

JAZZ PHARMACEUTICALS PLC
RECONCILIATIONS OF GAAP REPORTED TO NON-GAAP ADJUSTED INFORMATION - 2016 to 2020

To supplement Jazz Pharmaceuticals plc's financial results presented in accordance with U.S. generally accepted accounting principles (GAAP), the company uses certain non-GAAP (also referred to as adjusted or non-GAAP adjusted) financial measures. The tables that follow present certain financial information on a GAAP reported and non-GAAP adjusted basis for Jazz Pharmaceuticals plc and its consolidated subsidiaries for the periods specified, along with reconciliations of the non-GAAP financial measures presented to the most directly comparable GAAP reported measures. The company believes that each of these non-GAAP financial measures provides useful supplementary information to, and facilitates additional analysis by, investors and analysts. In particular, the company believes that each of these non-GAAP financial measures, when considered together with the company's financial information prepared in accordance with GAAP, can enhance investors' and analysts' ability to meaningfully compare the company's results from period to period and to its forward-looking guidance, and to identify operating trends in the company's business. In addition, these non-GAAP financial measures are regularly used by investors and analysts to model and track the company's financial performance. Jazz Pharmaceuticals' management also regularly uses these non-GAAP financial measures internally to understand, manage and evaluate the company's business and to make operating decisions, and compensation of executives is based in part on certain of these non-GAAP financial measures. Because these non-GAAP financial measures are important internal measurements for Jazz Pharmaceuticals' management, the company also believes that these non-GAAP financial measures are useful to investors and analysts since these measures allow for greater transparency with respect to key financial metrics the company uses in assessing its own operating performance and making operating decisions.

The non-GAAP financial measures included in the accompanying tables are not meant to be considered in isolation or as a substitute for comparable GAAP measures; should be read in conjunction with the company's condensed consolidated financial statements prepared in accordance with GAAP; have no standardized meaning prescribed by GAAP; and are not prepared under any comprehensive set of accounting rules or principles. In addition, from time to time in the future there may be other items that the company may exclude for purposes of its non-GAAP financial measures; and the company has ceased, and may in the future cease, to exclude items that it has historically excluded for purposes of its non-GAAP financial measures. For example, commencing in 2020, the company no longer excludes upfront and milestone payments from the company's non-GAAP adjusted net income, its line item components and non-GAAP adjusted EPS. For purposes of comparability, non-GAAP adjusted financial measures for the years ended December 31, 2016, 2017, 2018 and 2019, have been updated to reflect this change. Accordingly, such payments are not excluded from its non-GAAP financial measures for the years ended December 31, 2016, 2017, 2018, 2019 and 2020, as detailed in the reconciliation tables that follow. Likewise, the company may determine to modify the nature of its adjustments to arrive at its non-GAAP financial measures. Because of the non-standardized definitions of non-GAAP financial measures, the non-GAAP financial measures as used by the company in the accompanying tables have limits in their usefulness to investors and may be calculated differently from, and therefore may not be directly comparable to, similarly titled measures used by other companies.

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In thousands, except per share amounts (Unaudited)	2016	2017	2018	2019	2020
GAAP reported net income	\$ 396,831	\$ 487,848	\$ 447,098	\$ 523,367	\$ 238,616
Intangible asset amortization	101,994	152,065	201,498	354,814	259,580
Share-based compensation expense	98,771	106,900	102,441	110,563	120,998
Loss contingency ^(a)	-	-	57,000	-	-
Impairment charge and disposal costs ^(b)	-	-	43,969	-	136,139
Acquired IPR&D asset acquisition ^(c)	-	-	-	48,275	-
Transaction and integration related costs	13,644	-	-	-	-
Expenses related to certain legal proceedings and restructuring	6,060	6,000	-	-	-
Non-cash interest expense	22,133	30,026	43,960	46,396	56,659
Loss on extinguishment and modification of debt	638	-	-	-	4,475
Income tax effect of above adjustments	(34,784)	(46,130)	(59,521)	(85,910)	(112,491)
Income tax benefit related to intra-entity intellectual property asset transfer	-	-	-	(112,274)	-
U.S. Tax Act impact	-	(148,803)	(7,457)	-	-
Non-GAAP adjusted net income	\$ 605,287	\$ 587,906	\$ 828,988	\$ 885,231	\$ 703,976
GAAP reported net income per diluted share	6.41	7.96	7.30	9.09	4.22
Non-GAAP adjusted net income per diluted share	9.78	9.59	13.54	15.38	12.46
Weighted-average ordinary shares used in diluted per share calculation	61,870	61,317	61,221	57,550	56,517

Explanation of Adjustments and Certain Line Items:

(a) Relates to a civil settlement agreement with the U.S. Department of Justice and the Office of the Inspector General.

(b) Impairment charge and disposal costs in 2018 resulting from the company's sale of its rights related to Prialt® (ziconotide) intrathecal infusion. Impairment charge in 2020 related to the company's decision to stop enrollment in its Phase 3 clinical study of defibrotide for the prevention of veno-occlusive disease due to a determination by an Independent Data Monitoring Committee that it is highly unlikely that the study will reach its primary endpoint.

(c) Relates to the acquisition of Cavion, Inc. in the year ended December 31, 2019

JAZZ PHARMACEUTICALS PLC
RECONCILIATIONS OF GAAP REPORTED TO NON-GAAP ADJUSTED INFORMATION
CERTAIN LINE ITEMS - 2016 to 2020

Year Ended	In thousands (Unaudited)	Cost of product sales	Gross margin	Selling, general and administrative	Research and development	Intangible asset amortization	Impairment charge	Acquired IPR&D	Interest expense, net	Income tax provision (benefit)	Effective tax rate
2020	GAAP Reported	\$ 148,917	93.7%	\$ 854,233	\$ 335,375	\$ 259,580	\$ 136,139	\$ 251,250	\$ 99,707	\$ 33,517	12.2%
	Non-GAAP Adjustments										
	Intangible asset amortization	-	-	-	-	(259,580)	-	-	-	-	-
	Share-based compensation expense	(7,372)	0.3	(84,384)	(29,242)	-	-	-	-	-	-
	Impairment charge	-	-	-	-	-	(136,139)	-	-	-	-
	Non-cash interest expense	-	-	-	-	-	-	-	(56,659)	-	-
	Loss on extinguishment of debt	-	-	-	-	-	-	-	(4,475)	-	-
	Income tax effect of above adjustments	-	-	-	-	-	-	-	-	112,491	4.9
	Total of Non-GAAP adjustments	(7,372)	0.3	(84,384)	(29,242)	(259,580)	(136,139)	-	(61,134)	112,491	4.9
	Non-GAAP Adjusted	\$ 141,545	94.0%	\$ 769,849	\$ 306,133	\$ -	\$ -	\$ 251,250	\$ 38,573	\$ 146,008	17.1%
2019	GAAP Reported	\$ 127,930	94.0%	\$ 736,942	\$ 299,726	\$ 354,814	\$ -	\$ 109,975	\$ 72,261	\$ (73,154)	(16.1%)
	Non-GAAP Adjustments										
	Intangible asset amortization	-	-	-	-	(354,814)	-	-	-	-	-
	Share-based compensation expense	(6,637)	0.3	(78,697)	(25,229)	-	-	-	-	-	-
	Acquired IPR&D asset acquisition	-	-	-	-	-	-	(48,275)	-	-	-
	Non-cash interest expense	-	-	-	-	-	-	-	(46,396)	-	-
	Income tax effect of above adjustments	-	-	-	-	-	-	-	-	85,910	3.7
	Income tax benefit related to intra-entity intellectual property asset transfer	-	-	-	-	-	-	-	-	112,274	24.7
	Total of Non-GAAP adjustments	(6,637)	0.3	(78,697)	(25,229)	(354,814)	-	(48,275)	(46,396)	198,184	28.4
	Non-GAAP Adjusted	\$ 121,293	94.3%	\$ 658,245	\$ 274,497	\$ -	\$ -	\$ 61,700	\$ 25,865	\$ 125,030	12.3%
2018	GAAP Reported	\$ 121,544	93.5%	\$ 683,530	\$ 226,616	\$ 201,498	\$ 42,896	\$ -	\$ 77,075	\$ 80,162	15.1%
	Non-GAAP Adjustments										
	Intangible asset amortization	-	-	-	-	(201,498)	-	-	-	-	-
	Share-based compensation expense	(6,634)	0.4	(76,770)	(19,037)	-	-	-	-	-	-
	Loss contingency	-	-	(57,000)	-	-	-	-	-	-	-
	Impairment charge and disposal costs	-	-	(1,073)	-	-	(42,896)	-	-	-	-
	Non-cash interest expense	-	-	-	-	-	-	-	(43,960)	-	-
	Income tax effect of above adjustments	-	-	-	-	-	-	-	-	59,521	(1.5)
	U.S. Tax Act impact	-	-	-	-	-	-	-	-	7,457	1.4
	Total of Non-GAAP adjustments	(6,634)	0.4	(134,843)	(19,037)	(201,498)	(42,896)	-	(43,960)	66,978	(0.1)
	Non-GAAP Adjusted	\$ 114,910	93.9%	\$ 548,687	\$ 207,579	\$ -	\$ -	\$ -	\$ 33,115	\$ 147,140	15.0%
2017	GAAP Reported	\$ 110,188	93.1%	\$ 544,156	\$ 198,442	\$ 152,065	\$ -	\$ 85,000	\$ 77,756	\$ (47,740)	(10.8%)
	Non-GAAP Adjustments										
	Intangible asset amortization	-	-	-	-	(152,065)	-	-	-	-	-
	Share-based compensation expense	(5,812)	0.4	(83,218)	(17,870)	-	-	-	-	-	-
	Expenses related to certain legal proceedings and restructuring	-	-	(6,000)	-	-	-	-	-	-	-
	Non-cash interest expense	-	-	-	-	-	-	-	(30,026)	-	-
	Income tax effect of above adjustments	-	-	-	-	-	-	-	-	46,130	(2.9)
	U.S. Tax Act impact	-	-	-	-	-	-	-	-	148,803	33.7
	Total of Non-GAAP adjustments	(5,812)	0.4	(89,218)	(17,870)	(152,065)	-	-	(30,026)	194,933	30.8
	Non-GAAP Adjusted	\$ 104,376	93.5%	\$ 454,938	\$ 180,572	\$ -	\$ -	\$ 85,000	\$ 47,730	\$ 147,193	20.0%
2016	GAAP Reported	\$ 105,386	92.9%	\$ 502,892	\$ 162,297	\$ 101,994	\$ -	\$ 23,750	\$ 62,580	\$ 135,236	25.4%
	Non-GAAP Adjustments										
	Intangible asset amortization	-	-	-	-	(101,994)	-	-	-	-	-
	Share-based compensation expense	(4,438)	0.3	(79,037)	(15,296)	-	-	-	-	-	-
	Transaction and integration related costs	(41)	-	(13,068)	(535)	-	-	-	-	-	-
	Expenses related to certain legal proceedings and restructuring	(110)	-	(5,950)	-	-	-	-	-	-	-
	Non-cash interest expense	-	-	-	-	-	-	-	(22,133)	-	-
	Loss on extinguishment and modification of debt	-	-	-	-	-	-	-	(638)	-	-
	Income tax effect of above adjustments	-	-	-	-	-	-	-	-	34,784	(3.5)
	Total of Non-GAAP adjustments	(4,589)	0.3	(98,055)	(15,831)	(101,994)	-	-	(22,771)	34,784	(3.5)
	Non-GAAP Adjusted	\$ 100,797	93.2%	\$ 404,837	\$ 146,466	\$ -	\$ -	\$ 23,750	\$ 39,809	\$ 170,020	21.9%