

Aligner Gross Revenue to GAAP Net Revenue Bridge

(\$ in millions; except for Aligner Orders Shipped and ASP)

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Total Unique Aligner Orders Shipped⁽¹⁾	42,827	66,692	72,387	76,372	109,894	122,047	106,070
Average Aligner Gross Sales Price ("ASP")	\$ 1,731	\$ 1,739	\$ 1,773	\$ 1,797	\$ 1,767	\$ 1,761	\$ 1,788
Aligner Gross Revenue	\$ 74.2	\$ 116.0	\$ 128.3	\$ 137.3	\$ 194.1	\$ 214.9	\$ 189.6
Implicit Price Concession ("IPC") ⁽²⁾	(7.5)	(11.9)	(13.3)	(13.8)	(17.3)	(18.9)	(15.5)
Reserves and other adjustments ⁽³⁾	(2.6)	(4.5)	(5.3)	(6.5)	(11.6)	(14.6)	(12.0)
Aligner Revenue⁽⁴⁾	\$ 64.1	\$ 99.6	\$ 109.7	\$ 117.0	\$ 165.2	\$ 181.5	\$ 162.2
Financing Revenue ⁽⁵⁾	3.6	5.9	7.2	8.4	9.1	10.6	11.5
Other Revenue ⁽⁶⁾	0.7	1.1	2.8	3.1	3.4	3.8	6.5
Total Net Revenue	\$ 68.4	\$ 106.6	\$ 119.7	\$ 128.5	\$ 177.7	\$ 195.8	\$ 180.2

Note: All the information in this file is publicly available from our SEC filings.

(1) Each unique aligner order shipped represents a single contracted member.

(2) Estimated based on historical write-off percentages and expected net collections. Excludes IPC associated with financing revenue starting in 2019 of \$1.035mm for Q1, \$1.851mm for Q2, and \$1.817mm for Q3. In 2018 100% of IPC was contained in this line item. See footnote 5 below.

(3) Includes impression kit revenue, refunds, and sales tax.

(4) As defined in the 10-Q (Aligner Gross Revenue less IPC and Reserves and other adjustments). Note, there is an immaterial adjustment (~\$0.1mm) in full year 2018 compared to the footnote disclosures in our public filings as a result of sales tax classification between the Reserves and other adjustments and Other Revenue line items.

(5) Represents interest income earned on our SmilePay financing program, net of IPC starting in 2019, as noted in footnote 2 above.

(6) Includes net revenue related to retainers, whitening, and other ancillary products.