

LivaNova

First Quarter 2024 Earnings Update

May 1, 2024



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: volatility in the global market and worldwide economic conditions, including as caused by the invasion of Ukraine, the evolving instability in the Middle East, inflation, changing interest rates, foreign exchange fluctuations, changes to existing trade agreements and relationships between the U.S. and other countries including the implementation of sanctions; cyber-attacks or other disruptions to the Company’s information technology systems or those of third parties with which the Company interacts; costs of complying with privacy and security of personal information requirements and laws; risks relating to supply chain pressures; 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; failure to comply with anti-bribery laws; losses or costs from pending or future lawsuits and governmental investigations, including in the case of the Company’s 3T Heater-Cooler and SNIA litigations; risks associated with environmental laws and regulations as well as environmental liabilities, violations, protest voting and litigation as well as those risks described in the “Risk Factors” section of the Company’s Annual Report 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 LivaNova updates one or more forward-looking statements, no inference should be drawn that the Company will make additional updates with respect to those or other forward-looking statements. LivaNova cautions you not to place undue reliance on any forward-looking statements, which are made only as of the date of this material.

Intellectual Property, Trademarks and Trade Names

This report may contain references to LivaNova's proprietary intellectual property, including among others:

- Trademarks for LivaNova's Neuromodulation systems, the VNS Therapy™ System, the VITARIA™ System and LivaNova's 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 LivaNova's Cardiopulmonary product systems: Essenz™, S5™, S3™, S5 Pro™, B-Capta™, Inspire™, Heartlink™, XTRA™, 3T Heater-Cooler™, Connect™ and Revolution™.
- Trademarks for LivaNova's advanced circulatory support systems: TandemLife™, TandemHeart™, TandemLung™, ProtekDuo™, LifeSPARC™, ALung™, Hemolung™, Respiratory Dialysis™ and ActivMix™.
- Trademarks for LivaNova's obstructive sleep apnea system: ImThera™ and aura6000™.

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

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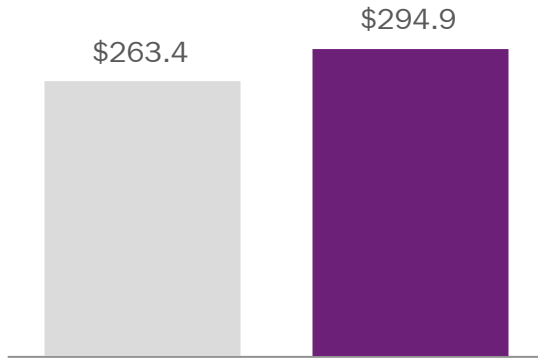
Appendix

Financial Results

1Q24 Financial Summary

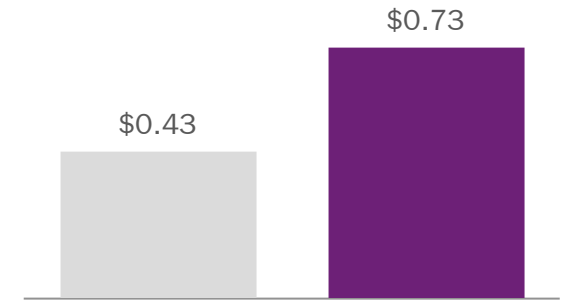
1Q23 1Q24

Net Revenue (\$M)

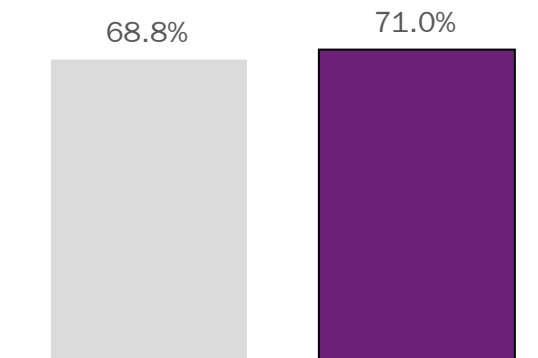


- Net revenue increased 12.4 percent on a constant-currency basis
- Excluding the impact of the ACS segment wind down, revenue increased 13.5 percent on a constant-currency basis
- Foreign currency had an unfavorable impact on net revenue of ~\$1M, or less than 1 percent

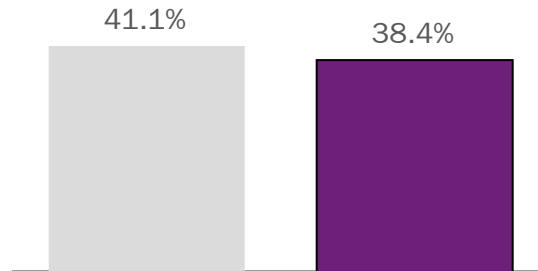
Adjusted Diluted EPS



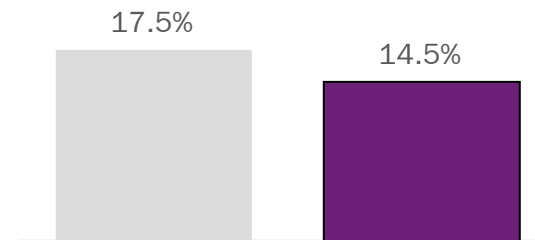
Adjusted Gross Profit %



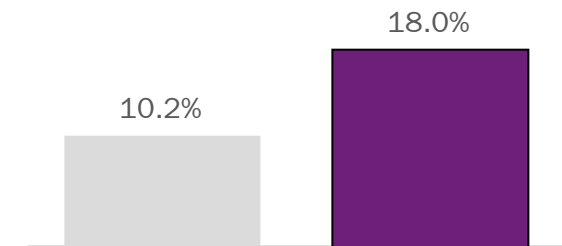
Adjusted SG&A %



Adjusted R&D %



Adjusted Operating Margin %



Note: Net revenue, total revenue excluding revenue from the ACS segment wind down, 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 section entitled "Supplemental Unaudited Revised Financial Information and Non-GAAP Measures" in the 8-K furnished with the SEC on May 1, 2024 for additional details. Numbers may not add precisely due to rounding. ACS: Advanced Circulatory Support. *Revenue from the Company's former ACS reportable segment

1Q24 Net Revenue

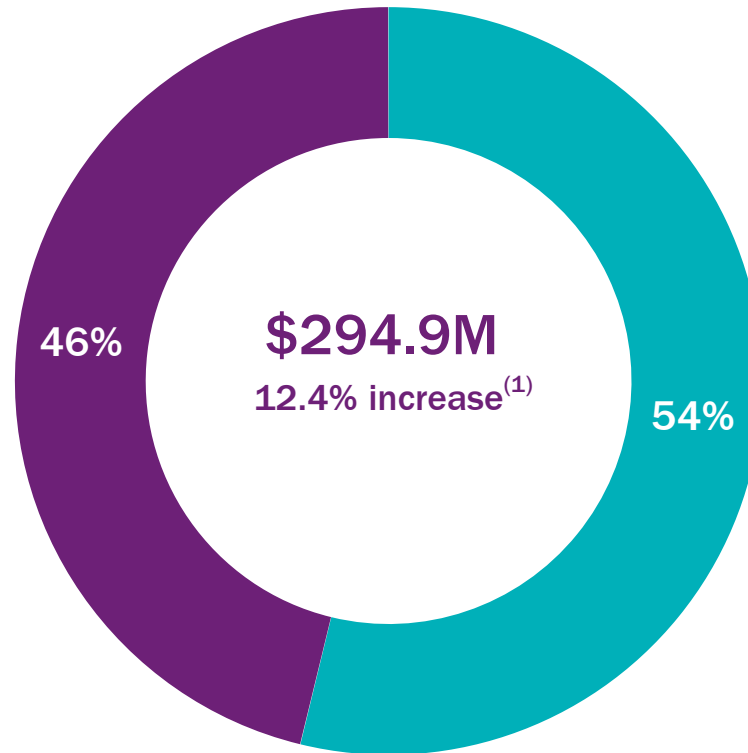
Neuromodulation

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

Numbers may not add precisely due to rounding.
Percentages by segment exclude "Other" revenue.

Other revenue primarily includes revenue from the Company's former ACS reportable segment, and rental and site services income not allocated to segments.

⁽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,		% Change	Constant-Currency % Change ⁽¹⁾
	2024	2023		
Cardiopulmonary				
United States	\$50.6	\$39.6	27.7%	27.7%
Europe ⁽²⁾	40.9	36.4	12.5%	10.3%
Rest of World	64.4	59.8	7.8%	11.0%
Total	155.9	135.7	14.8%	15.7%
Neuromodulation				
United States	105.9	94.5	12.1%	12.1%
Europe ⁽²⁾	13.4	13.3	1.0%	(1.4)%
Rest of World	14.5	13.0	12.2%	15.5%
Total	133.9	120.7	10.9%	11.0%
Other Revenue ⁽³⁾	5.1	7.0	(25.9)%	(26.5)%
Total Net Revenue	\$294.9	\$263.4	12.0%	12.4%
Less: ACS ⁽⁴⁾	4.1	6.2	(33.2)%	(33.6)%
Total Net Revenue, Excluding ACS⁽¹⁾	\$290.8	\$257.2	13.0%	13.5%

⁽¹⁾ Constant-currency percent change and total revenue excluding revenue from the ACS segment wind down are non-GAAP measures. Constant-currency percent change excludes the impact from fluctuations in the various currencies in which the Company operates as compared to reported percent change. For reconciliations of certain non-GAAP metrics, see the tables in the appendix. Numbers may not add precisely due to rounding.

⁽²⁾ Includes countries in Europe where the Company has a direct sales presence. Countries where sales are made through distributors are included in "Rest of World."

⁽³⁾ Other revenue primarily includes revenue from the Company's former ACS reportable segment, and rental and site services income not allocated to segments.

⁽⁴⁾ Includes the results from the wind down portion of the Company's former ACS reportable segment.

Segment financial information presented herein reflects LivaNova's change in segments, effective in the first quarter 2024, for all periods presented. ACS: Advanced Circulatory Support.

1Q24 Cardiopulmonary Revenue⁽¹⁾

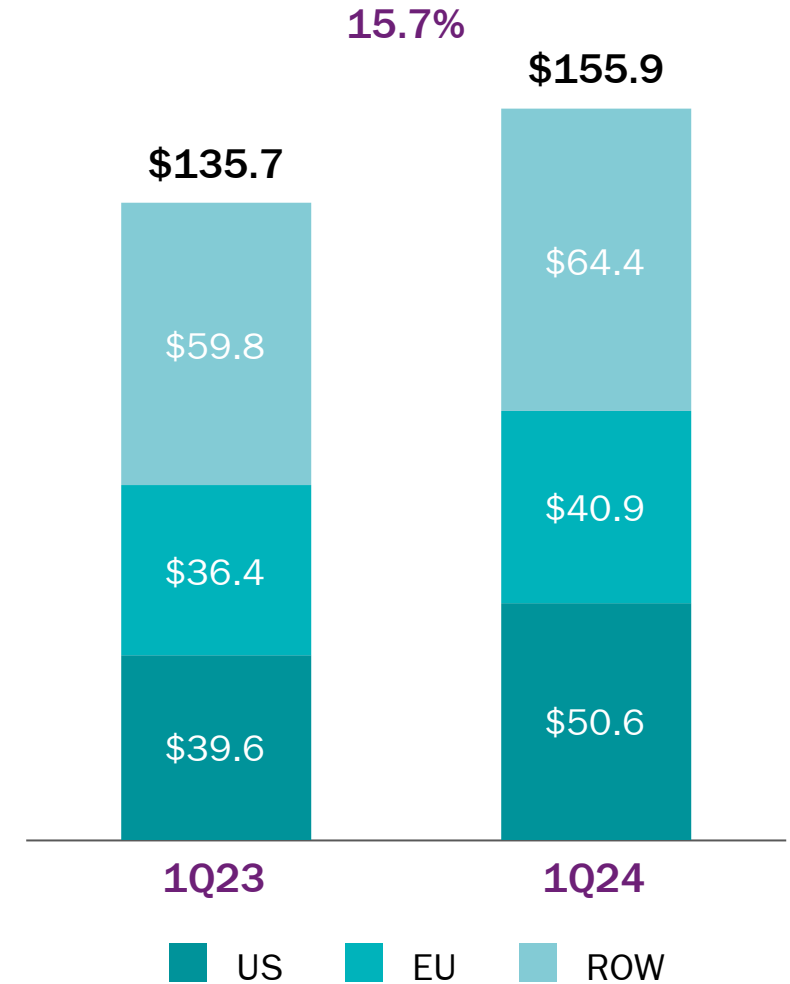
Drivers/Impacts

Revenue increased 15.7% with double-digit growth across all regions.

Strong global demand for consumables including oxygenator revenue growth in the low-teens.

HLM revenue grew more than 20% driven by Essenz sales in the U.S. and Europe regions.

Net Revenue (\$M)



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.

1Q24 Neuromodulation Revenue⁽¹⁾

Drivers/Impacts

Revenue increased **11.0%** with double-digit growth in the U.S. and Rest of World regions.

Total Epilepsy revenue grew **11.3%** with U.S. Epilepsy revenue growth of **12.5%** driven by new and replacement implants, price and product mix.

Europe and Rest of World Epilepsy revenue increased **7.1%**.

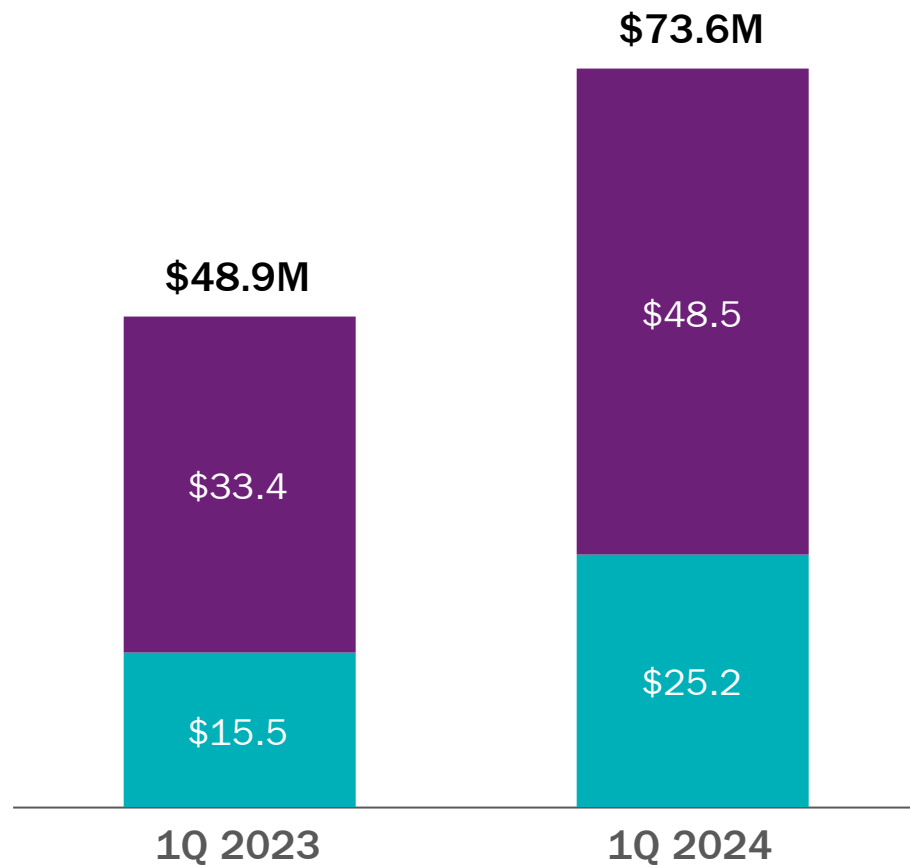
Net Revenue (\$M)



Numbers may not add precisely due to rounding.

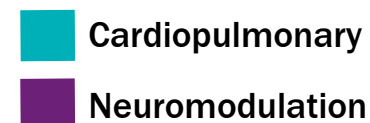
⁽¹⁾ All percent change performance is shown on a year-over-year constant-currency basis, which is a non-GAAP measure. Constant currency eliminates the effects of foreign currency fluctuations. For reconciliations of certain non-GAAP metrics, see the tables in the appendix.

1Q24 Adjusted Segment Income and Margin⁽¹⁾



	% to Revenue	
	1Q23	1Q24
Cardiopulmonary	11.4%	16.1%
Neuromodulation	27.6%	36.2%
Total Segment Margin	19.1%	25.4%
Total Operating Margin⁽²⁾	10.2%	18.0%

1Q24 adjusted operating margin positively impacted by HF program and ACS segment wind down.



Numbers may not add precisely due to rounding. Segment financial information presented herein reflects LivaNova's change in segments, effective in the first quarter 2024, for all periods presented. HF: Heart Failure. ⁽¹⁾ Adjusted segment 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 section entitled "Supplemental Unaudited Revised Financial Information and Non-GAAP Measures" in the 8-K furnished with the SEC on May 1, 2024 for additional details. ⁽²⁾ Includes corporate shared service expenses for finance, legal, human resources, information technology and corporate business development.

Adjusted Free Cash Flow

Targeting \$95 - 115M of adjusted free cash flow (FCF) for full-year 2024

Adjusted Free Cash Flow Reconciliation (\$M)	Three Months Ended March 31,	
	2024	2023
Net cash provided by (used in) operating activities	\$10.0	\$20.8
Less: Purchases of plant, property and equipment	(6.4)	(7.7)
Less: Cash received from tax stimulus	—	(9.9)
Add: 3T Heater-Cooler litigation payments	0.2	11.6
Add: SNIA financing	7.5	4.8
Adjusted free cash flow	\$11.2	\$19.6

Last Twelve Months (LTM) Adjusted Free Cash Flow Conversion Ratio	LTM Ended March 31, 2024	LTM Ended March 31, 2023
LTM adjusted free cash flow	\$87.9	\$77.6
LTM adjusted net income	\$168.7	\$126.5
LTM adjusted free cash flow conversion ratio	52%	61%

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

1Q 2024 Summary

Financial

- 12.4%⁽¹⁾ revenue growth, including double-digit growth in both Cardiopulmonary and Epilepsy
- Adjusted operating margin favorably impacted by higher volume and realized price as well as the HF and ACS wind down
- Adjusted free cash flow unfavorably impacted by higher working capital needs and ACS restructuring costs

Core Businesses

- Cardiopulmonary growth driven by Essenz™ Perfusion system sales in the U.S. and Europe and global consumable demand
- Epilepsy performance driven by double-digit growth in the U.S. and Rest of World regions

Strategic Portfolio Initiatives

- DTD: RECOVER clinical study continued to enroll BP patients
- OSA: OSPREY confirmatory clinical trial achieved positive predictive outcome and concluded enrollment

HF: Heart Failure; ACS: Advanced Circulatory Support; DTD: Difficult-to-treat depression; OSA: Obstructive sleep apnea; BP: Bipolar

⁽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.

2024 Guidance

2024 Guidance

Raising full-year guidance for revenue, adjusted diluted EPS and maintaining range for adjusted FCF

	Consolidated Guidance As of February 21, 2024	Consolidated Guidance As of May 1, 2024
Net revenue growth ⁽¹⁾	4 - 5%	6 - 7%
Net revenue growth, excluding ACS ⁽²⁾	6 - 7%	8 - 9%
Foreign exchange impact	–	1% headwind
Adjusted diluted EPS ⁽¹⁾⁽³⁾	\$2.95 - 3.05	\$3.05 - 3.15
Adjusted free cash flow ⁽⁴⁾	\$95 - 115M	\$95 - 115M

Net revenue growth, Net revenue growth, excluding revenue from the ACS segment wind down, Adjusted diluted EPS and Adjusted FCF are non-GAAP measures.⁽¹⁾ Net revenue is on a constant-currency basis. Foreign currency is expected to be a 1% headwind based on current rates.⁽²⁾ Net revenue growth is on a constant-currency basis, excluding the portion of the ACS segment that is being wound down, which is expected to be substantially complete by the end of 2024.⁽³⁾ Adjusted diluted EPS assumes adjusted diluted weighted average shares outstanding of approximately 55 million for the full year of 2024.⁽⁴⁾ 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 Heater-Cooler litigation payments, tax stimulus benefits, dividends received from investments and cash interest associated with the SNIA financing.

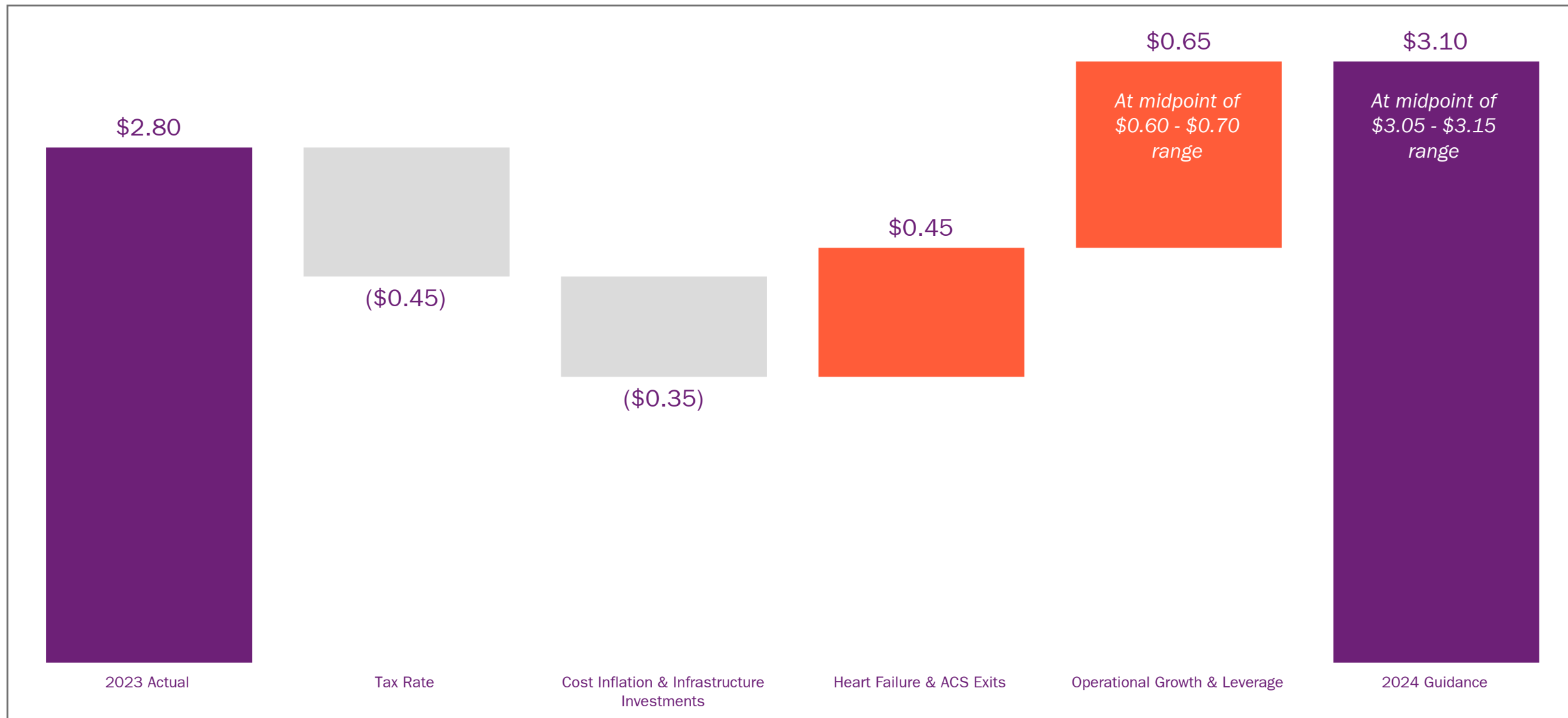
Assumptions for 2024

REVENUE⁽¹⁾ (excluding ACS segment wind down)	8 - 9%	<ul style="list-style-type: none"> • Cardiopulmonary revenue now expected to grow 8-9% (versus 6-7% prior) • Epilepsy revenue growth of 6-7% (maintained) • ACS wind down completion expected by the end of 2024
EPS⁽²⁾	\$3.05 - 3.15	<ul style="list-style-type: none"> • Adjusted operating income margin increase of > 300bps and adjusted operating income growth of ~30% • Investing in innovation to drive long-term value creation with HF and ACS actions providing operating leverage • EPS growth of ~10% negatively impacted by ~\$0.45 due to a step up in the effective tax rate to 21%
ADJUSTED FCF⁽³⁾	\$95 - 115M	<ul style="list-style-type: none"> • 9% improvement in adjusted FCF while increasing capital spend and including ACS wind down costs • Capital spend of \$60M to support innovation, growth and infrastructure • Continued focus on improving working capital management
STRATEGIC PORTFOLIO INITIATIVES	Pipeline Execution	<ul style="list-style-type: none"> • DTD: UP patient 12-month data anticipated in June 2024; continue to enroll BP patients • OSA: Follow ~105 patients for 7 months

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

Net revenue growth, Net revenue growth, excluding ACS, Adjusted diluted EPS and Adjusted FCF are non-GAAP measures ⁽¹⁾ Net revenue is on a constant-currency basis, excluding the portion of the ACS segment that is being wound down. ⁽²⁾ Adjusted diluted EPS assumes adjusted diluted weighted average shares outstanding of approximately 55 million for the full year of 2024. ⁽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 Heater-Cooler litigation payments, tax stimulus benefits, dividends received from investments and cash interest associated with the SNIA financing.

2023 Adjusted Diluted EPS* Bridge to 2024 Guidance



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

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 2024 news release and during the conference call held in conjunction with the announcement of first-quarter 2024 results.

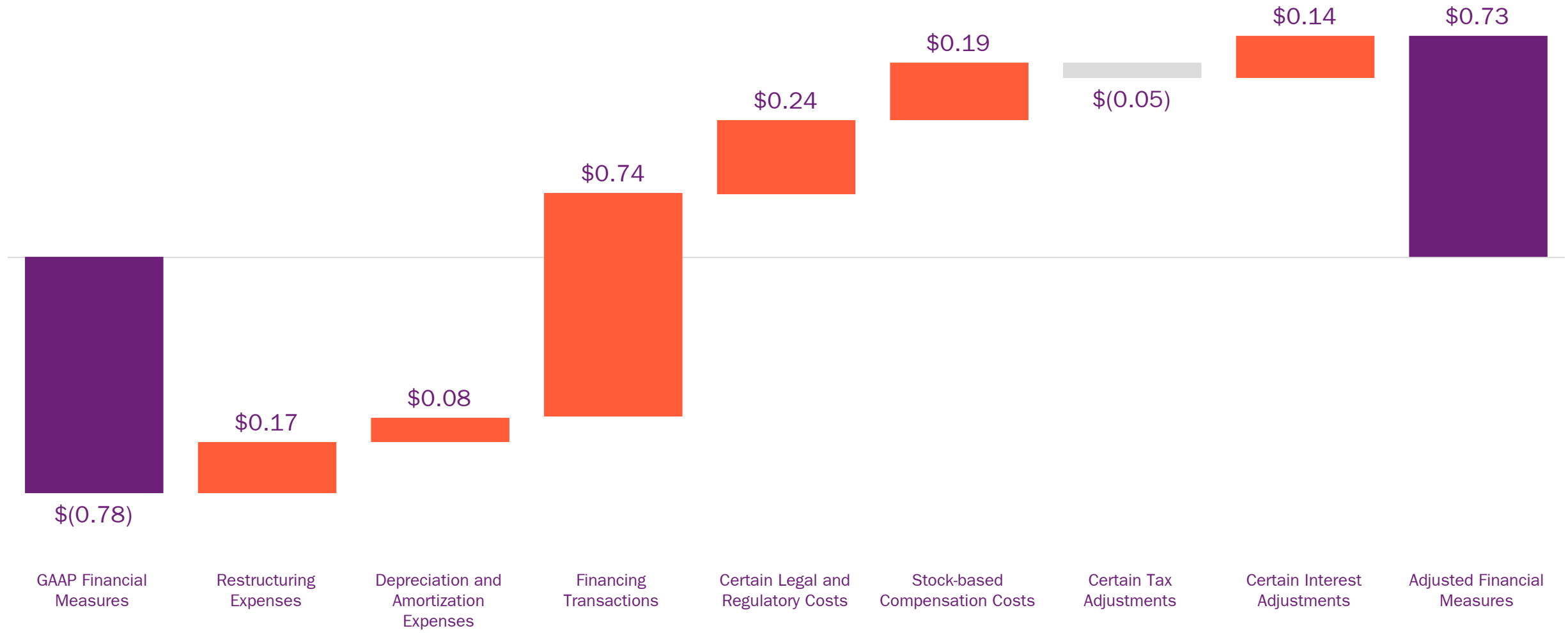
In this material, management has disclosed financial measurements that present financial information not in accordance with GAAP. Company management uses these measurements as aids in monitoring the Company's ongoing financial performance from quarter to quarter and year to year on a regular basis and 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.

In this material, the Company refers to comparable, constant-currency percent change in revenue. 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 non-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 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.

1Q24 Adjusted EPS⁽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)

Three Months Ended March 31, 2024	GAAP Financial Measures	Specified Items								Adjusted 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)	
Cost of sales	\$87.5	\$—	\$(1.7)	\$—	\$0.2	\$—	\$(0.4)	\$—	\$—	\$85.6
Gross profit percent	70.3 %	— %	0.6 %	— %	(0.1)%	— %	0.1 %	— %	— %	71.0 %
Selling, general and administrative	129.9	—	(2.6)	—	—	(6.1)	(7.8)	—	—	113.3
Selling, general and administrative as a percent of net revenue	44.0 %	— %	(0.9)%	— %	— %	(2.1)%	(2.7)%	— %	— %	38.4 %
Research and development	45.7	—	—	—	—	(0.8)	(2.0)	—	—	42.9
Research and development as a percent of net revenue	15.5 %	— %	— %	— %	— %	(0.3)%	(0.7)%	— %	— %	14.5 %
Other operating expense	15.6	(9.2)	—	—	—	(6.4)	—	—	—	—
Operating income	16.2	9.2	4.3	—	(0.1)	13.2	10.2	—	—	53.1
Operating margin percent	5.5 %	3.1 %	1.5 %	— %	— %	4.5 %	3.5 %	— %	— %	18.0 %
Net (loss) income	(41.9)	9.2	4.3	40.3	(0.1)	13.2	10.2	(2.8)	7.6	40.0
Net (loss) income as a percent of net revenue	(14.2)%	3.1 %	1.5 %	13.7 %	— %	4.5 %	3.5 %	(1.0)%	2.6 %	13.6 %
Diluted EPS	\$(0.78)	\$0.17	\$0.08	\$0.74	\$—	\$0.24	\$0.19	\$(0.05)	\$0.14	\$0.73

GAAP results for the three months ended March 31, 2024 include:

- (A) Restructuring expenses related to organizational changes
 - (B) Includes depreciation and amortization associated with purchase price accounting
 - (C) Loss on debt extinguishment, as well as mark-to-market adjustments for the embedded derivative features and capped call derivatives
 - (D) Remeasurement of contingent consideration related to ImThera acquisition
 - (E) 3T Heater-Cooler litigation provision, cybersecurity incident costs, legal expenses primarily related to 3T Heater-Cooler defense, costs related to the SNIA matter, and Medical Device Regulation ("MDR") costs
 - (F) Non-cash expenses associated with stock-based compensation costs
 - (G) The impact of valuation allowances, discrete tax items, the tax impact of intercompany transactions and the tax impact on non-GAAP adjustments
 - (H) Non-cash interest expense on the 2025 cash exchangeable senior notes, 2029 convertible senior notes and 2021 Revolving Credit Facility, interest expense on the Term Facilities and interest income on the collateral for the SNIA litigation guarantee and
- Numbers may not add precisely due to rounding.

GAAP to Non-GAAP Reconciliations - Unaudited

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

Three Months Ended March 31, 2023	GAAP Financial Measures	Specified Items									Adjusted 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)	
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 %
Net (loss) income	7.4	0.3	0.7	6.4	(21.0)	4.8	6.3	10.6	0.8	7.0	23.3
Net (loss) income as a percent of net revenue	2.8 %	0.1 %	0.3 %	2.4 %	(8.0)%	1.8 %	2.4 %	4.0 %	0.3 %	2.7 %	8.9 %
Diluted EPS	\$0.14	\$0.01	\$0.01	\$0.12	\$(0.39)	\$0.09	\$0.12	\$0.20	\$0.02	\$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 adjustment 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 2025 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.

GAAP to Non-GAAP Reconciliations - Unaudited

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

	Three Months Ended March 31, 2024
Adjusted free cash flow reconciliation	
Net cash provided by operating activities	\$10.0
Less: Purchases of plant, property and equipment	(6.4)
Add: 3T Heater-Cooler litigation payments	0.2
Add: SNIA financing	7.5
Adjusted free cash flow	<u>\$11.2</u>

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

	As of March 31, 2024
Net debt reconciliation	
Total long-term debt	\$623.8
Add: Short-term debt	0.6
Total debt	<u>624.5</u>
Less: Carrying value of 2029 Notes	(246.3)
Add: Nominal value of 2029 Notes	345.0
Less: Carrying value of 2025 Notes	(51.0)
Add: Nominal value of 2025 Notes	57.5
Less: Carrying value of Term Facilities	(324.6)
Add: Nominal value of Term Facilities	330.9
Less: Cash and cash equivalents	(309.2)
Net debt	<u>426.9</u>
Less: Restricted cash	(306.5)
Net debt, including restricted cash	<u>\$120.4</u>

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

	Twelve Months Ended March 31, 2024
Adjusted free cash flow reconciliation	
Net cash provided by operating activities	\$64.1
Less: Purchases of plant, property and equipment	(33.7)
Less: Dividends received from investments	(1.5)
Add: 3T Heater-Cooler litigation payments	42.2
Add: SNIA financing	16.8
Adjusted free cash flow	<u>\$87.9</u>

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

	Twelve Months Ended March 31, 2024
Adjusted net income reconciliation	
Net loss	\$(31.8)
Merger & integration expenses	(0.2)
Restructuring expenses	9.5
Depreciation and amortization expenses	23.9
Impairment	102.6
Financing transactions	37.1
Contingent Consideration	4.4
Certain Legal & Regulatory Costs, and Investment Gain and Dividend	67.8
Stock-based compensation costs	36.0
Certain tax adjustments	(111.7)
Certain interest adjustments	31.1
Adjusted net income	<u>\$168.7</u>

Last twelve months adjusted free cash flow conversion ratio

52 %

GAAP to Non-GAAP Reconciliation - Unaudited

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

Segment income Three Months Ended March 31, 2024	Specified Items					Adjusted Financial Results	% to Revenue
	GAAP Financial Results	Contingent Consideration (A)	Certain Legal & Regulatory Costs (B)	Stock-based Compensation Costs (C)			
Cardiopulmonary	\$14.7	\$—	\$9.4	\$1.1		\$25.2	16.1 %
Neuromodulation	46.7	(0.1)	—	1.9		48.5	36.2 %

Segment income Three Months Ended March 31, 2023	Specified Items					Adjusted Financial Results	% to Revenue
	GAAP Financial Results	Contingent Consideration (A)	Certain Legal & Regulatory Costs (B)	Stock-based Compensation Costs (C)	Depreciation and Amortization (D)		
Cardiopulmonary	\$9.2	\$—	\$4.4	\$1.8	\$0.1	\$15.5	11.4 %
Neuromodulation	27.0	3.7	—	2.7	—	33.4	27.6 %

GAAP results for the three months ended March 31, 2024 and 2023 include:

- (A) Remeasurement of contingent consideration related to ImThera acquisition
- (B) 3T Heater-Cooler litigation provision, cybersecurity incident costs, legal expenses primarily related to 3T Heater-Cooler defense, costs related to the SNIA matter, and Medical Device Regulation ("MDR") costs
- (C) Non-cash expenses associated with stock-based compensation costs
- (D) Includes depreciation and amortization associated with purchase price accounting

- Numbers may not add precisely due to rounding. Segment financial information presented herein reflects LivaNova's change in segments, effective in the first quarter 2024, for all periods presented.

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

	Three Months Ended March 31,			Constant- Currency % Change ⁽¹⁾
	2024	2023	% Change	
GAAP net revenue	\$294.9	\$263.4	12.0 %	12.4 %
Less: ACS ⁽²⁾	4.1	6.2	(33.2)%	(33.6)%
Net revenue excluding ACS	\$290.8	\$257.2	13.0 %	13.5 %

(1) Constant-currency percent change, 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.

(2) Includes net revenue from the Company's former ACS reportable segment.

- Numbers may not add precisely due to rounding. Segment financial information presented herein reflects LivaNova's change in segments, effective in the first quarter 2024, for all periods presented.