iRHYTHM®

iRhythm Technologies Investor Presentation

June 2023

Safe harbor statement

Certain data in this presentation was obtained from various external sources, and neither "iRhythm" or the "Company" nor its affiliates or representatives has verified such data with independent sources. Accordingly, neither the Company nor any of its affiliates, advisers or representatives makes any representations as to the accuracy of that data or undertakes to update such data after the date of this presentation. Such data involves risks and uncertainties and is subject to change based on various factors.

The trademarks included herein are the property of the owners and are used for reference purposes only. Such use should not be construed as an endorsement of the products or services of the Company.

This presentation and the accompanying oral presentation include forward-looking statements. All statements other than statements of historical facts, including statements regarding our future results of operations and financial position, clinical results, strategy and plans, market size and opportunity, competitive position, industry environment, potential growth opportunities, business model, reimbursement rates and coverage, and our expectations for future operations, are forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, strategy, short- and long-term business operations and objectives, and financial needs.

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.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, except as required by law, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this presentation to conform these statements to actual results or to changes in our expectations.

This presentation regarding the Company shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. Sales and offers to sell iRhythm securities will only be made in accordance with the Securities Act of 1933, as amended, and applicable SEC regulations, including prospectus requirements.

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.

© 2023 iRhythm Technologies, Inc.

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.

Cardiac arrhythmia burden in the U.S. is immense

PREVALENCE

11M
with
arrhythmias

40%
Lifetime risk of AFib
for individuals over 55

CONSEQUENCES

5x
Increased risk of stroke
due to Atrial Fibrillation (AFib)

160,000
Deaths per year
associated with AFib

FINANCIAL BURDEN

450,000
Hospitalizations per year
due to AFib

$34B
Annual cost
of stroke

See appendix for sources

iRHYTHM®


Zio® Patient

Substantial and growing market potential

CORE U.S. MARKET

6M

Ambulatory cardiac monitoring tests annually in the U.S. today

EXPANSION OPPORTUNITY IN SYMPTOMATIC MARKET

14M+

Primary care patients with palpitations and cardiac disease suspected

EXPANSION OPPORTUNITY IN ASYMPTOMATIC POPULATION

12M+

Individuals in the U.S. with undiagnosed arrhythmias

+

INTERNATIONAL

SLEEP APNEA

HEART FAILURE

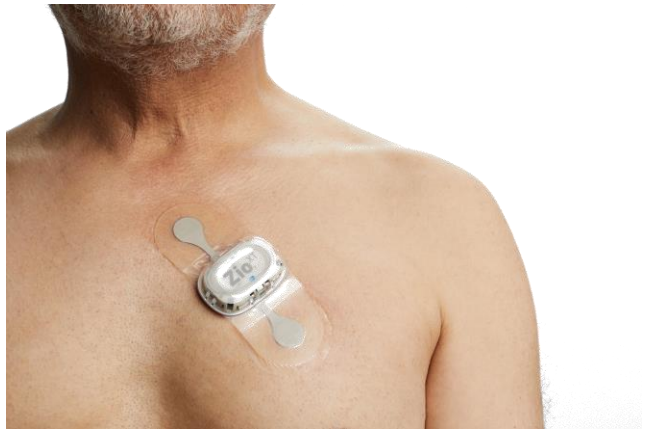
HYPERTENSION

MULTIPLE LEVERS FOR GROWTH & SUSTAINABLE VALUE CREATION

See appendix for sources

© 2022 iRhythm Technologies, Inc.

The Zio platform enables us to address the challenges of tomorrow



1

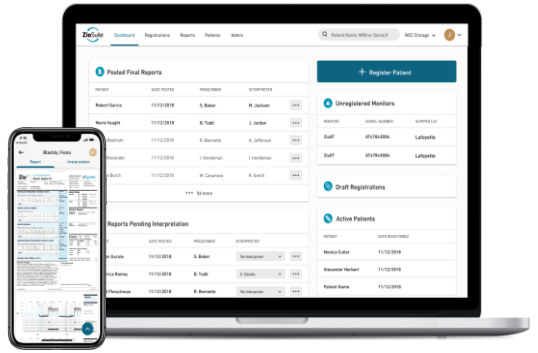
PATENTED WEARABLE BIOSENSORS

Single-use monitor that patients prefer

2

AI PLATFORM (34-LAYER DEEP NEURAL NET)

2nd Generation, FDA-cleared, deep-learned ECG detection algorithm



3

ACTIONABLE AND SCALABLE DIGITAL PLATFORM

High-quality digital report delivered via desktop, mobile or EHR

© 2023 iRhythm Technologies, Inc.

The Zio® service provides monitoring solutions across the spectrum of care

Zio® XT
Long-term, continuous ambulatory cardiac monitor

The right test the first time

Comprehensive final patient report



- **98%** Patient compliance[1,2]
- **3x** Greater diagnostic yield than Holter and Event monitors[1,3]
- **99%** Matching to pacemaker for AFib burden detection[4]
- **99%** Physician agreement with the Zio® report[1,5]

Zio® AT
Mobile cardiac telemetry with continuous recording

Actionable transmission reports

Comprehensive final patient report



- **98%** Patient compliance[1,2]
- **5 days** Detection up to 5 days sooner[1,6]
- Answers **83%** Diagnostic yield in only 14 days of monitoring[6]
- **99%** Physician agreement with the Zio® report[1,5]

See appendix for sources

© 2023 iRhythm Technologies, Inc.

CAMELOT: The Cardiac Ambulatory Monitor EvaLuation of Outcomes and Times to events

Compared with all other monitoring services,
Zio XT was associated with:

HIGHEST DIAGNOSTIC YIELD[1,2]

LOWEST RETEST LIKELIHOOD[1,2]

LOWEST HEALTHCARE RESOURCE UTILIZATION[1,2]

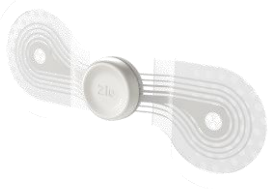


1. Reynolds et al. Comparative effectiveness of ambulatory monitors for arrhythmia diagnosis: A retrospective analysis of Medicare beneficiaries managed with ambulatory cardiac monitors between 2017 and 2019. Accepted for ACC.23 presentation, presented in New Orleans, LA.
2. Specified arrhythmias defined by HCC 96.

© 2023 iRhythm Technologies, Inc.

Differentiated platform technology with catalyst-rich pipeline

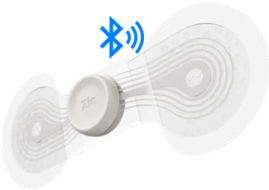
2023	2024



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®

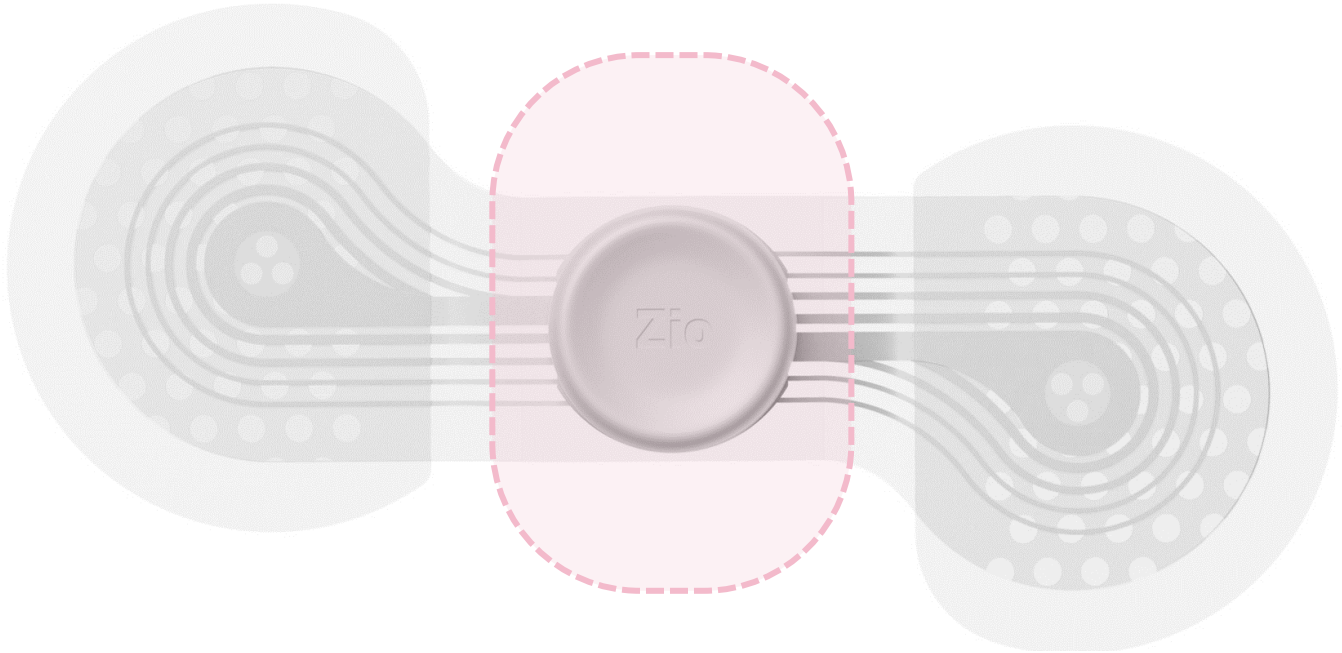
Commercial Pilots

Broader Commercial Launches

© 2023 iRhythm Technologies, Inc.

Introducing the Zio® monitor

FDA cleared



Limited market release in the U.S., with strong initial performance

72% smaller

62% lighter

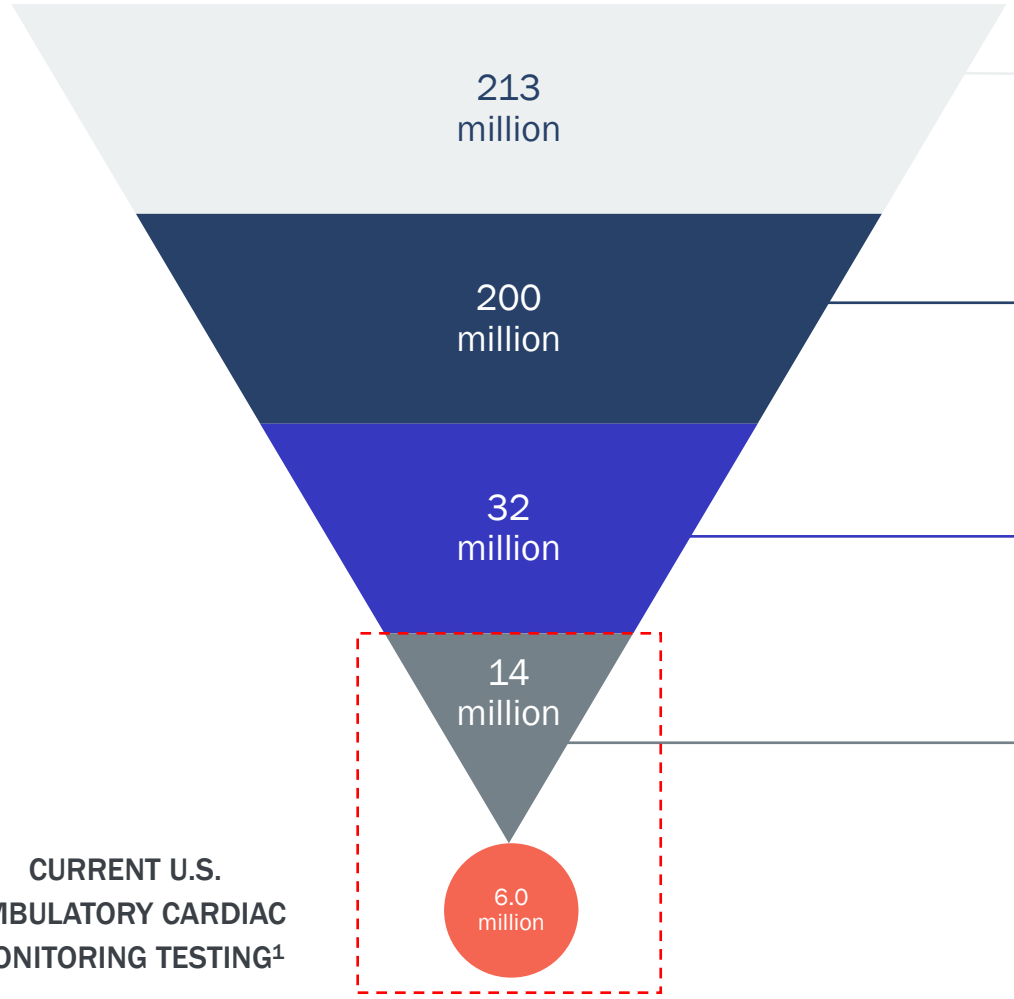
23% thinner

New breathable and waterproof outer layer

Smaller refers to reduced volume. All comparisons relative to Zio® XT. Data on file. iRhythm Technologies, 2023.

© 2023 iRhythm Technologies, Inc.

Significant Zio® market opportunity in the U.S.



CURRENT U.S. AMBULATORY CARDIAC MONITORING TESTING[1]

US PATIENT POPULATION[2]
- >20 years old
- Excludes non-insured population

UNIQUE PCP VISITS
- Average ~2.8 physician visits annually, 51% are PCP visits
- IRTC estimates ~200M unique patients[3, 4, 5]

PATIENTS WITH PALPITATIONS (SYMPTOMATIC)[6]
- 16% palpitation prevalence in PCP setting

PCP PALPITATIONS – CARDIAC RELATED[7]
- 43% of palpitations were cardiac related
- Non-cardiac related examples: medication, anxiety, caffeine, pregnancy

See appendix for sources

© 2023 iRhythm Technologies, Inc.

CORE U.S. MARKET

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

© 2023 iRhythm Technologies, Inc.

OUS opportunity represents $1+ billion with 5+ million TAM in prioritized countries across EMEA and Asia Pacific

UNITED KINGDOM

Early commercialization

500,000

Ambulatory cardiac monitoring tests annually

NEXT STEPS

Continued growth in private market

Demonstrate real-world pathway transformation through AI award

Pursue long-term reimbursement

PRIORITIZED EU COUNTRIES

Switzerland, Spain, Sweden, the Netherlands, Germany and France

Initiating market access efforts in 2023 and 2024

1,800,000+

Ambulatory cardiac monitoring tests annually in target countries

NEXT STEPS

Create market awareness through KOL engagement

Initial priming opportunity in private markets

JAPAN

Pursuing regulatory approval

1,500,000

Ambulatory cardiac monitoring tests annually

NEXT STEPS

Submit Shonin application

Regulatory approval by PMDA targeted 2024

Reimbursement listing by MHLW

See appendix for sources

© 2023 iRhythm Technologies, Inc.

INTRODUCING

know your rhythm

BY ZIO®

The ground-breaking program for early detection of heart arrhythmias.

know your rhythm BY ZIO®



ADJACENT MARKETS

Active monitoring with Zio® XT detects dramatically more AFib in asymptomatic individuals

2.6x

Greater detection of AFib vs. usual care as published in the mSToPS clinical trial [1]

Sponsor

Scripps Research Translational Institute

Collaborators

janssen aetna iRHYTHM

know your rhythm BY ZIO®

Active monitoring for AFib relative to usual care[1,2]

ED visits	↓ 24%
Hospitalizations	↓ 23%
Combined 39% lower cardiac event rate (stroke, MI, systemic embolism, death)	↓ 39%

1 Steinhubl et. al. Three year clinical outcomes in a nationwide, observational, siteless clinical trial of atrial fibrillation screening—mHealth Screening to Prevent Strokes (mSToPS). *PLoS ONE*, 2021.

2 Waalen, et al. Healthcare resource utilization following ECG sensor patch screening for atrial fibrillation. *Heart Rhythm O2*, 2020.

© 2023 iRhythm Technologies, Inc.

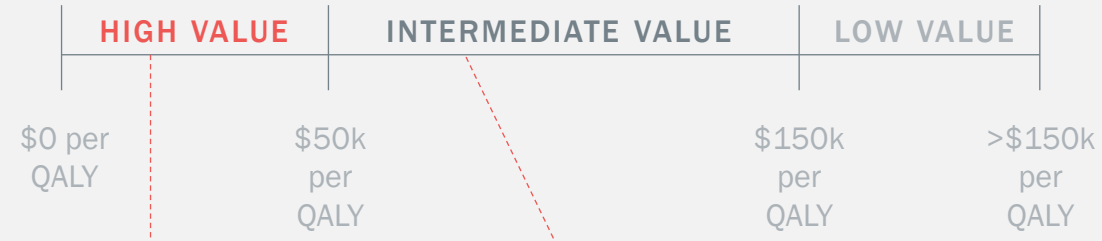
ADJACENT MARKETS

Zio® XT provides high value from health economic perspective

Zio® XT demonstrated gain in quality-adjusted life expectancy while providing excellent value to healthcare systems by enabling early diagnosis

Incremental cost-effectiveness ratio of $17,000 per quality-adjusted life year gained considered significantly below accepted willingness-to-pay thresholds[1,2]

ICER fixed cost effectiveness thresholds for diagnostic interventions



ZIO®
BY iRHYTHM

In 2021, USPSTF recommended for lung cancer screening, which showed an incremental cost-effectiveness ratio of $72,564 per quality-adjusted life year gained[3]

1. Reynolds et. al. AHA Scientific Sessions. Nov, 2022.
2. Anderson, Jeffrey L et al. ACC/AHA statement on cost/value methodology in clinical practice guidelines and performance measures: a report of the American College of Cardiology/American Heart Association Task Force on Performance Measures and Task Force on Practice Guidelines. Circulation vol. 129,22 (2014): 2329-45.
3. Toumazis, Iakovos et al. "Cost-effectiveness Evaluation of the 2021 US Preventive Services Task Force Recommendation for Lung Cancer Screening." *JAMA oncology* vol. 7,12 (2021): 1833-1842. doi:10.1001/jamaoncol.2021.4942

© 2023 iRhythm Technologies, Inc.

Significant adjacent market opportunities

SLEEP APNEA

2022 prevalence[1]: 40.1M

Up to 80% of AFib patients have sleep apnea

Large prevalence of undiagnosed sleep apnea with poor convenient diagnostic pathway at PCP

HEART FAILURE

2022 prevalence[1]: 8.4M

25% of heart failure patients have AFib

AFib begets heart failure, causing high readmission

HYPERTENSION

2022 prevalence[1]: 166.0M

Up to 90% of AFib patients have hypertension and there is a large comorbid hypertension population

1. Estimated 2022 prevalence

See appendix for sources.

© 2023 iRhythm Technologies, Inc.

2023 annual revenue and profitability guidance

NET REVENUE (USD, MILLIONS)

$480 - $490 million

GROSS MARGIN

69 - 70% of revenues

ADJUSTED OPERATING EXPENSES (USD, MILLIONS)

$417 - $427 million

ADJUSTED EBITDA MARGIN

(0.5)%- 0.5% of revenues

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.

© 2023 iRhythm Technologies, Inc.

April 2023 ESG report reflects our commitment to sustainable and responsible growth to deliver long-term value

ENVIRONMENTAL SUSTAINABILITY BY DESIGN

Innovative design enables safe, effective reuse of circuit boards

Key environmental approaches include energy efficiency and circularity measures

Progress on climate-related reporting and commitment to future advancement

SOCIAL IMPACT IS AT THE HEART OF OUR BUSINESS

Dedicated to patient safety and affordable access to quality healthcare

Established ethics and integrity programs as well as privacy council

Focused on developing a diverse and engaged workforce

ROBUST GOVERNANCE STRUCTURE

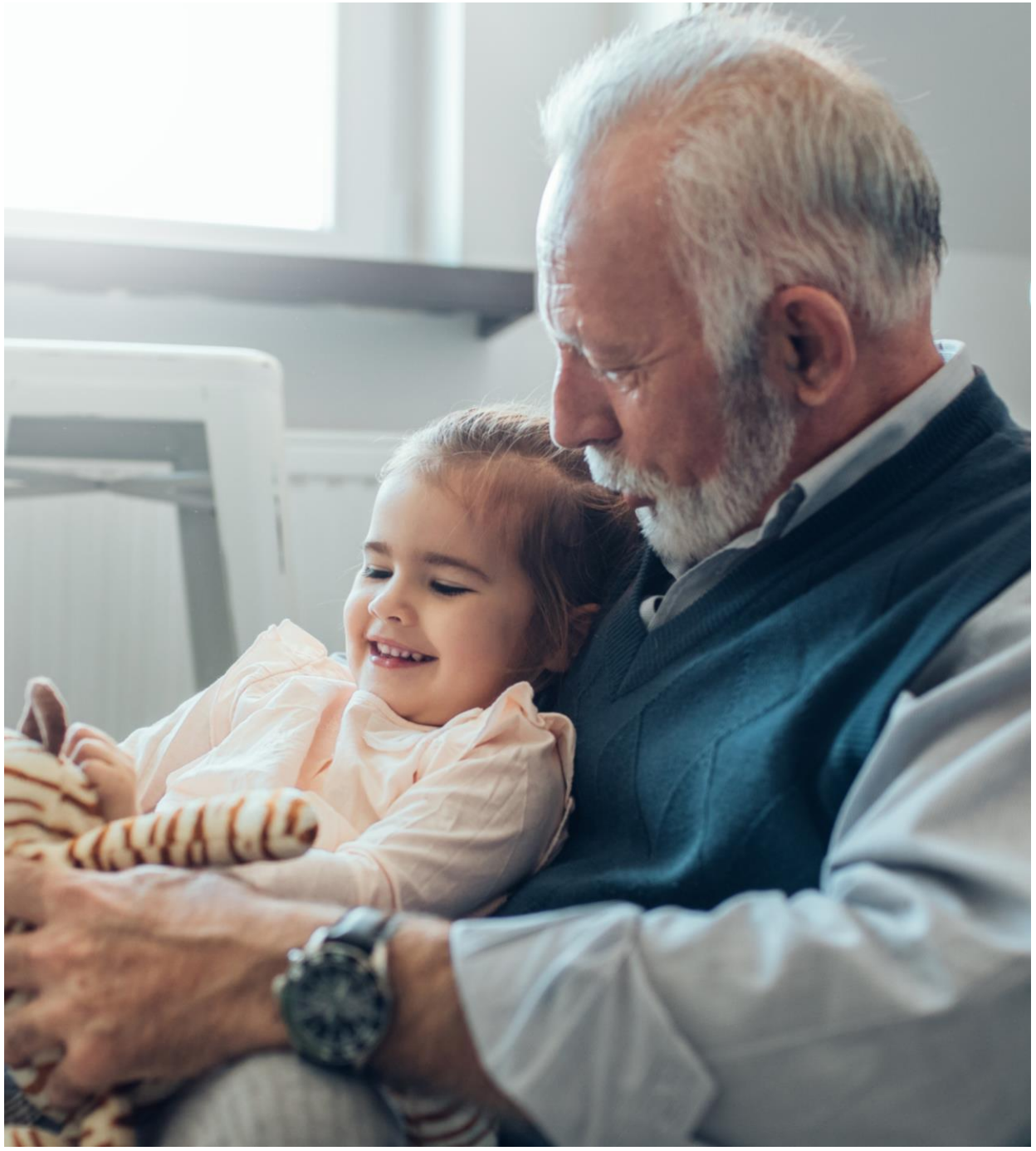
Board oversight on ESG topics

Executive leader with oversight of ESG, ERM and DEI

Priority assessment completed to inform multi-year ESG roadmap



From ECG to ESG:
Every beat matters.



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

Sources

SLIDE	SOURCES
Cardiac arrhythmia burden in the U.S. is immense	Morillo CA, Banerjee A, Perel P, Wood D, Jouven X. Atrial fibrillation: the current epidemic. J Geriatr Cardiol. 2017 Mar;14(3):195-203. Weng, Lu-Chen et al. Genetic Predisposition, Clinical Risk Factor Burden, and Lifetime Risk of Atrial Fibrillation. *Circulation*, 2018;137:1027-38; Rienstra, M., et al. Symptoms and functional status of patients with atrial fibrillation. *Circulation*. 2012 Jun 12;125(23):2933-43; Atrial Fibrillation Fact Sheet. CDC, published September 27, 2021. Accessed May 10, 2023. https://www.cdc.gov/heartdisease/atrial_fibrillation.htm; Wexler, R., et al. Palpitations: Evaluation in the Primary Care Setting. *Am Fam Physician*, 2017; Probst, M., et al. Analysis of Emergency Department Visits for Palpitations (From the National Hospital Ambulatory Medical Care Survey). *Am J Cardiol*, 2014; Stroke Facts. CDC, published May 25, 2021. Accessed January 7, 2022. https://www.cdc.gov/stroke/facts.htm; Benjamin EJ, Muntner P, Alonso A, Bittencourt MS, Callaway CW, Carson AP, et al. Heart disease and stroke statistics—2019 update: a report from the American Heart Association. *Circulation*. 2019;139(10):e56–528.
Substantial and growing market potential	1. DRG: Ambulatory Electrocardiography Monitoring Devices, Market Insights, US, 2022. 2. US Population per U.S. Census Bureau. Accessed at: https://simplemaps.com/data/us-zips. 3. iRhythm estimate assumes a reduction of PCP visits due to the impact of COVID-19 on patient visit trends (either patients delaying or not seeking care). 4. CDC ambulatory care use and physician office visits. Accessed at: https://www.cdc.gov/nchs/fastats/physician-visits.htm. 5. Urban Institute Report via American Academy of Family Physicians Foundation https://www.aafp.org/news/health-of-the-public/20211006delayedcare.html. 6. Wexler RK, Pleister A, Raman SV. Palpitations: Evaluation in the Primary Care Setting. *Am Fam Physician*. 2017 Dec 15;96(12):784-789. 7. Weber BE, Kapoor WN. Evaluation and outcomes of patients with palpitations. *The American Journal of Medicine*. 1996;14(6):138-148.
The Zio® service provides monitoring solutions across the spectrum of care	1. Data on file. iRhythm Technologies, 2019. 2. Tung, et al. Diagnostic yield of extended cardiac patch monitoring in patients with stroke or Tia. *Frontiers in Neurology*, 2015. 3. Tsang, J.P. et al. Benefits of monitoring patients with mobile cardiac telemetry (MCT) compared with the Event or Holter monitors. *Medical Devices: Evidence and Research*, 2014. 4. Eysenck, W. et al. A randomized trial evaluating the accuracy of AF detection by four external ambulatory ECG monitors compared to permanent pacemaker AF detection. *Journal of Interventional Cardiac Electrophysiology*, 2019. 5. Case study data gathered in partnership with the health system featured. Data on file, iRhythm Technologies, 2019. 6. Derkac, W. et al. Diagnostic yield of asymptomatic arrhythmias detected by mobile cardiac outpatient telemetry and autotrigger looping event cardiac monitors. *Journal of Interventional Cardiac Electrophysiology*, 2017.
Significant Zio® market opportunity in the U.S.	See sources for slide ‘Substantial and growing market potential.

© 2023 iRhythm Technologies, Inc.

Sources

SLIDE	SOURCES
OUS opportunity represents $1+ billion with 5+ million TAM in prioritized countries across EMEA and Asia Pacific	*UK:* iRhythm estimate. UK Office for National Statistics; Hospital Episode Statistics, NHS Digital, 2019-2020; UK Healthcare Market Review 33ed, LaingBuisson, 2021. Accessed 5 January 2022. https://www.laingbuisson.com/shop/uk-healthcare-market-review-33ed/; The UK private health market, Kings Fund, 2014. Accessed 5 January 2022. https://www.kingsfund.org.uk/sites/default/files/media/commission-appendix-uk-private-health-market.pdf; NHS England and the Health and Social Care Information Centre, NHS Hospital Data and Datasets: A Consultation. Published July 22, 2013. Accessed January 5, 2022. https://www.england.nhs.uk/wp-content/uploads/2013/07/hosp-data-consult.pdf; The Health and Social Care Information Centre, Hospital Episode Statistics (HES): Improving the quality and value of hospital data. Published 2011. Accessed January 5, 2022. https://www.aomrc.org.uk/wpcontent/uploads/2016/05/Hospital_Episode_Statistics_quality_value_data_0511.pdf *Prioritized EU countries:* iRhythm estimate. Global population and healthcare spend per capita, World Bank, 2019 and 2020. Accessed 5 January 2022. https://data.worldbank.org; The Burden of Cardiovascular Disease and Diabetes, OECD, 2011. Accessed 5 January 2022. https://read.oecd-ilibrary.org/social-issues-migration-health/cardiovascular-disease-and-diabetes-policies-for-better-health-and-quality-of-care_9789264233010-en. Federal Statistical Office of Germany and Gesundheitsberichterstattung; Dutch Healthcare Authority; Swedish ICD & Pacemaker Registry and Swedish Society for Clinical Physiology. *Japan:* Japan Ministry of Health Labor and Welfare.

© 2023 iRhythm Technologies, Inc.

Sources

SLEEP APNEA MARKET SIZING

1. Franklin, K. A., & Lindberg, E. (2015). Obstructive sleep apnea is a common disorder in the population—a review on the epidemiology of sleep apnea. Journal of thoracic disease, 7(8), 1311. doi: 10.3978/j.issn.2072-1439.2015.06.11
2. Lyons, M. M., Bhatt, N. Y., Pack, A. I., & Magalang, U. J. (2020). Global burden of sleep-disordered breathing and its implications. Respirology, 25(7), 690-702. https://doi.org/10.1111/resp.13838
3. Marshall, N. S., Wong, K. K., Liu, P. Y., Cullen, S. R., Knuiman, M. W., & Grunstein, R. R. (2008). Sleep apnea as an independent risk factor for all-cause mortality: the Busselton Health Study. Sleep, 31(8), 1079-1085. https://doi.org/10.5665/sleep/31.8.1079
4. Sleep apnea information for clinicians. (2022, May 10). www.sleepapnea.org. https://www.sleepapnea.org/learn/sleep-apnea-information-clinicians

HEART FAILURE MARKET SIZING

1. Atrial fibrillation. (2020, September 9). Centers for Disease Control and Prevention. https://www.cdc.gov/heartdisease/atrial_fibrillation.htm
2. Dumitru, I. (2021, October 17). What is the mortality rate for heart failure? Latest Medical News, Clinical Trials, Guidelines - Today on Medscape. https://www.medscape.com/answers/163062-86190/what-is-the-mortality-rate-for-heart-failure
3. Gidding, S. S., Lloyd-Jones, D., Lima, J., Ambale-Venkatesh, B., Shah, S. J., Shah, R., Lewis, C. E., Jacobs, D. R., & Allen, N. B. (2019). Prevalence of American Heart Association heart failure stages in black and white young and middle-aged adults. Circulation: Heart Failure, 12(9). https://doi.org/10.1161/circheartfailure.118.005730
4. Heart failure. (2020, September 9). Centers for Disease Control and Prevention. https://www.cdc.gov/heartdisease/heart_failure.htm
5. Ritchey, M. D., Wall, H. K., George, M. G., & Wright, J. S. (2020). US trends in premature heart disease mortality over the past 50 years: Where do we go from here? Trends in Cardiovascular Medicine, 30(6), 364-374. https://doi.org/10.1016/j.tcm.2019.09.005
6. Savarese, G., & Lund, L. H. (2017). Global public health burden of heart failure. Cardiac failure review, 3(1), 7. https://doi.org/10.15420/cfr.2016:25:2

HYPERTENSION MARKET SIZING:

1. Bhalia, S., Pallangyo, P., Dalidali, A., Salum, S., Kawajika, R., Kajuna, E., Kusiima, H., Kifai, E., Kisenge, P., Waane, T., & Janabi, M. (2020). Burden and correlates of atrial fibrillation among hypertensive patients attending a tertiary hospital in Tanzania. *BMC Cardiovascular Disorders*, 20(1). https://doi.org/10.1186/s12872-020-01517-x
2. Facts about hypertension. (2020, September 8). Centers for Disease Control and Prevention. https://www.cdc.gov/bloodpressure/facts.htm
3. Hypertension prevalence in the U.S. tables | Million hearts®. (2021, March 22). Centers for Disease Control and Prevention. https://millionhearts.hhs.gov/data-reports/hypertension-prevalence-tables.html#Table1
4. Krittayaphong, R., Rangsin, R., Thinkhamrop, B., Hurst, C., Rattanamongkolgul, S., Sripaiboonkij, N., & Yindeengam, A. (2016). Prevalence and associating factors of atrial fibrillation in patients with hypertension: A nation-wide study. BMC Cardiovascular Disorders, 16(1). https://doi.org/10.1186/s12872-016-0232-4
5. Lacruz, M. E., Kluttig, A., Hartwig, S., Löer, M., Tiller, D., Greiser, K. H., Werdan, K., & Haerting, J. (2015). Prevalence and incidence of hypertension in the general adult population. Medicine, 94(22), e952. https://doi.org/10.1097/md.0000000000000952
6. Rakicevic, M. (2020, December 17). 31 important sleep apnea statistics you should know in 2021. DisturbMeNot!. https://disturbmenot.co/sleep-apnea-statistics/
7. Yotov, Y., Torbova, S., Ramshev, K., & Tisheva, S. (2016). [PP. 14.12] PREVALENCE OF ATRIAL FIBRILLATION IN HYPERTENSIVE SUBJECTS: WHAT IS MORE IMPORTANT–BLOOD PRESSURE VALUES OR DURATION OF HYPERTENSION?. Journal of Hypertension, 34, e204-e205. doi: 10.1097/01.hjh.0000491917.63899.23

© 2023 iRhythm Technologies, Inc.

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 MARCH 31,	
ADJUSTED EBITDA RECONCILIATION	**2023**	**2022**
Net loss	$ (39,109)	$ (50,609)
Income tax provision	87	47
Depreciation and amortization	3,576	3,143
Interest expense	950	2,029
Interest income	(1,434)	(132)
Stock-based compensation	18,251	13,903
Impairment and restructuring charges	—	26,608
Transformation costs	5,686	258
Adjusted EBITDA	**$ (11,993)**	**$ (4,753)**

© 2023 iRhythm Technologies, Inc.

Reconciliation of GAAP to Non-GAAP financial information

	THREE MONTHS ENDED MARCH 31,	
ADJUSTED NET LOSS RECONCILIATION	**2023**	**2022**
Net loss, as reported	$ (39,109)	$ (50,609)
Impairment and restructuring charges	—	26,608
Transformation costs	5,686	258
Adjusted net loss	**$ (33,423)**	**$ (23,743)**

	THREE MONTHS ENDED MARCH 31,	
ADJUSTED NET LOSS PER SHARE RECONCILIATION	**2023**	**2022**
Net loss per share, as reported	$ (1.29)	$ (1.71)
Impairment and restructuring charges per share	—	0.90
Transformation costs per share	0.19	0.01
Adjusted net loss per share	**$ (1.10)**	**$ (0.80)**
Weight-average shares, basic and diluted	30,297	29,596

	THREE MONTHS ENDED MARCH 31,	
ADJUSTED OPERATING EXPENSE RECONCILIATION	**2023**	**2022**
Operating expense, as reported	$ 115,185	$ 110,308
Impairment and restructuring charges	—	(26,608)
Transformation costs	(5,686)	(258)
Adjusted operating expense	**$ 109,499**	**$ 83,442**

© 2023 iRhythm Technologies, Inc.