iRHYTHM®

iRhythm Technologies Fourth Quarter and Full Year 2022 Results

February 23, 2023

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These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in "Risk Factors" in our most recent 10-K and 10-Q filed with the SEC. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this presentation may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

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The accompanying presentation contains non-GAAP financial measures. The appendix reconciles the non-GAAP financial measures to the most directly comparable financial measure prepared in accordance with Generally Accepted Accounting Principles (GAAP). These non-GAAP financial measure include non-GAAP operating expenses, non-GAAP net income (loss), non-GAAP net income (loss) per share, and adjusted EBITDA. iRhythm reports non-GAAP financial measures in addition to, and not as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. We believe that non-GAAP financial measures should only be used to evaluate our results of operations in conjunction with the corresponding GAAP financial measures. Other companies, including other companies in our industry, may not use this measure or may calculate this measures differently than as presented. We encourage investors to carefully consider our results under GAAP as well as our supplemental non-GAAP information and reconciliations between these presentations to more fully understand our business.

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6+ Million
Patients served

~25%
Penetration in core U.S. ambulatory cardiac monitoring market



>30%
Five-year revenue CAGR

~1.5 Million
Patients served annually and growing





35+
Peer-reviewed publications

1.5 Billion
Hours of curated ECG data



66
Countries and states where we have employees

~1,800
Global employees

Data on file, February 2023.

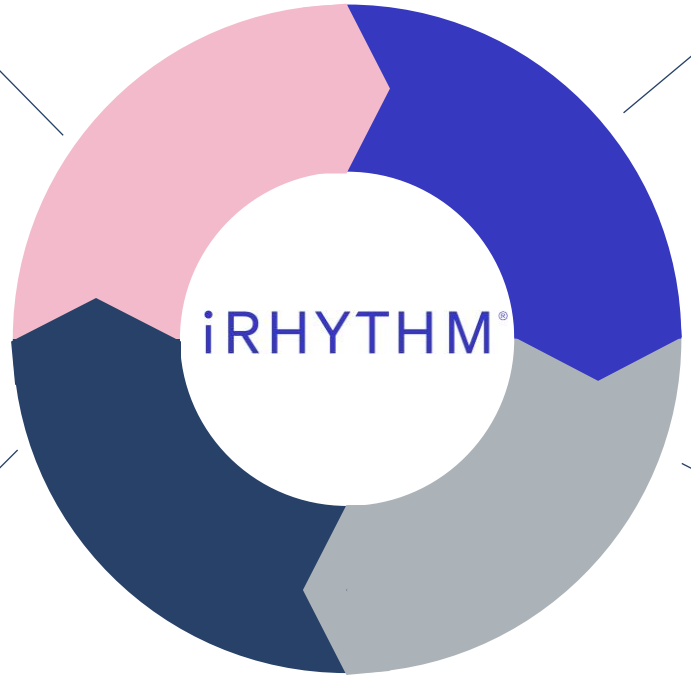
Significant accomplishments and investments in 2022 provide the foundation for sustained high growth over the long term

ENABLING MARKET EXPANSION OPPORTUNITIES

- Record number of new Zio® XT account openings
- Significant move into primary care
- Securing first major private UK tenders
- First Know Your Rhythm commercial pilot term sheet signed

ACCELERATING INNOVATION

- FDA clearance of 2nd generation algorithm
- Zio® monitor limited market release in the U.S.
- FDA clearance of clinically integrated ZEUS System for the Zio Watch
- Economic analysis of mSToPS study confirmed Zio® provides high value from a health economic perspective
- Redesigned Zio® MCT planned for FDA submission in 2023



IMPROVING FINANCIAL PROFILE

- Finalized Medicare national pricing for Zio® XT
- $213 million in cash on balance sheet
- $75M debt facility in place

FOCUSING ON OPERATIONAL EFFICIENCY

- Improved gross margin profile by 240 bps
- Improved adj. EBITDA margin profile by 830 bps
- Pathway to 15% adj. EBITDA margin at $1.0B in revenues, on road to 25%+ long-term adj. EBITDA margin

Adjusted EBITDA calculated as net loss or income excluding interest, taxes, depreciation and amortization, stock-based compensation expense, impairment and restructuring charges, and transformation costs. See appendix for reconciliations to GAAP metrics.

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Broad access achieved in the U.S. through commercial and government payers

XT | AT

Most major commercial plans cover Zio® XT and Zio® AT[1]

Medicare coverage available for Zio® XT and Zio® AT nationwide[2]

Medicare national pricing established for Zio® XT and Zio® AT[2]

1. Includes Medicare Advantage. Third-party payor and Medicare Advantage criteria apply.
2. Medicare criteria applies. CY2023 Final CMS Physician Fee Schedule Final Rule national rates.

93%

of commercial lives eligible for coverage have access to Zio® XT with no prior authorization requirement

>70%

of commercial and Medicare patients eligible for coverage have access to Zio® XT with an out-of-pocket costs of less than $50

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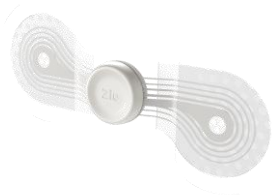
Differentiated platform technology with catalyst-rich pipeline

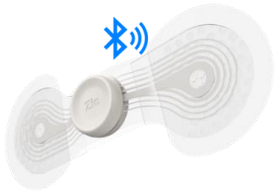
2023	2024



Zio Monitor Limited Market Release

Zio Monitor US Commercial Launch

Zio Monitor Launch into International Markets



Zio MCT US Commercial Launch



Zio Watch Market Evaluation: IRB Use & Clinical Studies

Commercial Pilots

know your rhythm BY ZIO

Commercial Pilots

Broader Commercial Launches

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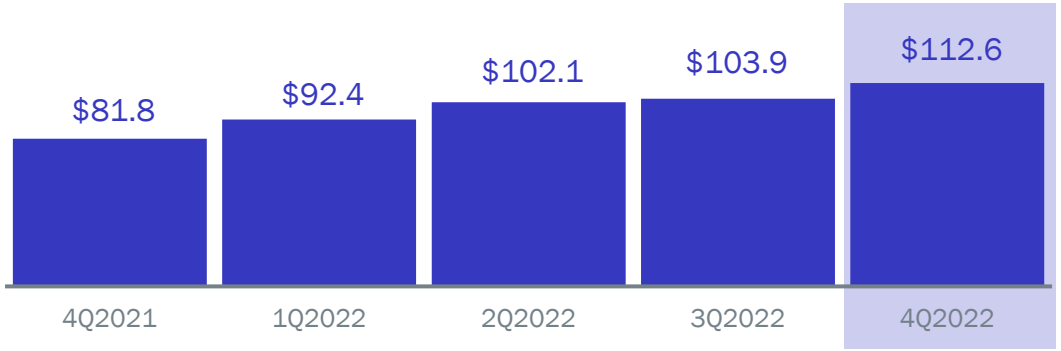
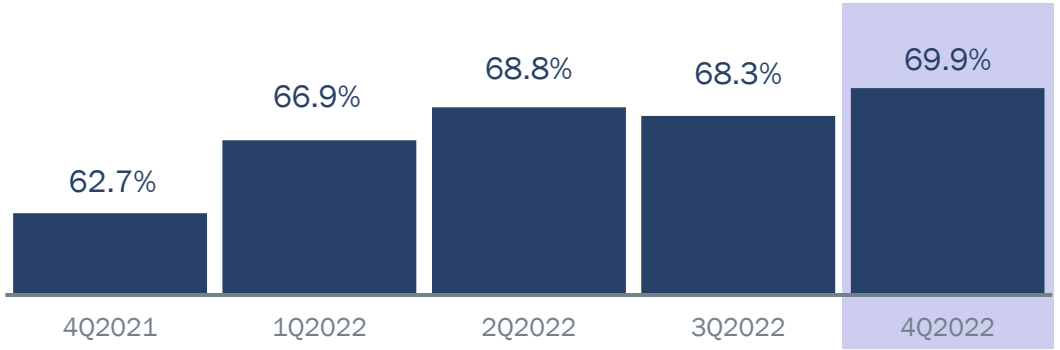
Fourth quarter 2022 financial performance

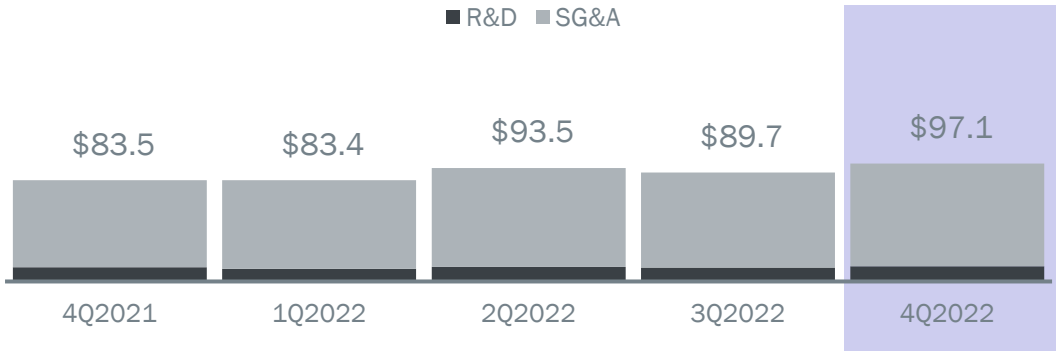
GLOBAL NET REVENUE (USD, MILLIONS)



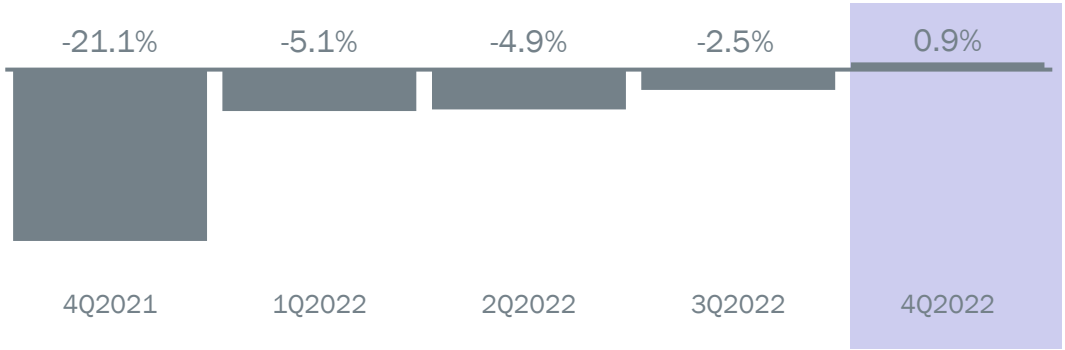
GROSS PROFIT MARGIN



ADJUSTED OPERATING EXPENSES (USD, MILLIONS)



ADJUSTED EBITDA MARGIN



Adjusted EBITDA calculated as net loss or income excluding interest, taxes, depreciation and amortization, stock-based compensation expense, impairment and restructuring charges, and transformation costs. See appendix for reconciliations to GAAP metrics.

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2023 annual revenue and profitability guidance

NET REVENUE (USD, MILLIONS)	GROSS MARGIN	ADJUSTED OPERATING EXPENSES (USD, MILLIONS)	ADJUSTED EBITDA MARGIN
~$475 – $485 million	~ 69 – 70% of revenues	~ $415 – $425 million	~ (0.5)% – 0.5% of revenues

Significant growth in core business with leverage to drive long-term market expansion opportunities

Adjusted operating expenses exclude impact from non-GAAP business transformation and restructuring costs. Adjusted EBITDA will continue to exclude restructuring costs, transformation costs, and stock-based compensation expense. Adjusted EBITDA calculated as net loss or income excluding interest, taxes, depreciation and amortization, stock-based compensation expense, impairment and restructuring charges, and transformation costs.

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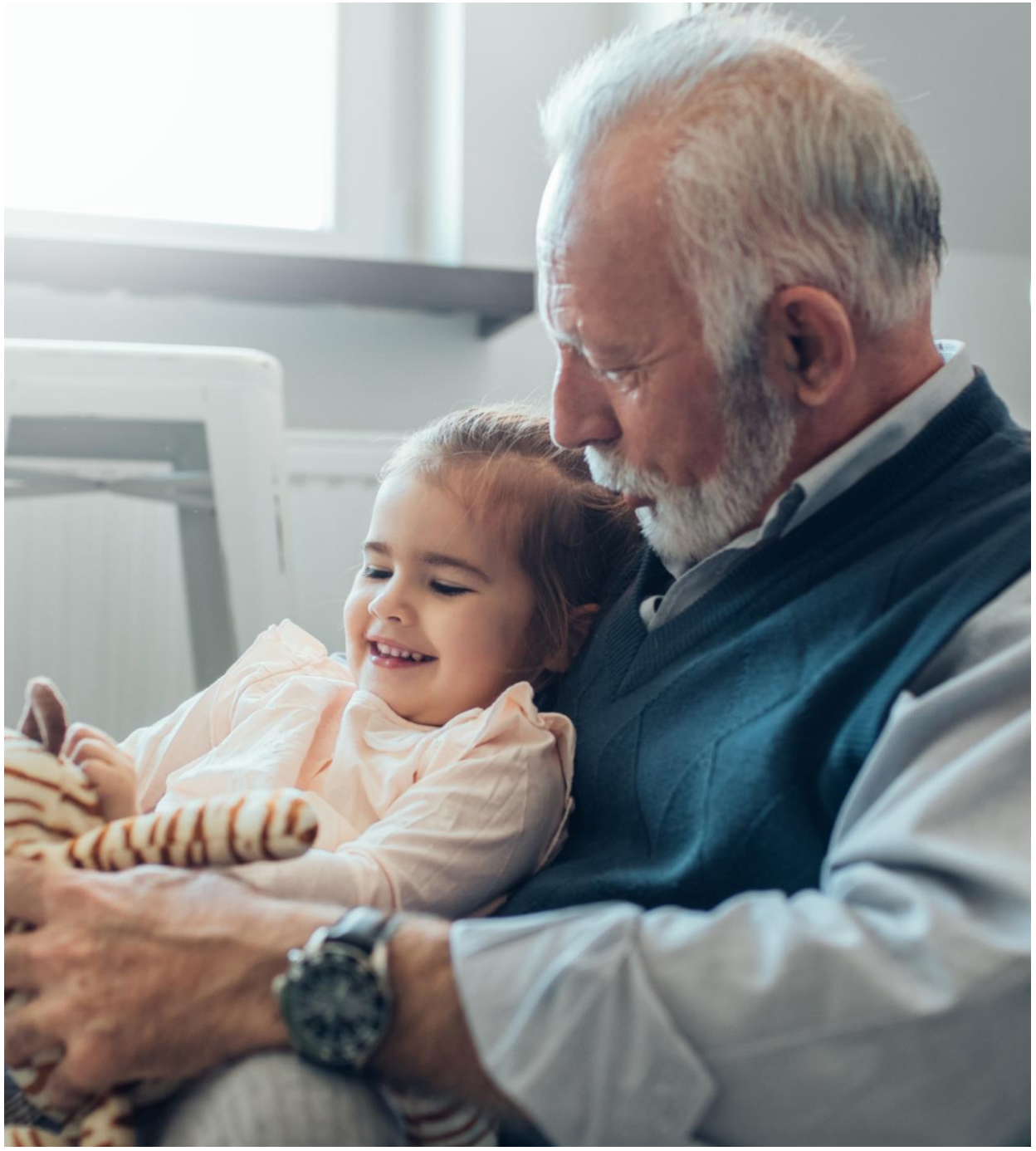

Addressing the future focus of healthcare

Expanding existing markets while extending into adjacent markets

Out-paced revenue growth from massive underpenetrated markets on a global scale

Delivering meaningful improvements in financial profile

iRHYTHM®

Appendix

GAAP Reconciliations

Reconciliation of net loss to adjusted EBITDA

Adjusted EBITDA is a non-GAAP measurement of net loss or income excluding interest, taxes, depreciation and amortization, stock-based compensation expense, impairment and restructuring charges, and transformation costs. We believe that adjusted EBITDA is a useful metric for investors in evaluating our operating performance because it helps compare the results of our operations between periods by removing the impact of earnings attributable to our capital structure, tax rate, and material non-cash items.

	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Net loss	$ (20,198)	$ (32,491)	$ (116,155)	$ (101,361)
Income tax provision	73	59	269	367
Depreciation and amortization	3,475	3,058	13,405	9,842
Interest expense	1,013	202	4,138	1,169
Interest income	(1,422)	—	(2,350)	(249)
Stock-based compensation	15,793	11,876	57,740	54,527
Impairment and restructuring charges	—	—	26,608	—
Transformation costs	2,335	—	5,082	—
Adjusted EBITDA	**$ 1,069**	**$ (17,296)**	**$ (11,263)**	**$ (35,705)**

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Reconciliation of GAAP to Non-GAAP financial information

Adjusted operating expense reconciliation	Three Months Ended December 31, 2022	Three Months Ended December 31, 2021	Year Ended December 31, 2022	Year Ended December 31, 2021
Operating expense, as reported	$ 99,405	$ 83,482	$ 395,416	$ 313,510
Impairment and restructuring charges	—	—	(26,608)	—
Transformation costs	(2,335)	—	(5,082)	—
Adjusted operating expense	**$ 97,070**	**$ 83,482**	**$ 363,726**	**$ 313,510**

Adjusted net loss reconciliation	Three Months Ended December 31, 2022	Three Months Ended December 31, 2021	Year Ended December 31, 2022	Year Ended December 31, 2021
Net loss, as reported	$ (20,198)	$ (32,491)	$ (116,155)	$ (101,361)
Impairment and restructuring charges, as reported	—	—	26,608	—
Transformation costs	2,335	—	5,082	—
Adjusted net loss	**$ (17,863)**	**$ (32,491)**	**$ (84,465)**	**$ 101,361**

Adjusted net loss per share reconciliation	Three Months Ended December 31, 2022	Three Months Ended December 31, 2021	Year Ended December 31, 2022	Year Ended December 31, 2021
Net loss per share, as reported	$ (0.67)	$ (1.10)	$ (3.88)	$ (3.46)
Impairment and restructuring charges, as reported	—	—	0.89	—
Transformation costs	0.08	—	0.17	—
Adjusted net loss per share	**$ (0.59)**	**$ (1.10)**	**$ (2.82)**	**$ (3.46)**
Weight-average shares, basic and diluted	30,150,501	29,439,175	29,915,720	29,331,010

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