

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See Attached.

Blank lines for listing applicable Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ See Attached.

Blank lines for providing information on resulting loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See Attached.

Blank lines for providing other information necessary for the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶ Jerome E. Fox, Jr. Date ▶ 4-28-2021
Print your name ▶ Jerome E. Fox, Jr. Title ▶ VP Controller

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<u>Tyler L. Arbogast</u>	<u>Tyler L. Arbogast</u>	<u>4/23/2021</u>		<u>P01054152</u>
	Firm's name ▶ <u>Ernst & Young U.S. LLP</u>	Firm's EIN ▶ <u>34-6565596</u>		Phone no. <u>202-327-6867</u>	
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Invacare Corporation

Attachment to Form 8937, Report of Organizational Action Affecting Basis of Securities

The information in this document does not constitute tax advice and is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code of 1986, as amended (the “Code”). Holders of the 2022 Notes and the 2026 Notes (each as defined below) should consult their own tax advisors regarding the particular tax consequences of the Exchange (as defined below) to them, including the applicability and effect of all U.S. federal, state and local and non-U.S. tax laws.

Form 8937, Part I, Box 10

CUSIP Number

<u>2022 Notes</u>	<u>CUSIP</u>
4.50% Convertible Senior Notes due 2022	461203AH4

<u>2026 Notes</u>	<u>CUSIP</u>
4.25% Convertible Senior Notes due 2026	461203AP6

Form 8937, Part II, Box 14

Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.

On March 16, 2021 (the “**Issue Date**”), Invacare Corporation (the “**Issuer**”) issued \$125 million aggregate principal amount of 4.25% Convertible Senior Notes due 2026 (the “**2026 Notes**”, and the issuance of the 2026 Notes, the “**Note Issuance**”). On the same date, the Issuer repurchased, approximately \$78.9 million aggregate principal amount of its 4.50% Convertible Senior Notes due 2022 (the “**2022 Notes**”, and the repurchase of the 2022 Notes, the “**Note Repurchase**”) held by certain holders in privately negotiated transactions. Any purchases of 2026 Notes by holders of the 2022 Notes that did not exceed the principal amount of 2022 Notes sold by such holders may be treated as a debt-for-debt exchange under U.S. federal income tax principles; in which case, such exchange would constitute a “significant modification” within the meaning of Treasury Regulation § 1.1001-3(e), resulting in an exchange of the 2022 Notes for the 2026 Notes for purposes of Treasury Regulation § 1.1001-1(a) (the “**Exchange**”, and a participant in the Exchange, an “**Exchanging Holder**”).

Exchanging Holders should consult their own tax advisors regarding the tax consequences of the Exchange to them.

Form 8937, Part II, Box 15

Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

The deemed exchange of the 2022 Notes for the 2026 Notes pursuant to the Exchange may qualify as a “recapitalization” (within the meaning of Section 368(a)(1)(E) of the Code) for U.S. federal income tax purposes if the 2022 Notes and 2026 Notes each constitute “securities” of the Issuer for U.S. federal income tax purposes. The term “security” is not defined in the Code or in the Treasury Regulations issued thereunder and, as applied to debt obligations, the meaning of the term “security” is unclear. The Issuer intends to take the position that the 2022 Notes and 2026 Notes are each securities for U.S. federal income tax purposes.

If the Exchange qualifies as a recapitalization for U.S. federal income tax purposes, an Exchanging Holder’s aggregate tax basis in the 2026 Notes received in the Exchange generally should equal such Exchanging Holder’s aggregate adjusted tax basis in its 2022 Notes immediately before the Exchange (excluding accrued but unpaid interest).

If the Exchange does not qualify as a recapitalization for U.S. federal income tax purposes, the Exchange would be a taxable transaction for U.S. federal income tax purposes. In that case, an Exchanging Holder’s aggregate tax basis in the 2022 Notes received in the Exchange generally would equal the issue price of the 2022 Notes.

Exchanging Holders should consult their own tax advisors regarding the possible classification of the 2022 Notes and 2026 Notes as securities and the tax consequences of the Exchange to them.

Form 8937, Part II, Box 16

Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

An Exchanging Holder’s basis in the 2026 Notes is calculated in the manner described above in Box 15.

The Issuer has determined that a substantial amount of the 2026 Notes was issued for money within the meaning of Treasury Regulation § 1.1273-2(a), and therefore, the 2026 Notes have an issue price determined by the amount of money paid by those purchasers. Accordingly, the Issuer has determined that the issue price of the 2026 Notes as of the Issue Date was as follows:

Debt Tranche	Issue Price (%)
2026 Notes	100.00%

Exchanging Holders should consult their own tax advisors to determine the tax consequences of the Exchange to them.

Form 8937, Part II, Box 17

List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

Sections 354, 358, 368, 1001, 1012 and 1273 of the Code.

Form 8937, Part II, Box 18

Can any resulting loss be recognized?

If the Exchange qualifies as a recapitalization for U.S. federal income tax purposes, no loss would be recognized for U.S. federal income tax purposes.

If the Exchange does not qualify as a recapitalization for U.S. federal income tax purposes, any realized loss may be recognized on the Exchange, subject to other applicable limitations of the Code and Treasury Regulations.

Form 8937, Part II, Box 19

Provide any other information necessary to implement the adjustment, such as the reportable tax year.

The reportable tax year is 2021 with respect to calendar-year taxpayers.