

LivaNova

Health innovation that matters

Third Quarter 2023 Earnings Update

November 1, 2023

Essenz™ Perfusion System



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 Quarterly Report on Form 10-Q, 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, 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; 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 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, war and extreme weather; 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; 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

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Net Revenue (\$M)

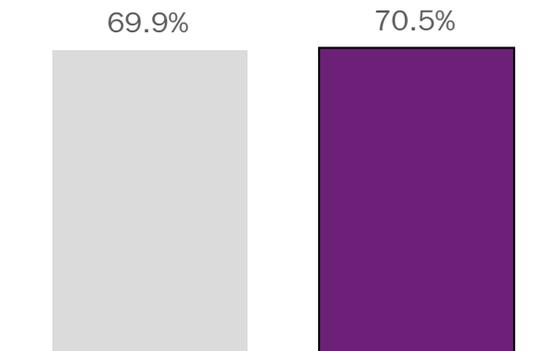


- Net revenue increased 12.1 percent on a constant-currency basis
- Foreign currency had a favorable impact on net revenue of ~\$3M, or 1 percent

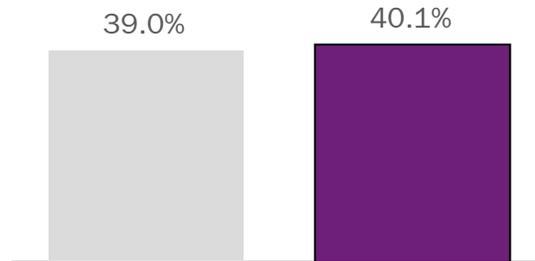
Adjusted Diluted EPS



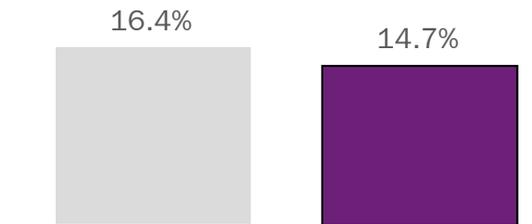
Adjusted Gross Profit %



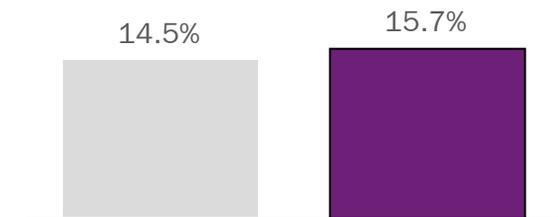
Adjusted SG&A %



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 November 1, 2023 for additional details. Numbers may not add precisely due to rounding.

3Q23 Net Revenue

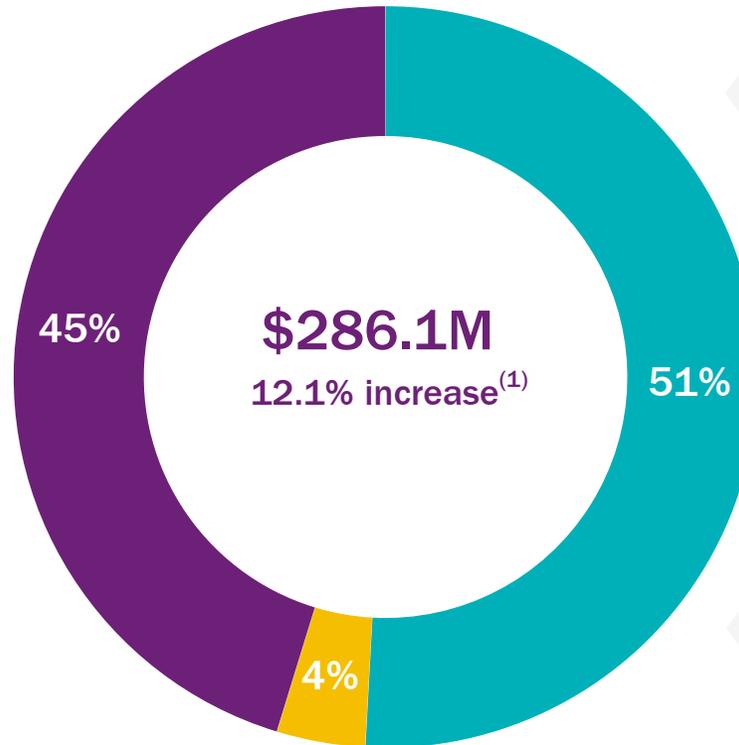
Neuromodulation

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 (ECCO₂R)

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 September 30,			Constant-Currency % Change ⁽¹⁾
	2023	2022	% Change	
Cardiopulmonary				
United States	\$48.5	\$38.5	26.2%	26.2%
Europe ⁽²⁾	35.2	28.8	22.4%	13.2%
Rest of World	61.1	53.7	13.7%	14.9%
Total	144.8	121.0	19.7%	18.1%
Neuromodulation				
United States	102.5	96.5	6.2%	6.2%
Europe ⁽²⁾	12.7	11.1	13.8%	6.7%
Rest of World	13.7	14.2	(3.2)%	(2.7)%
Total	128.9	121.8	5.8%	5.2%
Advanced Circulatory Support				
United States	10.6	8.4	25.3%	25.3%
Europe ⁽²⁾	0.3	0.1	**	**
Rest of World	0.1	0.1	**	**
Total	11.0	8.6	26.8%	26.6%
Other Revenue ⁽³⁾	1.5	1.2	23.7%	14.4%
Total Net Revenue	\$286.1	\$252.6	13.3%	12.1%

⁽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.

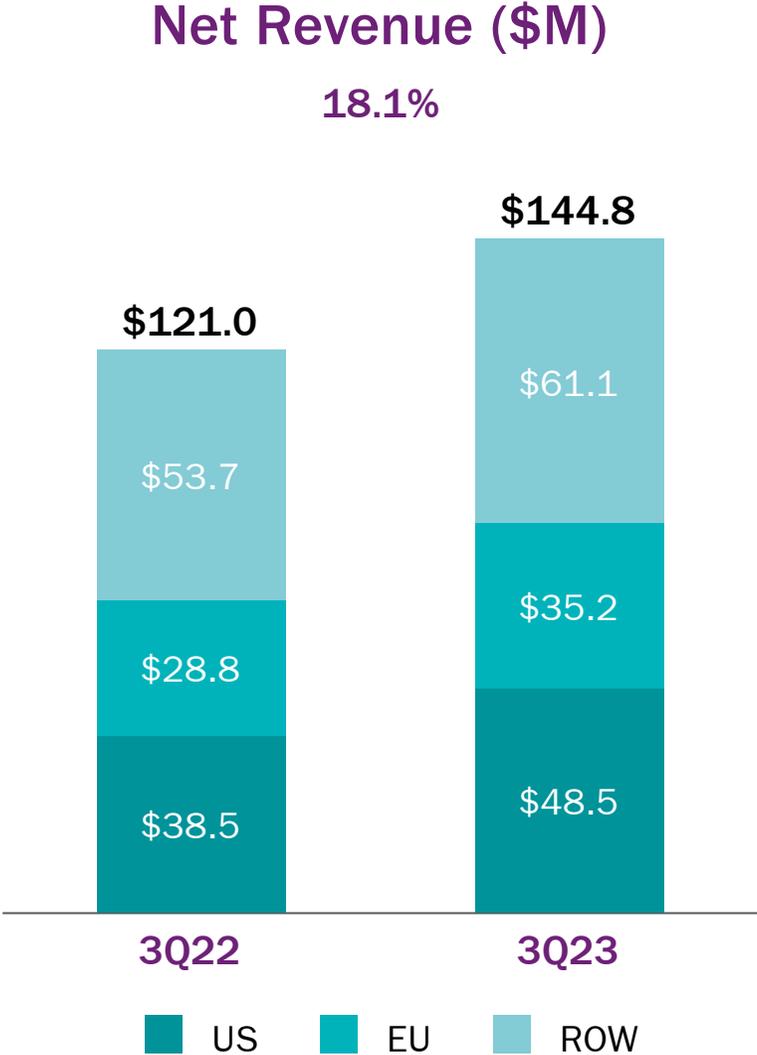
⁽²⁾ Europe revenue includes those countries in which we have a direct sales presence, whereas European countries in which we sell through distributors are included in "Rest of World."

⁽³⁾ Other revenue primarily includes rental income not allocated to segments.

3Q23 Cardiopulmonary Revenue⁽¹⁾

Drivers/Impacts

- Revenue increased 18% with double-digit growth across all regions.
- Oxygenator revenue grew in the mid-teens driven by strong demand.
- HLM revenue grew more than 25% driven by Essenz installations in the U.S. and Europe.



Numbers may not add precisely due to rounding.

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3Q23 Neuromodulation Revenue⁽¹⁾

Drivers/Impacts

Revenue increased 5% with growth in the U.S. and Europe.

Total Epilepsy revenue grew 6% with U.S. Epilepsy revenue growth of 7% driven by price and product mix.

Europe Epilepsy revenue grew 7% led by the U.K.; Rest of World Epilepsy revenue decreased 3% primarily due to uneven distributor ordering patterns and sanctions.

Net Revenue (\$M)

5.2%



Numbers may not add precisely due to rounding.

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3Q23 Advanced Circulatory Support Revenue⁽¹⁾

Drivers/Impacts

ACS revenue increased 27% reflecting growth in overall case volumes.

Kits used for cardiac and respiratory procedures grew year over year, partially offset by product mix.

Net Revenue (\$M)

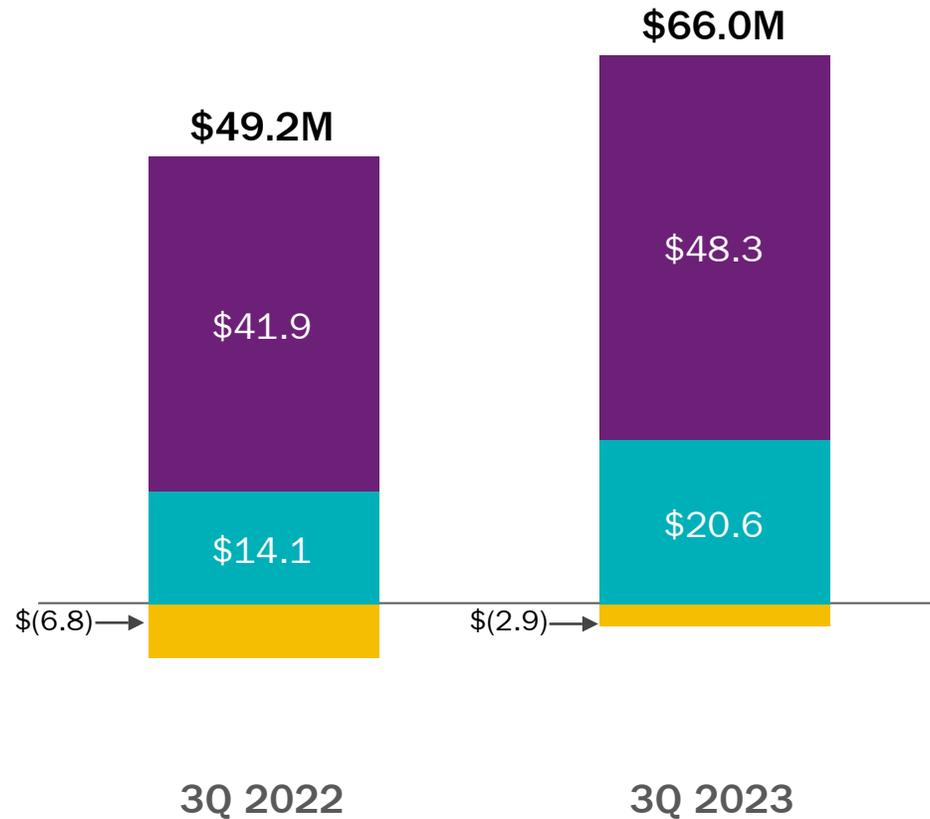
26.6%



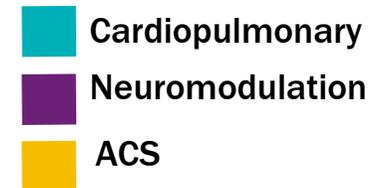
Numbers may not add precisely due to rounding.

⁽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.

3Q23 Adjusted Segment Operating Income and Margin⁽¹⁾



	% to Revenue	
	3Q22	3Q23
Cardiopulmonary	11.7%	14.2%
Neuromodulation	34.4%	37.4%
ACS	(79.1)%	(26.2)%
Total Segment Margin	19.6%	23.2%
Total Operating Margin⁽²⁾	14.5%	15.7%



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 section entitled "Supplemental Unaudited Revised Financial Information and Non-GAAP Measures" in the 8-K furnished with the SEC on November 1, 2023 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 \$85 - 95M of adjusted free cash flow (FCF) for full-year 2023

Adjusted Free Cash Flow Reconciliation (\$M)	1Q 2023	2Q 2023	3Q 2023	2023 YTD
Net cash provided by (used in) operating activities	\$20.8	\$(17.9)	\$18.1	\$21.0
Less: Purchases of plant, property and equipment	(7.7)	(5.7)	(8.7)	(22.1)
Less: Cash received from tax stimulus	(9.9)	—	—	(9.9)
Add: 3T Heater-Cooler litigation payments	11.6	7.8	9.2	28.6
Add: SNIA financing	4.8	6.0	7.2	18.0
Adjusted free cash flow	\$19.6	\$(9.8)	\$25.8	\$35.6

Last Twelve Months (LTM) Adjusted Free Cash Flow Conversion Ratio	LTM Ended Sept 30, 2023
LTM adjusted free cash flow	\$66.4
LTM adjusted net income	\$148.4
LTM adjusted free cash flow conversion ratio	45%

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.

3Q 2023 Summary

Financial

- 12.1%⁽¹⁾ revenue growth, with double-digit growth across all regions
- Adjusted operating margin favorably impacted by higher volume and realized price, partially offset by commercial and SPI investments
- Adjusted free cash flow impacted by higher working capital and capital spend phasing

Core Businesses

- Cardiopulmonary driven by increased HLM placements, including Essenz™ installations, and global oxygenator demand
- Epilepsy growth in the U.S. and Europe regions
- ACS driven by growth in overall case volumes

Strategic Portfolio Initiatives

- DTD: RECOVER clinical study continued to enroll BP patients
- OSA: OSPREY confirmatory clinical trial progressed with all 25 sites recruiting patients
- HF: Continued 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; 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.

2023 Guidance

2023 Guidance

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

	Consolidated Guidance As of February 22, 2023	Consolidated Guidance As of May 3, 2023	Consolidated Guidance As of July 26, 2023	Consolidated Guidance As of November 1, 2023
Net revenue growth ⁽¹⁾	3 - 5%	4 - 6%	8 - 10%	9 - 11%
Adjusted diluted EPS ⁽¹⁾⁽²⁾	\$2.45 - 2.65	\$2.50 - 2.70	\$2.55 - 2.75	\$2.60 - 2.80
Adjusted free cash flow ⁽³⁾	\$80 - 100M	\$80 - 100M	\$85 - 105M	\$85 - 95M

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 Heater-Cooler litigation payments, tax stimulus benefits, dividends received from investments and cash interest associated with the SNIA financing.

Assumptions for 2023

REVENUE ⁽¹⁾	9 - 11%	<ul style="list-style-type: none"> • Cardiopulmonary revenue now expected to grow 12-14% • Epilepsy revenue now expected to grow 7-9% • ACS revenue expected to be flat year over year
EPS ⁽²⁾	\$2.60 - 2.80	<ul style="list-style-type: none"> • Gross margin flat due to ongoing inflationary pressures, offset by productivity and price • Operating margin improvement of 70bps through operating leverage • Investing in DTD and OSA to drive long-term value creation
ADJUSTED FCF ⁽³⁾	\$85 - 95M	<ul style="list-style-type: none"> • Impacted by inflationary pressures, geographic mix and inventory builds to protect supply chain continuity • Operating income expansion • Targeting an adjusted free cash flow conversion ratio in-line with 2022
STRATEGIC PORTFOLIO INITIATIVES	Pipeline Execution	<ul style="list-style-type: none"> • DTD: Follow 500 UP patients for 12 months; continue to enroll BP patients • 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

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 Heater-Cooler litigation payments, tax stimulus benefits, dividends received from investments and cash interest associated with the SNIA financing.

2023 Strategic Priorities

Core Growth

Focus on commercial execution in under-penetrated markets

- Drive therapy expansion and VNS adoption for U.S. Epilepsy
- Deliver on Essenz launch objectives
- Continue growth in the Rest of World and Europe regions

Pipeline Execution

Strategic portfolio initiatives to accelerate growth

- Achieve key study milestones in RECOVER and OSPREY
- Completed innovation roadmap for VNS next-generation platform

Operational Excellence

Drive gross margin expansion, expense leverage and cash conversion

- Expand operating margin through price and cost discipline
- Continue focus on 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 third-quarter 2023 press release and during the conference call held in conjunction with the announcement of third-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.

3Q23 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 September 30, 2023	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	\$84.3	\$—	\$(3.7)	\$—	\$4.2	\$—	\$(0.3)	\$—	\$—	\$84.4
Gross profit percent	70.5 %	— %	1.3 %	— %	(1.5)%	— %	0.1 %	— %	— %	70.5 %
Selling, general and administrative	134.8	—	(2.9)	—	—	(7.9)	(9.3)	—	—	114.7
Selling, general and administrative as a percent of net revenue	47.1 %	— %	(1.0)%	— %	— %	(2.8)%	(3.2)%	— %	— %	40.1 %
Research and development	46.5	—	—	—	(1.4)	(1.0)	(2.2)	—	—	42.0
Research and development as a percent of net revenue	16.3 %	— %	— %	— %	(0.5)%	(0.4)%	(0.8)%	— %	— %	14.7 %
Other operating expense	16.0	(0.1)	—	—	—	(15.9)	—	—	—	—
Operating income	4.5	0.1	6.6	—	(2.8)	24.8	11.8	—	—	45.0
Operating margin percent	1.6 %	— %	2.3 %	— %	(1.0)%	8.7 %	4.1 %	— %	— %	15.7 %
Income tax expense	5.3	0.1	0.4	—	—	0.9	0.1	(0.9)	(1.4)	4.6
Income tax rate	(268.4)%	88.7 %	6.5 %	— %	— %	3.6 %	0.9 %	N/A	(18.1)%	10.4 %
Net (loss) income	(7.3)	—	6.1	(2.0)	(2.8)	23.9	11.7	0.9	8.9	39.5
Net (loss) income as a percent of net revenue	(2.6)%	— %	2.1 %	(0.7)%	(1.0)%	8.4 %	4.1 %	0.3 %	3.1 %	13.8 %
Diluted EPS	\$(0.14)	\$—	\$0.11	\$(0.04)	\$(0.05)	\$0.44	\$0.21	\$0.02	\$0.16	\$0.73

GAAP results for the three months ended September 30, 2023 include:

- (A) Restructuring expenses related to organizational changes
 - (B) Includes depreciation and amortization associated with purchase price accounting
 - (C) Mark-to-market adjustments 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, the Saluggia site provision, Medical Device Regulation ("MDR") costs and costs related to the SNIA matter
 - (F) Non-cash expenses associated with stock-based compensation costs
 - (G) Discrete tax items, R&D tax credits and the tax impact of intercompany transactions
 - (H) 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 and delayed draw on Term Facilities
- 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 September 30, 2022	GAAP Financial Measures	Specified Items										Adjusted Financial Measures
		Merger and Integration Expenses (A)	Restructuring Expenses (B)	Depreciation and Amortization Expenses (C)	Impairment (D)	Financing Transactions (E)	Contingent Consideration (F)	Certain Legal & Regulatory Costs (G)	Stock-based Compensation Costs (H)	Certain Tax Adjustments (I)	Certain Interest Adjustments (J)	
Cost of sales	\$81.7	\$—	\$—	\$(3.5)	\$—	\$—	\$(1.9)	\$—	\$(0.3)	\$—	\$—	\$76.0
Gross profit percent	67.7 %	— %	— %	1.4 %	— %	— %	0.7 %	— %	0.1 %	— %	— %	69.9 %
Selling, general and administrative	114.6	—	—	(2.7)	—	—	—	(4.9)	(8.6)	—	—	98.5
Selling, general and administrative as a percent of net revenue	45.4 %	— %	— %	(1.1)%	— %	— %	— %	(1.9)%	(3.4)%	— %	— %	39.0 %
Research and development	35.7	—	—	—	—	—	7.9	(0.3)	(1.8)	—	—	41.5
Research and development as a percent of net revenue	14.1 %	— %	— %	— %	— %	— %	3.1 %	(0.1)%	(0.7)%	— %	— %	16.4 %
Other operating expense	23.1	(0.2)	(4.1)	—	—	—	—	(18.8)	—	—	—	—
Operating (loss) income	(132.0)	0.2	4.1	6.2	129.4	—	(6.0)	23.9	10.8	—	—	36.6
Operating margin percent	(52.2)%	0.1 %	1.6 %	2.5 %	51.2 %	— %	(2.4)%	9.5 %	4.3 %	— %	— %	14.5 %
Income tax expense	1.3	—	—	0.4	—	—	—	0.2	0.2	0.7	—	2.8
Income tax rate	(1.2)%	— %	1.2 %	6.7 %	— %	— %	— %	0.8 %	1.4 %	N/A	— %	8.3 %
Net (loss) income	(107.3)	0.2	4.1	5.8	129.4	(37.9)	(6.0)	23.8	10.6	(0.7)	9.1	31.0
Net (loss) income as a percent of net revenue	(42.5)%	0.1 %	1.6 %	2.3 %	51.2 %	(15.0)%	(2.4)%	9.4 %	4.2 %	(0.3)%	3.6 %	12.3 %
Diluted EPS	\$(2.01)	\$—	\$0.08	\$0.11	\$2.40	\$(0.70)	\$(0.11)	\$0.44	\$0.20	\$(0.01)	\$0.17	\$0.58

GAAP results for the three months ended September 30, 2022 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) Goodwill impairment associated with the Company's ACS business
- (E) Mark-to-market adjustment for the exchangeable option feature and capped call derivatives
- (F) Remeasurement of contingent consideration related to acquisitions
- (G) 3T Heater-Cooler litigation provision, legal expenses primarily related to 3T Heater-Cooler defense, costs related to the SNIA matter and MDR costs
- (H) Non-cash expenses associated with stock-based compensation costs
- (I) Discrete tax items, R&D tax credits and the tax impact of intercompany transactions
- (J) Non-cash interest expense on the Cash Exchangeable Senior Notes and 2021 Revolving Credit Facility, and interest expense on the 2022 Bridge Loan and Term Facilities

• 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)

Nine Months Ended September 30, 2023	Specified Items										Adjusted Financial Measures
	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)	
Cost of sales	\$262.3	\$—	\$—	\$(11.1)	\$—	\$(0.4)	\$—	\$(0.8)	\$—	\$—	\$250.0
Gross profit percent	68.9 %	— %	— %	1.3 %	— %	0.1 %	— %	0.1 %	— %	— %	70.4 %
Selling, general and administrative	384.8	—	—	(8.6)	—	—	(17.7)	(22.4)	—	—	336.1
Selling, general and administrative as a percent of net revenue	45.6 %	— %	— %	(1.0)%	— %	— %	(2.1)%	(2.7)%	— %	— %	39.8 %
Research and development	147.7	—	—	0.1	—	(4.1)	(2.7)	(4.9)	—	—	136.1
Research and development as a percent of net revenue	17.5 %	— %	— %	— %	— %	(0.5)%	(0.3)%	(0.6)%	— %	— %	16.1 %
Other operating expense	29.1	(0.1)	(1.1)	—	—	—	(28.0)	—	—	—	—
Operating income	19.5	0.1	1.1	19.6	—	4.5	48.5	28.1	—	—	121.3
Operating margin percent	2.3 %	— %	0.1 %	2.3 %	— %	0.5 %	5.7 %	3.3 %	— %	— %	14.4 %
Income tax expense	11.8	—	0.1	1.3	—	—	1.4	0.3	(3.0)	(1.4)	10.5
Income tax rate	90.1 %	17.1 %	10.4 %	6.6 %	— %	— %	2.9 %	1.0 %	N/A	(6.2)%	9.1 %
Net income	1.2	0.1	0.9	18.3	(21.7)	4.5	47.0	27.8	3.0	23.5	104.7
Net income as a percent of net revenue	0.1 %	— %	0.1 %	2.2 %	(2.6)%	0.5 %	5.6 %	3.3 %	0.4 %	2.8 %	12.4 %
Diluted EPS	\$0.02	\$—	\$0.02	\$0.34	\$(0.40)	\$0.08	\$0.87	\$0.51	\$0.06	\$0.43	\$1.94

GAAP results for the nine months ended September 30, 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, the Saluggia site provision, MDR costs and costs related to the SNIA matter
 - (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 and delayed draw on Term Facilities
- Numbers may not add precisely due to rounding.

GAAP to Non-GAAP Reconciliations - *Unaudited*

(U.S. dollars in millions, except per share amounts)

Nine Months Ended September 30, 2022	Specified Items											Adjusted Financial Measures
	GAAP Financial Measures	Merger and Integration Expenses (A)	Restructuring Expenses (B)	Depreciation and Amortization Expenses (C)	Impairment (D)	Financing Transactions (E)	Contingent Consideration (F)	Certain Legal & Regulatory Costs (G)	Stock-based Compensation Costs (H)	Certain Tax Adjustments (I)	Certain Interest Adjustments (J)	
Cost of sales	\$223.2	\$—	\$—	\$(10.9)	\$—	\$—	\$12.6	\$—	\$(1.2)	\$—	\$—	\$223.7
Gross profit percent	70.1 %	— %	— %	1.5 %	— %	— %	(1.7)%	— %	0.2 %	— %	— %	70.0 %
Selling, general and administrative	349.6	—	—	(8.6)	—	—	—	(15.4)	(24.2)	—	—	301.5
Selling, general and administrative as a percent of net revenue	46.8 %	— %	— %	(1.1)%	— %	— %	— %	(2.1)%	(3.2)%	— %	— %	40.4 %
Research and development	110.9	—	—	0.2	—	—	20.8	(1.4)	(7.1)	—	—	123.3
Research and development as a percent of net revenue	14.8 %	— %	— %	— %	— %	— %	2.8 %	(0.2)%	(1.0)%	— %	— %	16.5 %
Other operating expense	24.5	(0.5)	(4.6)	—	—	—	—	(19.5)	—	—	—	—
Operating (loss) income	(90.7)	0.5	4.6	19.3	129.4	—	(33.4)	36.2	32.5	—	—	98.4
Operating margin percent	(12.1)%	0.1 %	0.6 %	2.6 %	17.3 %	— %	(4.5)%	4.8 %	4.4 %	— %	— %	13.2 %
Income tax expense	6.3	—	0.1	1.3	—	—	—	1.0	0.4	(2.7)	—	6.3
Income tax rate	(7.8)%	— %	1.5 %	6.7 %	— %	— %	— %	2.6 %	1.1 %	N/A	— %	6.8 %
Net (loss) income	(87.9)	0.5	4.5	18.0	129.4	(40.5)	(33.4)	35.3	32.1	2.7	24.8	85.6
Net (loss) income as a percent of net revenue	(11.8)%	0.1 %	0.6 %	2.4 %	17.3 %	(5.4)%	(4.5)%	4.7 %	4.3 %	0.4 %	3.3 %	11.5 %
Diluted EPS	\$(1.64)	\$0.01	\$0.08	\$0.33	\$2.39	\$(0.75)	\$(0.62)	\$0.65	\$0.59	\$0.05	\$0.46	\$1.58

GAAP results for the nine months ended September 30, 2022 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) Goodwill impairment associated with the Company's ACS business
- (E) Mark-to-market adjustment for the exchangeable option feature and capped call derivatives
- (F) Remeasurement of contingent consideration related to acquisitions
- (G) 3T Heater-Cooler litigation provision, legal expenses primarily related to 3T Heater-Cooler defense, costs related to the SNIA matter and MDR costs
- (H) Non-cash expenses associated with stock-based compensation costs
- (I) Discrete tax items, R&D tax credits and the tax impact of intercompany transactions
- (J) Non-cash interest expense on the Cash Exchangeable Senior Notes and 2021 Revolving Credit Facility, and interest expense on the 2022 Bridge Loan

• 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 September 30, 2023
Adjusted free cash flow reconciliation	
Net cash provided by operating activities	\$18.1
Less: Purchases of plant, property and equipment	(8.7)
Add: 3T Heater-Cooler litigation payments	9.2
Add: SNIA financing	7.2
Adjusted free cash flow	<u>\$25.8</u>

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

	As of September 30, 2023
Net debt reconciliation	
Total long-term debt	\$586.6
Add: Short-term debt	0.6
Total debt	<u>587.2</u>
Less: Carrying value of Exchangeable Notes	(251.3)
Add: Nominal value of Exchangeable Notes	287.5
Less: Carrying value of Term Loan A	(332.4)
Add: Nominal value of Term Loan A	339.7
Less: Cash and cash equivalents	<u>(233.9)</u>
Net debt	<u>396.8</u>
Less: Restricted cash	<u>(298.8)</u>
Net debt, including restricted cash	<u>\$98.0</u>

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

	Twelve Months Ended September 30, 2023
Adjusted free cash flow reconciliation	
Net cash provided by operating activities	\$39.7
Less: Purchases of plant, property and equipment	(31.2)
Less: Cash received from tax stimulus	(9.9)
Add: 3T Heater-Cooler litigation payments	46.3
Add: SNIA financing	21.5
Adjusted free cash flow	<u>\$66.4</u>

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

	Twelve Months Ended September 30, 2023
Adjusted net income reconciliation	
Net loss	\$2.9
Merger & integration expenses	0.7
Restructuring expenses	2.9
Depreciation and amortization expenses	24.1
Financing transactions	(25.3)
Contingent Consideration	8.0
Certain Legal & Regulatory Costs, and Investment Gain and Dividend	54.7
Stock-based compensation costs	40.0
Certain tax adjustments	9.8
Certain interest adjustments	30.5
Adjusted net income	<u>\$148.4</u>

Last twelve months adjusted free cash flow conversion ratio 45 %

Segment Non-GAAP Reconciliation - Unaudited

(U.S. dollars in millions)

Three Months Ended September 30, 2023	Specified Items					Adjusted Financial Results	% to Revenue
	GAAP Financial Results	Depreciation and Amortization (A)	Contingent Consideration (B)	Certain Legal & Regulatory Costs (C)	Stock-based Compensation Costs (D)		
Cardiopulmonary	\$(4.0)	\$0.2	\$—	\$20.5	\$3.8	\$20.6	14.2 %
Neuromodulation	41.9	—	3.6	—	2.7	48.3	37.4 %
Advanced Circulatory Support	2.9	—	(6.4)	0.1	0.5	(2.9)	(26.2)%

Three Months Ended September 30, 2022	Specified Items					Adjusted Financial Results	% to Revenue	
	GAAP Financial Results	Depreciation and Amortization (A)	Contingent Consideration (B)	Certain Legal & Regulatory Costs (C)	Stock-based Compensation Costs (D)			Impairment (E)
Cardiopulmonary	\$(10.3)	\$0.2	\$—	\$22.5	\$1.8	\$—	\$14.1	11.7 %
Neuromodulation	43.3	—	(3.6)	—	2.2	—	41.9	34.4 %
Advanced Circulatory Support	(134.9)	—	(2.4)	0.3	0.8	129.4	(6.8)	(79.1)%

GAAP results for the three months ended September 30, 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, the Saluggia site provision, MDR costs and costs related to the SNIA matter
- (D) Non-cash expenses associated with stock-based compensation costs
- (E) Goodwill impairment associated with the Company's ACS business

- Numbers may not add precisely due to rounding.