Lana, VNS Therapy Patient, DTD

LivaNova
Health innovation that matters

First Quarter 2023
Earnings Update

May 3, 2023

Safe Harbor

Certain statements in this material, other than statements of historical or current fact, are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act and Section 21E of the Exchange Act. These statements include, but are not limited to, LivaNova’s plans, objectives, strategies, financial performance and outlook, trends, the amount and timing of future cash distributions, prospects or future events and involve known and unknown risks that are difficult to predict. As a result, the Company’s actual financial results, performance, achievements or prospects may differ materially from those expressed or implied by these forward-looking statements. Generally, you can identify forward-looking statements by the use of words such as “may,” “could,” “seek,” “guidance,” “predict,” “potential,” “likely,” “believe,” “will,” “should,” “expect,” “anticipate,” “estimate,” “plan,” “intend,” “forecast,” “foresee” or variations of these terms and similar expressions, or the negative of these terms or similar expressions. Such forward-looking statements are necessarily based on estimates and assumptions that, while considered reasonable by LivaNova and its management based on their knowledge and understanding of the business and industry, are inherently uncertain. These statements are not guarantees of future performance, and stockholders should not place undue reliance on forward-looking statements. There are a number of risks, uncertainties and other important factors, many of which are beyond the Company’s control, that could cause the Company’s actual results to differ materially from the forward-looking statements contained in this material, and include, but are not limited to, the following risks and uncertainties: risks related to reductions, interruptions or increasing costs related to the supply of raw materials and components and the distribution of finished products, including as a result of inflation and war; volatility in the global market and worldwide economic conditions, including as caused by the invasion of Ukraine, inflation, foreign exchange fluctuations, changes to existing trade agreements and relationships between the U.S. and other countries including the implementation of sanctions; changes in technology, including the development of superior or alternative technology or devices by competitors and/or competition from providers of alternative medical therapies; failure to obtain approvals or reimbursement in relation to the Company’s products; failure to establish, expand or maintain market acceptance of the Company’s products for the treatment of the Company’s approved indications; failure to develop and commercialize new products and the rate and degree of market acceptance of such products; unfavorable results from clinical studies or failure to meet milestones; failure to comply with, or changes in, laws, regulations or administrative practices affecting government regulation of the Company’s products; risks relating to recalls, enforcement actions or product liability claims; changes or reduction in reimbursement for the Company’s products or failure to comply with rules relating to reimbursement of healthcare goods and services; cyber-attacks or other disruptions to the Company’s information technology systems; costs of complying with privacy and security of personal information requirements and laws; failure to comply with anti-bribery laws; as well as those risks described in the “Risk Factors” section of the Company’s Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other documents filed from time to time with the United States Securities and Exchange Commission by LivaNova. All information in this material is as of the date of its release. The Company does not undertake or assume any obligation to update publicly any of the forward-looking statements in this material to reflect actual results, new information or future events, changes in assumptions or changes in other factors affecting forward-looking statements, except to the extent required by applicable law. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements. We caution you not to place undue reliance on any forward-looking statements, which are made only as of the date of this material.

In this material, “LivaNova,” “the Company,” “we,” “us” and “our” refer to LivaNova PLC and its consolidated subsidiaries.

Intellectual Property, Trademarks and Trade Names

This report may contain references to our proprietary intellectual property, including among others:

- Trademarks for our Neuromodulation systems, the VNS Therapy™ System, the VITARIA™ System and our proprietary pulse generator products: Model 102 (Pulse™), Model 102R (Pulse Duo™), Model 103 (Demipulse™), Model 104 (Demipulse Duo™), Model 106 (AspireSR™), Model 1000 (SenTiva™), Model 1000-D (SenTiva™ Duo), Model 7103 (VITARIA™ and TitrationAssist™) and Model 8103 (Symmetry™).

- Trademarks for our Cardiopulmonary product systems: Essenz™, S5™, S3™, S5 Pro™, B-Capta™, Inspire™, Heartlink™, XTRA™, 3T Heater-Cooler™, Connect™ and Revolution™.

- Trademarks for our advanced circulatory support systems: TandemLife™, TandemHeart™, TandemLung™, ProtekDuo™, LifeSPARC™, ALung™, Hemolung™, Respiratory Dialysis™ and ActivMix™.

- Trademarks for our obstructive sleep apnea system: ImThera™ and aura6000™.

These trademarks and trade names are the property of LivaNova or the property of our consolidated subsidiaries and are protected under applicable intellectual property laws. Solely for convenience, our trademarks and tradenames referred to in this Annual Report on Form 10-K may appear without the ™ symbol, but such references are not intended to indicate in any way that we will not assert, to the fullest extent under applicable law, our rights to these trademarks and tradenames.

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Financial Results

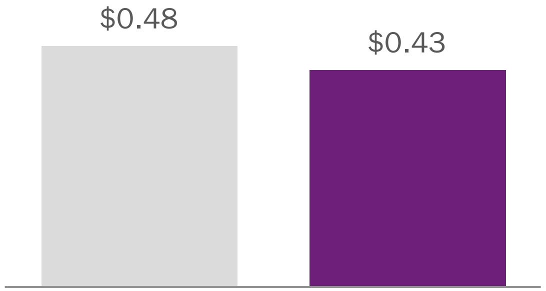
1Q23 Financial Summary

1Q22 1Q23

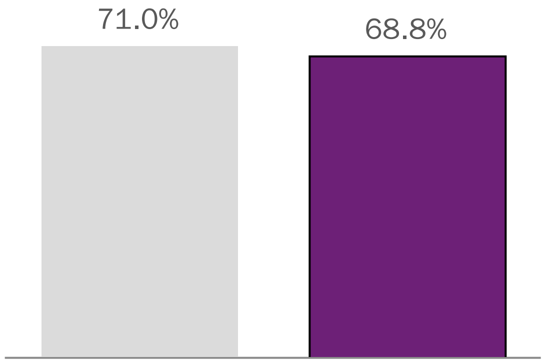
Net Revenue ($M)

- Net revenue increased 12.7 percent on a constant-currency basis
- Foreign currency had an unfavorable impact on net revenue of ~$7M, or 3 percent

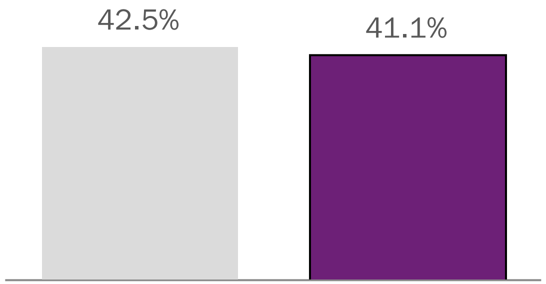
Adjusted Diluted EPS



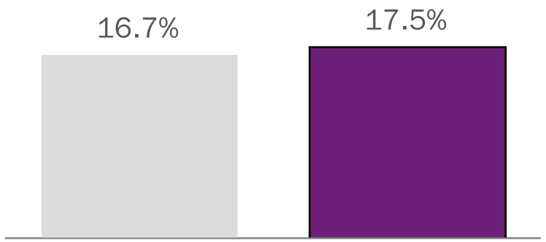
Adjusted Gross Profit %



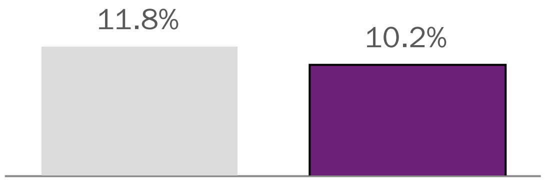
Adjusted SG&A %



Adjusted R&D %



Adjusted Operating Margin %



Note: Net revenue, adjusted diluted EPS and adjusted gross profit, adjusted SG&A, adjusted R&D and adjusted operating margin all as a percentage of net revenue are non-GAAP measures. All percent change performance is shown on a year-over-year constant-currency basis, which is a non-GAAP measure. Constant currency excludes the effects of foreign currency fluctuations. For reconciliations of certain non-GAAP metrics, see the tables in the appendix. See the the section entitled "Supplemental Unaudited Revised Financial Information and Non-GAAP Measures"in the 8-K furnished with the SEC on May 3, 2023 for additional details. Numbers may not add precisely due to rounding.

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1Q23 Net Revenue

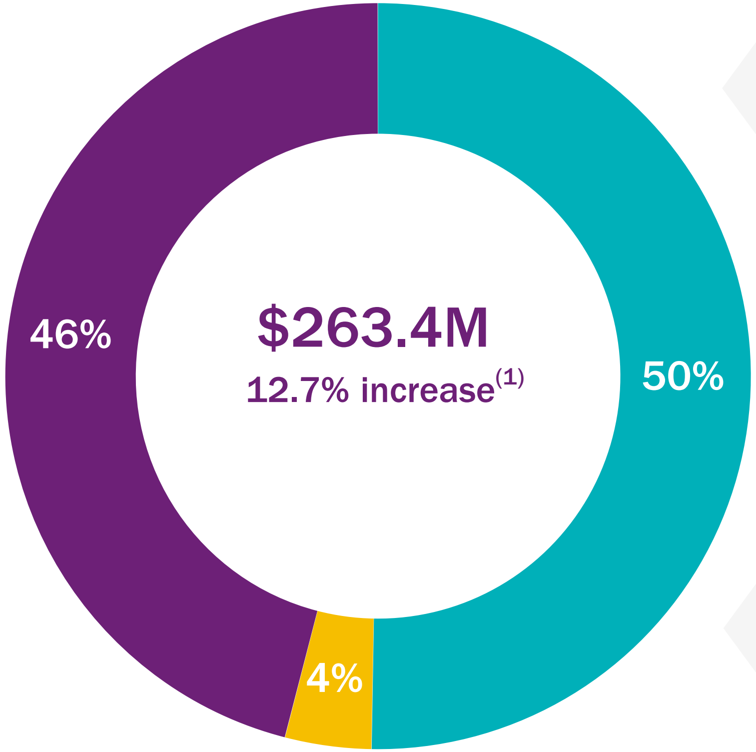
Neuromodulation

Vagus Nerve Stimulation Therapy (VNS Therapy)

- Drug-Resistant Epilepsy (DRE)
- Difficult-to-Treat Depression (DTD)

Hypoglossal Nerve Stimulation Therapy (HGNS Therapy)

- Obstructive Sleep Apnea (OSA)



Cardiopulmonary (CP)

- Heart-lung machines (HLM)
- Oxygenators
- Autotransfusion systems (ATS)
- Cannulae

Advanced Circulatory Support (ACS)

- Extracorporeal Life Support (ECLS)
- Percutaneous Mechanical Circulatory Support (pMCS)
- Extracorporeal carbon dioxide removal ($ECCO_2R$)

Numbers may not add precisely due to rounding. Percentages by segment exclude "Other" revenue.
[1] All percent change performance is shown on a year-over-year constant-currency basis, which is a non-GAAP measure. Constant currency eliminates the effects of foreign currency fluctuations. For reconciliations of certain non-GAAP metrics, see the tables in the appendix.

Segment Net Revenue Comparisons by Region

($M)	Three Months Ended March 31, 2023	2022	% Change at Actual Currency Rates	% Change at Constant-Currency Rates[1]
Cardiopulmonary				
United States	$36.1	$38.1	(5.2)%	(5.2)%
Europe[2]	36.3	32.1	13.1%	19.0%
Rest of World	59.7	46.9	27.2%	34.9%
Total	132.1	117.1	12.8%	17.5%
Neuromodulation				
United States	94.5	87.2	8.3%	8.3%
Europe[2]	13.3	12.5	6.6%	14.2%
Rest of World	13.0	10.6	22.7%	29.8%
Total	120.7	110.2	9.5%	11.1%
Advanced Circulatory Support				
United States	9.7	11.0	(11.8)%	(11.8)%
Europe[2]	0.1	0.6	**	**
Rest of World	0.1	0.1	**	**
Total	9.8	11.7	(15.8)%	(15.7)%
Other	0.8	1.2	(34.4)%	(31.3)%
Total Net Revenue	$263.4	$240.2	9.7%	12.7%

(1) All percent change performance is shown on a year-over-year constant-currency basis, which is a non-GAAP measure. Constant currency eliminates the effects of foreign currency fluctuations. For reconciliations of certain non-GAAP metrics, see the tables in the appendix. Numbers may not add precisely due to rounding. ** Indicates that variance as a percentage is not meaningful.
(2) Europe revenue includes those countries in which we have a direct sales presence, whereas European countries in which we sell through distributors are included in "Rest of World."

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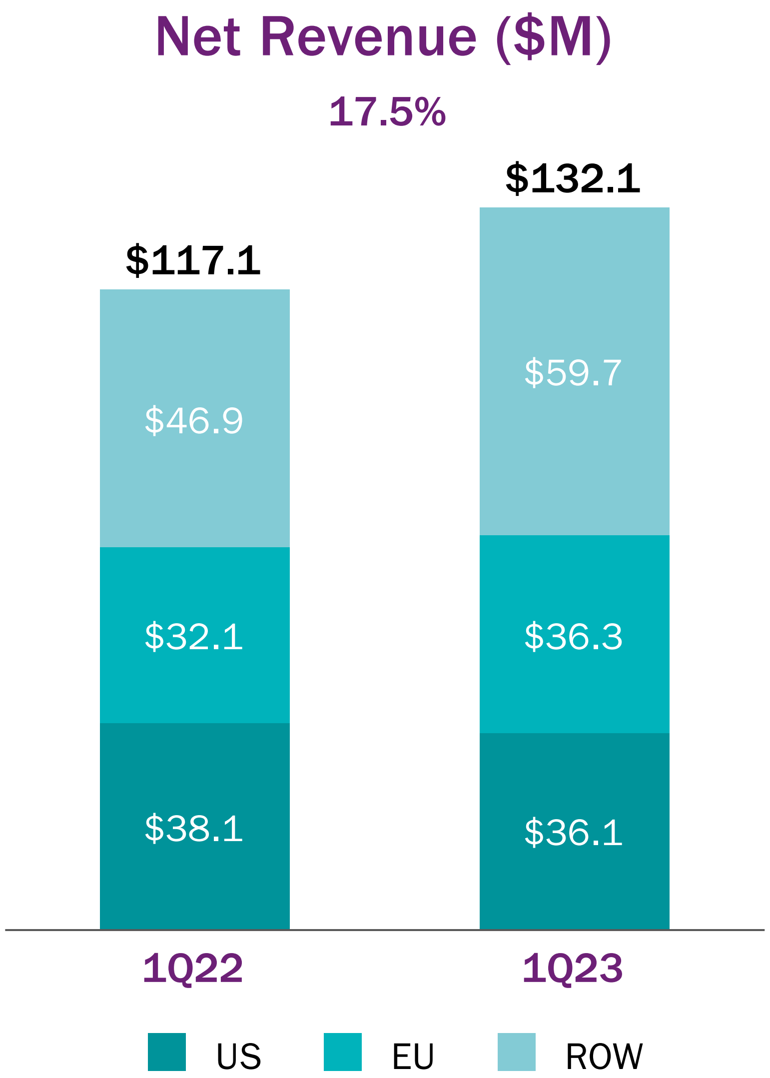
1Q23 Cardiopulmonary Revenue[1]

Drivers/Impacts

Revenue increased 18%, driven by the Rest of World and Europe regions.

Oxygenator revenue grew in the high teens, driven by higher demand and improving supply chain performance.

HLM revenue grew in the low double digits, driven by new installations and replacements in the Rest of World and Europe regions.



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1Q23 Neuromodulation Revenue[1]

Drivers/Impacts

Neuromodulation revenue increased 11%, with strength across all regions, including growth in both new and replacement implants.

U.S. Epilepsy revenue increased 8% year over year driven by growth in total implants, higher realized price and product mix.

Europe Epilepsy revenue grew 14% and Rest of World revenue grew 30%.

Numbers may not add precisely due to rounding.

[1] All percent change performance is shown on a year-over-year constant-currency basis, which is a non-GAAP measure. Constant currency eliminates the effects of foreign currency fluctuations. For reconciliations of certain non-GAAP metrics, see the tables in the appendix.

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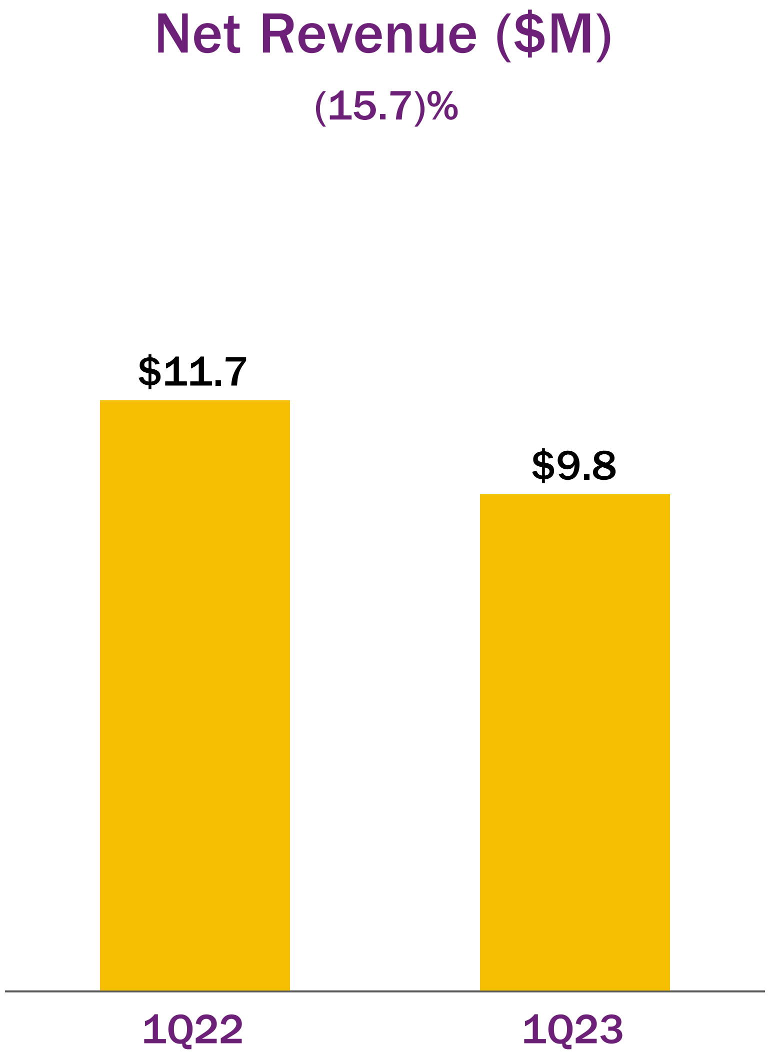
1Q23 Advanced Circulatory Support Revenue[1]

Drivers/Impacts

ACS revenue declined 16%, impacted primarily by a reduction in severe COVID cases versus the prior year. 1Q23 is the final quarter significantly impacted by COVID comparisons.

Experienced modest sequential growth compared to 4Q22.

ACS non-COVID case volumes increased year over year driven by the easing of hospital capacity constraints and account acquisitions.



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[1] All percent change performance is shown on a year-over-year constant-currency basis, which is a non-GAAP measure. Constant currency eliminates the effects of foreign currency fluctuations. For reconciliations of certain non-GAAP metrics, see the tables in the appendix.

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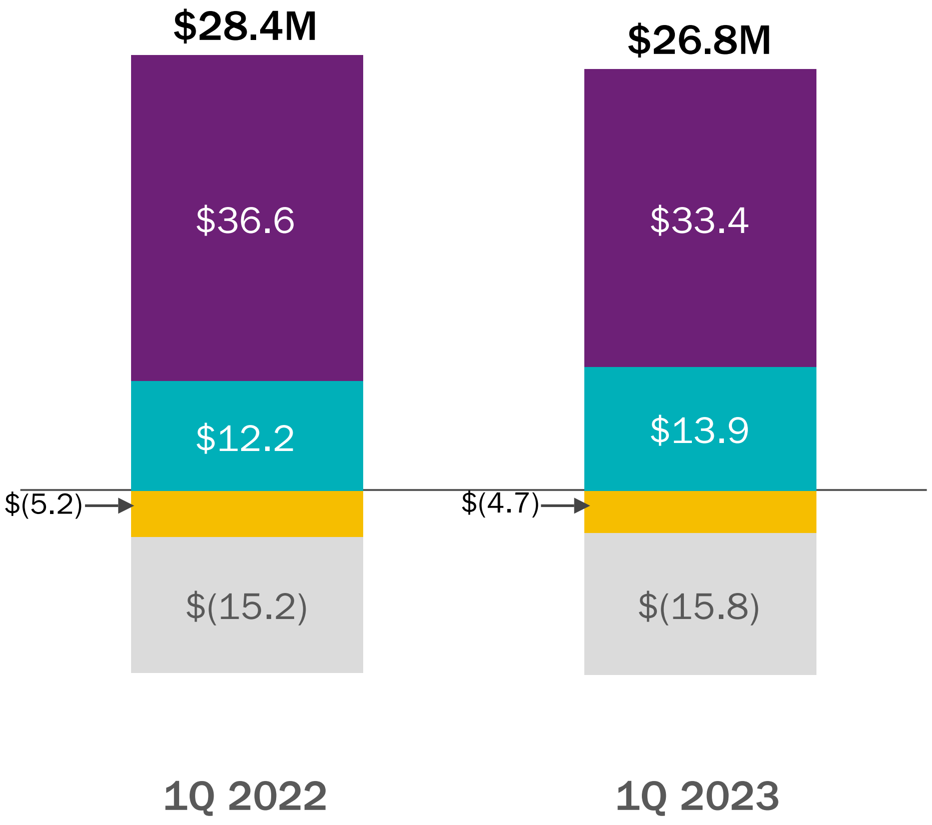
1Q23 Adjusted Segment Operating Income and Margin[1]



% to Revenue

	1Q22	1Q23
Cardiopulmonary	10.4%	10.5%
Neuromodulation	33.2%	27.6%
ACS	(44.7)%	(47.9)%
Total	**11.8%**	**10.2%**

Numbers may not add precisely due to rounding. [1] Adjusted segment operating income and margin are non-GAAP measures. These non-GAAP measures are reconciled to the most directly comparable GAAP measures in the appendix. See the the section entitled "Supplemental Unaudited Revised Financial Information and Non-GAAP Measures"in the 8-K furnished with the SEC on May 3, 2023 for additional details. [2] Includes corporate shared service expenses for finance, legal, human resources, information technology and corporate business development.

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Adjusted Free Cash Flow

Continued focus on optimizing cash generation

- Targeting $80M - $100M of adjusted free cash flow (FCF) for full-year 2023

	Three Months Ended March 31,	
Adjusted Free Cash Flow Reconciliation ($M)	**2023**	**2022**
Net cash provided by operating activities	$20.8	$25.8
Less: Purchases of plant, property and equipment	(7.7)	(5.2)
Less: Cash received from tax stimulus	(9.9)	(6.7)
Add: 3T litigation payments	11.6	2.8
Add: SNIA financing	4.8	—
Adjusted free cash flow	**$19.6**	**$16.6**

Last Twelve Months (LTM) Adjusted Free Cash Flow Conversion Ratio	**LTM Ended March 31, 2023**
LTM adjusted free cash flow	$77.6
LTM adjusted net income	$126.5
LTM adjusted free cash flow conversion ratio	**61%**

Adjusted Free Cash Flow (FCF), LTM Adjusted FCF, LTM Adjust Net Income, and LTM Adjusted FCF conversion ratio are non-GAAP measures. Our definition and calculation of adjusted FCF may not be comparable to similarly titled measures of other companies.

1Q 2023 Summary

Financial	• 12.7%[1] revenue growth, with strength in Cardiopulmonary and Neuromodulation • Adjusted operating margin unfavorably impacted by inflationary pressures, geographic/product mix, commercial and SPI investment, and HF wind-down costs • Adjusted free cash flow of $20M improved by working capital management
Core Businesses	• Strong growth in Cardiopulmonary led by the Rest of World and Europe regions; initiated launch of Essenz in Europe and achieved U.S. FDA 510(k) clearance • Growth in Epilepsy driven by improvement in both new and replacement implants • ACS revenue unfavorably impacted by a decline in severe COVID cases, partially offset by higher non-COVID cases
Strategic Portfolio Initiatives	• DTD: RECOVER clinical study completed interim analysis at the 475th UP patient and randomized the 500th UP patient • OSA: OSPREY confirmatory clinical trial progresses with 24 sites recruiting patients • HF: Initiated close-out of ANTHEM-HFrEF study and wind-down of heart failure program

DTD: Difficult-to-treat depression; OSA: Obstructive sleep apnea; HF: Heart failure; UP: Unipolar

(1) All percent change performance is shown on a year-over-year constant-currency basis, which is a non-GAAP measure. Constant currency eliminates the effects of foreign currency fluctuations. For reconciliations of certain non-GAAP metrics, see the tables in the appendix.

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2023 Guidance

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2023 Guidance

Raising full-year guidance for revenue and adjusted diluted EPS

	Consolidated Guidance As of February 22, 2023	Consolidated Guidance As of May 3, 2023
Worldwide net revenue growth, excluding Heart Valves[1]	3 - 5%	4 - 6%
Adjusted diluted EPS[1][2]	$2.45 - 2.65	$2.50 - 2.70
Adjusted free cash flow[3]	$80 - 100M	$80 - 100M

Worldwide net revenue growth, Adjusted diluted EPS and Adjusted FCF are non-GAAP measures.[1] Net revenue is on a constant-currency basis. Constant-currency growth excludes approximately 1 percent revenue tailwind from foreign currency exchange rates.[2] Adjusted diluted EPS assumes adjusted diluted weighted average shares outstanding of approximately 54 million for the full year of 2023. [3] Adjusted free cash flow is defined as net cash provided by operating activities less cash used for the purchase of property, plant and equipment excluding the impact of 3T litigation payments, tax stimulus benefits, dividends received from investments and cash interest associated with the SNIA financing.

Assumptions for 2023

REVENUE[1]	4 - 6%	• Cardiopulmonary revenue now expected to grow 5-7% • Epilepsy revenue expected to grow 3-5% • ACS revenue expected to grow 4-6%
EPS[2]	$2.50 - 2.70	• Gross margin flat due to ongoing inflationary pressures, offset by productivity and price • Targeting operating efficiencies for margin improvement • Investing in core innovation, DTD and OSA to drive long-term value creation
ADJUSTED FCF[3]	$80 - 100M	• Impacted by inflationary pressures, geographic mix and inventory builds to protect supply chain continuity • Driving operating margin improvements through disciplined capital deployment • Targeting an increase in adjusted free cash flow conversion ratio versus 2022
STRATEGIC PORTFOLIO INITIATIVES	Pipeline Execution	• DTD: Follow 500 UP patients for 12 months; randomize 150th BP patient • OSA: Continue to ramp patient enrollment in the OSPREY trial • HF: Close ANTHEM-HFrEF study and wind-down heart failure program

DTD: Difficult-to-treat depression; OSA: Obstructive sleep apnea; HF: Heart failure; UP: Unipolar; BP: Bipolar

Worldwide net revenue growth, Adjusted diluted EPS and Adjusted FCF are non-GAAP measures. [1] Net revenue is on a constant-currency basis. [2] Adjusted diluted EPS assumes adjusted diluted weighted average shares outstanding of approximately 54 million for the full year of 2023. [3] Adjusted free cash flow is defined as net cash provided by operating activities less cash used for the purchase of property, plant and equipment excluding the impact of 3T litigation payments, tax stimulus benefits, dividends received from investments and cash interest associated with the SNIA financing.

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2023 Strategic Priorities

Core Growth

Focus on commercial execution in under-penetrated markets

- Drive market development for U.S. Epilepsy and ACS
- Deliver on Essenz launch objectives
- Continue growth in the Rest of World and Europe regions

Pipeline Execution

Multiple existing and pipeline initiatives to accelerate growth

- Achieve key study milestones in RECOVER and OSPREY

Operational Excellence

Drive margin expansion and cash generation

- Expand operating margin through price and cost discipline
- Drive improvement in cash conversion

Appendix

GAAP to Non-GAAP Reconciliations

The following tables reconcile the most comparable U.S. Generally Accepted Accounting Principles (GAAP) measures to the non-GAAP financial and operating measures presented in LivaNova's first-quarter 2023 press release and during the conference call held in conjunction with the announcement of first-quarter 2023 results.

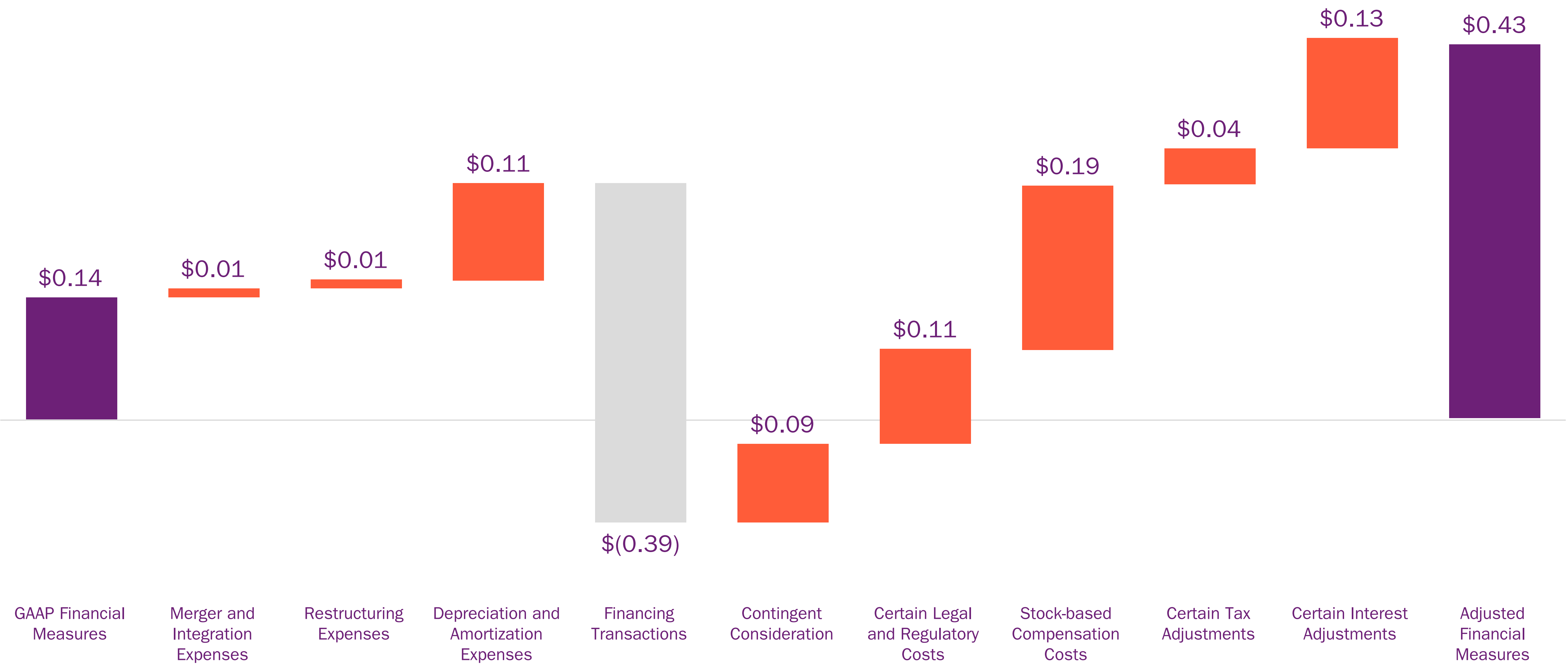
In this material, management has disclosed financial measurements that present financial information not in accordance with GAAP. Company management uses these measurements as aids in monitoring the Company's ongoing financial performance from quarter to quarter and year to year on a regular basis and for benchmarking against other medical technology companies. Non-GAAP financial measures used by the Company may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies. These non-GAAP financial measures should be considered along with, but not as alternatives to, the operating performance measure as prescribed by GAAP.

Unless otherwise noted, all revenue growth rates in this material reflect comparable, constant-currency growth. Management believes that referring to comparable, constant-currency growth is the most useful way to evaluate the revenue performance of LivaNova and to compare the revenue performance of current periods to prior periods on a consistent basis. Constant-currency growth, a non-GAAP financial measure, measures the change in revenue between current and prior-year periods using average exchange rates in effect during the applicable prior-year period.

LivaNova calculates forward-looking non-GAAP financial measures based on internal forecasts that omit certain amounts that would be included in GAAP financial measures. For example, forward-looking net revenue growth projections are estimated on a constant-currency basis and exclude the impact of foreign currency fluctuations. Forward-looking non-GAAP adjusted diluted earnings per share guidance exclude other items such as, but not limited to, changes in fair value of derivatives and contingent consideration arrangements and asset impairment charges that would be included in comparable GAAP financial measures. The most directly comparable GAAP measure for constant-currency net revenue, non-GAAP adjusted tax rate and adjusted diluted earnings per share are net revenue, the effective tax rate and earnings per share, respectively. The most directly comparable GAAP measure for adjusted free cash flow is net cash provided by operating activities. However, non-GAAP financial adjustments on a forward-looking basis are subject to uncertainty and variability as they are dependent on many factors, including but not limited to, the effect of foreign currency exchange fluctuations, impacts from potential acquisitions or divestitures, the ultimate outcome of legal proceedings, gains or losses on the potential sale of businesses or other assets, restructuring costs, merger and integration activities, changes in fair value of derivatives and contingent consideration arrangements, asset impairment charges and the tax impact of the aforementioned items, tax law changes or other tax matters. Accordingly, forward-looking GAAP financial measures and reconciliations to the most directly comparable forward-looking GAAP financial measures are not available without unreasonable effort.

The Company also believes adjusted financial measures such as adjusted gross profit percentage, adjusted selling, general and administrative expense, adjusted research and development expense, adjusted other operating expense, adjusted operating income, adjusted segment operating income, adjusted income tax expense, adjusted net income and adjusted diluted earnings per share are measures by which LivaNova generally uses to facilitate management review of the operational performance of the company, to serve as a basis for strategic planning and to assist in the design of compensation incentive plans. Additionally, the Company also uses the non-GAAP liquidity measure adjusted free cash flow. Furthermore, adjusted financial measures allow investors to evaluate the Company's core performance for different periods on a more comparable and consistent basis, and with other entities in the medical technology industry by adjusting for items that are not related to the ongoing operations of the Company or incurred in the ordinary course of business.

1Q23 Adjusted EPS from Continuing Operations[1]



[1] Adjusted diluted EPS is a non-GAAP measure. This non-GAAP measure is reconciled to its GAAP measure in the appendix.

GAAP to Non-GAAP Reconciliations - *Unaudited*

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES - UNAUDITED
(U.S. dollars in millions, except per share amounts)

		Specified Items									
Three Months Ended March 31, 2023	GAAP Financial Measures	Merger and Integration Expenses (A)	Restructuring Expenses (B)	Depreciation and Amortization Expenses (C)	Financing Transactions (D)	Contingent Consideration (E)	Certain Legal & Regulatory Costs (F)	Stock-based Compensation Costs (G)	Certain Tax Adjustments (H)	Certain Interest Adjustments (I)	Adjusted Financial Measures
Cost of sales	$89.3	$—	$—	$(3.6)	$—	$(3.1)	$—	$(0.4)	$—	$—	$82.2
Gross profit percent	66.1 %	— %	— %	1.4 %	— %	1.2 %	— %	0.2 %	— %	— %	68.8 %
Selling, general and administrative	124.1	—	—	(2.9)	—	—	(4.5)	(8.5)	—	—	108.3
Selling, general and administrative as a percent of net revenue	47.1 %	— %	— %	(1.1)%	— %	— %	(1.7)%	(3.2)%	— %	— %	41.1 %
Research and development	50.0	—	—	0.1	—	(1.8)	(0.5)	(1.6)	—	—	46.2
Research and development as a percent of net revenue	19.0 %	— %	— %	— %	— %	(0.7)%	(0.2)%	(0.6)%	— %	— %	17.5 %
Other operating expense	2.3	(0.3)	(0.7)	—	—	—	(1.3)	—	—	—	—
Operating (loss) income	(2.3)	0.3	0.7	6.4	—	4.8	6.3	10.6	—	—	26.8
Operating margin percent	(0.9)%	0.1 %	0.3 %	2.4 %	— %	1.8 %	2.4 %	4.0 %	— %	— %	10.2 %
Income tax expense	2.4	—	—	0.4	—	—	0.4	0.4	(2.3)	0.2	1.5
Income tax rate	24.3 %	— %	— %	6.6 %	— %	— %	6.7 %	4.0 %	N/A	2.3 %	6.2 %
Net income	7.4	0.3	0.7	6.0	(21.0)	4.8	5.9	10.2	2.3	6.9	23.3
Net income as a percent of net revenue	2.8 %	0.1 %	0.3 %	2.3 %	(8.0)%	1.8 %	2.2 %	3.9 %	0.9 %	2.6 %	8.9 %
Diluted EPS	$0.14	$0.01	$0.01	$0.11	$(0.39)	$0.09	$0.11	$0.19	$0.04	$0.13	$0.43

GAAP results for the three months ended March 31, 2023 include:

(A) Merger and integration expenses related to the acquisition of ALung Technologies, Inc.
(B) Restructuring expenses related to organizational changes
(C) Includes depreciation and amortization associated with purchase price accounting
(D) Mark-to-market adjustments for the exchangeable option feature and capped call derivatives
(E) Remeasurement of contingent consideration related to acquisitions
(F) 3T Heater-Cooler litigation provision, legal expenses primarily related to 3T Heater-Cooler defense, costs related to the SNIA matter and MDR costs
(G) Non-cash expenses associated with stock-based compensation costs
(H) Discrete tax items, R&D tax credits and the tax impact of intercompany transactions
(I) Non-cash interest expense on the Cash Exchangeable Senior Notes and 2021 Revolving Credit Facility, interest expense on the Term Facilities and interest income on the collateral for the SNIA litigation guarantee

• Numbers may not add precisely due to rounding.

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GAAP to Non-GAAP Reconciliations - *Unaudited*

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES - UNAUDITED
(U.S. dollars in millions, except per share amounts)

		Specified Items								
Three Months Ended March 31, 2022	GAAP Financial Measures	Restructuring Expenses (A)	Depreciation and Amortization Expenses (B)	Financing Transactions (C)	Contingent Consideration (D)	Certain Legal & Regulatory Costs (E)	Stock-based Compensation Costs (F)	Certain Tax Adjustments (G)	Certain Interest Adjustments (H)	Adjusted Financial Measures
Cost of sales	$71.7	$—	$(3.7)	$—	$2.0	$—	$(0.3)	$—	$—	$69.8
Gross profit percent	70.1 %	— %	1.5 %	— %	(0.8)%	— %	0.1 %	— %	— %	71.0 %
Selling, general and administrative	118.5	—	(2.9)	—	—	(5.7)	(7.9)	—	—	102.0
Selling, general and administrative as a percent of net revenue	49.3 %	— %	(1.2)%	— %	— %	(2.4)%	(3.3)%	— %	— %	42.5 %
Research and development	40.9	—	0.1	—	1.8	(0.6)	(2.1)	—	—	40.1
Research and development as a percent of net revenue	17.0 %	— %	— %	— %	0.8 %	(0.3)%	(0.9)%	— %	— %	16.7 %
Other operating expense	(0.5)	0.1	—	—	—	0.4	—	—	—	—
Operating income	9.5	(0.1)	6.5	—	(3.8)	6.0	10.3	—	—	28.4
Operating margin percent	4.0 %	— %	2.7 %	— %	(1.6)%	2.5 %	4.3 %	— %	— %	11.8 %
Income tax expense	2.5	—	0.5	—	—	0.3	0.1	(1.4)	—	2.0
Income tax rate	45.6 %	— %	6.9 %	— %	— %	5.7 %	0.7 %	N/A	— %	7.2 %
Net income	3.0	(0.1)	6.1	(1.1)	(3.8)	5.6	10.2	1.4	4.8	26.0
Net income as a percent of net revenue	1.2 %	— %	2.5 %	(0.5)%	(1.6)%	2.3 %	4.2 %	0.6 %	2.0 %	10.8 %
Diluted EPS	$0.06	$—	$0.11	$(0.02)	$(0.07)	$0.10	$0.19	$0.03	$0.09	$0.48

GAAP results for the three months ended March 31, 2022 include:
(A) Restructuring expenses related to organizational changes
(B) Includes depreciation and amortization associated with purchase price accounting
(C) Mark-to-market adjustment for the exchangeable option feature and capped call derivatives
(D) Remeasurement of contingent consideration related to acquisitions
(E) 3T Heater-Cooler litigation provision, legal expenses primarily related to 3T Heater-Cooler defense, costs related to the SNIA matter and MDR costs
(F) Non-cash expenses associated with stock-based compensation costs
(G) Discrete tax items and the tax impact of intercompany transactions
(H) Non-cash interest expense on the Cash Exchangeable Senior Notes and interest on the 2022 Bridge Loan
• Numbers may not add precisely due to rounding.

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GAAP to Non-GAAP Reconciliations - *Unaudited*

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES - UNAUDITED
(U.S. dollars in millions)

Adjusted free cash flow reconciliation	Three Months Ended March 31, 2023
Net cash provided by operating activities	$20.8
Less: Purchases of plant, property and equipment	(7.7)
Less: Cash received from tax stimulus	(9.9)
Add: 3T litigation payments	11.6
Add: SNIA financing	4.8
Adjusted free cash flow	$19.6

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES - UNAUDITED
(U.S. dollars in millions)

Net debt reconciliation	As of March 31, 2023
Total long-term debt	$541.8
Add: Short-term debt	0.7
Total debt	542.5
Less: Carrying value of Exchangeable Notes	(243.3)
Add: Nominal value of Exchangeable Notes	287.5
Less: Carrying value of Term Loan A	(288.0)
Add: Nominal value of Term Loan A	296.3
Less: Cash and cash equivalents	(214.3)
Net debt	380.7
Less: Restricted cash	(308.6)
Net debt, including restricted cash	$72.1

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES - UNAUDITED
(U.S. dollars in millions)

Adjusted free cash flow reconciliation	Twelve Months Ended March 31, 2023
Net cash provided by operating activities	$64.9
Less: Purchases of plant, property and equipment	(29.0)
Less: Dividends received from investments	(0.3)
Add: 3T litigation payments	37.7
Add: SNIA financing	14.2
Adjusted free cash flow	$77.6

Adjusted net income reconciliation	Twelve Months Ended March 31, 2023
Net loss	$(81.9)
Merger & integration expenses	1.4
Restructuring expenses	7.4
Depreciation and amortization expenses	23.8
Impairment	129.4
Financing transactions	(64.0)
Contingent Consideration	(21.3)
Certain Legal & Regulatory Costs, and Investment Gain and Dividend	43.1
Stock-based compensation costs	44.3
Certain tax adjustments	10.4
Certain interest adjustments	33.8
Adjusted net income	$126.5
Last twelve months adjusted free cash flow conversion ratio	61 %

Segment Non-GAAP Reconciliation - *Unaudited*

(U.S. dollars in millions)

Three Months Ended March 31, 2023	GAAP Financial Results	Specified Items: Depreciation and Amortization (A)	Specified Items: Contingent Consideration (B)	Specified Items: Certain Legal & Regulatory Costs (C)	Specified Items: Stock-based Compensation Costs (D)	Adjusted Financial Results	% to Revenue
Cardiopulmonary	$7.6	$0.1	$—	$4.4	$1.8	$13.9	10.5 %
Neuromodulation	27.0	—	3.7	—	2.7	33.4	27.6 %
Advanced Circulatory Support	(6.4)	—	1.2	—	0.6	(4.7)	(47.9)%
Other [(1)]	(23.1)	—	—	1.8	5.6	(15.8)	**
Segment income	$5.0	$0.1	$4.8	$6.3	$10.6	$26.8	10.2 %

Three Months Ended March 31, 2022	GAAP Financial Results	Specified Items: Depreciation and Amortization (A)	Specified Items: Contingent Consideration (B)	Specified Items: Certain Legal & Regulatory Costs (C)	Specified Items: Stock-based Compensation Costs (D)	Adjusted Financial Results	% to Revenue
Cardiopulmonary	$6.9	$0.1	$—	$3.4	$1.8	$12.2	10.4 %
Neuromodulation	37.5	—	(3.5)	0.3	2.3	36.6	33.2 %
Advanced Circulatory Support	(5.4)	—	(0.3)	—	0.5	(5.2)	(44.7)%
Other [(1)]	(23.1)	—	—	2.2	5.7	(15.2)	**
Segment income	$15.9	$0.1	$(3.8)	$6.0	$10.3	$28.4	11.8 %

GAAP results for the three months ended March 31, 2023 and 2022 include:

(A) Includes depreciation and amortization associated with purchase price accounting

(B) Remeasurement of contingent consideration related to acquisitions

(C) 3T Heater-Cooler litigation provision, legal expenses primarily related to 3T Heater-Cooler defense, costs related to the SNIA matter and MDR costs

(D) Non-cash expenses associated with stock-based compensation costs

- Numbers may not add precisely due to rounding.

** Indicates that variance as a percentage is not meaningful.

(1) Other includes corporate shared service expenses for finance, legal, human resources, information technology and corporate business development.