

Investor Presentation



SEPTEMBER 2021

Forward Looking Statements and Non-GAAP Financial Measures

This presentation contains forward-looking statements that reflect management's expectations about future events and the Company's operating plans and performance and speak only as of the date hereof. You can identify these forward-looking statements by the use of forward-looking words such as "will," "may," "plan," "estimate," "project," "believe," "anticipate," "expect," "intend," "should," "would," "could," "target," "goal," "continue to," "positioned to," "are confident" or the negative version of those words or other comparable words. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. Any forward-looking statements contained in this presentation are based upon our historical performance and on our current plans, estimates and expectations in light of information currently available to us. The inclusion of this forward-looking information should not be regarded as a representation by us that the future plans, estimates or expectations contemplated by us will be achieved. These forward-looking statements are subject to various risks, uncertainties and assumptions relating to our operations, financial results, financial condition, business, prospects, growth strategy and liquidity. These risks and uncertainties include, without limitation, any disruption in the availability or supply of ethylene oxide ("EO") or cobalt-60 ("Co-60"); changes in industry trends, environmental, health and safety regulations or preferences; the impact of current and future legal proceedings and liability claims, including litigation related to purported exposure to emissions of EO from our facilities in Illinois, Georgia and New Mexico and the possibility that other claims will be made in the future relating to these or other facilities; our ability to increase capacity at existing facilities, renew leases for our facilities and build new facilities in a timely and cost-effective manner; the risks of doing business internationally; and any inability to pursue strategic transactions or find suitable acquisition targets. For additional discussion of these forward-looking statements, please refer to the Company's filings with the SEC, such as its annual and quarterly reports. We do not undertake any obligation to publicly update or revise these forward-looking statements, except as otherwise required by law.

This presentation includes Adjusted EBITDA, Adjusted Net Income, Adjusted EPS, Net Debt and Net Leverage Ratio, which are unaudited financial measures not based on any standardized methodology prescribed by GAAP. Adjusted EBITDA, Adjusted Net Income, Adjusted EPS, Net Debt and Net Leverage Ratio may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies. Adjusted EBITDA, Adjusted Net Income, Adjusted EPS, Net Debt and Net Leverage Ratio should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. See the Appendix for a reconciliation of net income (loss), the most directly comparable financial measure calculated and presented in accordance with GAAP, to Adjusted Net Income and Adjusted EBITDA, a reconciliation of GAAP EPS, the most directly comparable financial measure calculated in accordance with GAAP, to Adjusted EPS, and a reconciliation of total debt, the most directly comparable financial measure calculated and presented in accordance with GAAP, to Total Net Debt and Net Leverage.

This presentation also contains estimates and other statistical data made by independent parties and by the Company relating to market size and growth and other data about the Company's industry and estimated total addressable market. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. We have not independently verified this market data. While we are not aware of any misstatements regarding any industry or similar data presented herein, such data involve risks and uncertainties and are subject to change based on various factors, including those described under the headings of "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in the Company's Form 10-K for the year ended December 31, 2020, and in the Company's other SEC filings. In addition, projections, assumptions and estimates of the Company's future performance and the future performance of the markets in which the Company operates are necessarily subject to a high degree of uncertainty and risk.

The Sotera Health name, our logo and other trademarks mentioned in this presentation are the property of their respective owners. All Company data and financial information included in this presentation is as of June 30, 2021, unless otherwise stated.



Michael B. Petras, Jr.
Chairman and Chief Executive Officer



Scott J. Leffler
Chief Financial Officer and Treasurer

COMPANY OVERVIEW

We are driven by our mission: Safeguarding Global Health®

Safeguarding Global Health® through our sterilization services, lab testing and advisory services

What we do...

Leader in sterilization services



Leader in lab testing and advisory services



...and how we do it...

- Provide mission-critical services to **blue chip customers with multi-year contracts**
- Unmatched **network of local facilities** to support customer requirements and growth
- In an increasingly regulated industry, we are a **global leader in technical and regulatory expertise**
- **Organic and inorganic growth**
- Our culture – **Safety, quality, accountability and excellence**

...leads to strong results

- **Revenue growth every year** since 2005 (including 2008, 2009 and 2020)
- **>50% adj. EBITDA margin^{1,2}**
- **~\$33bn TAM³** and growing
- Consistent track record of **cash flow generation**
- **Well-positioned for growth in global healthcare market** without payor reimbursement risk

Our capabilities, scale and knowhow are not easily replicated...
Our customers depend on our mission-critical services in any economic environment

(1) Full-year 2020 and six months ended June 30, 2021.

(2) For a reconciliation of GAAP to non-GAAP results, please refer to Non-GAAP Financial Measures provided in the Appendix.

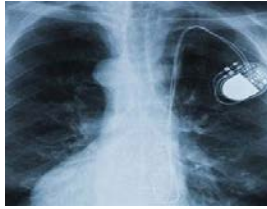
(3) Management estimated total addressable market for terminal sterilization and outsourced medical and pharmaceutical lab testing, 2019.

Our breadth of services touches all key medical device and pharmaceutical categories

Medical device



In-vitro diagnostics and analytical tools



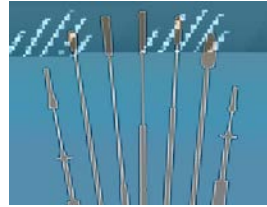
Cardiovascular implantables



Orthopedic and ophthalmic implants



Endoscopy



Collection Swabs



Personal protective equipment



Drug delivery



Vascular catheters



Surgical kits

Pharmaceutical



Inhalation



Injectables



Biologics



Ophthalmic



Oral



Topical



Suppository



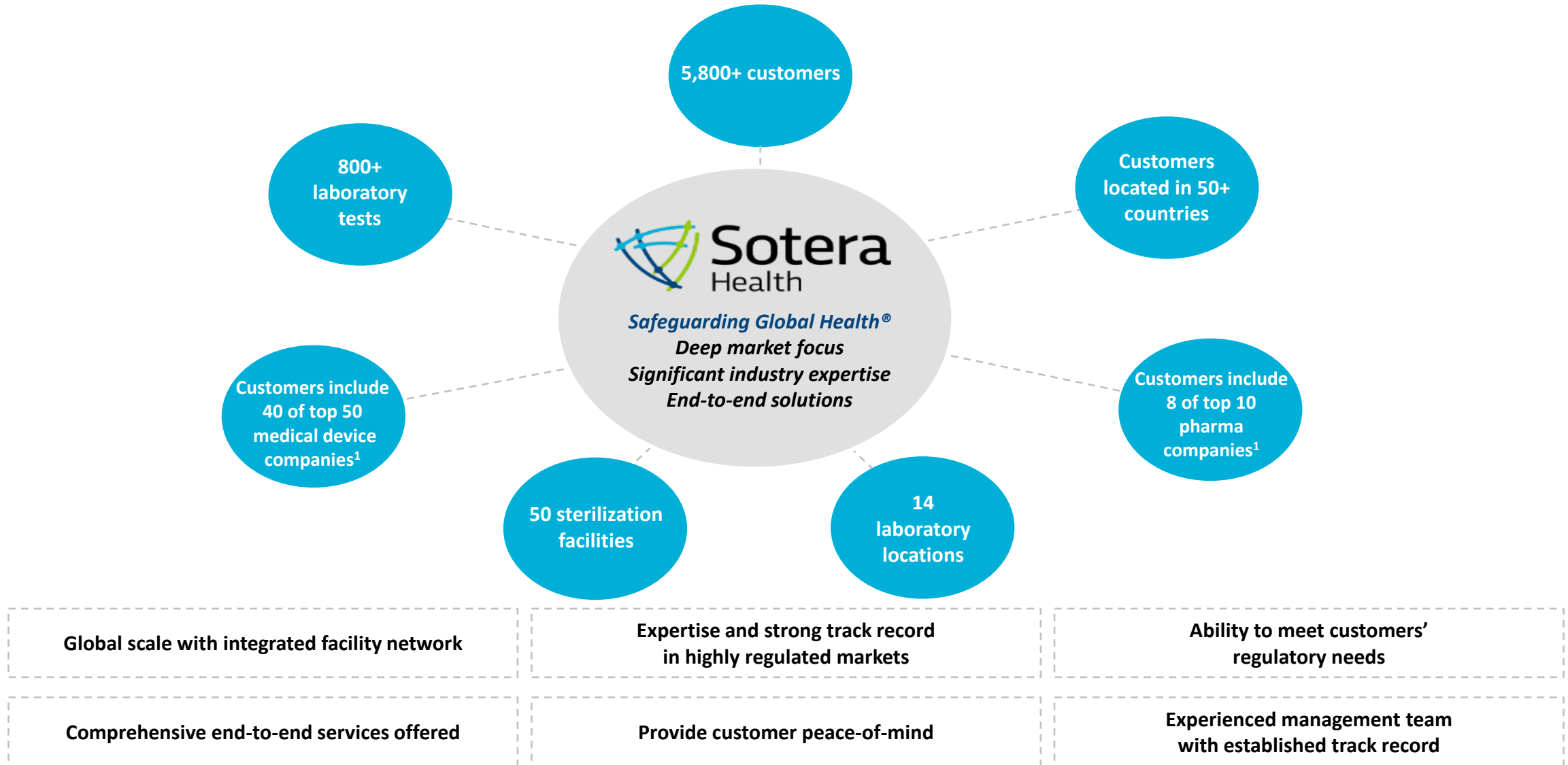
Pharma packaging



Non-injectable sterile fluids

Our sterilization services generally represent a small fraction of the total end product costs

Our customers trust and value our expertise



(1) Based on YTD revenue as of July 31, 2020.

HOW WE DO BUSINESS

Sotera Health goes to market through three best-in-class businesses

How we do business

Our values



Safety

We are uncompromising in our commitment to health and well-being



Customer focus

We are driven to fulfill our customers' needs with the highest quality and care



People

We value our people who are part of a global team that is diverse, respectful, passionate and collaborative



Integrity

We are honest, reliable and accountable in everything we do



Excellence

We exceed the expectations of our stakeholders and continue to improve and innovate in everything we do

Differentiated, mission-critical services model



We are driven by our mission: Safeguarding Global Health®

Our experienced management team has an established record of execution and financial performance



Comprehensive suite of sterilization services and lab services

Sterilization services



Comprehensive sterilization services

Provider of mission-critical and government-mandated sterilization services

of locations

48

of customers

~2,800



Gamma technologies

Global leader in supply of cobalt-60, the key input for gamma sterilization

of locations

2

of customers

~40

Lab services



Expert lab testing and advisory services

Provider of mission-critical medical device and pharmaceutical lab testing and advisory services

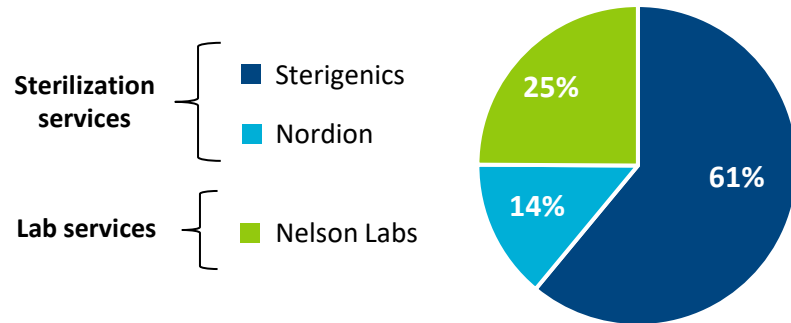
of locations

14

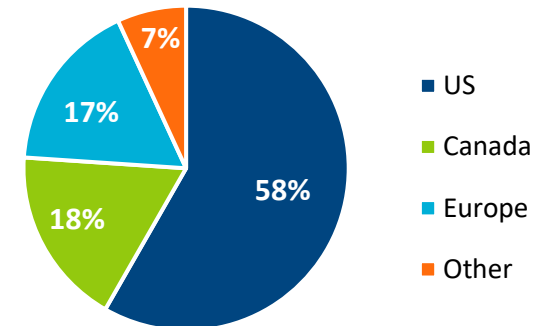
of customers

~3,800

LTM Revenue by segment⁽¹⁾



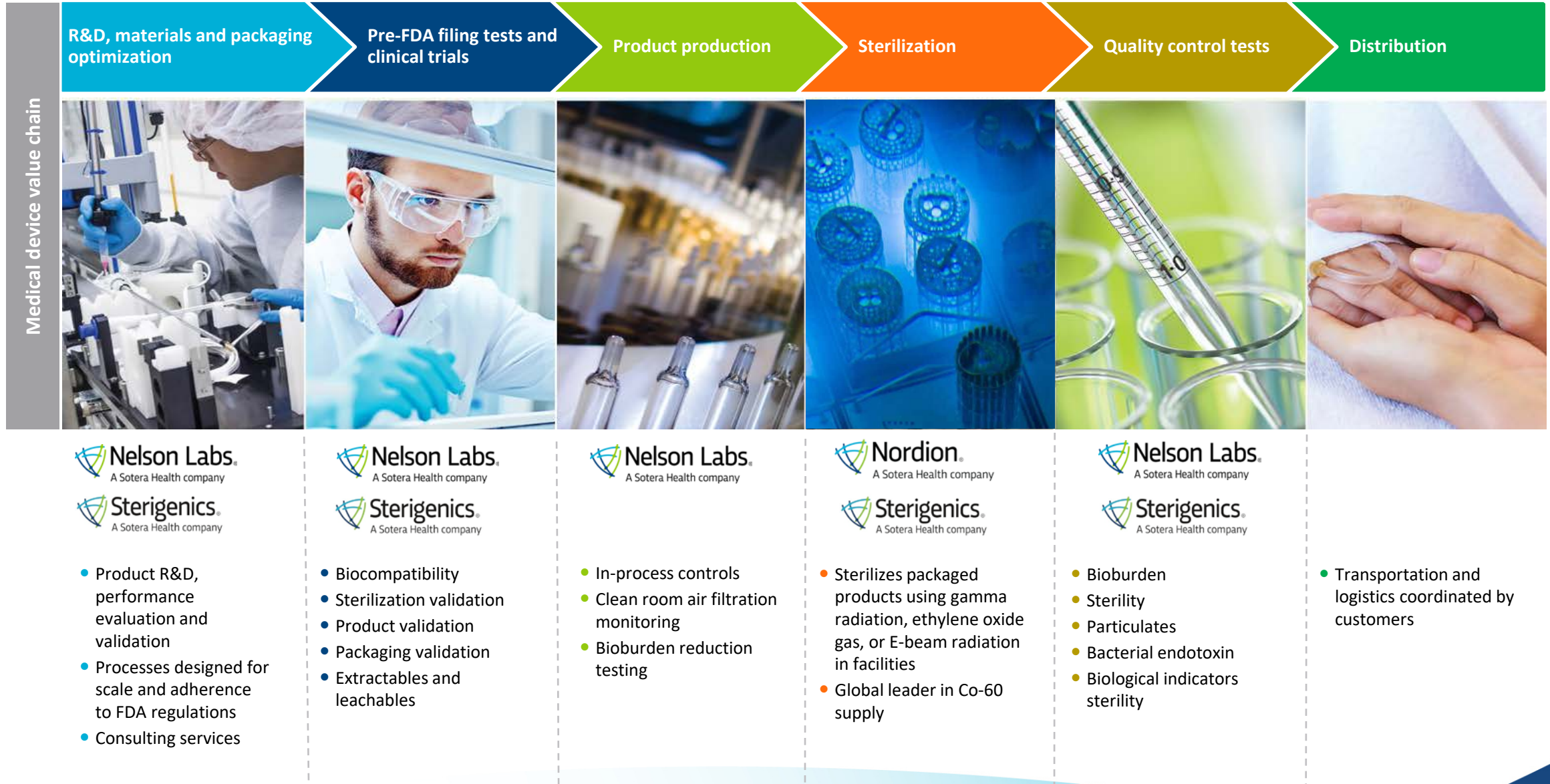
LTM Revenue by geography⁽¹⁾⁽²⁾



(1) Reflects LTM net revenues as of 6/30/21 of \$881M.

(2) Net revenues for geographic area are reported by the country's origin of revenues.

Our integrated offering works across the medical device value chain



We primarily serve the essential and growing medical device, pharma and food safety markets

Medical devices

Global population expected to increase by 2bn people in next 30 years⁽¹⁾
US health expenditures expected to rise from ~18% of GDP in 2018 to ~20% in 2028⁽²⁾
Aging population with increased prevalence of chronic disease



We serve 40 of the top 50 medical device companies globally⁽³⁾

- **Global medical device R&D spend** for top 20 companies is expected to grow at a 4% CAGR and reach ~\$24bn by 2024⁽⁴⁾
- More than **20bn devices** sold in the United States every year are sterilized with EO, accounting for ~50% of devices that require sterilization⁽⁶⁾

Pharmaceutical



We serve 8 of the top 10 global pharma companies⁽³⁾

- **Worldwide pharmaceutical R&D spend** forecasted to grow steadily at a ~3% CAGR⁽⁵⁾, reaching \$233bn by 2026⁽⁴⁾
- **Increasing regulatory and risk management demands** in the pharmaceutical space

Food

Increased focus globally on food quality and safety



We serve several large customers in the food processing industry

- **1 in 6** Americans get sick from contaminated foods or beverages every year⁽⁷⁾
- **3,000** Americans die annually from foodborne illnesses⁽⁷⁾
- Foodborne illnesses cost **~\$16bn each year**⁽⁸⁾

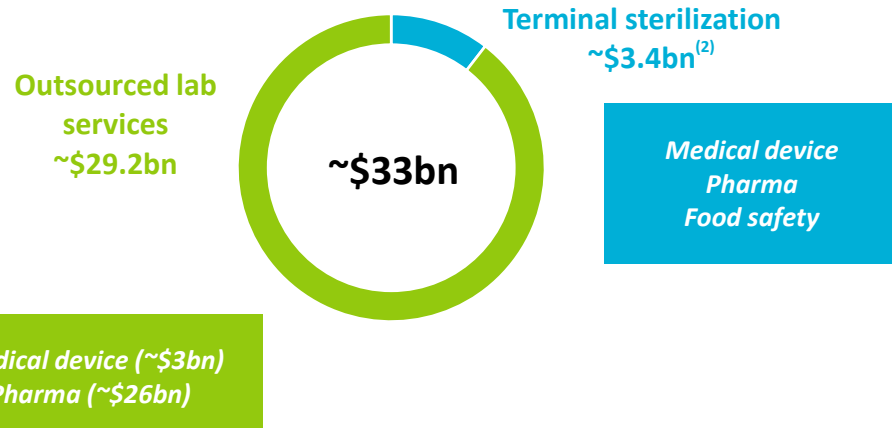
Our growing end markets facilitate the expansion of our total addressable market

(1) Data published by the United Nations in 2019; (2) Estimates by the Centers for Medicare & Medicaid Services in 2020; (3) Based on revenue as of July 31, 2020; (4) EvaluatePharma® July 2020, Evaluate Ltd; (5) 2019-2026 CAGR; (6) Food and Drug Administration, 2019; (7) Center for Disease Control and Prevention; (8) US Department of Agriculture.

We continue to increase our penetration in a large and growing addressable market

Global TAM⁽¹⁾

At scale



Multiple growth drivers

- Favorable demographic trends for healthcare worldwide
- Increased demand for healthcare services in global markets
- Growth in R&D spending and innovation across healthcare
- Continued shift to outsourced sterilization and lab services

Near-term focus areas to expand share

Terminal sterilization:

- Continue focus on core medical device business while building on pharma momentum with targeted strategy
- **Gamma**: Expand in EMEA market
- **Ethylene Oxide ("EO")**: Maintain leading North America position and grow EMEA business
- **Electron beam ("E-beam")**: Expand on current market share through operational excellence and capacity expansion (i.e., Iotron acquisition)

Outsourced lab services:

- Focus on strengthening presence in key core industries – medical device and pharma
- Expand lab service offering
- Build regulatory consulting practice
- Enhance presence in North America, Europe and Asia and expand into LATAM and other ROW regions

Runway in TAM to capture additional share and grow through accretive acquisitions

(1) Management estimated total addressable market for terminal sterilization and outsourced medical and pharmaceutical lab testing, 2019.

(2) Terminal sterilization TAM includes both in-house and outsourced sterilization and Co-60 supply.

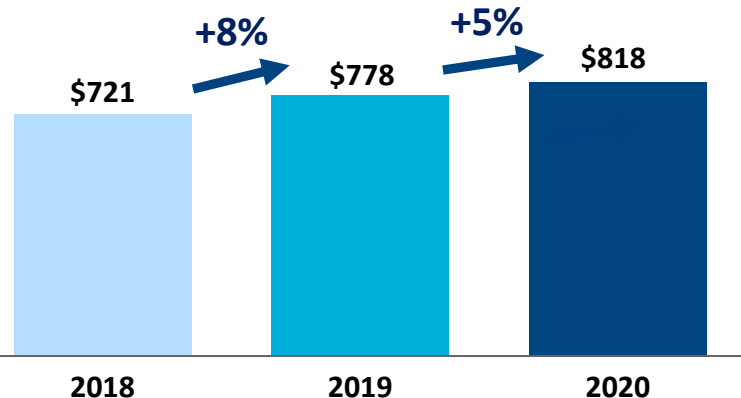
FINANCIAL OVERVIEW

Growth drivers translate to long-term value creation

Consolidated 2018 – 2020 Fiscal Year Financial Results

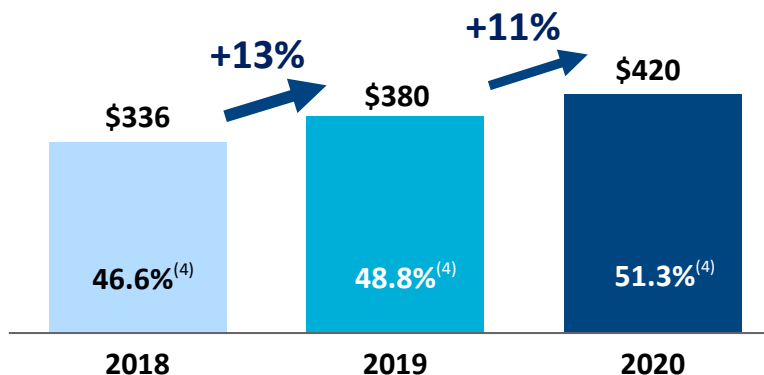
In millions, except Adjusted EPS

Revenue⁽¹⁾



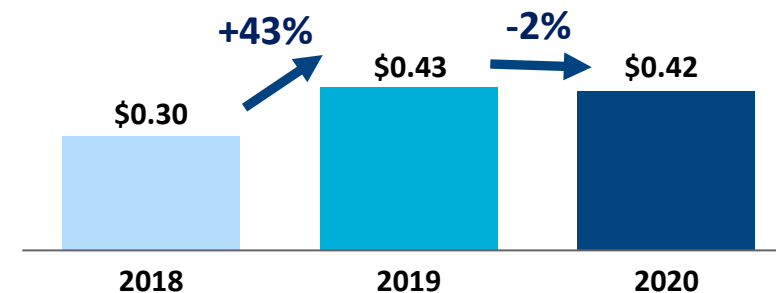
Top-line growth driven by capacity expansion projects coming online and increased demand for services related to personal protective equipment

Adjusted EBITDA⁽¹⁾⁽²⁾⁽³⁾



Over 450 bps of Adjusted EBITDA margin expansion since 2018 driven by the combined impact of price, capacity utilization, favorable mix and operational excellence initiatives

Adjusted EPS⁽¹⁾⁽²⁾⁽⁵⁾



2020 YoY Adj EPS decrease impacted by \$58M interest expense increase

(1) 2018 revenue, Adjusted EBITDA, Adjusted EBITDA margin, and Adjusted EPS exclude Medical Isotopes business which was divested in July 2018 (denoted as “Other” in the notes to the Company’s financials) - Revenue of \$25.4M in 2018, Adjusted EBITDA of \$4.9M in 2018, and Adjusted EPS of \$0.02 in 2018.

(2) For a reconciliation of GAAP to non-GAAP results, please refer to Non-GAAP Financial Measures provided in the Appendix.

(3) We define Adjusted EBITDA as Adjusted Net Income before interest expense, depreciation (including depreciation of Co-60 used in our operations) and income tax provision applicable to Adjusted Net Income.

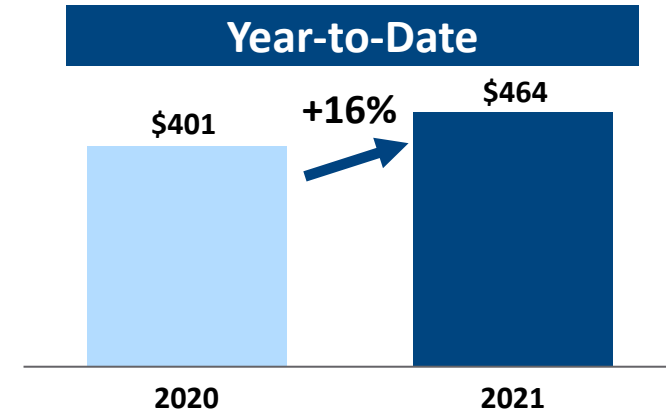
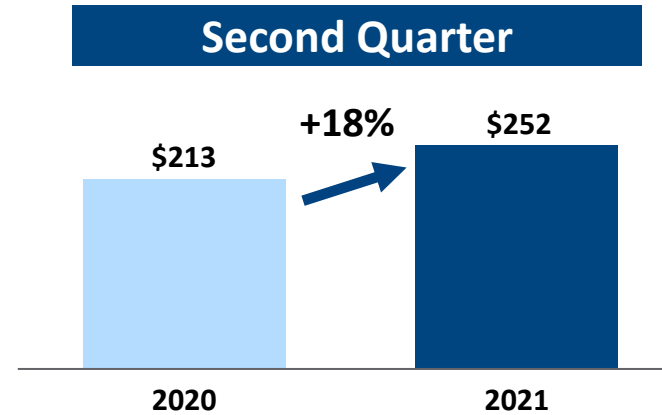
(4) Adjusted EBITDA margin, which is equal to Adjusted EBITDA divided by net revenues.

(5) Adjusted EPS is defined as Adjusted Net Income divided by the weighted average number of diluted shares outstanding.

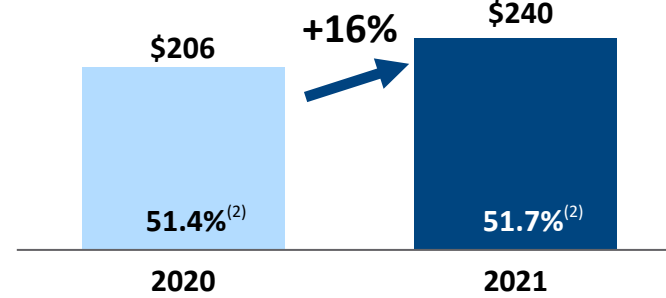
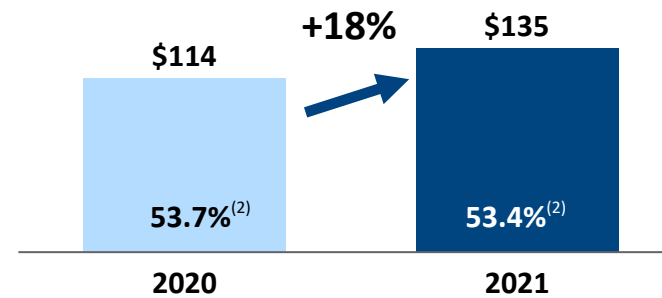
Q2 & YTD 2021 Financial Performance - Consolidated

In millions, except Adjusted EPS

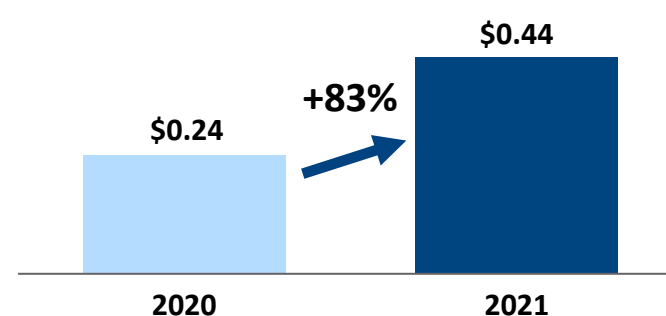
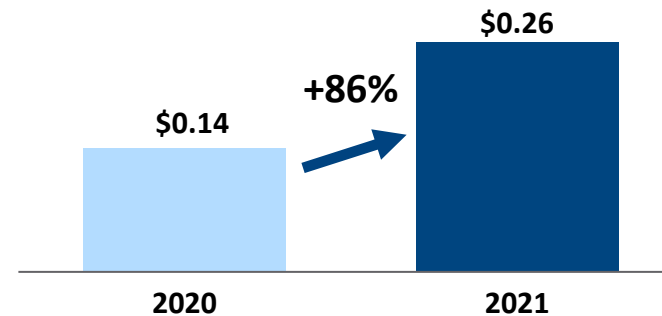
Revenue



Adjusted EBITDA⁽¹⁾



Adjusted EPS⁽¹⁾⁽³⁾



(1) We define Adjusted EBITDA as Adjusted Net Income before interest expense, depreciation (including depreciation of Co-60 used in our operations) and income tax provision applicable to Adjusted Net Income. Please refer to Non-GAAP Financial Measures provided in the Appendix.

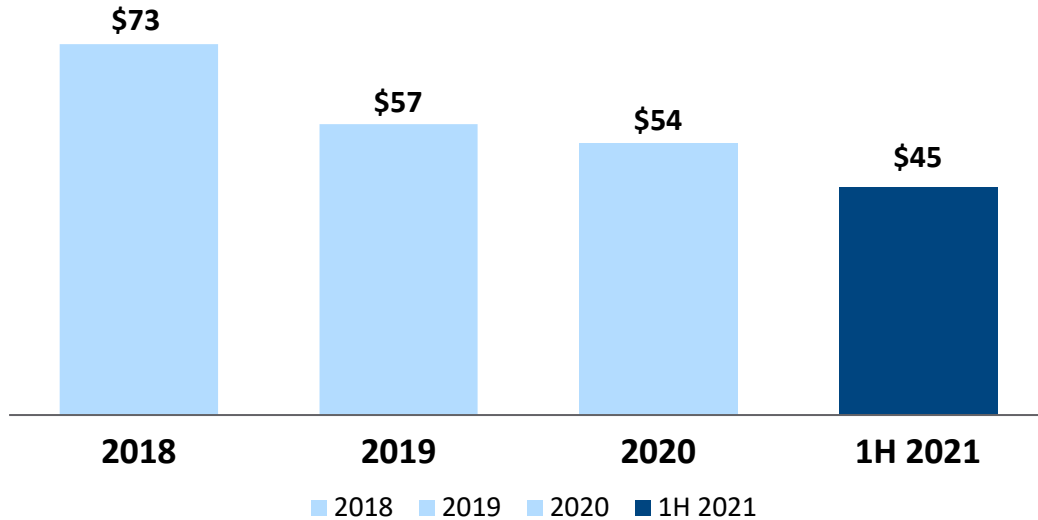
(2) Adjusted EBITDA margin, which is equal to Adjusted EBITDA divided by net revenues. Please refer to Non-GAAP Financial Measures provided in the Appendix.

(3) Adjusted EPS is defined as Adjusted Net Income divided by the weighted average number of diluted shares outstanding. Please refer to Non-GAAP Financial Measures provided in the Appendix.

Capital Investments and Liquidity

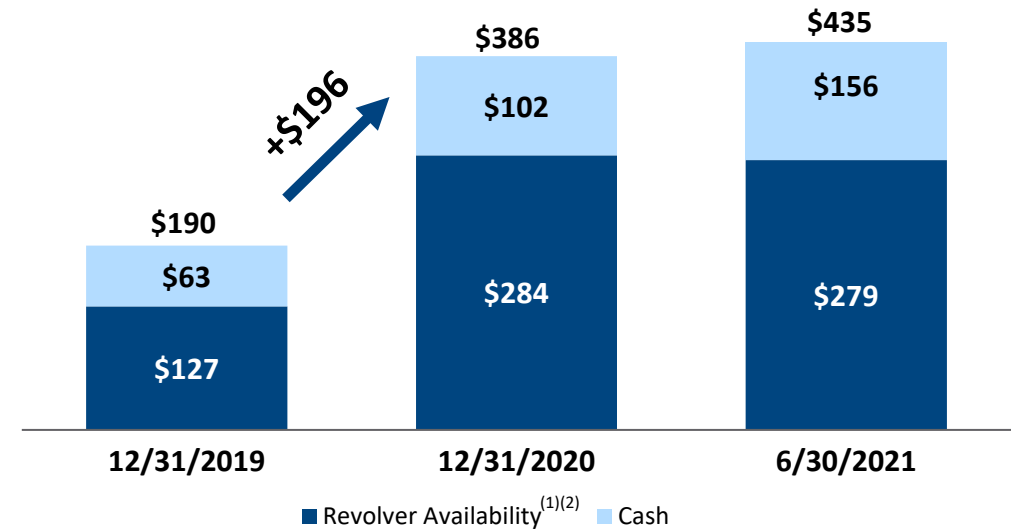
In millions

Capital Expenditures



- 2020 investments depressed by pandemic-related challenges
- Accelerating spend on growth initiatives in 2021
- Continued commitment to new Co-60 supply development and EO facility enhancements

Liquidity

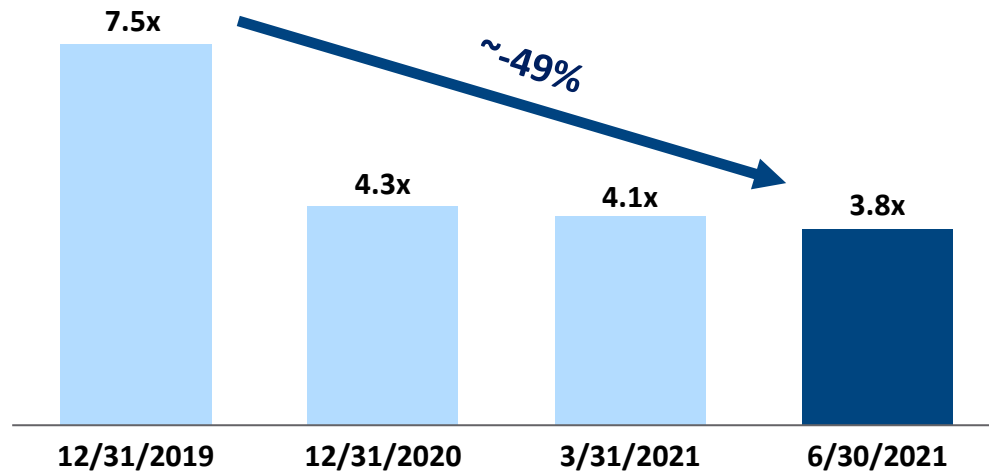


- Upsized revolver in January 2020 by more than \$150M
- Consistent, strong cash generation contributing to increased liquidity position
- No outstanding borrowings on revolving credit facility

(1) Revolving availability is calculated as maximum facility size less letters of credit.

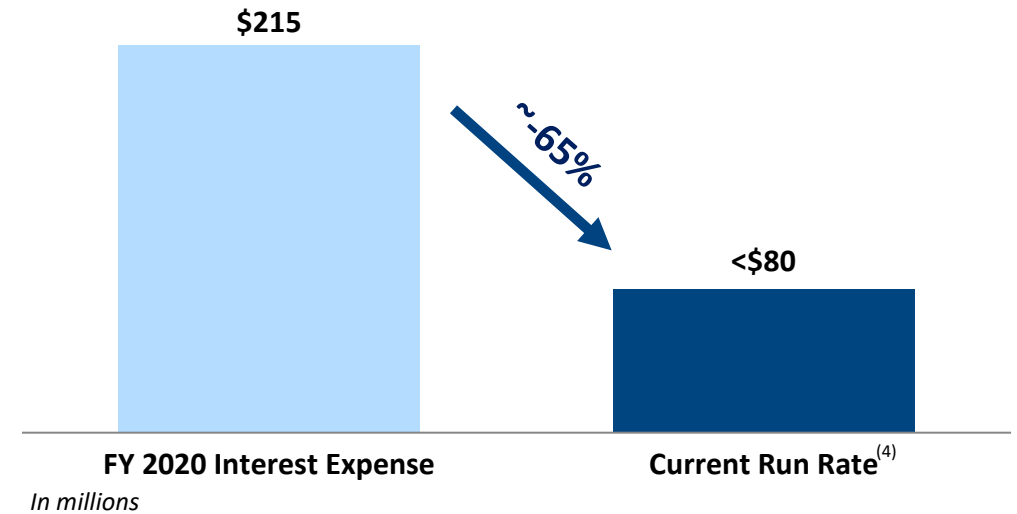
(2) Maximum facility size was \$347.5M as of 12/31/20 and 6/30/21.

Net Leverage Reduction⁽¹⁾



- 3.7x net leverage reduction since Q4 2019
- Achieved top-end of long-term target net leverage range of 2.0x – 4.0x⁽³⁾
- Continuing focus on deleveraging

Expected Annual Interest Expense Reduction⁽²⁾



- Reduction of approximately \$135M of annual interest expense
- 2H 2021 pay-off of \$100M Notes will drive annual interest expense savings of \$7M

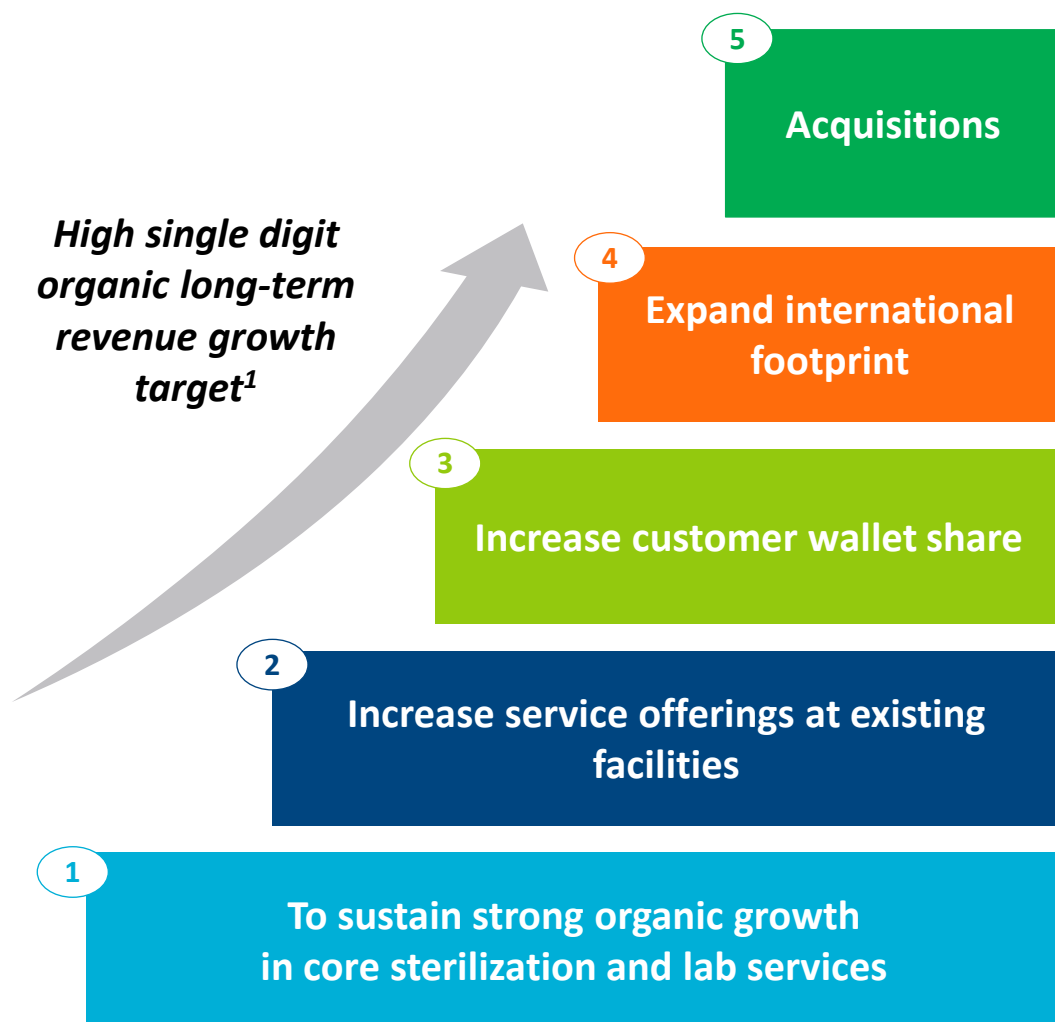
(1) For a reconciliation of GAAP to non-GAAP results, please refer to Non-GAAP Financial Measures provided in the Appendix.

(2) Sotera Health incurred \$14M of expense in connection with the repricing of the Term Loan in January 2021, \$11M of which was non-cash.

(3) Long-term target is forward-looking and reflects expectations as of August 12, 2021. Sotera Health assumes no obligation to update this statement. Results may be materially different and are affected by many factors detailed in Sotera Health's SEC filings, including Sotera Health's 2020 Form 10-K.

(4) At current LIBOR levels. Current run rate includes impact of Q4 2020 debt paydown, Q1 2021 Term Loan repricing, and 2H 2021 payoff of \$100M Notes.

Our business has multiple opportunities to drive growth
















Drivers

- Highly disciplined acquisition strategy
- Attractive pipeline of targets
- Increase emerging markets exposure
- US expansion to complement EU strength in pharma
- Cross-sell between sterilization and lab services
- Increase customer penetration
- Invest in capacity
- Innovate and increase complementary services
- Capitalize on medical device regulation
- Increase penetration of pharma and food end markets

(1) This long-term growth target is forward-looking, is subject to significant uncertainties and contingencies and is based on assumptions with respect to future decisions and operating results, which are subject to change. Actual results will vary, and those variations may be material. For a discussion of some of the important factors that could cause these variations, please consult "Forward Looking Statements and Non-GAAP Financial Measures" on slide 2, our 10-K for the year ended December 31, 2020, and the Company's other SEC filings.

Why we are a global leader in our markets

		Strong financial profile	Revenue growth since 2005 >50% Adjusted EBITDA margin ⁽¹⁾⁽²⁾ Excellent visibility
		Barriers to entry drive attractive returns	Track record Expertise Scale
		Large and growing total addressable market	~\$33bn TAM ⁽³⁾
		Strong industry dynamics	Essential and regulated markets
		Trusted partner at scale	50 sterilization and 14 labs global facilities 800+ lab tests
		Operational excellence	Consistent revenue growth since 2005
		Platform geared for continued M&A	2 transformational and 8 bolt-on acquisitions ⁽⁴⁾
		Established and experienced management team	M&A execution Capital deployment

(1) Full-year 2020 and six months ended June 30, 2021; (2) Please refer to Non-GAAP Financial Measures provided in the Appendix; (3) Management estimates for 2019; (4) Since 2013.

Appendix

Non-GAAP Financial Measures⁽¹⁾

(unaudited) (\$'s in thousands, except per share amounts)	Year Ended December 31,			Twelve Months Ended March 31,	Twelve Months Ended June 30,
	2018	2019	2020	2021	2021
Net income / (loss)	\$ (5,876)	\$ (20,425)	\$ (37,491)	\$ (24,440)	\$ 10,922
Amortization of intangible assets	79,906	80,048	80,255	82,624	84,691
Impairment of long-lived assets and intangible assets ^(a)	85,067	5,792	—	—	—
Gain on sale of Medical Isotopes business ^(b)	(95,910)	—	—	—	—
Share-based compensation ^(c)	6,943	16,882	10,987	12,711	14,811
Capital restructuring bonuses ^(d)	—	2,040	2,702	2,702	2,702
(Gain) loss on foreign currency and embedded derivatives ^(e)	14,095	2,662	(8,454)	(13,057)	(10,632)
Acquisition and divestiture related charges, net ^(f)	1,168	(318)	3,932	2,753	2,240
Business optimization project expenses ^(g)	8,805	4,195	2,524	1,736	1,265
Plant closure expenses ^(h)	—	1,712	2,649	2,420	2,724
Loss on extinguishment of debt ⁽ⁱ⁾	—	30,168	44,262	58,574	58,575
Professional services relating to EO sterilization facilities ^(j)	4,739	11,216	36,671	45,924	47,076
Accretion of asset retirement obligation ^(k)	1,366	2,051	1,946	2,007	2,117
COVID-19 expenses ^(l)	—	—	2,677	2,900	815
Income tax benefit associated with pre-tax adjustments ^(m)	(24,988)	(35,637)	(43,536)	(49,962)	(50,172)
Adjusted Net Income	75,315	100,386	99,124	126,892	167,134
Interest expense, net	143,326	157,729	215,259	179,979	143,892
Depreciation ⁽ⁿ⁾	66,910	66,671	63,309	62,578	62,938
Income tax provision applicable to Adjusted Net Income ^(o)	55,086	55,146	42,167	63,845	79,467
Adjusted EBITDA^(p)	\$ 340,637	\$ 379,932	\$ 419,859	\$ 433,294	\$ 453,431
Net Revenues	\$ 746,149	\$ 778,327	\$ 818,158	\$ 842,106	\$ 880,938
Adjusted EBITDA Margin	45.7 %	48.8 %	51.3 %	51.5 %	51.5 %
Weighted average number of shares outstanding	232,400	232,400	237,696		
Basic and diluted EPS	\$ (0.03)	\$ (0.09)	\$ (0.16)		
Adjusted EPS	\$ 0.32	\$ 0.43	\$ 0.42		

(1) See accompanying footnotes for this table on next slide.

Non-GAAP Financial Measures

- (a) Represents impairment charges related to the decision to not reopen the Willowbrook, Illinois facility in September 2019. For 2018, represents impairment charges associated with the withdrawal of the GA-MURR project.
- (b) Represents the gain on the divestiture of the Medical Isotopes business in July 2018.
- (c) Includes non-cash share-based compensation expense. 2019 also includes \$10.0 million of one-time cash share-based compensation expense related to the pre-IPO Class C Units, which vested in the third quarter of 2019.
- (d) Represents cash bonuses for members of management primarily relating to the November 2020 IPO and the December 2019 refinancing.
- (e) Represents the effects of (i) fluctuations in foreign currency exchange rates, primarily related to remeasurement of intercompany loans denominated in currencies other than subsidiaries' functional currencies, and (ii) non-cash mark-to-fair value of embedded derivatives relating to certain customer and supply contracts at Nordion.
- (f) Represents (i) certain direct and incremental costs related to the acquisitions of the noncontrolling interests in our China subsidiaries, BioScience Laboratories in 2021, Iotron Industries in July 2020, Gibraltar Laboratories, Inc. ("Nelson Labs Fairfield") in 2018 (including the first quarter 2021 gain on the mandatorily redeemable noncontrolling interest), Toxikon Europe, NV ("Nelson Europe") in 2017, and certain related integration efforts as a result of those acquisitions, (ii) the earnings impact of fair value adjustments (excluding those recognized within amortization expense) resulting from the businesses acquired, and (iii) transition services income and non-cash deferred lease income associated with the terms of the divestiture of the Medical Isotopes business in 2018.
- (g) Represents professional fees, contract termination and exit costs, severance and other payroll costs, and other costs associated with business optimization and cost savings projects relating to the integrations of Nordion and Nelson Labs, including the divestiture of Medical Isotopes, the withdrawal from the GA-MURR project, the Sotera Health rebranding, operating structure realignment and other process enhancement projects.
- (h) Represents professional fees, severance and other payroll costs, and other costs including ongoing lease and utility expenses associated with the closure of the Willowbrook, Illinois facility.
- (i) Represents expenses incurred in connection with the refinancing of our debt capital structure in December 2019, the January 2021 Term Loan repricing, and paydown of debt following the November 2020 IPO, including accelerated amortization of prior debt issuance and discount costs, and premiums paid in connection with early extinguishment.
- (j) Represents professional fees related to litigation associated with our EO sterilization facilities and other related professional fees.
- (k) Represents non-cash accretion of asset retirement obligations related to Co-60 and gamma processing facilities, which are based on estimated site remediation costs for any future decommissioning of these facilities (without regard for whether the decommissioning services would be performed by employees of Nordion, instead of by a third party) and are accreted over the life of the asset.
- (l) Represents non-recurring costs associated with the COVID-19 pandemic, including donations to related charitable causes, special bonuses for front-line personnel working on-site during lockdown periods, and incremental costs to implement workplace health and safety measures.
- (m) Represents the tax benefit or provision associated with the reconciling items between net loss and Adjusted Net Income. To determine the aggregate tax effect of the reconciling items, we utilized statutory income tax rates ranging from 0% to 35%, depending upon the applicable jurisdictions of each adjustment.
- (n) Includes depreciation of Co-60 held at gamma irradiation sites.
- (o) Represents the difference between income tax expense or benefit as determined under U.S. GAAP and the income tax benefit associated with pre-tax adjustments described in footnote (m).
- (p) \$83.8 million, \$86.7 million, \$82.6 million, \$82.3 million, and \$84.5 million of the adjustments for the twelve months ended December 31, 2018, December 31, 2019, December 31, 2020, March 31, 2021 and June 30, 2021, respectively, are included in cost of revenues, primarily consisting of amortization of intangibles, depreciation, and accretion of asset retirement obligations.

Non-GAAP Financial Measures⁽¹⁾

(unaudited) (\$'s in thousands, except per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net income	\$ 42,615	\$ 7,252	\$ 53,680	\$ 5,266
Amortization of intangibles	21,778	19,711	44,060	39,624
Share-based compensation ^(a)	3,493	1,393	6,942	3,118
(Gain) loss on foreign currency and embedded derivatives ^(b)	(660)	(3,023)	(996)	1,244
Acquisition and divestiture related charges, net ^(c)	844	1,295	659	2,289
Business optimization project expenses ^(d)	275	750	536	1,799
Plant closure expenses ^(e)	756	451	1,298	1,222
Loss on extinguishment of debt ^(f)	—	—	14,312	—
Professional services relating to EO sterilization facilities ^(g)	10,644	9,494	24,043	13,640
Accretion of asset retirement obligation ^(h)	602	492	1,153	982
COVID-19 expenses ⁽ⁱ⁾	188	2,271	487	2,347
Income tax benefit associated with pre-tax adjustments ⁽ⁱ⁾	(8,863)	(8,653)	(22,996)	(16,360)
Adjusted Net Income	71,672	31,433	123,178	55,171
Interest expense, net	19,163	55,250	40,445	111,812
Depreciation ^(k)	15,683	15,323	31,062	31,433
Income tax provision applicable to Adjusted Net Income ^(l)	28,045	12,423	45,195	7,896
Adjusted EBITDA^(m)	\$ 134,563	\$ 114,429	\$ 239,880	\$ 206,312
Net Revenues	\$ 251,917	\$ 213,085	\$ 464,065	\$ 401,285
Adjusted EBITDA Margin	53.4 %	53.7 %	51.7 %	51.4 %
Weighted average number of shares outstanding:				
Basic	279,078	232,400	278,953	232,400
Diluted	279,214	232,400	279,078	232,400
Earnings per share:				
Basic	\$ 0.15	\$ 0.03	\$ 0.19	\$ 0.02
Diluted	0.15	0.03	0.19	0.02
Adjusted earnings per share:				
Basic	\$ 0.26	\$ 0.14	\$ 0.44	\$ 0.24
Diluted	0.26	0.14	0.44	0.24

(1) See accompanying footnotes for this table on next slide.

Non-GAAP Financial Measures

- (a) Represents non-cash share-based compensation expense.
- (b) Represents the effects of (i) fluctuations in foreign currency exchange rates, primarily related to remeasurement of intercompany loans denominated in currencies other than subsidiaries' functional currencies, and (ii) non-cash mark-to-fair value of embedded derivatives relating to certain customer and supply contracts at Nordion.
- (c) Represents (i) certain direct and incremental costs related to the acquisitions of the noncontrolling interests in our China subsidiaries and BioScience Laboratories in 2021, Iotron Industries in July 2020 and Nelson Labs Fairfield in 2018 (including the first quarter 2021 gain on the mandatorily redeemable noncontrolling interest), and certain related integration efforts as a result of those acquisitions, (ii) the earnings impact of fair value adjustments (excluding those recognized within amortization expense) resulting from the businesses acquired, and (iii) transition services income and non-cash deferred lease income associated with the terms of the divestiture of the Medical Isotopes business in 2018.
- (d) Represents professional fees, contract termination and exit costs, severance and other payroll costs, and other costs associated with business optimization and cost savings projects relating to the integration of recent acquisitions, the Sotera Health rebranding, operating structure realignment and other process enhancement projects.
- (e) Represents professional fees, severance and other payroll costs, and other costs including ongoing lease and utility expenses associated with the closure of the Willowbrook, Illinois facility.
- (f) Represents expenses incurred in connection with the repricing of our Term Loan in January 2021 including accelerated amortization of prior debt issuance and discount costs.
- (g) Represents professional fees related to litigation associated with our EO sterilization facilities and other related professional fees.
- (h) Represents non-cash accretion of asset retirement obligations related to Co-60 and gamma processing facilities, which are based on estimated site remediation costs for any future decommissioning of these facilities (without regard for whether the decommissioning services would be performed by employees of Nordion, instead of by a third party) and are accreted over the life of the asset.
- (i) Represents non-recurring costs associated with the COVID-19 pandemic, including incremental costs to implement workplace health and safety measures. For the three and six months ended June 30, 2020, costs also included donations to related charitable causes, and special bonuses for front-line personnel working on-site during lockdown periods.
- (j) Represents the tax benefit or provision associated with the reconciling items between net income (loss) and Adjusted Net Income. To determine the aggregate tax effect of the reconciling items, we utilized statutory income tax rates ranging from 0% to 35%, depending upon the applicable jurisdictions of each adjustment.
- (k) Includes depreciation of Co-60 held at gamma irradiation sites.
- (l) Represents the difference between income tax expense or benefit as determined under U.S. GAAP and the income tax benefit associated with pre-tax adjustments described in footnote (j).
- (m) \$21.8 million and \$19.7 million of the adjustments for the three months ended June 30, 2021 and 2020, respectively, and \$42.5 million and \$40.7 million of the adjustments for the six months ended June 30, 2021 and 2020, respectively, are included in cost of revenues, primarily consisting of amortization of intangibles, depreciation, and accretion of asset retirement obligations.

Non-GAAP Financial Measures

(unaudited) (\$'s in thousands)	As of December 31,		As of March 31,	As of June 30,
	2019	2020	2021	2021
Current portion of long-term debt	\$ 16,331	\$ -	\$ -	\$ -
Long-term debt less current portion	2,800,873	1,824,789	1,837,580	1,838,133
Current portion of finance leases	1,288	1,173	1,108	1,103
Finance leases less current portion	29,883	34,939	33,432	33,446
Total Debt	\$ 2,848,375	\$ 1,860,901	\$ 1,872,120	\$ 1,872,682
Add: unamortized debt issuance costs and debt discounts	73,677	38,761	26,579	25,417
Less: cash and cash equivalents	(63,025)	(102,454)	(108,016)	(156,224)
Total Net Debt	\$ 2,859,027	\$ 1,797,208	\$ 1,790,683	\$ 1,741,875
Adjusted EBITDA⁽¹⁾	\$ 379,932	\$ 419,859	\$ 433,294	\$ 453,431
Net Leverage	7.5x	4.3x	4.1x	3.8x

(1) For a reconciliation of GAAP to non-GAAP results, please refer to Non-GAAP Financial Measures provided in the Appendix.