votes cast at any meeting for the election of directors at which a quorum is present, subject to the rights of the holders of any series of preferred stock of the corporation to elect directors in accordance with the terms thereof. For purposes of this bylaw, a majority of votes cast shall mean that the number of votes cast "for" a director's election exceeds 50% of the number of votes cast with respect to that director's election. Votes cast shall include votes "against" a director's election and shall exclude abstentions and broker non-votes with respect to that director's election. Notwithstanding the foregoing, in the event of a contested election of directors, directors shall be elected by the vote of a plurality of the votes cast at any meeting for the election of directors at which a quorum is present. For purposes of this bylaw, a contested election shall mean any election of directors in which the number of candidates for election as directors exceeds the number of directors to be elected as of the 10th day preceding the date of the corporation's first notice to stockholders of such meeting sent pursuant to Section 2.4 of Article II of these bylaws (the "**Determination Date**"); provided, however, that if, in accordance with Section 2.4 of Article II of these bylaws, stockholders are entitled to nominate persons for election as a director after the otherwise applicable Determination Date, the Determination Date shall instead be the last day on which stockholders are entitled to nominate persons for election as a director. If directors are to be elected by a plurality of the votes cast, stockholders shall not be permitted to vote against a nominee. Where a separate vote by a class or series or classes or series is required, in all matters other than the election of directors, the affirmative vote of the majority of the voting power of the outstanding shares of such class or series or classes or series present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of such class or series or classes or series, unless a different or minimum vote is required by law, the certificate of incorporation, these bylaws or the rules of any applicable stock exchange on which the corporation's securities are listed in which case such different or minimum vote shall be the applicable vote on the matter.

## 2.6 STOCKHOLDER ACTION BY CONSENT WITHOUT A MEETING

Unless otherwise provided in the certificate of incorporation, any action required or permitted to be taken by the stockholders of the corporation must be effected at a duly called annual or special meeting of stockholders of the corporation and may not be effected by any consent by such stockholders in lieu of a meeting.

## 2.7 RECORD DATES

(i) *Setting the Record Date.* In order that the corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If the board of directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the board of directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination.

(ii) *In the Absence of a Record Date.* If no record date is fixed by the board of directors, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held.

(iii) *Notice of Adjourned Meeting.* A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however,* that the board of directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the provisions of Section 213 of the DGCL and this Section 2.12 at the adjourned meeting.

(iv) *Record Date for Distributions or Dividends.* In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

## 2.8 PROXIES

Each stockholder entitled to vote at a meeting of stockholders, or such stockholder's authorized officer, director, employee or agent, may authorize another person or persons to act for such stockholder by proxy authorized by a document or by an electronic transmission permitted by law filed in accordance with the procedure established for the meeting, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. The authorization of a person to act as a proxy may be documented, signed and delivered in accordance with Section 116 of the DGCL; *provided* that such authorization shall set forth, or be delivered with information enabling the corporation to determine, the identity of the stockholder granting such authorization. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212 of the DGCL. Any person directly or indirectly soliciting proxies from the stockholders of the corporation must use a proxy card color other than white, which shall be reserved for the exclusive use of the board of directors.

## 2.9 LIST OF STOCKHOLDERS ENTITLED TO VOTE

The corporation shall prepare, no later than the tenth day before each meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting; *provided, however,* if the record date for determining the stockholders entitled to vote is less than 10 days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. The corporation shall not be required to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of 10 days ending on the day

before the meeting date: (i) on a reasonably accessible electronic network, *provided* that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the corporation's principal place of business. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to stockholders of the corporation. Such list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

## 2.10 INSPECTORS OF ELECTION

(i) *Appointment of Inspector(s)*. Before any meeting of stockholders, the corporation shall appoint an inspector or inspectors of election to act at the meeting or its adjournment. The corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act.

(ii) *Duties of the Inspector(s)*. The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. The inspectors of election shall:

- (a) ascertain the number of shares outstanding and the voting power of each,
- (b) determine the shares represented at the meeting and the validity of proxies and ballots;
- (c) count all votes and ballots;
- (d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the

inspectors; and

(e) certify their determination of the number of shares represented at the meeting, and their count of all votes and ballots. Such certification and report shall specify such other information as may be required by law.

(iii) *Inspector Authority*. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the corporation, the inspectors may consider such information as is permitted by applicable law. If there are multiple inspectors of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all. Any report or certificate made by the inspectors of election is *prima facie* evidence of the facts stated therein. No person who is a candidate for an office at an election may serve as an inspector at such election.

## ARTICLE III - DIRECTORS

### 3.1 POWER

The business and affairs of the corporation shall be managed by or under the direction of the board of directors, except as may be otherwise provided in the DGCL or the certificate of incorporation.

### 3.2 NUMBER OF DIRECTORS

The board of directors shall consist of one or more members, each of whom shall be a natural person. Unless the certificate of incorporation fixes the number of directors, the number of directors shall be determined from time to time by resolution of the board of directors. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

### 3.3 ELECTION, QUALIFICATION AND TERM OF OFFICE OF DIRECTORS

Except as provided in Section 3.4 of these bylaws, each director, including a director elected to fill a vacancy or newly created directorship, shall hold office until the expiration of the term for which elected and until such

director's successor is elected and qualified or until such director's earlier death, resignation or removal. Directors need not be stockholders unless so required by the certificate of incorporation or these bylaws. The certificate of incorporation or these bylaws may prescribe other qualifications for directors.

### 3.4 RESIGNATION AND VACANCIES

(i) *Resignation of a Director.* Any director may resign at any time upon notice given in writing or by electronic transmission to the corporation. A resignation is effective when the resignation is delivered unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events. Unless otherwise specified in the notice of resignation, acceptance of such resignation shall not be necessary to make it effective. A resignation which is conditioned upon the director failing to receive a specified vote for reelection as a director may provide that it is irrevocable. Unless otherwise provided in the certificate of incorporation or these bylaws, when one or more directors resign from the board of directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective.

(ii) *Vacancies and Newly Created Directorships.* Unless otherwise provided in the certificate of incorporation or these bylaws, vacancies occurring on the board of directors for any reason and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director.

### 3.5 PLACE OF MEETINGS; REMOTE MEETINGS-

The board of directors may hold meetings, both regular and special, either within or outside the State of Delaware. Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the board of directors, or any committee designated by the board of directors, may participate in a meeting of the board of directors, or any committee, by means of conference telephone, internet, video or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

### 3.6 REGULAR MEETINGS

Regular meetings of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by the board of directors.

### 3.7 SPECIAL MEETINGS; NOTICE

(i) *Calling Special Meetings.* Special meetings of the board of directors for any purpose or purposes may be called at any time by the chairperson of the board of directors, the chief executive officer or the president. In addition, special meetings of the board of directors shall be called by the chairperson of the board of directors, the chief executive officer, the president or the secretary on the written request of two or more directors, unless the board of directors consists of only one director, in which case special meetings shall be called by the chairperson of the board of directors, the chief executive officer, the president or the secretary on the written request of the sole director. The person(s) authorized to call a special meeting of the board of directors may authorize another person or persons to send notice of such meeting.

(ii) *Notice of the Special Meeting.* Notice of the time and place of special meetings shall be:

- (1) delivered personally by hand, by courier or by telephone;
- (2) sent by facsimile;

- (3) sent by electronic mail;
- (4) sent by United States first-class mail, postage prepaid; or
- (5) otherwise given by electronic transmission (as defined in Section 232 of the DGCL),

directed to each director at that director's address, telephone number, facsimile number, electronic mail address or other contact for notice by electronic transmission, as the case may be, as shown on the corporation's records.

If the notice is (i) delivered personally by hand, by courier or by telephone, (ii) sent by facsimile, (iii) sent by electronic mail or (iv) otherwise given by electronic transmission, it shall be delivered, sent or otherwise directed to each director, as applicable, at least 24 hours before the time of the holding of the meeting. If the notice is sent by United States mail, it shall be deposited in the United States mail at least four (4) days before the time of the holding of the meeting. Any oral notice of the time and place of the meeting may be communicated to the director in lieu of written notice if such notice is communicated at least 24 hours before the time of the holding of the meeting or such shorter notice as the person or persons calling such meeting may deem necessary or appropriate under the circumstances.

(ii) *Contents of Notice of the Special Meeting.* The notice need not specify the place of the meeting (if the meeting is to be held at the corporation's principal executive office) nor the purpose of the meeting, unless required by statute. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

### 3.8 QUORUM; VOTING

(i) *Quorum.* At all meetings of the board of directors, a majority of the Whole Board shall constitute a quorum for the transaction of business, except as otherwise provided by law, the certificate of incorporation or these bylaws. If a quorum is not present at any meeting of the board of directors, then the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present. For the purposes of these bylaws, the term "**Whole Board**" shall mean the total number of authorized directorships whether or not there exist any vacancies or other unfilled seats in previously authorized directorships.

(ii) *Vote of the Majority.* The affirmative vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the board of directors, except as may be otherwise specifically provided by statute, the certificate of incorporation or these bylaws.

(iii) *Director Voting Power.* If the certificate of incorporation provides that one or more directors shall have more or less than one vote per director on any matter, every reference in these bylaws to a majority or other proportion of the directors shall refer to a majority or other proportion of the votes of the directors.

### 3.9 BOARD ACTION BY CONSENT WITHOUT A MEETING

Unless otherwise restricted by the certificate of incorporation or these bylaws, (i) any action required or permitted to be taken at any meeting of the board of directors, or of any committee thereof, may be taken without a meeting if all members of the board of directors or committee, as the case may be, consent thereto in writing or by electronic transmission and (ii) a consent may be documented, signed and delivered in any manner permitted by Section 116 of the DGCL. After an action is taken, the consent or consents relating thereto shall be filed with the minutes of proceedings of the board of directors, or committee thereof, in the same paper or electronic form as the minutes are maintained.

### 3.10 FEES AND COMPENSATION OF DIRECTORS

Unless otherwise restricted by the certificate of incorporation or these bylaws, the board of directors or a committee designated by the board of directors shall have the authority to fix the compensation of directors.

### 3.11 REMOVAL OF DIRECTORS

Any director or the entire board of directors may be removed from office only in accordance with the provisions of the corporation's certificate of incorporation and applicable law. No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of such director's term of office.

## ARTICLE IV - COMMITTEES

### 4.1 COMMITTEES OF DIRECTORS

The board of directors may, by resolution passed by a majority of the directors, designate one or more committees, each committee to consist of one or more of the directors of the corporation. The board of directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the board of directors or in these bylaws, shall have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers that may require it; but no such committee shall have the power or authority to (i) approve or adopt, or recommend to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopt, amend or repeal any bylaw of the corporation.

### 4.2 COMMITTEE MINUTES

Each committee and subcommittee shall keep regular minutes of its meetings.

### 4.3 MEETINGS AND ACTION OF COMMITTEES

#### (i) *Governance of Committees.*

(a) Unless otherwise specified by the board of directors, meetings and actions of committees and subcommittees shall be governed by, and held and taken in accordance with, the provisions of:

- (1) Section 3.5 (place of meetings; remote meetings);
- (2) Section 3.6 (regular meetings);
- (3) Section 3.7 (special meetings; notice);
- (4) Section 3.8 (quorum; voting);
- (5) Section 7.4 (waiver of notice); and
- (6) Section 3.9 (board action by consent without a meeting)

with such changes in the context of those bylaws as are necessary to substitute the committee or subcommittee and its members for the board of directors and its members.

(b) *However*, the committees and subcommittees shall be governed by the following terms:

(1) The time and place for regular meetings of committees or subcommittees may be determined either by resolution of the board of directors or by resolution of the committee or subcommittee;

(2) Special meetings of committees or subcommittees may also be called by resolution of the board of directors or the committee or subcommittee; and

Notice of special meetings of committees and subcommittees shall also be given to all alternate members, who shall have the right to attend all meetings of the committee or subcommittee. The board of directors or a committee or subcommittee may also adopt other rules for the governance of any committee or subcommittee.

(ii) *Voting by Committee Members.* Any provision in the certificate of incorporation providing that one or more directors shall have more or less than one vote per director on any matter shall apply to voting in any committee or subcommittee, unless otherwise provided in the certificate of incorporation or these bylaws.

#### 4.1 SUBCOMMITTEES

Unless otherwise provided in the certificate of incorporation, these bylaws or the resolutions of the board of directors designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

### ARTICLE V - OFFICERS

#### 5.1 OFFICERS

The officers of the corporation shall be chosen by the board of directors. The corporation may have, at the discretion of the board of directors, a chairperson of the board of directors, a president, a chief financial officer, a treasurer, a secretary, a vice chairperson of the board of directors, a chief executive officer, one or more vice presidents, one or more assistant vice presidents, one or more assistant treasurers, one or more assistant secretaries, and any such other officers as may be appointed in accordance with the provisions of these bylaws. Any number of offices may be held by the same person, unless the corporation's certificate of incorporation or these bylaws otherwise provide.

#### 5.2 APPOINTMENT OF OFFICERS

The board of directors shall appoint the officers of the corporation, except such officers as may be appointed in accordance with the provisions of Section 5.3 of these bylaws, subject to the rights, if any, of an officer under any contract of employment.

#### 5.3 SUBORDINATE OFFICERS

The board of directors, or any duly authorized committee or subcommittee thereof, may appoint, or empower any officer to appoint, such other officers as the business of the corporation may require. Each of such officers shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws or as determined from time to time by the board of directors or, for the avoidance of doubt, any duly authorized committee or subcommittee thereof or by any officer who has been conferred such power of determination.

#### 5.4 REMOVAL AND RESIGNATION OF OFFICERS

(i) *Removal.* Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, either with or without cause, by the board of directors or, for the avoidance of doubt, any duly authorized committee or subcommittee thereof or by any officer who has been conferred such power of removal.

(ii) *Resignation.* Any officer may resign at any time by giving written or electronic notice to the corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice. Unless otherwise specified in the notice of resignation, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

## 5.5 VACANCIES IN OFFICES

Any vacancy occurring in any office of the corporation shall be filled by the board of directors or as provided in Section 5.3.

## 5.6 REPRESENTATION OF SECURITIES OF OTHER ENTITIES

The chairperson of the board of directors, the president, the chief executive officer, any vice president, the treasurer, the secretary or assistant secretary of the corporation, or any other person authorized by the board of directors or the president, the chief executive officer, chief financial officer or a vice president, is authorized to vote, represent, and exercise on behalf of this corporation all rights incident to any and all shares or other securities of or issued by, or interests in, any other entity or entities, and all rights incident to any management authority conferred on the corporation in accordance with the governing documents of any entity or entities, standing in the name of the corporation, including the right to act by written consent. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by such person having the authority.

## 5.7 AUTHORITY AND DUTIES OF OFFICERS<sup>1</sup>

All officers of the corporation shall respectively have such authority and perform such duties in the management of the business of the corporation as may be designated from time to time by the board of directors or the stockholders and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the board of directors. In addition, with the written consent of any two members of the board of directors of the corporation (one of whom must be the chair), any and all officers, employees, agents or representatives of the corporation identified by such directors are hereby authorized to bring, defend, intercede, join, mediate, arbitrate, settle, compromise, try, or appeal (or authorize or appoint in writing others to do any of the foregoing) any claim, demand, dispute, investigation, allegation, suit, litigation, or other similar matter or proceedings for, on behalf of, or against the corporation or any of its subsidiaries or affiliates in any jurisdiction or territory.

# ARTICLE VI - STOCK

## 6.1 STOCK CERTIFICATES

The shares of stock of the corporation shall be represented by certificates, provided that the board of directors may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the corporation. Every holder of stock represented by certificates shall be entitled to have a certificate signed by, or in the name of, the corporation by any two authorized officers of the corporation (it being understood that each of the chairperson of the board of directors, the vice chairperson of the board of directors, the president, the chief executive officer, the chief financial officer, a vice president, the treasurer, an assistant treasurer, the secretary and an assistant secretary of the corporation shall be an authorized officer for such purpose) representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has

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<sup>1</sup> This section includes the language that was previously approved by the corporation's Board on June 23, 2021 and was inadvertently omitted when previously filed on January 17, 2024.

ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue. The corporation shall not have power to issue a certificate in bearer form.

## 6.2 LOST CERTIFICATES

Except as provided in this Section 6.2, no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the corporation and cancelled at the same time. The corporation may issue a new certificate of stock or uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the corporation may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

## 6.3 DIVIDENDS

The board of directors, subject to any restrictions contained in the certificate of incorporation or applicable law, may declare and pay dividends upon the shares of the corporation's capital stock. Dividends may be paid in cash, in property, or in shares of the corporation's capital stock, subject to the provisions of the certificate of incorporation.

The board of directors may set apart out of any of the funds of the corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve. Such purposes shall include but not be limited to equalizing dividends, repairing or maintaining any property of the corporation, and meeting contingencies.

## 6.4 TRANSFER OF STOCK

Transfers of record of shares of stock of the corporation shall be made only upon its books by the holders thereof, in person or by an attorney duly authorized, and, subject to Section 6.2 of these bylaws, if such stock is certificated, upon the surrender of a certificate or certificates for a like number of shares, properly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer; provided, however, that such succession, assignment or authority to transfer is not prohibited by the certificate of incorporation, these bylaws, applicable law or contract.

## 6.5 STOCK TRANSFER AGREEMENTS

The corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes or series of stock of the corporation to restrict the transfer of shares of stock of the corporation of any one or more classes or series owned by such stockholders in any manner not prohibited by the DGCL.

## 6.6 REGISTERED STOCKHOLDERS

The corporation: shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and notices and to vote as such owner; to the fullest extent permitted by law, shall be entitled to hold liable for calls and assessments the person registered on its books as the owner of shares; and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

# **ARTICLE VII - MANNER OF GIVING NOTICE AND WAIVER**

## 7.1 NOTICE OF STOCKHOLDERS' MEETINGS

Notice of any meeting of stockholders shall be given in the manner set forth in the DGCL.

#### 7.2 NOTICE TO STOCKHOLDERS SHARING AN ADDRESS

Except as otherwise prohibited under the DGCL, without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the corporation under the provisions of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Any such consent shall be revocable by the stockholder by written notice to the corporation. Any stockholder who fails to object in writing to the corporation, within 60 days of having been given written notice by the corporation of its intention to send the single notice, shall be deemed to have consented to receiving such single written notice.

#### 7.3 NOTICE TO PERSON WITH WHOM COMMUNICATION IS UNLAWFUL

Whenever notice is required to be given, under the DGCL, the certificate of incorporation or these bylaws, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the corporation is such as to require the filing of a certificate under the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

#### 7.4 WAIVER OF NOTICE

Whenever notice is required to be given under any provision of the DGCL, the certificate of incorporation or these bylaws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the certificate of incorporation or these bylaws.

### **ARTICLE VIII - INDEMNIFICATION**

#### 8.1 INDEMNIFICATION OF DIRECTORS AND OFFICERS IN THIRD PARTY PROCEEDINGS

Subject to the other provisions of this Article VIII, the corporation shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding") (other than an action by or in the right of the corporation) by reason of the fact that such person is or was a director or officer of the corporation, or is or was a director or officer of the corporation serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such Proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the

person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

## 8.2 INDEMNIFICATION OF DIRECTORS AND OFFICERS IN ACTIONS BY OR IN THE RIGHT OF THE CORPORATION

Subject to the other provisions of this Article VIII, the corporation shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed Proceeding by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the corporation, or is or was a director or officer of the corporation serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such Proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

## 8.3 SUCCESSFUL DEFENSE

To the extent that a present or former director or officer of the corporation has been successful on the merits or otherwise in defense of any Proceeding described in Section 8.1 or Section 8.2, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith. The corporation may indemnify any other person who is not a present or former director or officer of the corporation against expenses (including attorneys' fees) actually and reasonably incurred by such person to the extent such person has been successful on the merits or otherwise in defense of any Proceeding described in Section 8.1 or Section 8.2, or in defense of any claim, issue or matter therein.

## 8.4 INDEMNIFICATION OF OTHERS; ADVANCE PAYMENT TO OTHERS

Subject to the other provisions of this Article VIII, the corporation shall have power to advance expenses to and indemnify its employees and agents, or any other persons, to the extent not prohibited by the DGCL or other applicable law.

## 8.5 ADVANCED PAYMENT OF EXPENSES

(i) *Expenses Advanced.* Expenses (including attorneys' fees) incurred by an officer or director of the corporation or former officer or director of the corporation in defending any Proceeding shall be paid by the corporation in advance of the final disposition of such Proceeding upon receipt of a written request therefor (together with documentation reasonably evidencing such expenses) and an undertaking by or on behalf of the person to repay such amounts if it shall ultimately be determined that the person is not entitled to be indemnified under this Article VIII or the DGCL. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents of the corporation or by persons serving at the request of the corporation as directors, officers, employees or agents of another corporation, partnership, joint venture, trust or other enterprise may be so paid upon such terms and conditions, if any, as the corporation deems appropriate. The right to advancement of expenses shall not apply to any Proceeding (or any part of any Proceeding) for which indemnity is

excluded pursuant to these bylaws, but shall apply to any Proceeding (or any part of any Proceeding) referenced in Section 8.6(ii) or 8.6(iii) prior to a determination that the person is not entitled to be indemnified by the corporation.

(ii) *Expenses Not Advanced.* Notwithstanding the foregoing, unless otherwise determined pursuant to Section 8.8, no advance shall be made by the corporation to an officer of the corporation (except by reason of the fact that such officer is or was a director of the corporation, in which event this paragraph shall not apply) in any Proceeding if a determination is reasonably and promptly made (i) by a majority vote of the directors who are not parties to such Proceeding, even though less than a quorum, or (ii) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, or (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, that facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the corporation.

## 8.6 LIMITATION ON INDEMNIFICATION

Subject to the requirements in Section 8.3 and the DGCL, the corporation shall not be obligated to indemnify any person pursuant to this Article VIII in connection with any Proceeding (or any part of any Proceeding):

(i) for which payment has actually been made to or on behalf of such person under any statute, insurance policy, indemnity provision, vote or otherwise, except with respect to any excess beyond the amount paid;

(ii) for an accounting or disgorgement of profits pursuant to Section 16(b) of the 1934 Act, or similar provisions of federal, state or local statutory law or common law, if such person is held liable therefor (including pursuant to any settlement arrangements);

(iii) for any reimbursement of the corporation by such person of any bonus or other incentive-based or equity-based compensation or of any profits realized by such person from the sale of securities of the corporation, as required in each case under the 1934 Act (including any such reimbursements that arise from an accounting restatement of the corporation pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the “**Sarbanes-Oxley Act**”), or the payment to the corporation of profits arising from the purchase and sale by such person of securities in violation of Section 306 of the Sarbanes-Oxley Act), if such person is held liable therefor (including pursuant to any settlement arrangements);

(iv) initiated by such person, including any Proceeding (or any part of any Proceeding) initiated by such person against the corporation or its directors, officers, employees, agents or other indemnitees, unless (a) the board of directors authorized the Proceeding (or the relevant part of the Proceeding) prior to its initiation, (b) the corporation provides the indemnification, in its sole discretion, pursuant to the powers vested in the corporation under applicable law, (c) otherwise required to be made under Section 8.7 or (d) otherwise required by applicable law; or

(v) if prohibited by applicable law.

## 8.7 DETERMINATION; CLAIM

If a claim for indemnification or advancement of expenses under this Article VIII is not paid in full within 60 days after receipt by the corporation of the written request therefor (and, with respect to claims for indemnification, following the final disposition of the relevant proceeding with respect thereto), the claimant shall be entitled to an adjudication by a court of competent jurisdiction of such person’s entitlement to such indemnification or advancement of expenses. The corporation shall indemnify such person against any and all expenses that are actually and reasonably incurred by such person in connection with any action for indemnification or advancement of expenses from the corporation under this Article VIII, to the extent such person is successful in such action, and to the extent not prohibited by law. In any such suit, the corporation shall, to the fullest extent not prohibited by law,

have the burden of proving that the claimant is not entitled to the requested indemnification or advancement of expenses.

#### 8.8 NON-EXCLUSIVITY OF RIGHTS

The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the certificate of incorporation or any statute, bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office. The corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advancement of expenses, to the fullest extent not prohibited by the DGCL or other applicable law.

#### 8.9 INSURANCE

The corporation may purchase and maintain insurance to the fullest extent permitted by the DGCL on behalf of any person who is or was a director, officer, employee or agent of the corporation, or 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 against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the corporation would have the power to indemnify such person against such liability under the provisions of the DGCL.

#### 8.10 SURVIVAL

The rights to indemnification and advancement of expenses conferred by this Article VIII shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

#### 8.11 EFFECT OF REPEAL OR MODIFICATION

A right to indemnification or to advancement of expenses arising under a provision of the certificate of incorporation or a bylaw shall not be eliminated or impaired by an amendment to or repeal or elimination of the certificate of incorporation or these bylaws after the occurrence of the act or omission that is the subject of the Proceeding for which indemnification or advancement of expenses is sought, unless the provision in effect at the time of such act or omission explicitly authorizes such elimination or impairment after such action or omission has occurred.

#### 8.12 CERTAIN DEFINITIONS

For purposes of this Article VIII, references to the "corporation" shall include, in addition to the resulting entity, any constituent entity (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent entity, or is or was serving at the request of such constituent entity as a director, general partner, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VIII with respect to the resulting or surviving entity as such person would have with respect to such constituent entity if its separate existence had continued.

- (i) For purposes of this Article VIII, references to "other enterprises" shall include employee benefit plans;

(ii) For purposes of this Article VIII, references to “fines” shall include any excise taxes assessed on a person with respect to an employee benefit plan; and

(iii) For purposes of this Article VIII, references to “serving at the request of the corporation” shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of the corporation” as referred to in this Article VIII.

## ARTICLE IX-- EXCLUSIVE FORUM

Unless the corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware does not have jurisdiction, another State court in Delaware or, if and only if all such State courts do not have jurisdiction, the federal district court for the District of Delaware) and any appellate court therefrom shall, to the fullest extent permitted by law, be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the corporation, (b) any action or proceeding asserting a claim of breach of a fiduciary duty owed by, or other wrongdoing by, any current or former director, officer, stockholder, employee or agent of the corporation to the corporation or the corporation’s stockholders, (c) any action or proceeding asserting a claim arising pursuant to, or seeking to enforce any right, obligation or remedy under, any provision of the DGCL or the certificate of incorporation or these bylaws (as each may be amended from time to time), (d) any action or proceeding as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, (e) any action to interpret, apply, enforce or determine the validity of the certificate of incorporation or these bylaws (as each may be amended from time to time) or (f) any action or proceeding asserting a claim governed by the internal affairs doctrine.

Unless the corporation consents in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America shall be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended (the “**1933 Act**”).

For the avoidance of doubt, nothing in this Article IX shall apply to any claims brought to enforce a duty or liability created by the 1934 Act.

Any person or entity purchasing or otherwise acquiring or holding or owning (or continuing to hold or own) any interest in any security of the corporation shall be deemed to have notice of and have consented to the provisions of this Article IX. This provision shall be enforceable by any party to a complaint covered by the provisions of this Article IX.

## ARTICLE X - GENERAL MATTERS

### 10.1 EXECUTION OF CORPORATE CONTRACTS AND INSTRUMENTS

Except as otherwise provided by law, the certificate of incorporation or these bylaws, the board of directors may authorize any officer or officers, or agent or agents, or employee or employees, to enter into any contract or execute any document or instrument in the name of and on behalf of the corporation; such authority may be general or confined to specific instances. Unless so authorized or ratified by the board of directors or within the agency power of an officer, agent or employee, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

### 10.2 FISCAL YEAR

The fiscal year of the corporation shall end on December 31, unless otherwise fixed by resolution of the board of directors. The fiscal year may be changed by the board of directors.

### 10.3 SEAL

The corporation may adopt a corporate seal, which shall be adopted and which may be altered by the board of directors. The corporation may use the corporate seal by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

### 10.4 CONSTRUCTION; DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the DGCL shall govern the construction of these bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term "person" includes a corporation, partnership, limited liability company, joint venture, trust or other enterprise, and a natural person. Any reference in these bylaws to a section of the DGCL shall be deemed to refer to such section as amended from time to time and any successor provisions thereto.

## **ARTICLE XI - AMENDMENTS**

These bylaws may be adopted, amended or repealed by the stockholders of the corporation by vote of not less than a majority of the outstanding shares of the voting stock of the corporation entitled to vote at an election of directors. In addition, in accordance with the corporation's certificate of incorporation, the board of directors may adopt, amend or repeal these bylaws by vote of a majority of the board of directors. The fact that such power has been so conferred upon the directors shall not divest the stockholders of the power, nor limit their power to adopt, amend or repeal bylaws.

A bylaw amendment adopted by stockholders which specifies the votes that shall be necessary for the election of directors shall not be further amended or repealed by the board of directors.

## CERTIFICATION

I, Joseph M. Hogan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Align Technology, 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(s) 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(s) 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 6, 2025

/s/ JOSEPH M. HOGAN

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Joseph M. Hogan

President and Chief Executive Officer

## CERTIFICATION

I, John F. Morici, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Align Technology, 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(s) 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(s) 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 6, 2025

/s/ JOHN F. MORICI

John F. Morici

Chief Financial Officer and Executive Vice President, Global Finance

**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 Align Technology, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 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.

By: \_\_\_\_\_ /s/ JOSEPH M. HOGAN  
Name: **Joseph M. Hogan**  
Title: **President and Chief Executive Officer**

Date: August 6, 2025

In connection with the Quarterly Report of Align Technology, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 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.

By: \_\_\_\_\_ /s/ JOHN F. MORICI  
Name: **John F. Morici**  
Title: **Chief Financial Officer and Executive Vice President, Global Finance**

Date: August 6, 2025