



LivaNova

Health innovation that matters

Bennett, VNS Therapy Patient

Fourth-Quarter & Full-Year 2023 Earnings Update

February 21, 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 Report 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 US 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 related to reductions and interruptions in the Company’s supply chain; 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 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 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

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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Financial Results

4Q23 Financial Summary

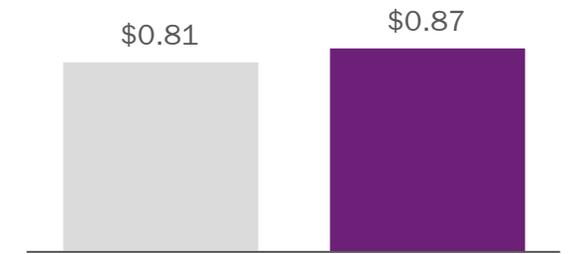
4Q22 4Q23

Net Revenue (\$M)

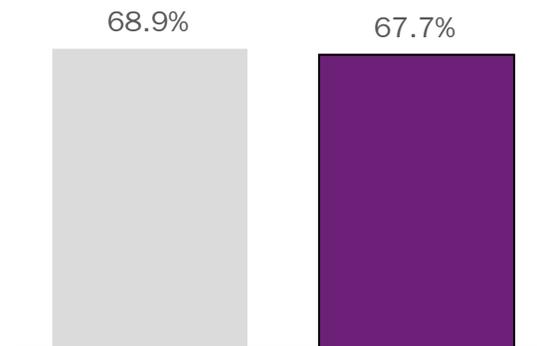


- Net revenue increased 11.9 percent on a constant-currency basis
- Foreign currency had a favorable impact on net revenue of ~\$3M, or 1 percent
- Adjusted gross profit and adjusted operating margin negatively impacted by cybersecurity incident

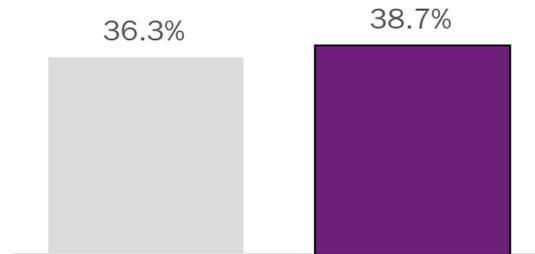
Adjusted Diluted EPS



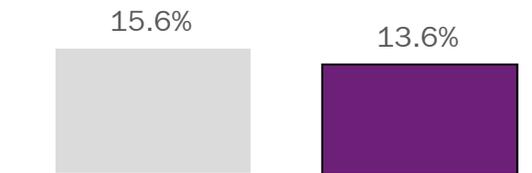
Adjusted Gross Profit %



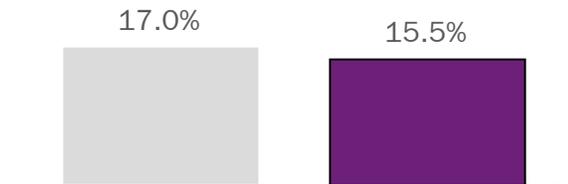
Adjusted SG&A %



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 section entitled "Supplemental Unaudited Revised Financial Information and Non-GAAP Measures" in the 8-K furnished with the SEC on February 21, 2024 for additional details. Numbers may not add precisely due to rounding.

2023 Financial Summary

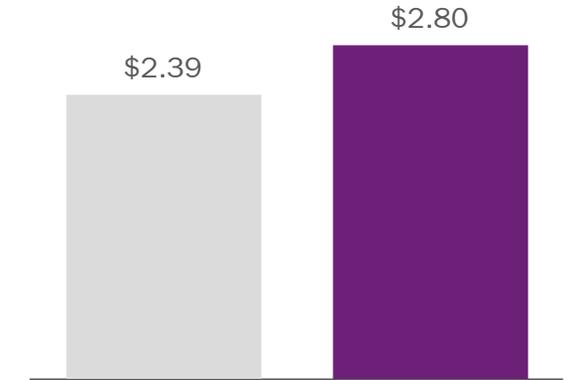
2022 2023

Net Revenue (\$M)

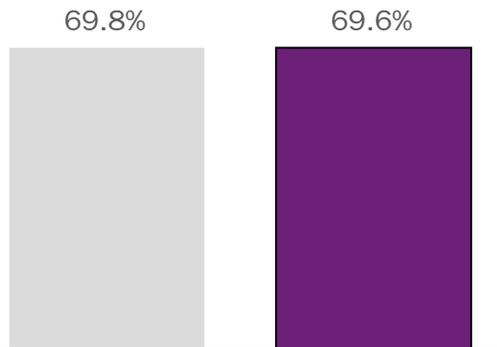


- Net revenue increased 13.3 percent on a constant-currency basis
- Foreign currency had an unfavorable impact on net revenue of ~\$4M, or less than 1 percent
- Adjusted gross profit and adjusted operating margin negatively impacted by cybersecurity incident

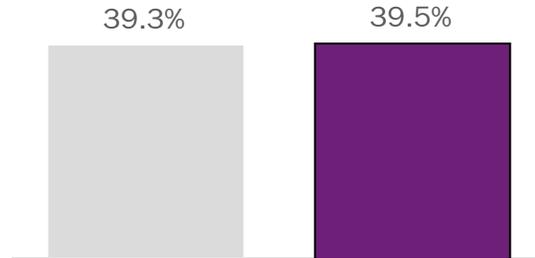
Adjusted Diluted EPS



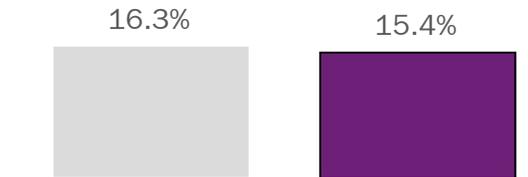
Adjusted Gross Profit %



Adjusted SG&A %



Adjusted R&D %



Adjusted Operating Margin %



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4Q23 Net Revenue

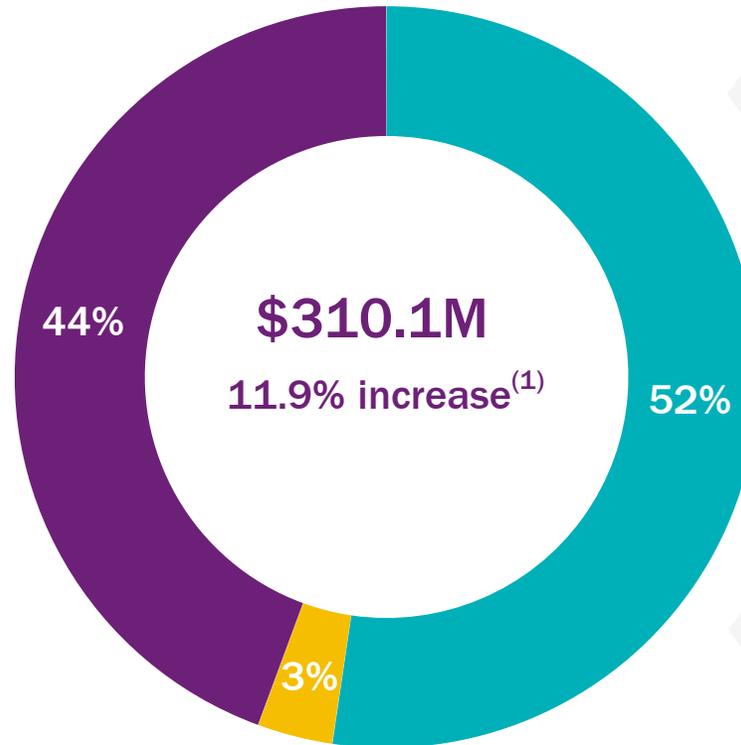
Neuromodulation

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)



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

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)

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2023 Net Revenue

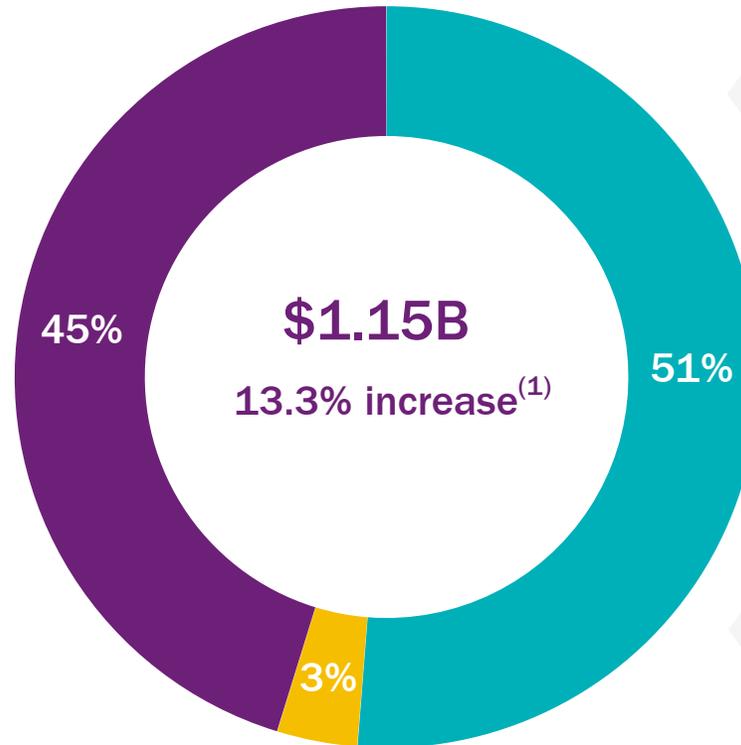
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Segment Net Revenue Comparisons by Region

(\$M)	Three Months Ended December 31,				Year Ended December 31,			
	2023	2022	% Change	Constant-Currency % Change ⁽¹⁾	2023	2022	% Change	Constant-Currency % Change ⁽¹⁾
Cardiopulmonary								
United States	\$56.9	\$45.1	26.4%	26.4%	\$188.3	\$159.5	18.1%	18.1%
Europe ⁽²⁾	46.0	33.1	38.9%	31.7%	156.6	127.1	23.2%	20.2%
Rest of World	58.6	58.3	0.4%	1.5%	244.1	213.8	14.2%	17.5%
Total	161.5	136.5	18.3%	17.0%	589.0	500.3	17.7%	18.4%
Neuromodulation								
United States	106.5	99.4	7.1%	7.1%	407.5	374.5	8.8%	8.8%
Europe ⁽²⁾	16.4	13.0	26.0%	20.1%	57.4	50.3	14.2%	12.9%
Rest of World	14.1	14.7	(4.4)%	(4.1)%	54.8	52.2	5.0%	7.7%
Total	136.9	127.1	7.7%	7.1%	519.7	477.0	9.0%	9.1%
Advanced Circulatory Support								
United States	9.8	9.3	5.2%	5.2%	39.3	37.5	4.6%	4.6%
Europe ⁽²⁾	0.2	0.2	**	**	0.8	1.4	**	**
Rest of World	0.1	0.1	**	**	0.3	0.3	**	**
Total	10.1	9.6	5.0%	4.9%	40.3	39.3	2.6%	2.5%
Other Revenue ⁽³⁾	1.6	1.6	(1.8)%	(6.3)%	4.5	5.2	(12.8)%	(15.8)%
Total Net Revenue	\$310.1	\$274.9	12.8%	11.9%	\$1,153.5	\$1,021.8	12.9%	13.3%

⁽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.

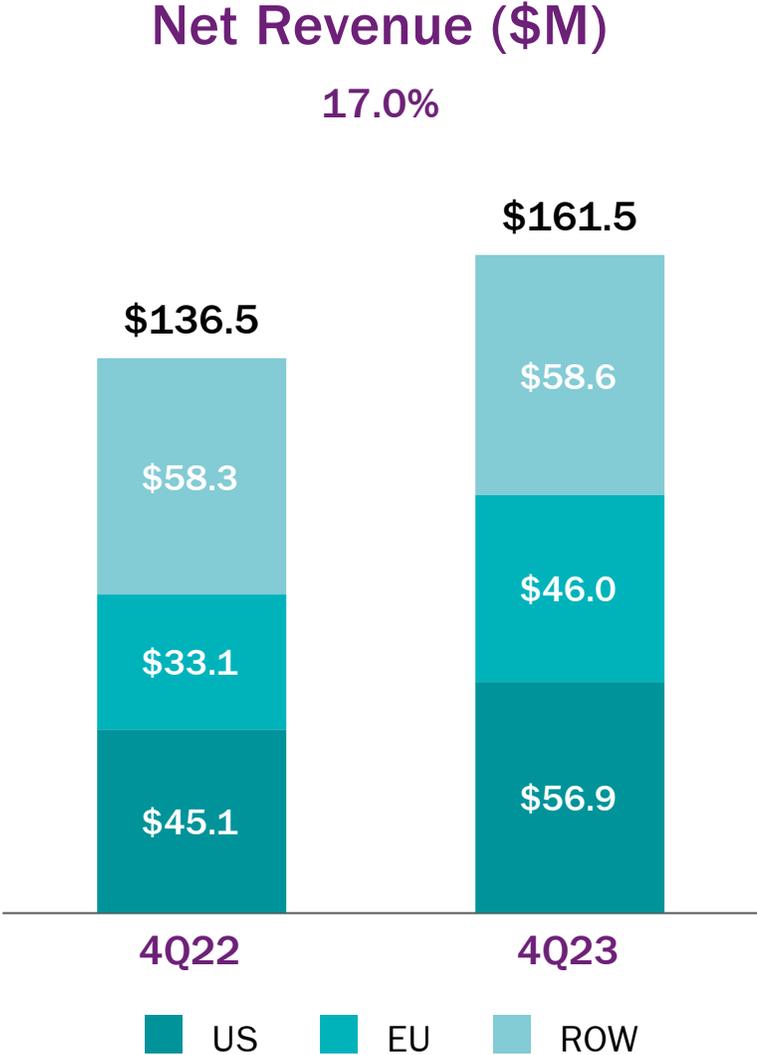
⁽²⁾ Includes countries in Europe where the Company has a direct sales presence. Countries where sales are made through distributors are included in "Rest of World."

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

4Q23 Cardiopulmonary Revenue⁽¹⁾

Drivers/Impacts

- Revenue increased 17.0% with strength in the Europe and U.S. regions.
- Oxygenator revenue grew mid-single-digits.
- HLM revenue grew more than 40% primarily driven by Essenz sales in the Europe and U.S. regions.



Numbers may not add precisely due to rounding.

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4Q23 Neuromodulation Revenue⁽¹⁾

Drivers/Impacts

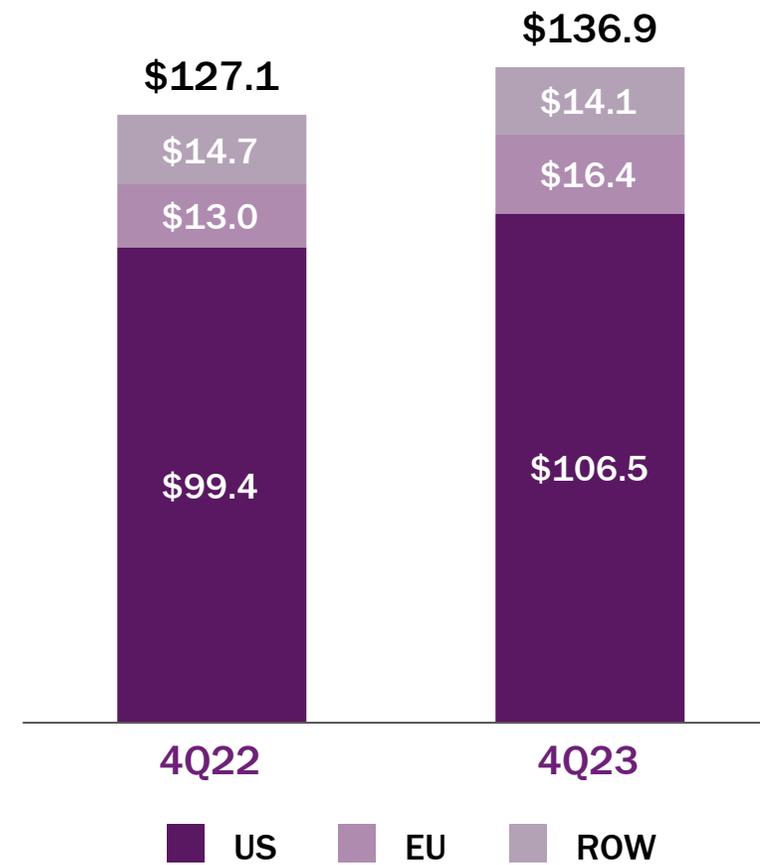
Revenue increased 7.1% with growth in the Europe and U.S. regions.

Total Epilepsy revenue increased 7.7% with U.S. Epilepsy revenue growth of 8.0% driven by new and replacement implants.

Europe and Rest of World Epilepsy revenue increased 6.5%.

Net Revenue (\$M)

7.1%



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.

4Q23 Advanced Circulatory Support Revenue⁽¹⁾

Drivers/Impacts

In January 2024, LivaNova announced its intention to wind down the ACS segment with completion expected by the end of 2024. All ACS standalone cannulae and accessories will be transitioned into the Cardiopulmonary segment.

The Company expects the wind down to result in a positive contribution to adjusted operating income in 2024 as compared to 2023.

Net Revenue (\$M)

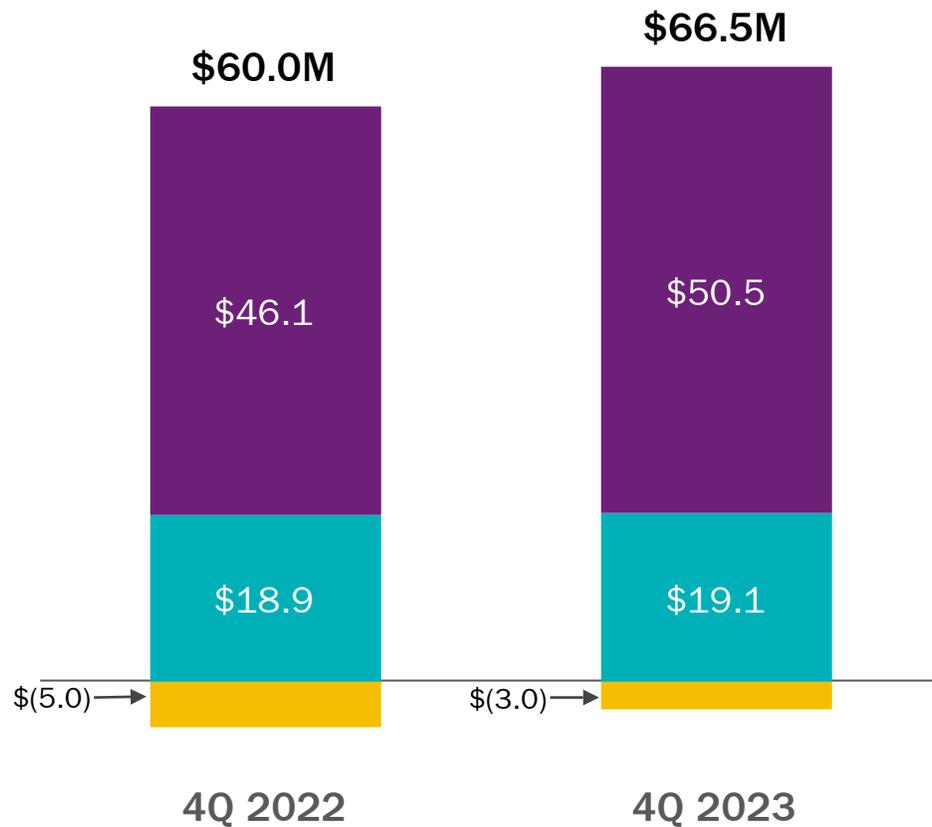
4.9%



Numbers may not add precisely due to rounding.

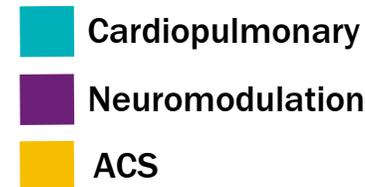
⁽¹⁾ All percent change performance is shown on a year-over-year constant-currency basis, which is a non-GAAP measure. Constant currency eliminates the effects of foreign currency fluctuations. For reconciliations of certain non-GAAP metrics, see the tables in the appendix.

4Q23 Adjusted Segment Operating Income and Margin⁽¹⁾



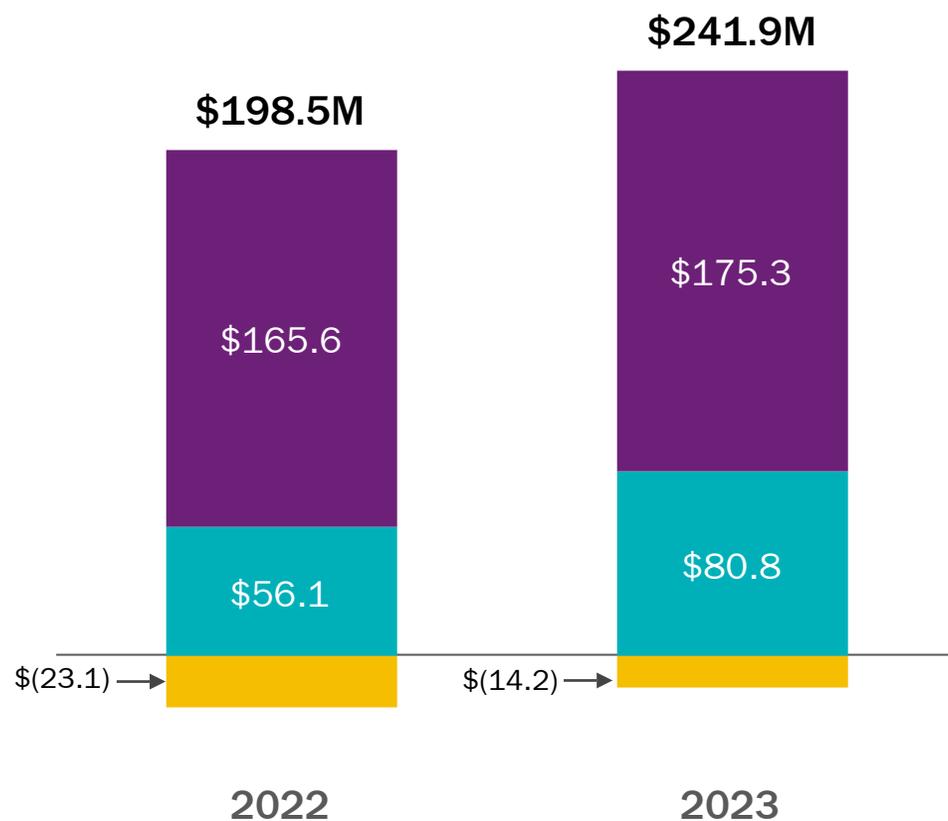
	% to Revenue	
	4Q22	4Q23
Cardiopulmonary*	13.9%	11.8%
Neuromodulation	36.2%	36.9%
ACS	(52.1)%	(29.9)%
Total Segment Margin	21.9%	21.5%
Total Operating Margin⁽²⁾	17.0%	15.5%

*4Q23 Cardiopulmonary adjusted operating margin negatively impacted by cybersecurity incident



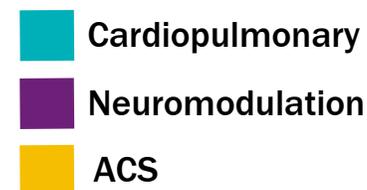
Numbers may not add precisely due to rounding. ⁽¹⁾ Adjusted segment operating income and margin are non-GAAP measures. These non-GAAP measures are reconciled to the most directly comparable GAAP measures in the appendix. See the section entitled "Supplemental Unaudited Revised Financial Information and Non-GAAP Measures" in the 8-K furnished with the SEC on February 21, 2024 for additional details. ⁽²⁾ Includes corporate shared service expenses for finance, legal, human resources, information technology and corporate business development.

2023 Adjusted Segment Operating Income and Margin⁽¹⁾



	% to Revenue	
	2022	2023
Cardiopulmonary*	11.2%	13.7%
Neuromodulation	34.7%	33.7%
ACS	(58.9)%	(35.1)%
Total Segment Margin	19.4%	21.0%
Total Operating Margin⁽²⁾	14.2%	14.7%

*2023 Cardiopulmonary adjusted operating margin negatively impacted by cybersecurity incident



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 February 21, 2024 for additional details. ⁽²⁾ Includes corporate shared service expenses for finance, legal, human resources, information technology and corporate business development.

2023 Adjusted Free Cash Flow

Achieved \$96M in adjusted free cash flow (FCF) for full-year 2023

Adjusted Free Cash Flow Reconciliation (\$M)	1Q 2023	2Q 2023	3Q 2023	4Q 2023	2023
Net cash provided by operating activities	\$20.8	\$(17.9)	\$18.1	\$54.0	\$74.9
Less: Purchases of plant, property and equipment	(7.7)	(5.7)	(8.7)	(12.9)	(35.0)
Less: Cash received from tax stimulus	(9.9)	—	—	—	(9.9)
Less: Dividends received from investment	—	—	—	(1.5)	(1.5)
Add: 3T litigation payments	11.6	7.8	9.2	25.0	53.7
Add: SNIA financing and other costs	4.8	6.0	7.2	(3.9)	14.1
Adjusted free cash flow	\$19.6	\$(9.8)	\$25.8	\$60.7	\$96.3

Last Twelve Months (LTM) Adjusted Free Cash Flow Conversion Ratio	LTM Ended Dec. 31, 2023	LTM Ended Dec. 31, 2022
LTM adjusted free cash flow	\$96.3	\$74.6
LTM adjusted net income	\$152.0	\$129.2
LTM adjusted free cash flow conversion ratio	63%	58%

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.

2023 Summary

Financial

- Full-year revenue increased 13%⁽¹⁾ with double-digit growth across all regions
- Adjusted operating income grew 17%; adjusted operating margin improvement of 50bps
- Adjusted free cash flow of \$96M driven by improvement in working capital partly offset by higher capital spend

Core Businesses

- Cardiopulmonary growth driven by increased HLM sales, including Essenz™ installations, and global oxygenator demand
- Epilepsy growth across all regions, including new and replacement implants in the U.S.
- ACS growth from procedure volumes

Strategic Portfolio Initiatives

- DTD: RECOVER clinical study completed UP enrollment and continued to enroll BP patients
- OSA: OSPREY confirmatory clinical trial progressed with all 25 sites recruiting patients
- HF: ANTHEM-HFrEF study close-out and wind down of heart failure program substantially completed

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

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

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. Foreign currency is expected to be negligible 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.

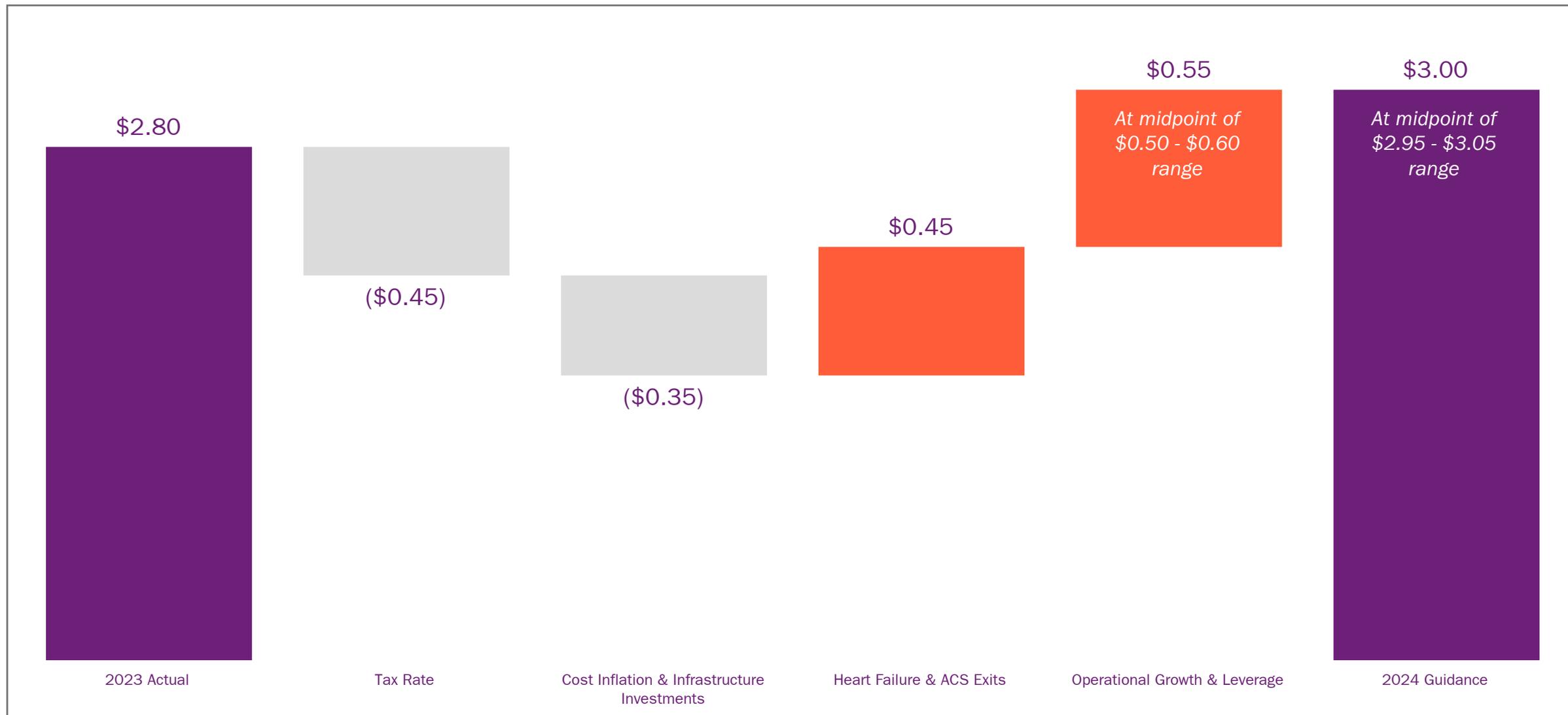
Assumptions for 2024

REVENUE⁽¹⁾ (excluding ACS wind down)	6 - 7%	<ul style="list-style-type: none"> • Cardiopulmonary revenue growth of 6-7% • Epilepsy revenue growth of 6-7% • ACS wind down completion expected by the end of 2024
EPS⁽²⁾	\$2.95 - 3.05	<ul style="list-style-type: none"> • Adjusted operating income margin increase of ~300bps and adjusted operating income growth of 25% • Investing in core innovation to drive long-term value creation with HF and ACS actions providing operating leverage • EPS growth of 7% 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: Complete enrollment in the OSPREY trial

DTD: Difficult-to-treat depression; HF: Heart failure; 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

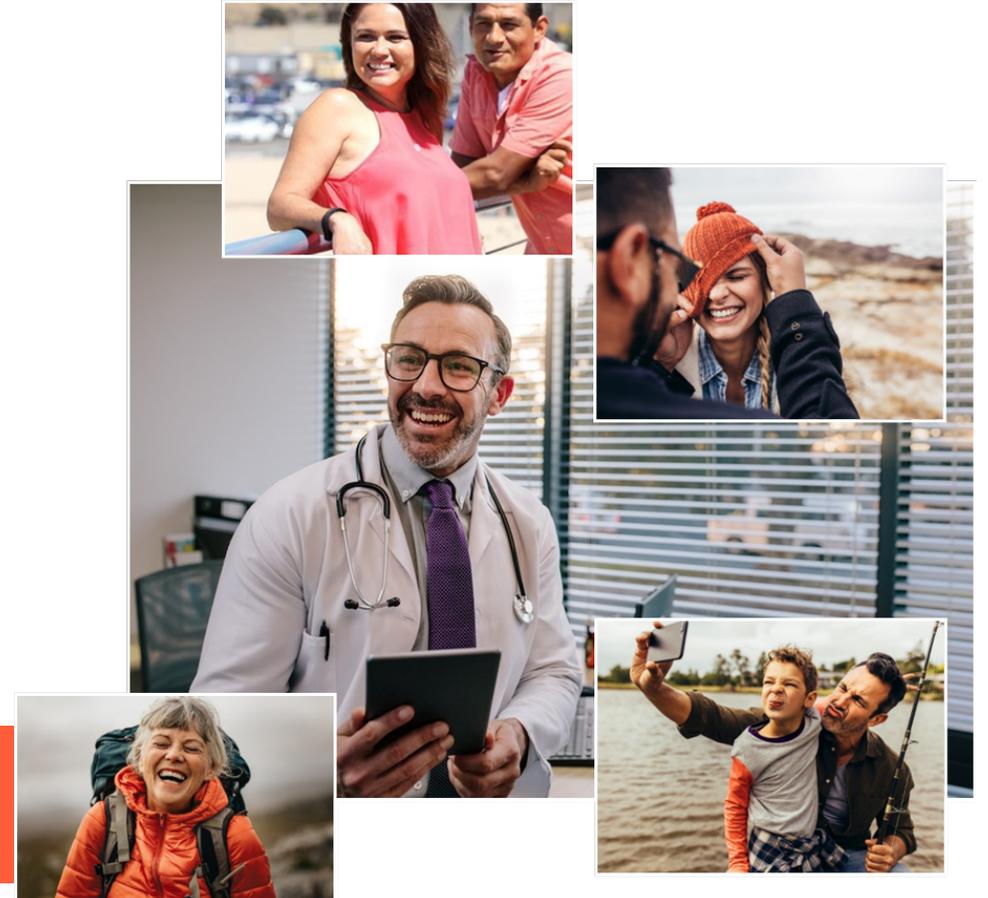


* Adjusted diluted EPS is a non-GAAP measure. This non-GAAP measure is reconciled to its GAAP measure in the appendix.

2024 Strategic Focus

- **Serve patients around the world** with leading technologies to advance the quality of care in neurological and cardiac health.
- **Develop digitally integrated products and services** that drive the Company's expanding role as an essential source of healthcare solutions.
- **Expand customer and external partnerships** to spark innovation and improve growth.

This strategic focus serves
LivaNova's Mission



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 fourth-quarter and full-year 2023 news release and during the conference call held in conjunction with the announcement of fourth-quarter and full-year 2023 results.

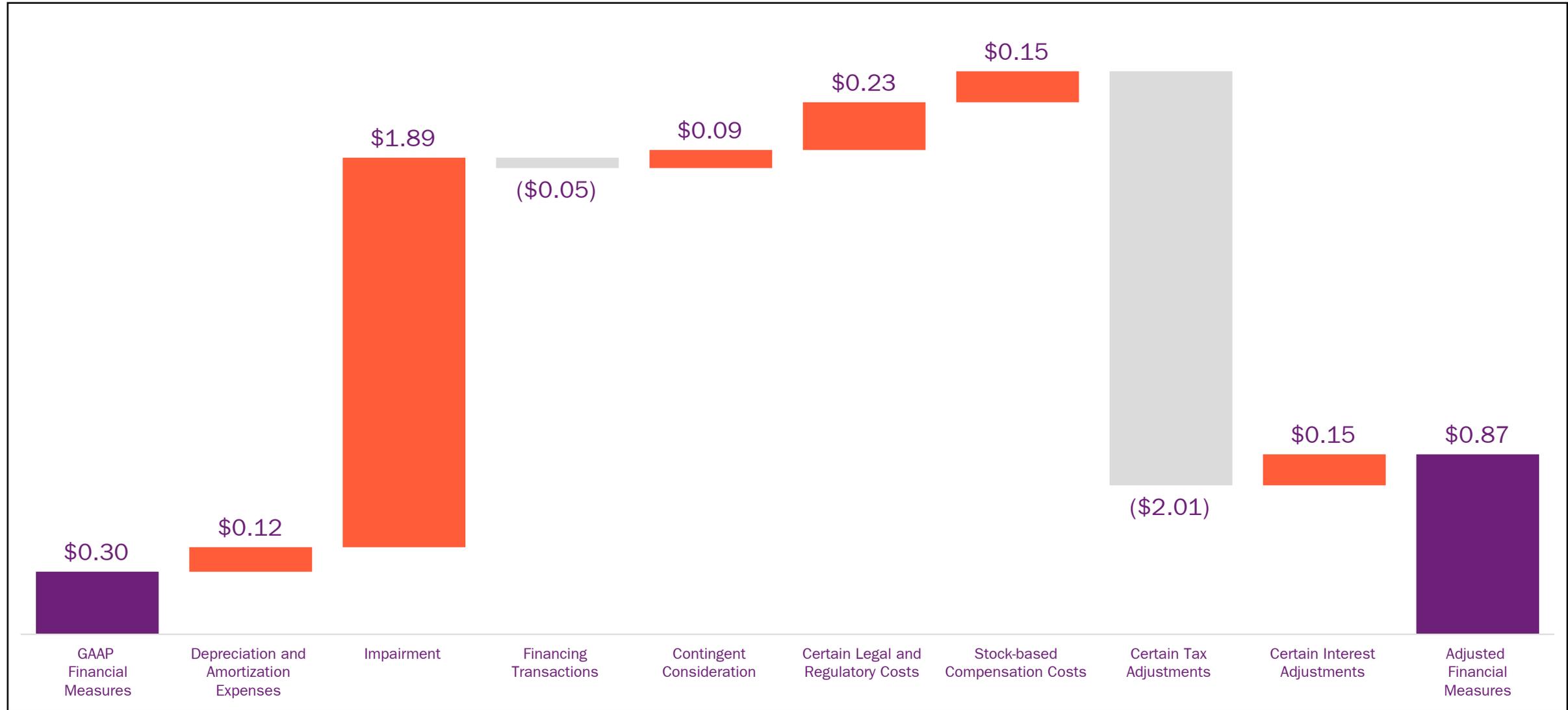
In this material, management has disclosed financial measurements that present financial information not in accordance with GAAP. Company management uses these measurements as aids in monitoring the Company's ongoing financial performance from quarter to quarter and year to year on a regular basis and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

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.

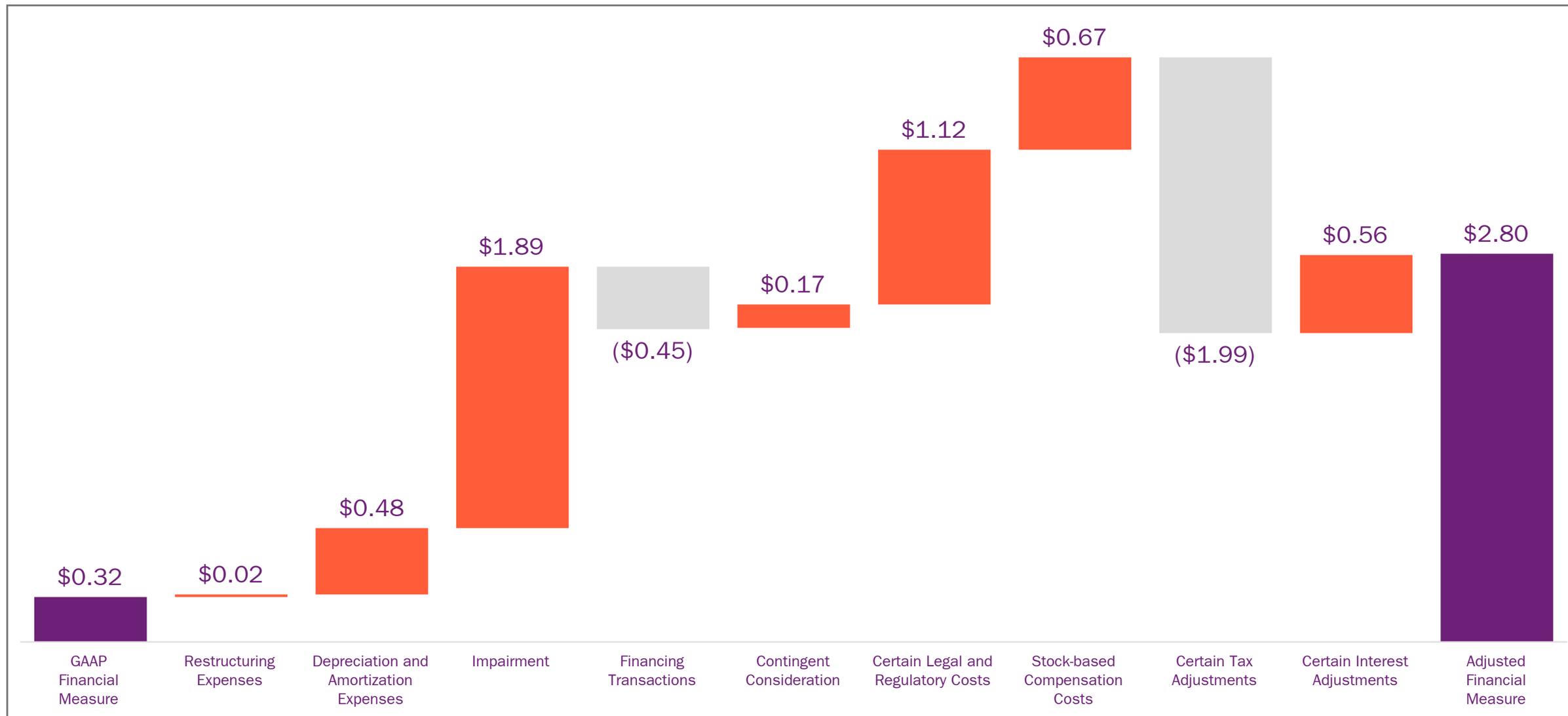
The Company also believes adjusted financial measures such as adjusted gross profit percentage, adjusted selling, general and administrative expense, adjusted research and development expense, adjusted other operating expense, adjusted operating income, adjusted segment operating income, adjusted income 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.

4Q23 Adjusted Diluted EPS*



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

2023 Adjusted Diluted EPS*



* 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 December 31, 2023	Specified Items										Adjusted Financial Measures
	GAAP Financial Measures	Restructuring Expenses (A)	Depreciation and Amortization Expenses (B)	Impairment (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	\$120.0	\$—	(\$3.6)	(\$12.6)	\$—	(\$3.4)	\$—	(\$0.2)	\$—	\$—	\$100.2
Gross profit percent	61.3 %	— %	1.2 %	4.1 %	— %	1.1 %	— %	0.1 %	— %	— %	67.7 %
Selling, general and administrative	133.3	—	(2.8)	—	—	—	(3.6)	(7.0)	—	—	119.9
Selling, general and administrative as a percent of net revenue	43.0 %	— %	(0.9)%	— %	— %	— %	(1.2)%	(2.3)%	— %	— %	38.7 %
Research and development	46.2	—	—	—	—	(1.5)	(1.6)	(1.1)	—	—	42.1
Research and development as a percent of net revenue	14.9 %	— %	— %	— %	— %	(0.5)%	(0.5)%	(0.3)%	— %	— %	13.6 %
Other operating expenses	8.7	0.1	—	—	—	—	(8.8)	—	—	—	—
Operating (loss) income	(88.0)	(0.1)	6.4	102.6	—	4.8	14.0	8.3	—	—	48.0
Operating margin percent	(28.4)%	— %	2.1 %	33.1 %	— %	1.6 %	4.5 %	2.7 %	— %	— %	15.5 %
Net income	16.3	(0.1)	6.4	102.6	(2.6)	4.8	12.4	8.3	(109.3)	8.3	47.3
Net income as a percent of net revenue	5.3 %	— %	2.1 %	33.1 %	(0.8)%	1.6 %	4.0 %	2.7 %	(35.2)%	2.7 %	15.2 %
Diluted EPS	\$0.30	\$—	\$0.12	\$1.89	(\$0.05)	\$0.09	\$0.23	\$0.15	(\$2.01)	\$0.15	\$0.87

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

- (A) Restructuring expenses related to organizational changes
- (B) Includes depreciation and amortization associated with purchase price accounting
- (C) ACS Inventory obsolescence adjustment and impairment of long-lived assets
- (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, Medical Device Regulation ("MDR") costs and cybersecurity incident costs
- (G) Non-cash expenses associated with stock-based compensation costs
- (H) The impact of valuation allowances, discrete tax items, the tax impact of intercompany transactions and the tax impact on non-GAAP adjustments
- (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

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES - UNAUDITED

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

Three Months Ended December 31, 2022	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	\$91.4	\$—	\$—	(\$3.6)	\$—	(\$2.1)	\$—	(\$0.3)	\$—	\$—	\$85.4
Gross profit percent	66.8 %	— %	— %	1.3 %	— %	0.8 %	— %	0.1 %	— %	— %	68.9 %
Selling, general and administrative	119.6	—	—	(2.8)	—	—	(5.6)	(11.4)	—	—	99.8
Selling, general and administrative as a percent of net revenue	43.5 %	— %	— %	(1.0)%	— %	— %	(2.0)%	(4.2)%	— %	— %	36.3 %
Research and development	44.9	—	—	0.1	—	(1.4)	(0.1)	(0.6)	—	—	42.9
Research and development as a percent of net revenue	16.3 %	— %	— %	— %	— %	(0.5)%	— %	(0.2)%	— %	— %	15.6 %
Other operating expenses	5.0	(0.7)	(2.0)	—	—	—	(2.3)	—	—	—	—
Operating income operations	14.0	0.7	2.0	6.3	—	3.5	8.0	12.3	—	—	46.8
Operating margin percent	5.1 %	0.2 %	0.7 %	2.3 %	— %	1.3 %	2.9 %	4.5 %	— %	— %	17.0 %
Net income	1.7	0.7	2.0	6.3	(3.6)	3.5	8.0	12.3	5.9	6.9	43.6
Net income as a percent of net revenue	0.6 %	0.2 %	0.7 %	2.3 %	(1.3)%	1.3 %	2.9 %	4.5 %	2.1 %	2.5 %	15.9 %
Diluted EPS	\$0.03	\$0.01	\$0.04	\$0.12	(\$0.07)	\$0.06	\$0.15	\$0.23	\$0.11	\$0.13	\$0.81

GAAP results for the three months ended December 31, 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) 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, the tax impact of intercompany transactions and the tax impact on non-GAAP adjustments
- (I) Non-cash interest expense on the Cash Exchangeable Senior Notes and 2021 Revolving Credit Facility, interest expense on the 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)

Year Ended December 31, 2023	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	\$382.3	\$—	\$—	(\$14.7)	(\$12.6)	\$—	(\$3.8)	\$—	(\$1.0)	\$—	\$—	\$350.2
Gross profit percent	66.9 %	— %	— %	1.3 %	1.1 %	— %	0.3 %	— %	0.1 %	— %	— %	69.6 %
Selling, general and administrative	518.1	—	—	(11.5)	—	—	—	(21.3)	(29.4)	—	—	456.0
Selling, general and administrative as a percent of net revenue	44.9 %	— %	— %	(1.0)%	— %	— %	— %	(1.8)%	(2.6)%	— %	— %	39.5 %
Research and development	193.8	—	—	0.2	—	—	(5.6)	(4.3)	(6.0)	—	—	178.1
Research and development as a percent of net revenue	16.8 %	— %	— %	— %	— %	— %	(0.5)%	(0.4)%	(0.5)%	— %	— %	15.4 %
Other operating expenses	37.8	(0.1)	(1.0)	—	—	—	—	(36.8)	—	—	—	—
Operating (loss) income	(68.5)	0.1	1.0	26.0	102.6	—	9.4	62.4	36.4	—	—	169.3
Operating margin percent	(5.9)%	— %	0.1 %	2.3 %	8.9 %	— %	0.8 %	5.4 %	3.2 %	— %	— %	14.7 %
Net income	17.5	0.1	1.0	26.0	102.6	(24.2)	9.4	60.9	36.4	(108.1)	30.5	152.0
Net income as a percent of net revenue	1.5 %	— %	0.1 %	2.3 %	8.9 %	(2.1)%	0.8 %	5.3 %	3.2 %	(9.4)%	2.6 %	13.2 %
Diluted EPS	\$0.32	\$—	\$0.02	\$0.48	\$1.89	(\$0.45)	\$0.17	\$1.12	\$0.67	(\$1.99)	\$0.56	\$2.80

GAAP results for the year ended December 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) ACS Inventory obsolescence adjustment and impairment of long-lived assets
 - (E) Mark-to-market adjustments 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, MDR costs and cybersecurity incident costs
 - (H) Non-cash expenses associated with stock-based compensation costs
 - (I) The impact of valuation allowances, discrete tax items, R&D tax credits, the tax impact of intercompany transactions and the tax impact on non-GAAP adjustments
 - (J) 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)

Year Ended December 31, 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	\$314.6	\$—	\$—	(\$14.5)	\$—	\$—	\$10.5	\$—	(\$1.5)	\$—	\$—	\$309.1
Gross profit percent	69.2 %	— %	— %	1.4 %	— %	— %	(1.0)%	— %	0.1 %	— %	— %	69.8 %
Selling, general and administrative revenue	469.2	—	—	(11.3)	—	—	—	(20.9)	(35.6)	—	—	401.4
	45.9 %	— %	— %	(1.1)%	— %	— %	— %	(2.0)%	(3.5)%	— %	— %	39.3 %
Research and development	155.8	—	—	0.2	—	—	19.4	(1.5)	(7.7)	—	—	166.2
Research and development as a percent of net revenue	15.2 %	— %	— %	— %	— %	— %	1.9 %	(0.1)%	(0.8)%	— %	— %	16.3 %
Other operating expenses	29.5	(1.1)	(6.6)	—	—	—	—	(21.8)	—	—	—	—
Operating (loss) income	(76.8)	1.1	6.6	25.6	129.4	—	(29.9)	44.2	44.8	—	—	145.1
Operating margin percent	(7.5)%	0.1 %	0.6 %	2.5 %	12.7 %	— %	(2.9)%	4.3 %	4.4 %	— %	— %	14.2 %
Net (loss) income	(86.2)	1.1	6.6	25.6	129.4	(44.1)	(29.9)	44.2	44.8	5.9	31.7	129.2
Net (loss) income as a percent of net revenue	(8.4)%	0.1 %	0.6 %	2.5 %	12.7 %	(4.3)%	(2.9)%	4.3 %	4.4 %	0.6 %	3.1 %	12.6 %
Diluted EPS	(\$1.61)	\$0.02	\$0.12	\$0.47	\$2.40	(\$0.82)	(\$0.55)	\$0.82	\$0.83	\$0.11	\$0.59	\$2.39

GAAP results for the year ended December 31, 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 adjustments 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, the tax impact of intercompany transactions and the tax impact on non-GAAP adjustments

(J) Non-cash interest expense on the Cash Exchangeable Senior Notes and 2021 Revolving Credit Facility, 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)

	Three Months Ended December 31, 2023
Adjusted free cash flow reconciliation	
Net cash provided by operating activities	\$54.0
Less: Purchases of plant, property and equipment	(12.9)
Less: Dividends received from investment	(1.5)
Add: 3T Heater-Cooler litigation payments	25.0
Add: SNIA financing and other costs	(3.9)
Adjusted free cash flow	<u>\$60.7</u>

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

	As of December 31, 2023
Net debt reconciliation	
Total long-term debt	\$586.0
Add: Short-term debt	0.6
Total debt	<u>586.7</u>
Less: Carrying value of Exchangeable Notes	(255.5)
Add: Nominal value of Exchangeable Notes	287.5
Less: Carrying value of Term Loan A	(328.5)
Add: Nominal value of Term Loan A	335.3
Less: Cash and cash equivalents	(266.5)
Net debt	<u>359.0</u>
Less: Restricted cash	(311.4)
Net debt, including restricted cash	<u>\$47.6</u>

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

	Twelve Months Ended December 31, 2023
Adjusted free cash flow reconciliation	
Net cash provided by operating activities	\$74.9
Less: Purchases of plant, property and equipment	(35.0)
Less: Cash received from tax stimulus	(9.9)
Less: Dividends received from investment	(1.5)
Add: 3T Heater-Cooler litigation payments	53.7
Add: SNIA financing and other costs	14.1
Adjusted free cash flow	<u>\$96.3</u>

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

	Twelve Months Ended December 31, 2023
Adjusted net income reconciliation	
Net income (loss)	\$17.5
Merger & integration expenses	0.1
Restructuring expenses	1.0
Depreciation and amortization expenses	26.0
Impairment	102.6
Financing transactions	(24.2)
Contingent consideration	9.4
Certain legal and regulatory costs	60.9
Stock-based compensation costs	36.4
Certain tax adjustments	(108.1)
Certain interest adjustments	30.5
Adjusted net income	<u>\$152.0</u>

Last twelve months adjusted free cash flow conversion ratio 63 %

Segment Non-GAAP Reconciliation - Unaudited

(U.S. dollars in millions)

Three Months Ended December 31, 2023	GAAP Financial Results	Specified Items					Adjusted Financial Results	% to Sales
		Depreciation & Amortization (A)	Impairment (B)	Contingent Consideration (C)	Certain Legal and Regulatory Costs (D)	Stock-based Compensation (E)		
Cardiopulmonary	\$5.0	\$0.1	\$—	\$—	\$12.9	\$1.1	\$19.1	11.8 %
Neuromodulation	46.3	—	—	2.4	0.1	1.7	50.5	36.9 %
Advanced Circulatory Support	(109.1)	—	102.6	2.5	0.6	0.5	(3.0)	(29.9)%

Twelve Months Ended December 31, 2023	GAAP Financial Results	Specified Items					Adjusted Financial Results	% to Sales
		Depreciation & Amortization (A)	Impairment (B)	Contingent Consideration (C)	Certain Legal and Regulatory Costs (D)	Stock-based Compensation (E)		
Cardiopulmonary	\$20.0	\$0.6	\$—	\$—	\$52.7	\$7.5	\$80.8	13.7 %
Neuromodulation	153.4	—	—	11.5	0.2	10.2	175.3	33.7 %
Advanced Circulatory Support	(117.4)	—	102.6	(2.2)	0.7	2.1	(14.2)	(35.1)%

GAAP results for the three and twelve months ended December 31, 2023 include:

- (A) Includes depreciation and amortization associated with purchase price accounting
- (B) ACS Inventory obsolescence adjustment and impairment of long-lived assets
- (C) Remeasurement of contingent consideration related to acquisitions
- (D) 3T Heater-Cooler litigation provision, legal expenses primarily related to 3T Heater-Cooler defense, costs related to the SNIA matter, MDR costs and cybersecurity incident costs
- (E) Non-cash expenses associated with stock-based compensation costs

• Numbers may not add precisely due to rounding.