

# Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

## Part I Reporting Issuer

1 Issuer's name  <b>Invacare Corporation</b>		2 Issuer's employer identification number (EIN)  <b>95-2680965</b>	
3 Name of contact for additional information  <b>Jerome Fox</b>	4 Telephone No. of contact  <b>440-329-6102</b>	5 Email address of contact  <b>jfox@invacare.com</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact  <b>One Invacare Way</b>		7 City, town, or post office, state, and ZIP code of contact  <b>Elyria, OH 44035</b>	
8 Date of action  <b>November 19, 2019</b>		9 Classification and description  <b>Exchange of 5.00% Convertible Senior Notes due 2021</b>	
10 CUSIP number  <b>461203AF8</b>	11 Serial number(s)  <b>N/A</b>	12 Ticker symbol  <b>N/A</b>	13 Account number(s)  <b>N/A</b>

## Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

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 ► See Attached.

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 ► See Attached.

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 ► See Attached.

**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.

**18** Can any resulting loss be recognized? ► See Attached.

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

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 ► 1st Jerome E. Fox Jr. Date ► 12/30/2019

Print your name ► Jerome E. Fox, Jr.

Title ► Vice President Corporate Tax

<b>Paid Preparer Use Only</b>	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>12/30/19</u>		<u>P01054152</u>
	Firm's name ► <u>Ernst &amp; Young U.S. LLP</u>	Firm's EIN ► <u>34-6565596</u>		Phone no. <u>202-327-6867</u>	
	Firm's address ► <u>1101 New York Ave NW, Washington DC 20005</u>				

## 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 Existing Notes and the New 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 II, Line 14**

On November 19, 2019 (the “**Exchange Date**”), Invacare Corporation (“**Issuer**”), completed an exchange (the “**Exchange**”) of a portion of its 5.00% Convertible Senior Notes due 2021 (the “**Existing Notes**”) held by certain holders for a combination of (i) \$1,000 principal amount of 5.00% Convertible Senior Exchange Notes due 2024 (the “**New Notes**”) and (ii) a cash payment equal to \$95 (“**Exchange Cash**” and, together with the New Notes, the “**Exchange Consideration**”), for each \$1,000 principal amount of the Existing Notes exchanged. Issuer has determined that the Exchange constitutes a “significant modification” of the Existing Notes within the meaning of Treasury Regulation § 1.1001-3(e), resulting in a deemed exchange of the Existing Notes for the New Notes and Exchange Cash for U.S. federal income tax purposes.

#### **Form 8937, Part II, Line 15**

The exchange of the Existing Notes for the Exchange Consideration pursuant to the Exchange should 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 Existing Notes and New 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. We intended to take the position, and the remainder of this discussion assumes, that the Existing Notes and New Notes are each securities for U.S. federal income tax purposes and that the conversion should be treated as a recapitalization.

A holder’s aggregate tax basis in the New Notes received in the Exchange generally should equal such holder’s aggregate adjusted tax basis in its Existing Notes immediately prior to the Exchange, increased by any gain recognized in respect of the Exchange Cash and decreased by the amount of the Exchange Cash.

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

**Form 8937, Part II, Line 16**

A holder's aggregate tax basis in the New Notes received in the Exchange would equal such holder's aggregate adjusted tax basis in its Existing Notes immediately prior to the Exchange, increased by any gain recognized in respect of the Exchange Consideration and decreased by the amount of the Exchange Cash.

Issuer has determined that, as of the Exchange Date, the New Notes were not "traded on an established market" within the meaning of Treasury Regulation § 1.1273-2(f), because the outstanding principal amount of the New Notes was less than \$100 million. Therefore, the issue price of the New Notes is determined by reference to the fair market value of the Existing Notes, which were "traded on an established market" based on executed trades reported on FINRA's Trade Reporting and Compliance Engine, and adjusted for the Exchange Cash received. Accordingly, Issuer has determined that the issue price of the New Notes (exclusive of pre-issuance accrued interest) as of the Exchange Date was as follows:

<b>Debt Tranche</b>	<b>Issue Price (%)</b>
New Notes	90.5%

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

**Form 8937, Part II, Line 17**

Sections 354, 356, 358, 368, 1001, and 1012 of the Code.

**Form 8937, Part II, Line 18**

No loss would be recognized for U.S. federal income tax purposes.

**Form 8937, Part II, Line 19**

The reportable tax year is 2019 with respect to calendar year taxpayers.