smile DIRECT CLUB

Q3 2021

Forward-Looking Statements

This presentation contains forward-looking statements. All statements other than statements of historical facts may be forward-looking statements. Forward-looking statements generally relate to future events and include, without limitation, projections, forecasts and estimates about possible or assumed future results of our business, financial condition, liquidity, results of operations, plans, and objectives. Some of these statements may include words such as “expects,” “anticipates,” “believes,” “estimates,” “targets,” “plans,” “potential,” “intends,” “projects,” and “indicates.”

Although they reflect our current, good faith expectations, these forward-looking statements are not a guarantee of future performance, and involve a number of risks, uncertainties, estimates, and assumptions, which are difficult to predict. Some of the factors that may cause actual outcomes and results to differ materially from those expressed in, or implied by, the forward-looking statements include, but are not necessarily limited to: the ongoing assessment of the cyber incident, material legal, financial and reputational risks resulting from such incident and the related operational disruptions, the duration and magnitude of the COVID-19 pandemic and related containment measures; our ability to manage our growth; the execution of our business strategies, implementation of new initiatives, and improved efficiency; our sales and marketing efforts; our manufacturing capacity, performance, and cost; our ability to obtain future regulatory approvals; our financial estimates and needs for additional financing; consumer acceptance of and competition for our clear aligners; our relationships with retail partners and insurance carriers; our R&D, commercialization, and other activities and expenditures; the methodologies, models, assumptions, and estimates we use to prepare our financial statements, make business decisions, and manage risks; laws and regulations governing remote healthcare and the practice of dentistry; our relationships with vendors; the security of our operating systems and infrastructure; our risk management framework; our cash and capital needs; our intellectual property position; our exposure to claims and legal proceedings; and other factors described in our filings with the Securities and Exchange Commission, including but not limited to our Annual Report on Form 10-K for the year ended December 31, 2020 and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2021.

New risks and uncertainties arise over time, and it is not possible for us to predict all such factors or how they may affect us. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. We are under no duty to update any of these forward-looking statements after the date of this presentation to conform these statements to actual results or revised expectations. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this presentation.

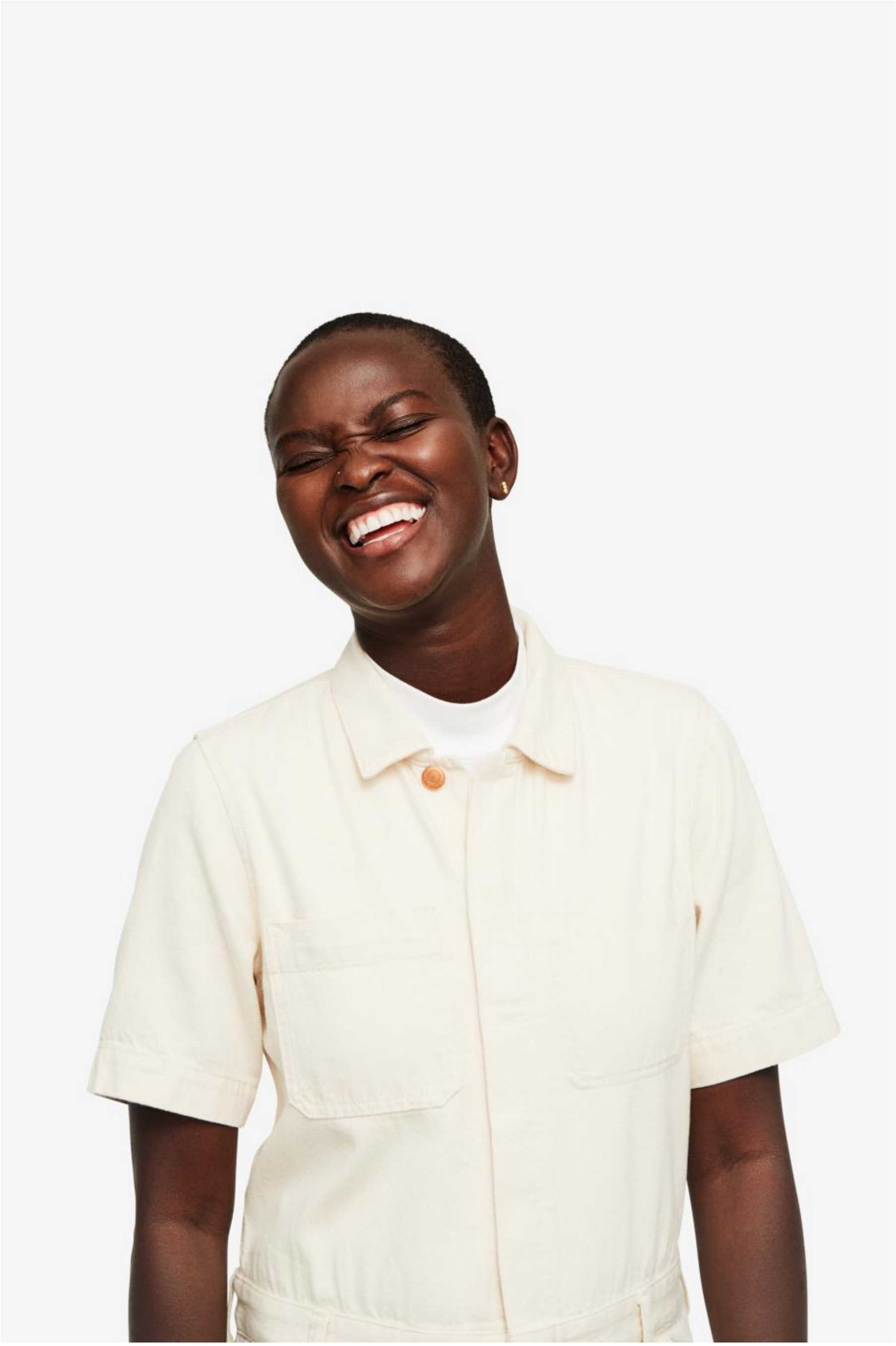
Market and Industry Data

This presentation also contains estimates and other statistical data obtained from independent parties and by us relating to market size and growth and other data about our industry and ultimate consumers. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates and data. In addition, projections, assumptions, and estimates of our future performance and the future performance of the geographic and other markets in which we operate are necessarily subject to a high degree of uncertainty and risk.

Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures, including adjusted EBITDA (“Adjusted EBITDA”). These non-GAAP measures should not be considered in isolation or as a substitute for the related GAAP measures, and other companies may define such measures differently. We provide a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures in the appendix to this presentation and in our Current Report on Form 8-K announcing our quarterly earnings results, which can be found on the SEC’s website at www.sec.gov and our website at investors.smiledirectclub.com.

This presentation is a supplement to, and should be read in conjunction with, SmileDirectClub’s earnings release for the quarter ended September 30, 2021.



WHATWE STAND FOR

Our mission is to democratize access to a smile each and every person loves by making it affordable and convenient for everyone.

HOW WE DO IT

By providing our club members 24/7 access to their doctor through our proprietary telehealth platform and guaranteeing our members' results for life!

Why Our Club Members Choose SDC.

Orthodontists have traditionally purchased invisible aligners from a wholesaler or manufacturer, marked up the cost by 3x, and then sold them to consumers for $5,000-$8,000. Our proprietary telehealth platform offers consumers the ability to get the same clinically safe and effective treatment, but without the 3x markup.

Credibility

Over 1.5mm members treated, with a brand at scale that our members love

- Our doctors have straightened over 1.5 million smiles, which makes us a leading player in the industry
- Brand at scale that our members love
- All doctors have 5+ years of aligner experience
- 100% of our aligners are made in our FDA registered and ISO certified 3D printing facility in Tennessee
- Treatment plan is tailored using our proprietary telehealth platform

Certainty

All smiles come with our lifetime smile guarantee

- Efficacy of teleorthodontic treatment with clear aligners validated by clinical research (see the appendix for details)
- Customers can start seeing results in as little as 60 days, and they can be certain in their outcome because we have treated over 1.5 million members
- Better oral hygiene – customers can brush and floss without brackets in the way
- We deliver all aligners and retainers directly to the customer, upfront

Comfort

Our laser-cut aligners look and feel better than ever

- ComfortSense is our unique soft, medium, firm plastic approach, which provides for more gradual movements and a more comfortable fit
- Smooth edges and a custom-shaped aligner means less overlap and irritation of the gumline
- Matte finish gives aligners a natural look
- No buttons, attachments, or IPR
- Two ways to wear aligners: 22 hours a day, or 10 continuous hours only at night

Convenience

No in-office visits necessary and three ways to get started

- Club Members use our telehealth platform for face-to-face remote check-ins with their doctor
- Members can start treatment from one of our SmileShop's, at one of our partner dental locations, or at home using an impression kit.
- All aligners arrive up front – customers never wait on their next set
- Our experienced dental team is available 24/7 via text, video chat, email or phone
- Customers use our app to track and manage their entire treatment

Cost

Our aligners cost as little as $3/ day, with no 3x markup

- Two ways for customers to pay: one single payment or monthly over 24 months
- 100% approval on financing, no credit check, no paperwork
- We are in network with most major health insurers
- Customers can use HSA, FSA, and CareCredit funds
- All aligner touch-ups are included
- Whitening is included

smile DIRECT CLUB

We provide a global telehealth platform with unique value propositions.

Access
Convenience
Affordability
Members

1. Mission-driven brand with positive member experience.
2. Omni-channel presence with SmileShops, impression kits, and GP footprint.
3. Exclusive doctor network across 13 markets[1] globally, powered by our Telehealth platform SmileCheck.
4. SmilePay captive financing increases accessibility and reduces purchasing friction.
5. Vertical integration allows us to optimize every step of the member journey and continuously improve the process.
6. Visionary, founder-led company with a history of disrupting incumbents.

Control of our destiny
Compelling unit economics
Accelerating growth
Business

(1) As of September 2021

Consumer & Dentist Perception

When consumers are in consideration, they look to three important channels.

Consumers considering straightening their teeth typically do one or all of the following:

1. Search online to understand their options
2. Ask a dentist
3. Ask a friend or family member which option they should choose

Based on our research, our product and customer experience is competitive with Invisalign and 60% less expensive.[1] Our focus continues to be on improving perception across these three channels to continue to gain market share.

Changing perceptions, habits and beliefs is critical to the next phase of our growth. The following three pages provide supplemental information to outline the progress we have made across these three avenues.

[1] Source: Third-party market research firm research on file at SmileDirectClub; Based on over 1,200 respondents.

SDC has built a brand at scale that our members love and compares very favorably against Invisalign in brand credibility.

We have made considerable progress on brand perception, and our member satisfaction scores consistently tracked higher than Telehealth peers.

SDC and Invisalign are frequently tied statistically in many categories, especially in the important categories such as “Has a network of dentists and orthodontists to provide the best possible care to its customers” or “Is a brand that I can trust.”

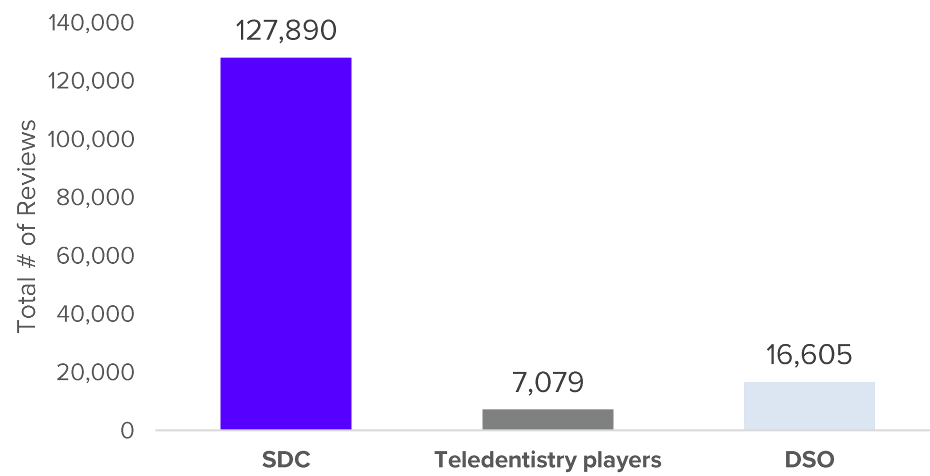
NPS 40[3]
One of the highest in spec. healthcare industry.

Approx. **20%** of members come from referrals.

BBB rating of
A+

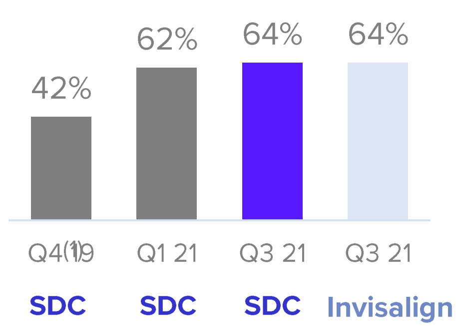
Avg Rating 4.7/5.0
with over 200K member reviews[4].

Total Google/Trustpilot Reviews

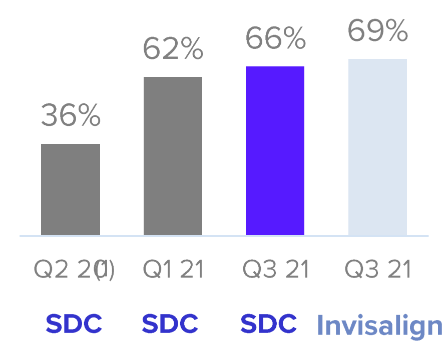


Perception on brand credibility

“Has a network of dentists and orthodontists to provide the best possible care to its customers”



“Is a brand / product I trust”



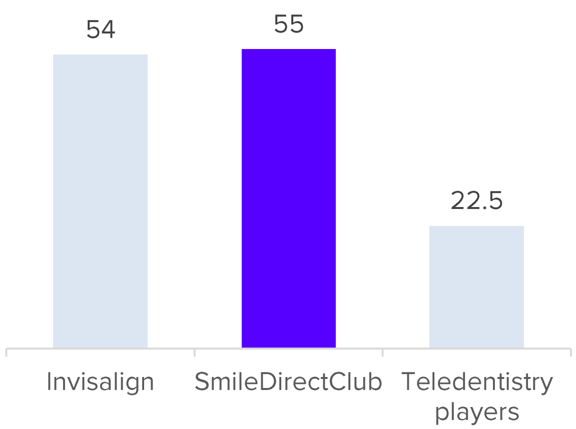
Source: Internal company surveys, public information. Data as of September 2021.
Note: Telehealth rating is an average of telehealth competitors. DSO rating is average of two larger DSOs in the US.
1 Reflects most recent prior brand survey response. [2] Trustpilot & Google rating. [3] All time average rating. [4] Average of Google and Trustpilot Review Ratings.

Our unparalleled customer experience stands out amongst our teledentistry peers and on par with Invisalign.

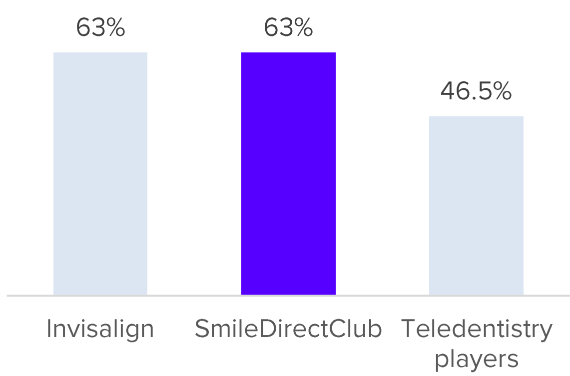
Findings from a survey commissioned by SmileDirectClub by a third-party market research firm with significant expertise in oral care[1]:

- Overall, SmileDirectClub and Invisalign patients are claiming an identical experience between SDC and Invisalign, yet we charge 60% less in price and are more convenient.
- Our NPS score was 55 and Invisalign's was 54 compared to an average of 22.5 for other teledentistry players.
- Compared with SDC customers, fewer customers of other teledentistry platforms would recommend the brand and fewer reported being satisfied with customer support .

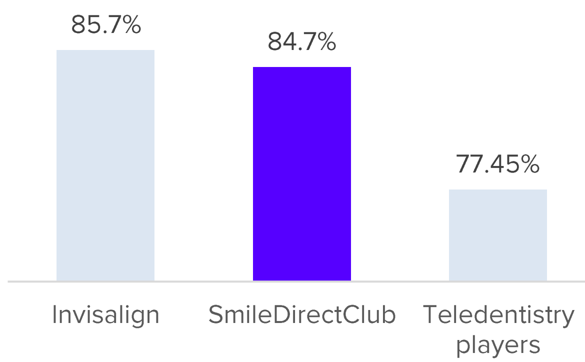
Third-party NPS scores[2]



Customers likely to recommend



Customer satisfaction with support received



[1] Source: Third-party market research firm research on file at SmileDirectClub; Based on over 1,200 respondents.
[2] Third-party NPS scores were independently sourced and calculated surveying 831 customers who completed clear aligner therapy with SDC, Invisalign, or teledentistry competitors in the last 12 months..

The dental industry is increasingly embracing SDC's model.

We have a huge growth opportunity with GPs and the Partner Network. Doctors have high awareness of SmileDirectClub, are open to our offering, and are compelled by our value proposition.

200K
General Practices (GPs) in North America looking to grow their patient base and revenue

85% – 90%
People worldwide eligible for treatment – a missed opportunity for GPs

85%
SDC's awareness with GPs is second only to Invisalign (95%)[1]

2%
Total GP revenue that is orthodontics

61%
Doctors who have some degree of interest in being part of our Partner Network and offering SmileDirectClub to patients[1]

Grow revenue
The reason GPs are most interested in joining the Partner Network[1]

Our industry memberships, affiliations and partnerships are growing, most recently with the American Academy of Clear Aligners (AACA), which has turned from actively campaigning against SDC to asking us to become a member as demonstrated by their recent retraction in the AACA Journal Fall 2021 Issue.[2]

American Academy of Clear Aligners | National Dental Association | American Association of Dental Boards | American TeleDentistry Association | ata MEMBER | Women in DSO | ADSO Association of Dental Support Organizations

smile direct club

[1] Source: Brand tracking survey with Aegis trade media publishers
[2] Academy of Clear Aligners Fall 2021 Issue: AACA Digs Deeper. Published November 1. (Pages 10, 12.) Go to: https://bit.ly/3CITzsd for a copy of the report

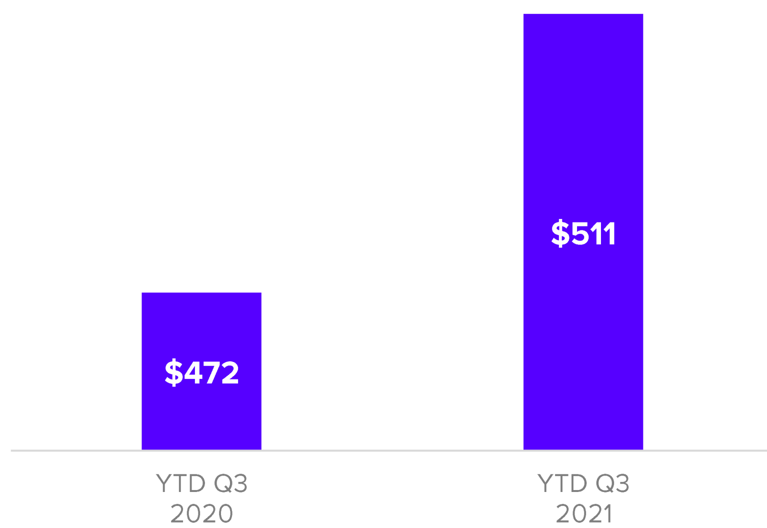
Q3 Financial Results.

Q3 2021 results.

- Revenue for the quarter was $137.7 million, which is down (18.3%) year-over-year and (21.0%) over Q2 2021, primarily due to the continuation and acceleration of macroeconomic headwinds in the core demographic.
- Gross margin for the quarter was 71%, which represents a ~91 bps improvement year-over-year, but a 230-bps decline compared to Q2 2021. This decline is largely attributable to deleverage on fixed cost from the decline in revenue.
- Q3 Adjusted EBITDA(1) was $(54.0mm) for the quarter, down compared to prior quarter due to the revenue headwinds noted above.
- Net loss for the quarter was ($89.4mm)
- Once the macro headwinds subside, we expect to return to our long-term financial targets:
  - Average revenue growth of 20-30% per year.
  - Adjusted EBITDA(1) margins of 25-30% as we scale during that time period.
    - This is driven by an 85% gross margin, 40-45% sales and marketing margin, and a 15% G&A margin.

	Q3 2021	QoQ	YoY
Net Revenue	$ 137.7mm	*(21.0%)*	*(18.3%)*
Gross Profit	$ 98.3mm	*(23.4%)*	*(17.2%)*
Gross Margin %	*71%*	*(230bps)*	*91bps*
Adjusted EBITDA(1)	$ (54.0mm)	*(140.3%)*	*NM*
EPS, Diluted	$ (0.23)	*NM*	*NM*

Year-to-Date Revenue *($ in millions)*



- YTD through Q3, revenue is up 8.3% compared to YTD 2020.

(1) Adjusted EBITDA is a non-GAAP financial measure. See appendix for definition of Adjusted EBITDA.

Q3 2021 results – US/Canada vs ROW.

	US & Canada			ROW		
	Q3 2021	% of Total	QoQ	Q3 2021	% of Total	QoQ
Total Unique Aligner Orders Shipped	55,703	*79.7%*	*(25.5%)*	14,203	*20.3%*	*(6.7%)*
Average Aligner Gross Sales Price	$1,877	*N/A*	*0.5%*	$1,992	*N/A*	*0.6%*
Total Revenue	$111.0mm	*80.6%*	*(23.7%)*	$26.7mm	*19.4%*	*(6.9%)*
Gross Profit	$80.5mm	*81.9%*		$17.8mm	*18.1%*	
Gross Margin %	*72.5%*			*66.6%*		
S&M	$71.0mm	*73.9%*		$25.1mm	*26.1%*	
As % of Total Revenue	*64.0%*			*94.2%*		
G&A	$66.5mm	*77.6%*		$19.2mm	*22.4%*	
As % of Total Revenue	*59.9%*			*71.9%*		
Adj EBITDA[1]	$(33.5mm)	*62.0%*		$(20.5mm)	*38.0%*	

- 75% of our business opportunity resides in ROW markets. After only two years, certain ROW markets have achieved a level of brand awareness it took the U.S. five years to achieve.
- While the lingering effects of COVID have impacted some of our larger ROW market opportunities, ROW markets have successfully grown to account for 19.4% of total revenue, which is up from 16.4% in Q2. With the continued relaunch of Germany and Spain along with recent entry into Mexico and France, we expected ROW to continue being a significant contributor to our revenue growth.
- Gross margin within ROW markets is lower due to VAT, local final assembly, and shipping to local markets when compared with the U.S. and Canada.
- Given the current prevalence of competition in Germany and Spain, where we are relaunching the brand, we are anticipating a longer ramp and greater investment than we experienced in the UK and Australia.

(1) Adjusted EBITDA is a non-GAAP financial measure. See appendix for definition of Adjusted EBITDA.

YTD Q3 2021 results – US/Canada vs ROW.

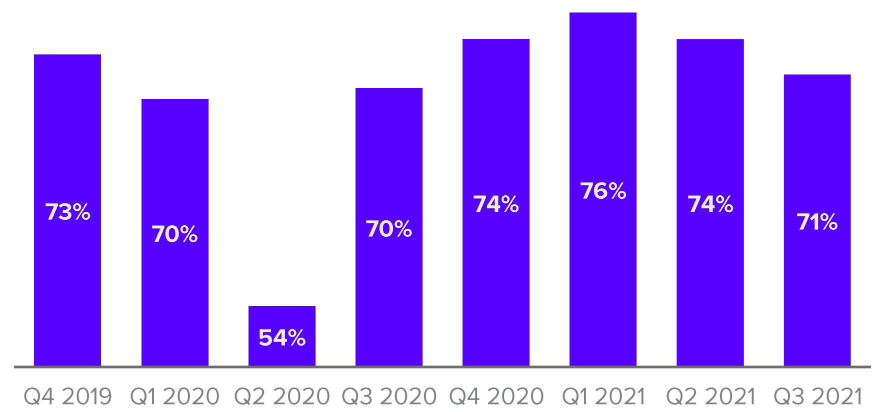
	US & Canada		ROW	
	YTD Q3 2021	% of Total	YTD Q3 2021	% of Total
Total Unique Aligner Orders Shipped	219,176	*82.3%*	47,081	*17.7%*
Average Aligner Gross Sales Price	$1,858	*N/A*	$1,974	*N/A*
Total Revenue	$422.8mm	*82.7%*	$88.6mm	*17.3%*
Gross Profit	$315.9mm	*83.6%*	$62.2mm	*16.4%*
Gross Margin %	*74.7%*		*70.2%*	
S&M	$224.8mm	*77.7%*	$64.4mm	*22.3%*
As % of Total Revenue	*53.2%*		*72.7%*	
G&A	$198.3mm	*78.8%*	$53.5mm	*21.2%*
As % of Total Revenue	*46.9%*		*60.4%*	
Adj EBITDA[(1)]	$(31.0mm)	*43.3%*	$(40.5mm)	*56.7%*

(1) Adjusted EBITDA is a non-GAAP financial measure. See appendix for definition of Adjusted EBITDA.

Gross margin.

- Gross margin for the quarter was 71%, which represents a 230-bps decline compared to Q2 2021. This decline is largely attributable to deleverage from the decline in revenue.
- On COGS, we are making good progress on manufacturing automation with our 2nd Gen machines now producing approximately 89% of our aligners, which is up from 84% in Q2 2021 and in line with our previous expectations.
- Investments in streamlining our manufacturing are creating positive trends in:
    - Turnaround time
    - Higher productivity per team member
    - Reduction in scrap
    - More consistent and superior product for our club members
- Our long-term gross margin target of 85% of revenue remains intact (this excludes D&A), and we are well positioned to achieve this target at normalized revenue levels.
    - The comparable metric for 3Q 2021 was 76% and 78% YTD

Gross margin %



Marketing & selling.

- Marketing and selling expenses were $96 million, or 70.0% of net revenue in the quarter.
  - These results reflect a significant investment in brand building to support long-term growth in ROW markets
  - Investments in ROW markets will remain elevated in Q4 2021 and FY 2022 as we scale the brand in these markets
  - They are also the result of our change towards a long-term, top-of funnel lead strategy

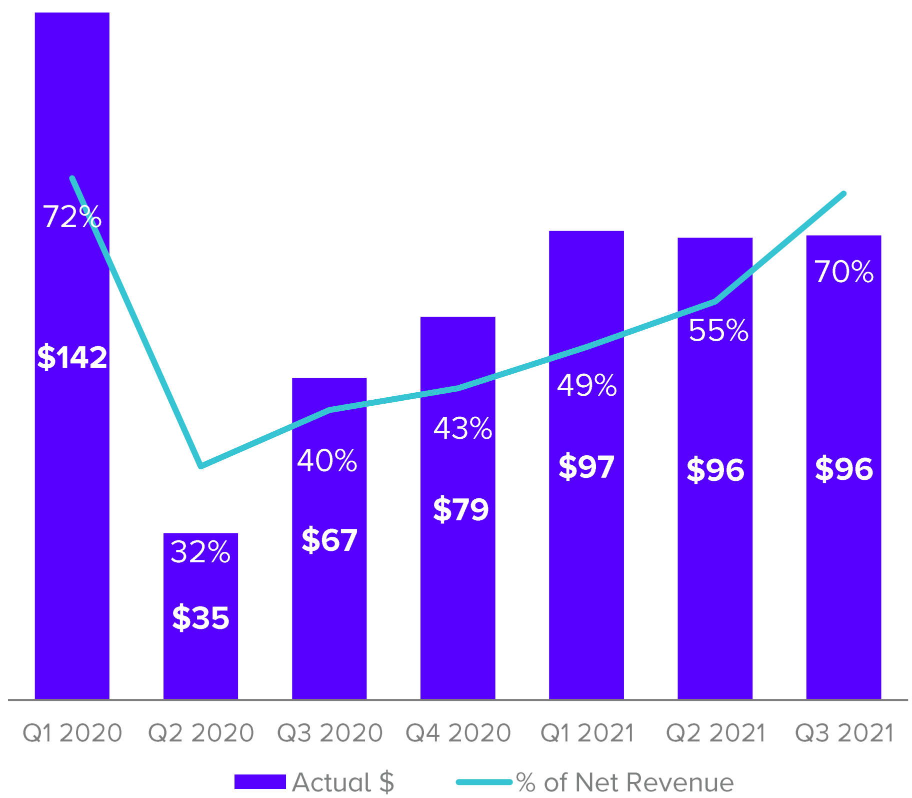
- On locations, we had 164 permanent SmileShop locations as of quarter end and held 201 pop-up events over the course of the quarter, for a total of 365 location sites – up from 288 at Q2 2021 and 282 at Q1 2021.
  - Pop-up events are a critical component to supporting our demand, function in the same capacity as a permanent SmileShop, and enable us to fulfill demand that is coming through aided awareness, referrals, and marketing.

- Current Partner Network global locations are now ~735 active or pending training
  - Recently launched in Germany and Spain
  - Active pipeline of approximately 1,600 locations, which is up from ~1,000 at the end of Q2
  - The value proposition of the Partner Network is very compelling given the incremental revenue to GP's, it's highly profitable due to minimal chair time, and the added value of leads we generate on their behalf.

- Long-term target of 40-45% margin remains intact.

Quarter	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Referrals as a % of Aligner Orders	21%	23%	22%	21%	21%	20%

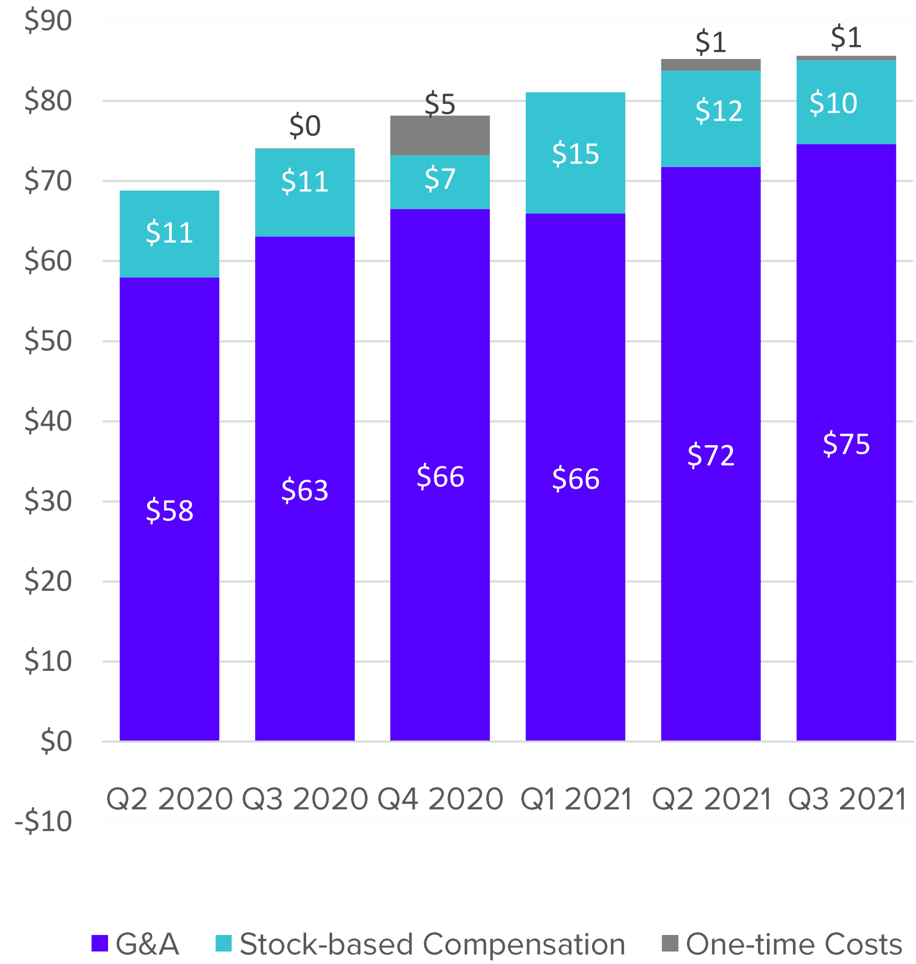
Marketing & selling expenses *($ in millions)*



General & administrative.

- General and administrative, excluding 1-time expenses were $85 million in Q3, compared to $85 million in Q2 2021
- We plan to stay vigilant with cost control throughout the remainder of the year and beyond, as we focus on continuing to leverage this line item.
- One-time expenses include COVID severance packages for the domestic and international operation, and $4.8 million in legal settlement accrual in 4Q20.
- Our long-term target of 15% of revenue remains intact.

G&A expenses[(1)] *($ in millions)*

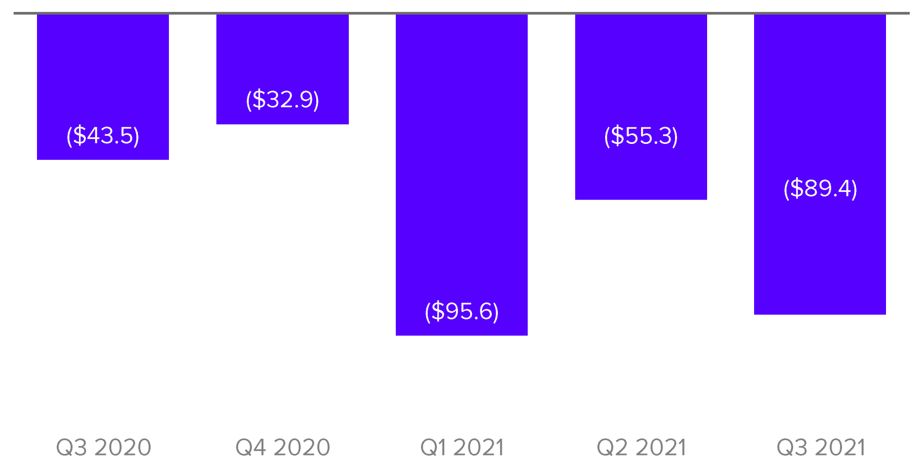


(1) Percentages represent G&A as a percent of revenue, excluding stock-based compensation and IPO and other one-time costs..

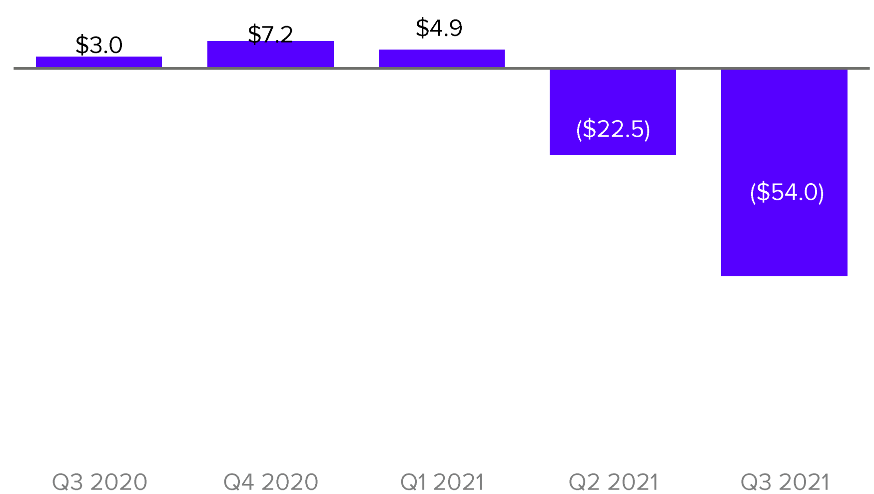
Other expenses, Adjusted EBITDA & net income.

- Interest Expense:
  - Totaled $1.8 million in 3Q 2021, of which $1.0mm was deferred loan costs associated with the convert we issued earlier in the year, $450K was associated with long-term lease accounting, and $300K was associated with capital leases.
- Other:
  - Other store closure and related costs were $1.5 million of one-time facility closure costs of our Cartago, Costa Rica office.
  - Other expense was $2.7 million primarily due to unrealized currency remeasurement loss.
- Q3 Adjusted EBITDA[1] was $(54.0)mm for the quarter
  - US/Canada Adjusted EBITDA was $(33.4) million
  - Rest of World Adjusted EBITDA was ($20.5) million

Net income (Loss) ***($ in millions)***



Adj. EBITDA[1] ***($ in millions)***



(1) Adjusted EBITDA is a non-GAAP financial measure. See appendix for definition of Adjusted EBITDA.

Balance sheet highlights.

- We ended Q3 with $307.6 million in cash and cash equivalents.
- Cash from operations for the third quarter was $(38.7) million.
- Cash spent on investing for the second quarter was $25.0 million, mainly associated with capitalized software, and building our manufacturing automation.
- In Q3 2021, SmilePay, which drives our accounts receivable, as a percentage of total aligners purchased was 59.5%, which is lower to Q2 2021 by 150 bps. We believe this is lower given the macro-economic impact on our core demographic.
- Overall, SmilePay delinquency rates continue to perform well. Because we keep a credit card on file, and have a low monthly payment, we expect SmilePay to continue to perform well.

($ in millions)	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Cash	$373.0	$316.7	$434.5	$376.6	$307.6
Debt	$415.7	$408.6	$745.7	$744.1	$742.9
Accounts Receivable, Net	$302.0	$293.3	$300.0	$289.6	$262.6
Cash Flow from Operations	$17.2	($14.9)	($28.3)	($31.0)	($38.7)
Cash Flow from Investing	($20.9)	($28.4)	($23.0)	($22.3)	($25.0)
Free Cash Flow	($3.7)	($43.3)	($51.3)	($53.3)	($63.7)

Summary of convertible debt terms.

- This convertible debt financing strengthens our balance sheet, with minimal equity dilution, and fortifies us against a protracted COVID environment, while also enabling to us to comfortably execute our growth strategy over the coming years, while also investing in R&D, innovation, and other business development opportunities.

Convertible Debt Key Terms	
Base Deal Size	$650 million
Green Shoe (exercised)	$97.5 million
Coupon	0.00%
Conversion Premium/Price	40.0% / $18.06
Settlement Date	February 9, 2021
Maturity	February 1, 2026

Capped Call Key Terms	
Capped Call Lower Strike	40.0% / $18.06
Capped Call Upper Strike	100.0% / $25.80
Net Premium	9.3% of proceeds
Effective all-in Rate/Terms	~2.0% Cost of Capital up 100%

Long-Term Outlook

Our long-term perspective and outlook.

- While current performance is being impacted by near-term macroeconomic factors, our Long-Term plan remains intact. We are managing the business to drive towards our long-term financial targets, which include 20-30% revenue growth per year. To achieve this, we are allocating our resources to make significant investments in customer experience, brand credibility, our partner network and overinvestment in our international markets.
- When considering straightening their teeth, consumers search online, ask their dentist, or ask a friend or family member as part of their research for the right provider. Our persistent focus on customer experience is driving online success and positively impacting consumer perception around credibility:
    - Aided awareness improved to 54%, up from 52% in Q2 (Invisalign was 66%, teledentistry peers were 7% to 14%) [(1)]
    - Unaided awareness increased to 11% in Q3 compared to 8% in Q2 (Invisalign was 39%, teledentistry peers were 0% to 2%) [(1)]
    - Based on independent research, SDC's NPS score was 55 (Invisalign's score was 54 and other teledentistry peers averaged 22.5) [(2)]
    - 69% of consumers view us as a legitimate orthodontic option for straightening teeth (74% for Invisalign)
    - 66% of respondents surveyed noted they view SDC as a trusted brand (69% for Invisalign) [(1)]
    - Recently launched Challenger Campaign is closely associated with the progress in brand sentiment and credibility against Invisalign. Watch the spots on Vimeo here (https://vimeo.com/showcase/8729366). The new TV ads are driving a higher percentage of users to our website than previous campaigns
        - Marks a shift for our brand from disrupter to challenger in the battle to become the teeth straightening brand of choice
        - New messaging has reinforced our move up the demographic ladder to higher income groups in both adult and teen categories
- Investments in the GP channel and our Partner Network are supported by growth in adoption and use of telehealth by the dental and orthodontic industries continues
    - We have ~735 practices in our Partner Network that are already active or pending training with over 1,600 in the pipeline in both the U.S. and international markets
- 75% of our market opportunity resides in Rest of World markets
    - In two years, SDC brand awareness in international markets is comparable to the levels of awareness it took us five years to achieve in the U.S. We are overinvesting above our long-term selling & marketing targets to drive penetration rates, raise brand awareness and relaunch in larger markets such as Germany and Spain that have the potential to perform similar to the UK and Australia

(1) SDC U.S Brand Tracker survey data in Q3 2021. US consumers age 18-65. Sample size (n) = 1,000.
(2) Third-party market research firm research on file at SmileDirectClub; Based on over 1,200 respondents.

2021 annual guidance.

- We expect 2021 full year revenue to be between \$630mm - \$650mm.
- Currently assuming the negative macro trends will continue as they have persisted throughout Q3, with inflation accelerating in Q3 compared to Q2.
- Assumptions underlying the range:
    - Q4 revenue is expected to be \$120MM to \$140MM.
        - A continuation of the macroeconomic headwind that was evident in Q3 into Q4
        - A small ramp in Germany and Spain as we continue to onboard more locations and increase marketing investments.
        - As we have continued to expand on our Challenger Campaign, and as a result of the iOS security changes on our targeting effectiveness, we have changed our lead strategy to be more focused on higher funnel leads through platforms such as TV; this strategy is expected to have an impact on marketing effectiveness at driving near-term revenue but be more effective and efficient at driving long-term revenue growth
    - Gross margin (as a percentage of total revenues) of ~70% for Q4 2021.
    - Sales & marketing (as a percentage of total revenues) in the range of 80%-90% for Q4 2021.
        - Continued near-term rate headwinds expected from lead-focused marketing strategy in the US and Canada
        - Accelerated marketing investments to support relaunch ramp up and expansion in international markets
        - Added selling investment to support planned growth in Partner Network
    - G&A dollars expected to be relatively flat to Q3 with slight pressure from seasonal staffing.
- While no net benefit is included in the revised outlook for 2021, the following could potentially provide a benefit later in Q4:
    - Seasonality benefit in Q4 that we typically see related to the retail holiday calendar and pickup in Q4 vs. Q3.
    - A larger than anticipated ramp in revenues in Germany and Spain.
    - Sooner than anticipated success with the change in our lead strategy to focus on long-term channels that are more efficient and profitable such as TV, which will have an impact on the timing of orders in Q4 and expected to have more of a positive impact in 2022.
    - Greater than anticipated Partner network adoption and existing practice submission rates. Selling expense headwinds to Q4 are the result of significant investments supporting Partner Network growth. We currently anticipate those investments will take time to mature and primarily benefit 2022.

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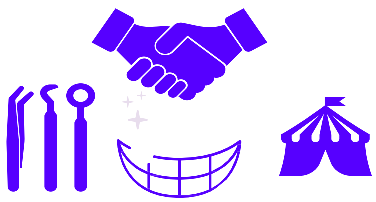
Growth Initiatives.

Continued momentum across our three key revenue growth drivers.

New Acquisition Channels



- We are focusing on accommodating new consumer on-ramps to our clear aligner therapy through the professional (dental office) channel, corporate and insurance partnerships, and retail.
    - On the professional channel: Our Partner Network is now active across ~735 GP practices that are live or pending training. We also have ~1,600 locations in the pipeline from both domestic and international markets.
    - On corporate and insurance partnerships, we recently launched a new way for members to instantly check their coverage on our website. This service is now available for 6 of the 10 largest U.S. dental insurers. We will be running advertising to support this effort and believe it could be an efficient lead strategy as well as a great member experience.
    - On the retail side: our oral care products are now available at over 12,900 locations nationwide with retailers such as Walmart, Amazon, CVS, Walgreens, Sam's Club, and SDC.com
        - These products continue to perform well and serve as a highly efficient lead source and brand building opportunity.

Teens

- Teens are 75% of case starts annually, but approximately 10% of SDC members
- In 2020, we launched SmileDirectClub Teen.
    - Designed just for teens, this offering includes a more affordable and accessible alternative to metal braces or other aligner options, giving teens and parents the convenience of our telehealth platform, with 24/7 access to dental professionals, while still priced 60% less than traditional orthodontic products.

International

- Massive global opportunity of ~500mm people.
- We have launched into 13 markets since January of 2019; including our recent launch into France and plan to launch into additional locations in Europe, Latin America and Asia Pacific throughout Q4 and beyond.
- New international markets, such as Germany and Spain, were slower to scale than we anticipated in 1H 2021 due to the lingering effects of COVID.
    - We are continuing to overinvest in these markets in Q4 2021 to effectively relaunch them.
- Our International business was 19.4% of our revenue in Q3 2021; but represents approximately 75% of the market opportunity.

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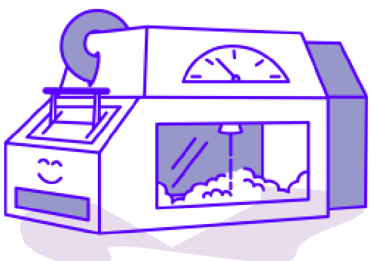
Cost Levers.

Leveraging automation, sales and marketing efficiency, and cost discipline to drive towards profitability.

Long Term % of Revenue(1)

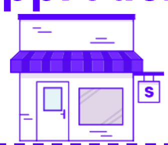
Automation



- We are making good progress on automation with our 2nd Gen machines now producing approximately 89% of our aligners, on par with our 90% target
- Streamlining our cost profile through operational efficiencies, will not only improve our margin profile, but more importantly, will provide a consistently superior customer experience that meets our expectations and upholds our brand promise.

Gross Margin: 85%

Leverage omnichannel approach



- Our efficient deployment of acquisition spend, continued advancements in aided awareness and referral rates, and access to highly efficient lead sources have positioned us to continue to perform well against our long-term targets in the quarters to come
- We expect to continue to over-invest in international markets via brand awareness to drive long term growth

Sales & Marketing: 40-45%

Leveraging G&A Spend

- Continued cost discipline across the business.
- Aligning spend with business priorities and long-term growth targets.

G&A: 15%

Long-term Adjusted EBITDA(2) margin of 25%-30%

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(1) Excluding D&A
(2) Adjusted EBITDA is a non-GAAP financial measure. See appendix for definition of Adjusted EBITDA.

Macro Factors Impacting Our Target Demographic.

Economic Realities.

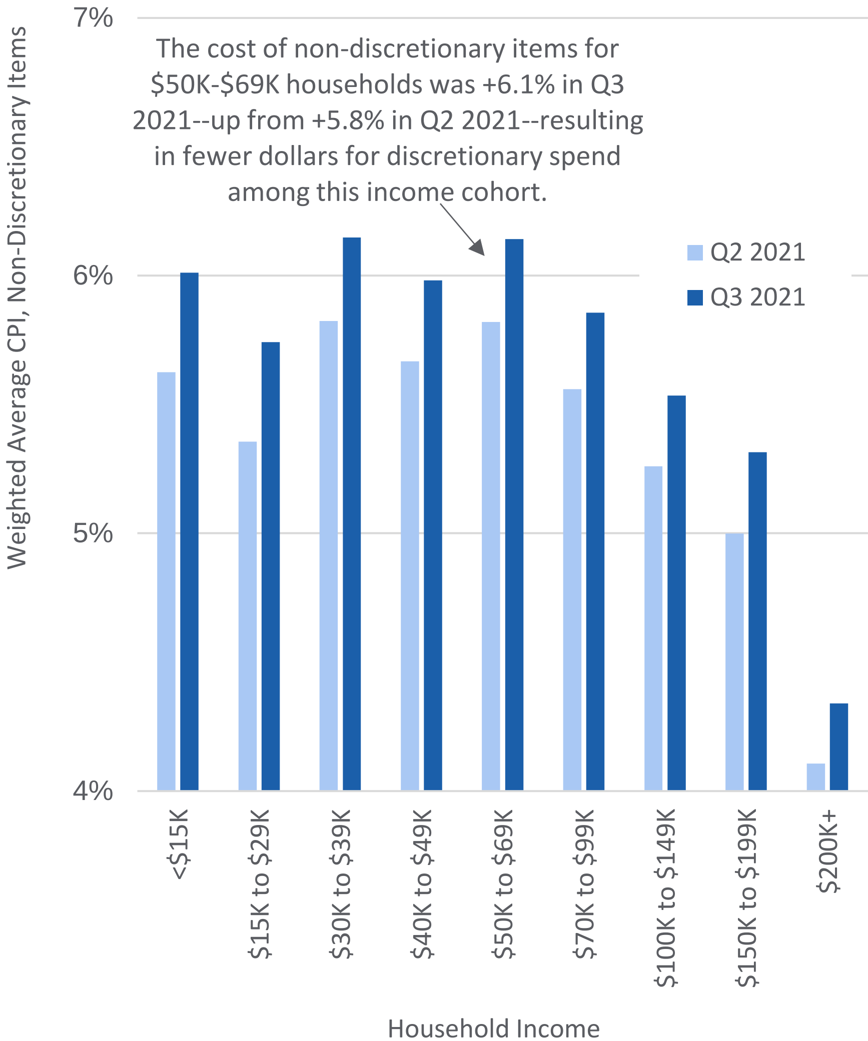
- A combination of factors is likely contributing to the headwinds constraining discretionary spending for the core SDC target demographic [(1)]:
  - Inflation: The increased cost of non-discretionary goods and services is limiting the ability to spend on discretionary goods and services. This inflationary headwind in the cost of non-discretionary goods and services appears to have accelerated since our Q2 2021 earnings release: +6.1% averaged in Q3 for the $50K-$69K income demographic versus +5.8% averaged in Q2
  - Preferences: The reopening of the economy has been more focused on goods than services, so when choices are being made, goods are being prioritized in the wallet over services.
  - Underemployment: While employment trends have improved since the end of Q2, the recent series high of "Quits" in August could suggest disruption in household finance.
  - Within the $50K-$75K income demographic, 44% of households reported it was "a little to somewhat difficult" to pay household expenses in the prior seven days during Q3 compared with 42% of households in Q2.

- The impact from Apple's enforcement of its AppleTrackingTransparency framework in tandem with the release of iOS 14.5 for users has continued:
  - Facebook noted on their earnings call that while they started to see the impact of 14.5 deployment in Q2, Q3 saw the larger impact given adoption ramped by late June. Facebook has seen two issues: 1) targeting accuracy has declined which has increased the cost of reaching desired outcomes; and 2) measuring has been challenged and has resulted in underreporting iOS web conversions.
  - Measurement is the shorter-term issue for Facebook with half of the underreporting expected to be addressed by the end of the year. Targeting, however, is a longer-term, multi-year issue. All told, Facebook expects these iOS 14.5 related headwinds to persist in Q4 and into 2022.
  - Similarly, Snap saw adoption in June and July (later than they initially expected) and noted that the new measurement solution provided by Apple did not meet their performance expectations. The iOS deployment had a more significant impact on their business than they had anticipated.

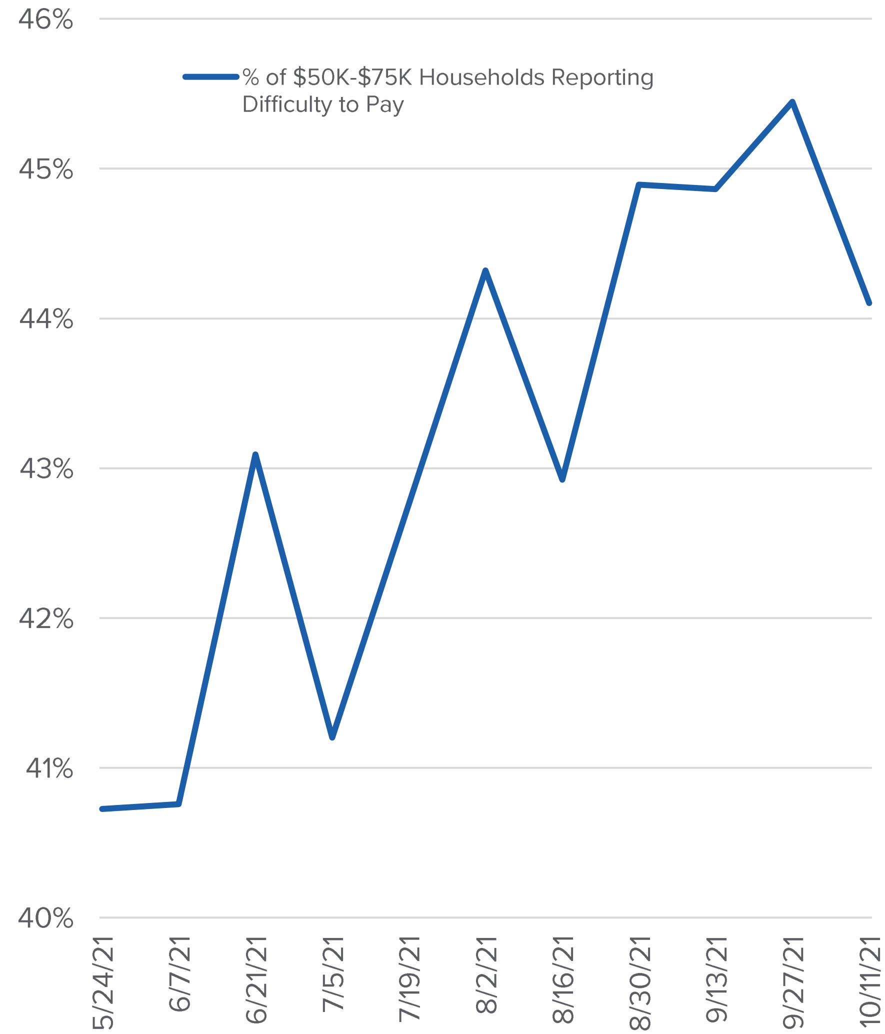
(1) Data collected from Bureau of Labor Statistics, Bureau of Economic Analysis, Department of Labor, and Department of Treasury.

SDC core customer still seeing outsized price increases of non-discretionary purchases.

RESULTING IN LESS DISCRETIONARY CAPACITY FOR $50K-$69K



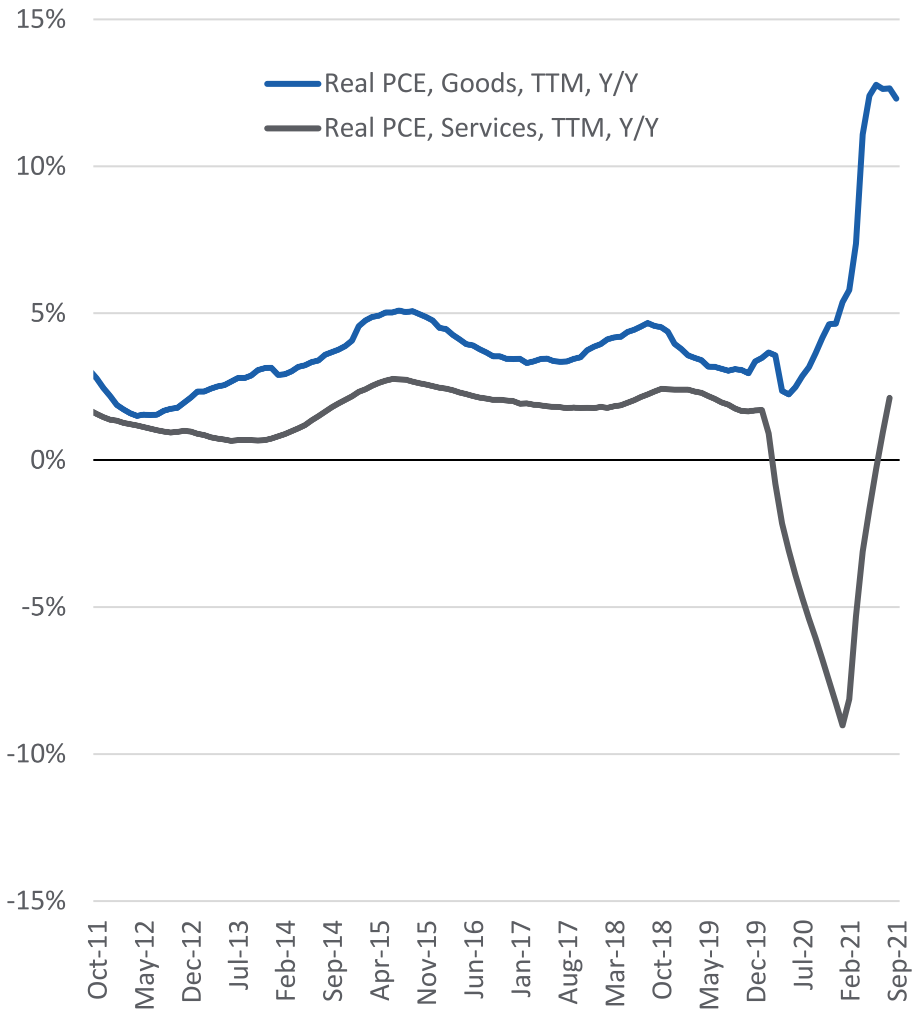
$50K-$75K REPORTING UPTICK IN DIFFICULTY PAYING BILLS



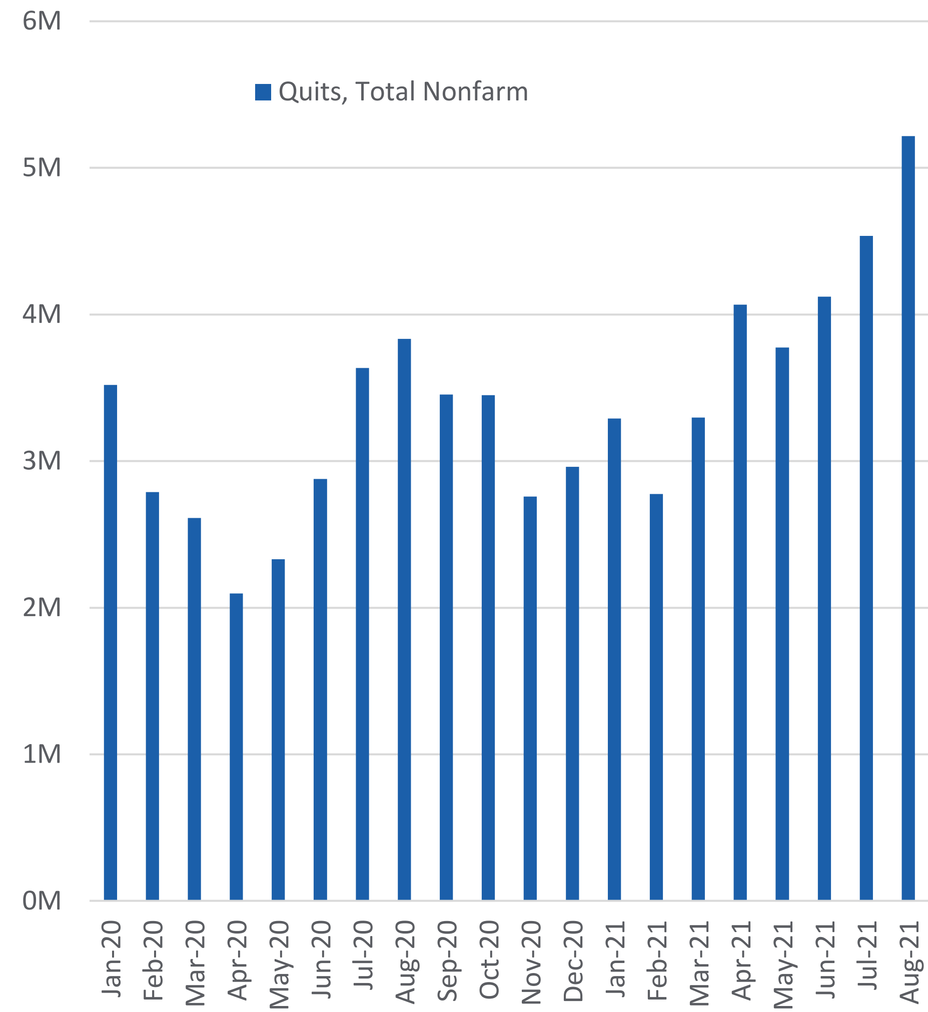
Source: Bureau of Labor Statistics, U.S. Census Bureau

Consumers still voting for products over services; household finances likely disrupted by "quits".

RE-OPENING ECONOMY PRIORITIZING PRODUCTS VS. SERVICES

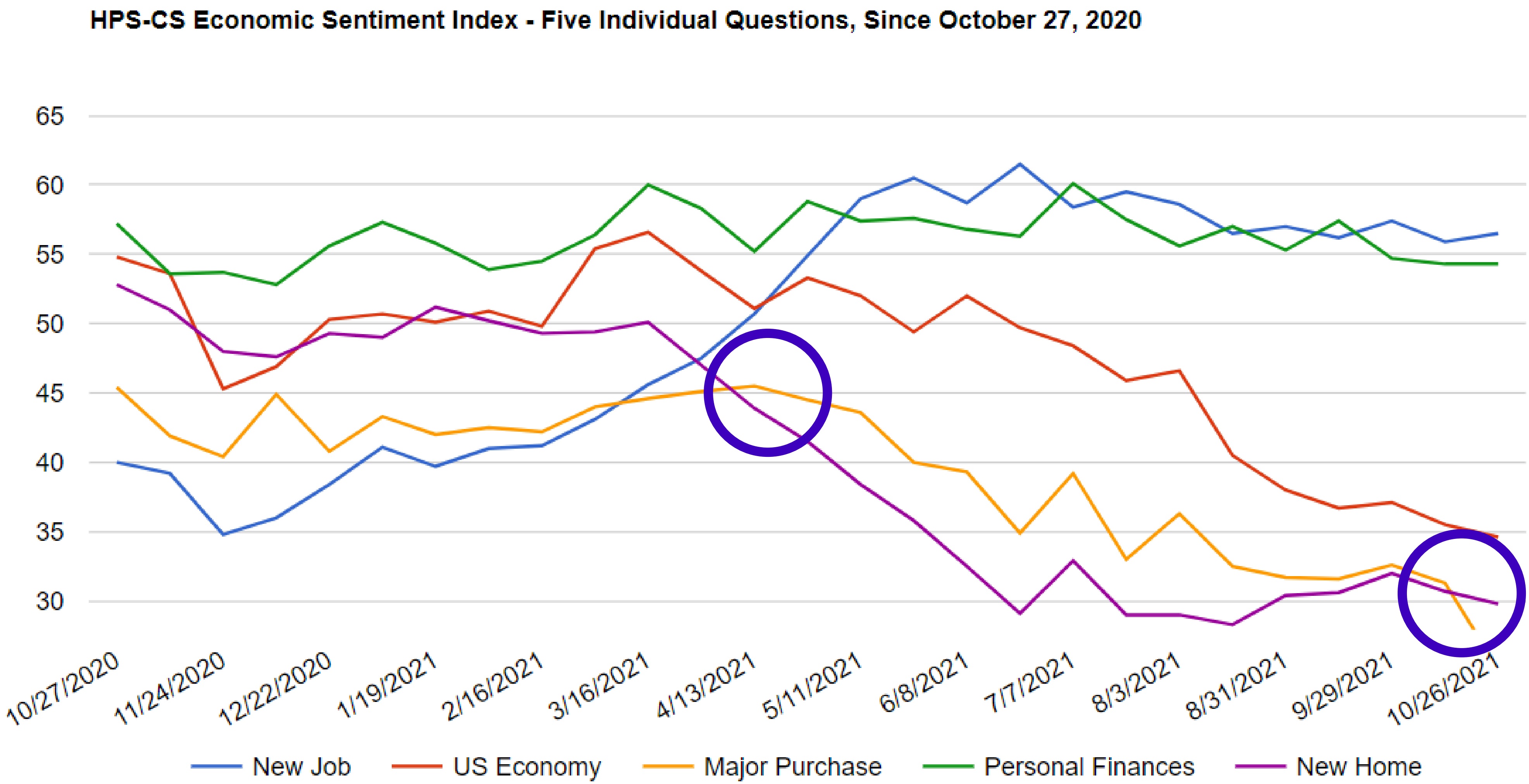


SERIES HIGH "QUITS" IN AUGUST COULD DISRUPT FINANCES



Source: Bureau of Labor Statistics, Bureau of Economic Analysis

Economic sentiment on major purchases remains down since April.



Source: ESI: October 27, 2021 Publication Titled ‘Consumer Economic Sentiment Collapses To Historic Low’ URL: https://hps-civicscience.com/consumer-economic-sentiment-collapses-to-historic-low/

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Appendix.

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Partner Network Overview & Case Studies.

Professional Channel Go to Market Strategy.

This is complementary to our existing offering and removes friction for consumers who want an in-person dentist experience prior to treatment.

	SDC Member/ Dental Patient	Service Model	Value Delivered to Dentist
Partner SmileShop	SDC Member	• SDC SmileShop inside of dental practice • Member books through SDC and goes to dental practice for appointment • SDC Team provides initial assessment	• New potential dental patient • Monthly rent paid by SDC • No practice chair time
	Dental Office Patient	• Existing dental practice patient • SDC SmileShop inside of dental practice • Dental practice patient converts to purchase SDC aligners • SDC Team provides initial assessment	• Incremental revenue to practice through fees for services paid by SDC • Monthly rent paid by SDC • No practice chair time
Office Direct	Dental Office Patient	• Existing dental practice patient • Dental practice patient converts to purchase SDC aligners • Dental practice does initial 3D scan, SDC doctor network takes over treatment from there • Dental practice provides all initial assessment information	• Incremental revenue to practice through fees for services paid by SDC • Higher conversion vs. traditional clear aligners • Minimal chair time for practice
Referral Network	SDC Member	• Similar to Office Direct model above, but SDC sends leads who did not convert, or who want to book in a dental practice, or who could not be member without in office treatment first	• New potential dental patient • Incremental revenue to practice through revenue paid by patient • Minimal chair time for practice
Pop-up	SDC Member	• Similar to SDC SmileBus • Use dental practice where SDC does not have a SmileShop on a temporary basis. Opportunity to do this monthly • SDC Team provides initial assessment	• New potential dental patient

Partner Network Update.

- Our Partnership Network is currently live or pending training in ~735 global locations
  - A strong cadence of additions is expected during Q4 2021 and beyond, with approximately 1,600 locations in the pipeline from both domestic and international markets, up from 1,000 at the end of Q2
  - This acquisition channel is complementary and creates an on-ramp for consumers who want to start their journey in a dentist's chair
  - The Network drives referrals into our clinical partners to increase and introduce new patients

- **Recent Case Studies**
  - Recent case studies demonstrate how impactful the Network can be for practitioners
    - Dr. Spencer, A Healthy Smile (private practice; highly focused on converting internal patients):
      - Within five months, submitted 122 patients into SDC which will be a large contribution in income to the practice
    - SmileBrands (operates in 30 states with over 700 offices and 50 affiliated brands):
      - SDC has scheduled over 1,200 patients at their offices through numerous lead sources such as Partner SmileShop, pop-ups, and hygiene referrals
      - These leads equate to $3 million to $5 million in potential lifetime value

Other SEC Related Disclosures.

Net Income to Adjusted EBITDA.

	Three Months Ended September 30,	
(In thousands)	2021	2020
Net loss	$(89,383)	$(43,482)
Depreciation and amortization	18,486	14,042
Total interest expense	1,772	15,555
Income tax expense	(119)	1,190
Loss on extinguishment of debt	--	--
Equity-based compensation	10,492	10,972
Other non-operating general and administrative costs	4,737	4,744
Adjusted EBITDA	**$(54,015)**	**$3,021**

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Note: Adjusted EBITDA is a non-GAAP financial measure.

Cash Flow From Operations to Free Cash Flow.

	Three Months Ended September 30,	
(In thousands)	2021	2020
Cash Flow From Operations	$(38,716)	$17,183
Cash Flow From Investing	(24,981)	(20,907)
Free Cash Flow	**$(63,697)**	**$(3,724)**

Note: Free Cash Flow is a non-GAAP financial measure.

Gross to Net Revenue Bridge.

($ in millions; except for Aligners Shipped and ASP)

	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Total Unique Aligner Orders Shipped(1)	**93,301**	**101,794**	**106,345**	**90,006**	**69,906**
Average Aligner Gross Sales Price ("ASP")	$1,794	$1,820	$1,860	$1,885	$1,900
Aligner Gross Revenue	**$ 167.4**	**$ 185.3**	**$ 197.8**	**$ 169.7**	**$ 132.8**
Implicit Price Concession(2)	(13.4)	(14.2)	(12.8)	(10.2)	(10.7)
Reserves and other adjustments(3)	(14.7)	(16.1)	(17.5)	(16.7)	(13.9)
Aligner Revenue(4)	**$ 139.3**	**$ 155.0**	**$ 167.5**	**$ 142.8**	**$ 108.3**
Financing Revenue(5)	12.0	12.0	10.7	11.6	10.9
Other Revenue and adjustments(6)	17.2	17.6	21.3	19.8	18.5
Total Net Revenue	**$ 168.5**	**$ 184.6**	**$ 199.5**	**$ 174.2**	**$ 137.7**

Note: All 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 implicit price concessions associated with financing revenue starting in 2020 $1.927mm for Q320, $1.914 for Q420, $1.748 for Q121, $1.773 for Q221 and $1.697 for Q321. See footnote 5 below.

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

(4) As defined in quarterly and annual filings (Aligner Gross Revenue less IPC and Reserves and other adjustments).

(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.

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