ank=20250618:20250619091114

ÅRSREDOVISNING

2024-01-01 - 2024-12-31

för

LivaNova Scandinavia AB
556441-1618

Årsredovisningen omfattar:	**Sida**
Förvaltningsberättelse	1
Resultaträkning	2
Balansräkning	3
Kassaflödesanalys	5
Noter	6

FASTSTÄLLELSEINTYG

Undertecknad styrelseledamot intygar härmed, dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultat- och balansräkningen fastställts på ordinarie bolagsstämma den 8 maj 2025. Stämman beslöt tillika godkänna styrelsens förslag till resultatdisposition.

Stockholm 08-05-2025

Valeria Bizzozero
Styrelseordförande

Docusign Envelope ID: 998CA35F-4BDE-4A6A-8F09-D0FEBA8EE0A6

20250724035326

ÅRSREDOVISNING

2024-01-01 - 2024-12-31

för

LivaNova Scandinavia AB
556441-1618

Årsredovisningen omfattar:	**Sida**
Förvaltningsberättelse	1
Resultaträkning	2
Balansräkning	3
Kassaflödesanalys	5
Noter	6

Docusign Envelope ID: 998CA35F-4BDE-4A6A-8F09-D0FEBA8EE0A6

20250724053527

LivaNova Scandinavia AB
556441-1618

ÅRSREDOVISNING FÖR LIVANOVA SCANDINAVIA AB

Styrelsen för LivaNova Scandinavia AB avger härmed årsredovisning för räkenskapsåret 2024-01-01 - 2024-12-31.

FÖRVALTNINGSBERÄTTELSE

Alla belopp redovisas i SEK.

Allmänt om verksamheten
LivaNova Scandinavia AB bedriver försäljning av produkter för neurostimulation och hjärtkirurgi.
Produkterna är hjärt-lungmaskiner, förbrukningsmateriel till dessa samt
implanterbara generatorer för epilepsi.
Produkterna är huvudsakligen tillverkade inom den egna koncernen.
Bolaget har en stabil grund med försäljning till de olika regionerna. Man ser inga väsentliga risker eller
osäkerhetsfaktorer framåt i tiden. När den nya egenutvecklade hjärtlungmaskinen nu lanserats spås försäljningen
stiga under de närmaste åren i och med att en del regioner väntat med sina investeringar.

Väsentliga händelser under räkenskapsåret
I oktober flyttade huvudkontoret , efter 16 år, från Sollentuna till Täby, vilket numera också är styrelsens säte.

Försäljningen av den nya generationens hjärtlungmaskin som lanserades i december 2022 har tagit fart. Under 2024 såldes 10 maskiner.
Affärsdelen med epilepsi upplevde under året en nedgång av försäljningen.

Ägarförhållanden
LiveNova Scandinavia AB är ett helägt dotterbolag till Sorin Group Italia SrL.

Flerårsöversikt

	2024	2023	2022	2021
Nettoomsättning	105 632 944	129 287 168	101 541 868	77 993 434
Rörelseresultat	14 841 826	5 715 048	6 838 750	2 847 944
Resultat e. finansiella poster	16 144 952	6 789 358	7 010 968	2 990 322
Balansomslutning	77 979 873	82 438 042	62 458 198	45 078 690
Soliditet (1)	72,6%	53,1%	61,5%	71,6%

(1) Justerat eget kapital / balansomslutning

Förändringar i eget kapital

	Aktie-kapital	Reserv-fond	Balanserat resultat	Årets resultat	Total
Belopp vid årets ingång	2 100 000	2 250 000	34 065 784	5 383 308	43 799 092
Resultatdisposition enligt årsstämman			5 383 308	-5 383 308	0
Årets resultat				12 815 080	12 815 080
Belopp vid årets utgång	**2 100 000**	**2 250 000**	**39 449 092**	**12 815 080**	**56 614 172**

Aktiekapital, 21 000 aktier á nom 100 kronor.
Bolaget har totalt erhållit 15 000 000 i ovillkorat aktieägarstillskott.

Resultatdisposition

Till årsstämmans förfogande står följande ansamlat resultat

Balanserat resultat	39 449 092
Årets resultat	12 815 080
Summa	**52 264 172**

Styrelsen föreslår att vinstmedlen, 52 264 172 överförs i ny räkning

Beträffande bolagets resultat och ställning i övrigt hänvisas till nedanstående resultat- och balansräkningar samt tilläggsupplysningar. Alla belopp uttrycks i kronor där ej annat anges.

Docusign Envelope ID: 998CA35F-4BDE-4A6A-8F09-D0FEBA8EE0A6

LivaNova Scandinavia AB
556441-1618

RESULTATRÄKNING

Belopp i SEK	Not	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Rörelseintäkter, lagerförändringar mm			
Nettoomsättning	2	105 632 944	129 287 168
Övriga rörelseintäkter	3	697 794	0
Summa intäkter		**106 330 738**	**129 287 168**
Rörelsekostnader			
Handelsvaror	2	-65 104 565	-88 339 998
Övriga externa kostnader	3,4,5	-14 652 100	-21 102 373
Personalkostnader	6	-10 691 443	-13 375 695
Av-och nedskrivningar av materiella anläggningstillgångar	9	-1 040 804	-754 054
Summa rörelsekostnader		**-91 488 912**	**-123 572 120**
Rörelseresultat		**14 841 826**	**5 715 048**
Finansiella poster			
Övriga ränteintäkter och liknande resultatposter	7	1 357 999	1 074 563
Räntekostnader och liknande resultatposter	8	-54 873	-253
Resultat efter finansiella poster		**16 144 952**	**6 789 358**
Resultat före skatt		**16 144 952**	**6 789 358**
Skatter			
Skatt på årets resultat	11	-3 329 872	-1 406 050
ÅRETS RESULTAT		**12 815 080**	**5 383 308**

Docusign Envelope ID: 998CA35F-4BDE-4A6A-8F09-D0FEBA8EE0A6

20250724053529

LivaNova Scandinavia AB
556441-1618

BALANSRÄKNING

Belopp i SEK	Not	2024-12-31	2023-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Materiella anläggningstillgångar			
Inventarier och datorer	9	2 565 647	3 211 874
Summa materiella anläggningstillgångar		**2 565 647**	**3 211 874**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	10	4 592 781	4 592 781
Summa finansiella anläggningstillgångar		**4 592 781**	**4 592 781**
Summa anläggningstillgångar		**7 158 428**	**7 804 655**
Omsättningstillgångar			
Varulager m m			
Färdiga varor och handelsvaror		1 312 463	1 056 532
Summa Varulager		**1 312 463**	**1 056 532**
Kortfristiga fordringar			
Kundfordringar		24 587 890	39 535 730
Fordringar hos koncernföretag		33 058 756	28 602 186
Övriga fordringar		2 189 799	905 690
Förutbetalda kostnader och upplupna intäkter	12	192 997	286 363
Summa kortfristiga fordringar		**60 029 442**	**69 329 969**
Kassa och bank			
Kassa och bank	14	9 479 540	4 246 886
Summa omsättningstillgångar		**70 821 445**	**74 633 387**
SUMMA TILLGÅNGAR		**77 979 873**	**82 438 042**

Docusign Envelope ID: 998CA35F-4BDE-4A6A-8F09-D0FEBA8EE0A6

20250724053530

LivaNova Scandinavia AB
556441-1618

BALANSRÄKNING	Belopp i SEK	Not	2024-12-31	2023-12-31
EGET KAPITAL OCH SKULDER				
Eget kapital				
Bundet eget kapital				
Aktiekapital			2 100 000	2 100 000
Reservfond			2 250 000	2 250 000
Summa bundet eget kapital			**4 350 000**	**4 350 000**
Fritt eget kapital				
Balanserat resultat			39 449 092	34 065 784
Årets resultat		17	12 815 080	5 383 308
Summa fritt eget kapital			**52 264 172**	**39 449 092**
Summa eget kapital			**56 614 172**	**43 799 092**
Kortfristiga skulder				
Leverantörsskulder			362 065	224 483
Skulder till koncernföretag			6 621 608	19 018 525
Skatteskulder			3 180 776	1 636 581
Övriga skulder			6 243 909	8 237 623
Upplupna kostnader och förutbetalda intäkter		13	4 957 343	9 521 738
Summa kortfristiga skulder			**21 365 701**	**38 638 950**
SUMMA EGET KAPITAL OCH SKULDER			**77 979 873**	**82 438 042**

Docusign Envelope ID: 998CA35F-4BDE-4A6A-8F09-D0FEBA8EE0A6

LivaNova Scandinavia AB
556441-1618

20250724053531

KASSAFLÖDESANALYS

Belopp i SEK	Not	2024-12-31	2023-12-31
Löpande verksamhet			
Rörelseresultat		14 841 826	5 715 048
Återläggning avskrivningar		1 040 804	754 054
Erhållen ränta		1 357 999	1 074 563
Erlagd ränta		-54 873	-253
Betald inkomstskatt		-1 785 677	-335 136
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital		**15 400 079**	**7 208 276**
Förändring rörelsekapital			
Förändring lager		-255 931	-136 641
Förändring kundfordringar		14 947 840	-20 406 142
Förändring kortfristiga fordringar		-5 647 313	-4 073 660
Förändring leverantörsskulder		137 582	-5 002 599
Förändring korfristiga skulder		-18 955 026	18 528 221
Kassaflöde rörelsekapital		**-9 772 848**	**-11 090 821**
Kassaflöde från den löpande verksamheten		**5 627 231**	**-3 882 545**
Finansieringsverksamhet			
Nyemmisson		0	0
Utdelningar		0	0
Långfristiga skulder		0	0
Kassaflöde finansieringsverksamhet		**0**	**0**
Investeringsverksamhet			
Förvärv av immateriella anläggningstillgångar		0	0
Avyttring av immateriella anläggningstillgångar		0	0
Förvärv av materiella anläggningstillgångar		-394 577	-2 226 466
Avyttring av materiella anläggningstillgångar		0	36 185
Förvärv finansiella anläggningstillgångar		0	0
Avyttring finansiella anläggningstillgångar		0	0
Kassaflöde investeringsverksamhet		**-394 577**	**-2 190 281**
ÅRETS KASSAFLÖDE		***5 232 654***	***-6 072 826***
Likvida medel vid årets början	15		
Likvida medel vid årets början		4 246 886	10 319 712
Likvida medel vid årets slut		**9 479 540**	**4 246 886**

Docusign Envelope ID: 998CA35F-4BDE-4A6A-8F09-D0FEBA8EE0A6

20230724105332

NOTER

Not 1 Redovisnings- och värderingsprinciper

Belopp i SEK om inget annat anges.

Allmänna redovisningsprinciper

Årsredovisningen är upprättad i enlighet med Årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).
Redovisningsprinciperna är oförändrade jämfört med föregående år.
Fordringar har upptagits till de belopp varmed de beräknas inflyta.

Intäkter

Intäkter för varor redovisas när varan levererats och intäkterna för tjänster när tjänsten är utförd.

Anläggningstillgångar

Som grundregel gäller att anläggningstillgångar är en fysisk tillgång som innehas för att bedriva näringsverksamhet (se kassaflöde).
Immateriella samt Materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med avskrivningar.
Realisationsvinst respektive realisationsförlust vid avyttring redovisas som 'Övriga rörelseintäkter' respektive 'Övriga externa kostnader'.

Följande avskrivningstider tillämpas:

Inventarier	3-10 år

Kundfordringar/Kortfristiga fordringar

Kundfordringar och kortfristiga fordringar redovisas som omsättningstillgångar till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar.

Varulager

Varulagret värderas, med tillämpning av först-in först ut principen, till det lägsta av anskaffningsvärde och dess nettoförsäljningsvärde på balansdagen.

Avsättningar

Som avsättning har redovisats förpliktelser gentemot tredje man som är hänförliga till räkenskapsåret eller tidigare räkenskapsår och som på balansdagen antingen är säkra eller sannolika till sin förekomst men oviss till belopp eller till den tidpunkt då de ska infrias. Avsättningen värderas till den bästa uppskattningen av det belopp som kommer att behöva erläggas.

Kassaflödesanalys

Kassaflödesanalysen upprättas enligt indirekt metod och visar in- och utbetalningar uppdelade på den löpande verksamheten, investeringsverksamheten eller finansieringsverksamheten. Det redovisade kassaflödet omfattar endast transaktioner som medfört in- eller utbetalningar.

Not 2 Uppgift om inköp och försäljning inom samma koncern, mm

	2024-12-31	2023-12-31
Inköp	72,0%	74,0%
Försäljning	8,0%	10,0%

Not 3 Övriga Rörelseintäkter/Övriga Rörelsekostnader

	2024-12-31	2023-12-31
Valutaintäkter	701 568	769 066
Valutaförluster	-3 774	-864 356
	697 794	**-95 290**

Not 4 Operationella Leasingavtal

	2024-12-31	2023-12-31
Framtida minimileaseavgifter som ska erläggas avseende icke uppsägningsbara leasingavtal		
Förfaller till betalning inom ett år	144 000	293 040
Förfaller till betalning senare än ett år men inom 5 år	336 000	0
	480 000	**293 040**
Under perioden kostnadsförda leasingavgifter	671 695	648 282
Under perioden redovisade variabla leasingavgifter	193 186	180 671
	864 881	**828 953**

Docusign Envelope ID: 998CA35F-4BDE-4A6A-8F09-D0FEBA8EE0A6

20250724053533

Not 5 Ersättning till revisorer

	2024-12-31	2023-12-31
Öhrlings PricewaterhouseCoopers AB		
Revisionsuppdraget	215 000	195 000

Not 6 Anställda och personalkostnader

Medelantal anställda

	2024-12-31	2023-12-31
Kvinnor	3	3
Män	2	3

Löner och andra ersättningar		
Styrelse och verkställande direktör	0	0
Övriga anställda	6 296 490	8 837 719
	6 296 490	**8 837 719**
Sociala kostnader		
Pensionskostnader för styrelse och verkställande direktör	0	0
Pensionskostnader för övriga anställda	941 692	1 448 676
Övriga sociala avgifter enligt lag och avtal	3 360 781	3 072 457
	4 302 473	**4 521 133**
Totala löner, ersättningar, sociala avgifter och pensionskostnader	**10 598 963**	**13 358 852**

Not 7 Övriga ränteintäkter och liknande resultatposter

	2024-12-31	2023-12-31
Utdelningar	0	0
Räntor	-1 357 999	1 074 563
	-1 357 999	**1 074 563**

Not 8 Räntekostnader och liknande resultatposter

	2024-12-31	2023-12-31
Räntekostnader	54 873	253
	54 873	**253**

Docusign Envelope ID: 998CA35F-4BDE-4A6A-8F09-D0FEBA8EE0A6

20250724053534

Not 9 Materiella anläggningstillgångar

	2024-12-31	2023-12-31
Ingående anskaffningsvärde	4 003 708	1 813 427
Inköp	394 577	2 226 466
Försäljningar/utrangeringar	0	-36 185
Omklassificeringar	0	0
Utgående anskaffningsvärden	**4 398 285**	**4 003 708**
Ingående avskrivningar	-791 834	-37 780
Årets avskrivningar	-1 040 804	-754 054
Utgående avskrivningar	**-1 832 638**	**-791 834**
Redovisat värde	**2 565 647**	**3 211 874**

Not 10 Andelar i koncernföretag

	2024-12-31	2023-12-31
Ingående anskaffningsvärde	11 984 292	11 984 292
Inköp/Aktieägartillskott	0	0
Utgående anskaffningsvärde	**11 984 292**	**11 984 292**
Ingående nedskrivningar	-7 391 511	-7 391 511
Årets nedskrivningar	0	0
Utgående nedskrivningar	**-7 391 511**	**-7 391 511**
Redovisat värde	**4 592 781**	**4 592 781**

Företagets namn	Kapital-andel %	Kapital-andel %
LivaNova Norway AS, org nummer 991 266 372	100	100

Not 11 Skatt på årets resultat

	2024-12-31	2023-12-31
Aktuell skatt	3 329 872	1 406 050
Uppskjuten skatt	0	0
Skatt på årets resultat	**3 329 872**	**1 406 050**
Redovisat resultat före skatt	**16 144 952**	**6 789 358**
Skatt beräknad enligt gällande skattesats (20,6%)	3 325 860	1 398 608
Skatteeffekt av ej avdragsgilla kostnader	7 747	10 470
Skatteeffekt av ej skattepliktig realisationsvinst	-3 735	-3 028
Skatt hänförlig till tidigare års redovisade resultat	0	0
Skatteeffekt av schablonränta på periodiseringsfond	0	0
Effekt av ändrade skattesatser	0	0
Effekt av utländska skattesatser	0	0
Redovisad skattekostnad	**3 329 872**	**1 406 050**

Not 12 Förutbetalda kostnader och upplupna intäkter

	2024-12-31	2023-12-31
Förutbetalda hyror	64 313	129 549
Förutbetalda försäkringar	116 656	156 814
Övriga poster	0	0
	180 969	**286 363**

Docusign Envelope ID: 998CA35F-4BDE-4A6A-8F09-D0FEBA8EE0A6

20250724053535

Not 13 Upplupna kostnader och förutbetalda intäkter

	2024-12-31	2023-12-31
Upplupna lönekostnader	1 711 783	2 184 459
Upplupna semesterlöner	333 829	758 357
Upplupna sociala avgifter	763 811	1 085 297
Upplupen arvode kommission Neuromodulation	261 877	4 577 001
Övriga poster	1 886 043	916 624
	4 957 343	**9 521 738**

Not 14 Likvida medel

	2024-12-31	2023-12-31
Banktillgodohavanden	9 479 540	4 246 886

Not 15 Väsentliga händelser efter räkenskapsårets slut

Två styrelsemedlemar lämnar sitt uppdrag och har ersatts under första delen av 2025.

Not 16 Moderföretag

Företaget är moderföretag men med hänvisning till undantagsreglerna i årsredovisningslagen 7 kap 2§ upprättas ingen koncernredovisning. Närmast överordnade moderföretag som upprättar koncernredovisning i vilken företaget ingår är Sorin Group Italia S.r.l, 10566980158 med säte i Mirandola, Italien.
Moderbolag för hela koncernen är LivaNova, Plc , 09451374, med säte i London, Storbritannien.

Not 17 Förslag till resultatdisposition

Balanserat resultat	39 449 092
Årets resultat	12 815 080
Summa vinstmedel	**52 264 172**

Styrelsen föreslår att årets resultat och balanserade vinstmedel överförs i ny räkning.

Milano ,6.May. 2025

DocuSigned by:
Valeria Bizzozero
326D370D6CB1480...
Styrelseordförande

Kuopio ,6.May. 2025

DocuSigned by:
Tomi Järvinen
0A0558A02EFE4DF...
Styrelseledamot

Fort Lauderdale,6 May., 2025

DocuSigned by:
Samuel Torres
Samuel Torres
Styrelseledamot

Vår revisionsberättelse har lämnats den
Öhrlings PricewaterhouseCoopers AB

DocuSigned by:
Magnus Lagerberg
Auktoriserad revisor

Docusign Envelope ID: 998CA35F-4BDE-4A6A-8F09-D0FEBA8EE0A6

20250724053536

LivaNova

Health innovation that matters

MINUTES OF THE BOARD OF DIRECTORS' MEETING
HELD ON May 6, 2025

The meeting is opened by the Chairperson, Mrs. Valeria Bizzozero

Present:
- Mrs. Valeria Bizzozero
- Mr. Tomi Järvinen
- Mr. Samuel Torres

acting as Directors of the Company.

The Chairman notes that all directors are present or represented, so that the meeting is validly composed and that it consequently can validly decide.

AGENDA

1. Convening of the annual general meeting of shareholders
2. Approval of the Annual Accounts
3. Acceptance of the management report of the Board of Directors to the shareholders

RESOLUTIONS

The Board of Directors, after deliberation, unanimously,

RESOLVES that the annual general meeting of shareholders will be held on May 08, 2025 at the registered office of the Company and that the following points will be on the agenda:

LivaNova Scandinavia AB,
a wholly owned subsidiary
of LivaNova PLC
Hörnåkersvägen 10
183 65 TÄBY
SWEDEN

Org. No 556441-1618
VAT SE556441161801
Registered office Sollentuna
T + 46 (0) 8 501 224 00

www.livanova.com

LivaNova

Health innovation that matters

20250724053537

1. Approval of the report of the Board of Directors and of the statutory auditor with respect to financial year 2024
2. Approval of the annual accounts with respect to financial year 2024
3. Decision concerning the allocation of results with respect to financial year 2024
4. Discharge of the directors and of the statutory auditor with respect to financial year 2024
5. Re-election of representatives
6. Fees

RESOLVES that the annual accounts for the financial year ended on 31 December 2024 be approved and shall be submitted to the annual general meeting of shareholders for approval,

RESOLVES that the management report of the Board of Directors to the shareholders, as attached hereto, be accepted.

There being no further items on the agenda, the meeting was adjourned.

DocuSigned by:
Valeria Bizzozero
Valeria Bizzozero
Chairperson of the Board

DocuSigned by:
Tomi Järvinen
Tomi Järvinen
Member of the Board

DocuSigned by:
Samuel Torres
Samuel Torres
Member of the Board

20250724053538

docusign

Certificate Of Completion

Envelope Id: 998CA35F-4BDE-4A6A-8F09-D0FEBA8EE0A6
Status: Completed
Subject: Complete with Docusign: LivaNova Scandinavia AB - FY2024 Documents for Signature
Source Envelope:
Document Pages: 12 Signatures: 7
Certificate Pages: 5 Initials: 0
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-05:00) Eastern Time (US & Canada)

Envelope Originator:
Samuel Torres
14401 W 65TH Way Unit B
Arvada, CO 80004-3503
Samuel.Torres@Livanova.com
IP Address: 10.104.81.73

Record Tracking

Status: Original
05 May 2025 | 18:41

Holder: Samuel Torres
Samuel.Torres@Livanova.com

Location: DocuSign

Signer Events

Samuel Torres
samuel.torres@livanova.com
Authorized Director
Security Level: Email, Account Authentication (None)

Signature

DocuSigned by:
Samuel Torres
8016C6862E45451...

Signature Adoption: Pre-selected Style
Using IP Address: 73.1.132.163

Timestamp

Sent: 06 May 2025 | 00:15
Viewed: 06 May 2025 | 04:55
Signed: 06 May 2025 | 04:55

Electronic Record and Signature Disclosure:
Not Offered via Docusign

Tomi Järvinen
Tomi.Jarvinen@livanova.com
Sales Director
Security Level: Email, Account Authentication (None)

DocuSigned by:
Tomi Järvinen
C44056A52EFE4DF...

Signature Adoption: Pre-selected Style
Using IP Address: 89.166.112.106

Sent: 06 May 2025 | 00:15
Viewed: 06 May 2025 | 02:41
Signed: 06 May 2025 | 04:03

Electronic Record and Signature Disclosure:
Accepted: 06 May 2025 | 02:41
ID: 8eafd432-8768-4a0f-9453-4b7e2a6ceb70

Valeria Bizzozero
Valeria.Bizzozero@livanova.com
Finance Director Europe
Livanova PLC
Security Level: Email, Account Authentication (None)

DocuSigned by:
Valeria Bizzozero
326D370D6CB1480...

Signature Adoption: Uploaded Signature Image
Using IP Address: 93.49.115.36

Sent: 06 May 2025 | 00:15
Viewed: 06 May 2025 | 03:28
Signed: 06 May 2025 | 03:29

Electronic Record and Signature Disclosure:
Not Offered via Docusign

Magnus Lagerberg
magnus.lagerberg@pwc.com
Security Level: Email, Account Authentication (None)

DocuSigned by:
Magnus Lagerberg
C84678FA25914BC...

Signature Adoption: Pre-selected Style
Using IP Address: 84.17.219.58

Sent: 06 May 2025 | 04:55
Viewed: 06 May 2025 | 07:43
Signed: 06 May 2025 | 08:42

Electronic Record and Signature Disclosure:
Accepted: 06 May 2025 | 07:43
ID: 4c03272c-ea6b-4ffa-aac8-5503befd932d

In Person Signer Events	Signature	Timestamp

20250724053939

Editor Delivery Events	Status	Timestamp
Agent Delivery Events	**Status**	**Timestamp**
Intermediary Delivery Events	**Status**	**Timestamp**
Certified Delivery Events	**Status**	**Timestamp**
Carbon Copy Events	**Status**	**Timestamp**
Sabina Ryberg Sabina.Ryberg@livanova.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	**COPIED**	Sent: 06 May 2025 | 00:15 Viewed: 06 May 2025 | 08:50
Angelica Segring angelica.segring@pwc.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	**COPIED**	Sent: 06 May 2025 | 04:55 Viewed: 06 May 2025 | 07:09

Witness Events	Signature	Timestamp
Notary Events	**Signature**	**Timestamp**

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	06 May 2025 | 00:15
Certified Delivered	Security Checked	06 May 2025 | 07:43
Signing Complete	Security Checked	06 May 2025 | 08:42
Completed	Security Checked	06 May 2025 | 08:42

Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

Electronic Record and Signature Disclosure created on: 12 August 2020 | 11:20
Parties agreed to: Tomi Järvinen, Magnus Lagerberg

20230724054O

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, LivaNova USA (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a $0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

20250724055541

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact LivaNova USA:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:
To contact us by email send messages to: robert.macrae@livanova.com

To advise LivaNova USA of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at robert.macrae@livanova.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from LivaNova USA

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to robert.macrae@livanova.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with LivaNova USA

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

20250724035342

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to robert.macrae@livanova.com and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: https://support.docusign.com/guides/signer-guide-signing-system-requirements.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify LivaNova USA as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by LivaNova USA during the course of your relationship with LivaNova USA.

20250724055443

Revisionsberättelse

Till bolagsstämman i Livanova Scandinavia AB, org.nr 556441-1618

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Livanova Scandinavia AB för år 2024.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Livanova Scandinavia ABs finansiella ställning per den 31 december 2024 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för Livanova Scandinavia AB.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Livanova Scandinavia AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för Livanova Scandinavia AB för år 2024 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Livanova Scandinavia AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

✔ **Signerat** 2025-05-06 12:41:21 UTC **Oneflow ID** 10672536 **Page** 1 / 3

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation, och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

En ytterligare beskrivning av vårt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Stockholm den dag som framgår av vår elektroniska signatur

Öhrlings PricewaterhouseCoopers AB

Magnus Lagerberg
Auktoriserad revisor

20250724035544

Deltagare

ÖHRLINGS PRICEWATERHOUSECOOPERS AB 556029-6740 Sverige

ÖHRLINGS PRICEWATERHOUSECOOPERS AB 556029-6740 Sverige

Signerat med Svenskt BankID — *2025-05-06 12:41:21 UTC*

Undertecknare — Datum

Namn returnerat från Svenskt BankID: MAGNUS LAGERBERG

Magnus Lagerberg

Auktoriserad revisor

Leveranskanal: E-post

20250724035345

9373412/25

2025080602417

LivaNova

Health innovation that matters

2024 UK Annual Report

2024 UK Annual Report

20250806024 19

LivaNova

Health innovation that matters

20250806024211

DEFINITIONS

In this Annual Report, the following terms and abbreviations have the meanings listed below. "LivaNova," the "Company," and "Group" refer to LivaNova PLC and its consolidated subsidiaries.

Abbreviation	Definition
2015 Plan	LivaNova PLC 2015 Incentive Award Plan
2015 Plan Amendment	Amendment No. 2 to the LivaNova PLC 2015 Incentive Award Plan
2021 First Lien Credit Agreement	First Lien Credit Agreement between LivaNova PLC and its wholly-owned subsidiary, LivaNova USA, Inc., and Goldman Sachs Bank USA, as First Lien Administrative Agent and First Lien Collateral Agent, entered into on 13 August 2021
2022	The year ended 31 December 2022
2022 Plan	LivaNova PLC 2022 Incentive Award Plan
2023	The year ended 31 December 2023
2024	The year ended 31 December 2024
2024 LTIP	2024 Long-Term Incentive Plan
2024 STIP	2024 Short-Term Incentive Plan
2024 Restructuring Plan	A plan, initiated during the first quarter of 2024, to enhance LivaNova's focus on its core Cardiopulmonary and Neuromodulation segments
2025 AGM	2025 Annual General Meeting
2025 Capped Calls	Privately negotiated capped call transactions entered into with certain financial institutions
2025 Indenture	The indenture governing the 2025 Notes
2025 Notes	$287.5 million aggregate principal amount 3.00% unsecured cash exchangeable senior notes due 2025 by private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act, issued by LivaNova USA on 17 June 2020
2025 Notes Repurchase Transaction	Repurchase of $230.0 million aggregate principal amount of the 2025 Notes in privately negotiated transactions from proceeds from the issuance of the 2029 Notes
2029 Capped Calls	Privately negotiated capped call transactions entered into with certain financial institutions
2029 Indenture	The indenture governing the 2029 Notes
2029 Notes	$345.0 million aggregate principal amount 2.50% unsecured convertible senior notes due 2029 by private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act, issued by LivaNova PLC on 8 March 2024
A&R 2022 Plan	Amended and Restated LivaNova PLC 2022 Incentive Award Plan
A&R 2022 Plan Amendment	Amendment No. 1 to the Amended and Restated LivaNova PLC 2022 Incentive Award Plan
ACS	Advanced Circulatory Support
Aggressive Climate Action	Scenario with a 1.5°C increase in global average temperatures above pre-industrial levels
AGM	Annual General Meeting
ALung	ALung Technologies, Inc.
Annual Report	2024 LivaNova PLC UK Annual Report
AOCI	Accumulated other comprehensive income (loss)
ASMs	Anti-seizure medications
Audit Committee	LivaNova's Audit and Compliance Committee
Auditor	Statutory Auditor
Barclays	Barclays Bank Ireland PLC
BEPS	Base Erosion and Profit Shifting
Board	LivaNova Board of Directors
Bridge Loan Facility	Incremental Facility Amendment No. 1 to the 2021 First Lien Credit Agreement, relating to a €200 million bridge loan facility, dated 24 February 2022, and repaid on 6 July 2022
Capped Call Transactions	The 2025 Capped Calls and the 2029 Capped Calls
CARES Act	Coronavirus Aid, Relief, and Economic Security Act
CCPA	California Consumer Privacy Act
CE Mark	*Conformité Européenne, French for "European Conformity"*
CECs	Comprehensive Epilepsy Centers
CED	Coverage with Evidence Development
CEO	Chief Executive Officer

20250806024422

Abbreviation	Definition
CFD	UK Climate-related Financial Disclosures
CFO	Chief Financial Officer
CGU	Cash generating unit
CHCM Committee	Compensation and Human Capital Management Committee
CISO	Chief Information Security Officer
CLO	Chief Legal Officer
CMS	The U.S. Centers for Medicare & Medicaid Services
CO2e	The number of metric tons of carbon dioxide emissions with the same global warming potential as one metric ton of another greenhouse gas
Code of Conduct	LivaNova PLC's Code of Ethics and Business Conduct
CODM	Chief Operating Decision Maker
Companies Act 2006	Companies Act 2006 of England and Wales
Court of Appeal	Court of Appeal in Milan
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CPAP	Continuous positive airway pressure
CPB	Cardiopulmonary bypass
CSRD	Corporate Sustainability Reporting Directive
Current Climate Action	"Business-as-usual" scenario indicating a continuation of current warming trends
Cyberonics	Cyberonics, Inc.
D.S.O.	Days of sales outstanding
DEFRA	UK Department for Environment, Food, and Rural Affairs
Delayed Draw Term Facility	$50 million delayed draw term facility under the 2021 First Lien Credit Agreement resulting from the Incremental Facility Amendment No. 2
DMA	Double materiality assessment
DRE	Drug-resistant epilepsy
DTC	Depository Trust Company
DTD	Difficult-to-treat depression
EBT	Employee Benefit Trust
ECJ	European Court of Justice
ECMO	Extracorporeal membrane oxygenation
EIR	Effective interest rate
ELT	Executive Leadership Team
Embedded Derivatives	The bifurcated embedded derivatives associated with the 2025 Notes and 2029 Notes, collectively
EPA	U.S. Environmental Protection Agency
EPS	Earnings per share
ESG	Environmental, Social, and Governance
ESPP	Global Employee Share Purchase Plan
ESRS	European Sustainability Reporting Standards
EtO	Ethylene oxide
EU	European Union
False Claims Act	U.S. False Claims Act
FCF	Free Cash Flow
FCPA	U.S. Foreign Corrupt Practices Act of 1977
FDA	U.S. Food and Drug Administration
FIFO	First-in-first-out
FX	Foreign currency exchange rate
GAAP	Generally Accepted Accounting Principles
GDPR	General Data Protection Regulation
GHG	Greenhouse gas
Hemolung	Hemolung Respiratory Assist System
HHS	The U.S. Department of Health & Human Services

20250806024423

Abbreviation	Definition
HIPAA	Health Insurance Portability and Accountability Act of 1996
HITECH	Health Information Technology and Clinical Health Act
HLM	Heart-lung machine
IBR	Incremental borrowing rate
IEA	International Energy Agency
IFRS	UK-adopted International Accounting Standards
ImThera	ImThera Medical, Inc., acquired by LivaNova in 2018, a company developing an implantable neurostimulation device system for the treatment of obstructive sleep apnoea
Incremental Facility Amendment No. 2	An incremental facility amendment to the 2021 First Lien Credit Agreement, dated 6 July 2022
Incremental Facility Amendment No. 3	An incremental facility amendment to the 2021 First Lien Credit Agreement, dated 8 March 2024
Initial Term Facility	$300 million term facility under the 2021 First Lien Credit Agreement, resulting from the Incremental Facility Amendment No. 2
IPCC	Intergovernmental Panel on Climate Change
IPR&D	In-Process Research and Development
IS	Information security
ISDA	International Swaps and Derivatives Association, Inc.
ISIN	National Inspectorate for Nuclear Safety and Radiation Protection, a sub-body of the Italian Ministry of Economic Development
ISMS	Information Security Management System
ISO	International Organization for Standardization
IT	Information technology
KPIs	Key performance indicators
LivaNova PLC	A public limited company organised under the laws of England and Wales on 20 February 2015
LivaNova USA	LivaNova USA, Inc.
LSM	LivaNova Site Management S.r.l.
MDD	Medical Device Directive
MDL	Federal multi-district litigation in the U.S. District Court for the Middle District of Pennsylvania
MDR	EU Medical Device Regulation
MedTech	Medical technology
Merger	Business combination of Cyberonics and Sorin
MRI	Magnetic resonance imaging
Nasdaq	Nasdaq Global Market
NCD	Non-coverage determination
NCG	Nominating and Corporate Governance
NDC	Nationally Determined Contributions
NED	Non-executive director
NIST	National Institute of Standards and Technology
NOLs	Net operating loss carryforwards
Notes	The 2025 Notes and the 2029 Notes
OCI	Other comprehensive income (loss)
OECD	Organisation for Economic Co-operation and Development
Option Counterparties	Certain financial institutions with whom LivaNova USA or LivaNova PLC, as applicable, has entered into the 2025 Capped Calls and 2029 Capped Calls
OSA	Obstructive sleep apnoea
OSPREY clinical trial	LivaNova's clinical trial, "Treating Obstructive Sleep Apnea using Targeted Hypoglossal Neurostimulation"
PC	Phosphorylcholine
Pearl Meyer	Pearl Meyer & Partners, LLC
Pillar Two	Organisation for Economic Co-operation and Development Global Anti-Base Erosion Model Rules (Pillar Two)
Plan Committee	Qualified Plan Committee

20250806024424

Abbreviation	Definition
PMA	Pre-market approval
PMP	Polymethylpentene
PP&E	Property, plant, and equipment
PSUs	Performance stock units
Public Administrations	The Italian Ministry of the Environment and other Italian government agencies
R&D	Research and Development
RECOVER clinical study	LivaNova's clinical study "A Prospective, Multi-center, Randomized Controlled Blinded Trial Demonstrating the Safety and Effectiveness of VNS Therapy System as Adjunctive Therapy Versus a No Stimulation Control in Subjects With Treatment-Resistant Depression"
Remuneration Policy	UK remuneration policy
ROIC	Return on Invested Capital
ROU	Right-of-use
RS	Restricted share
RSUs	Restricted stock units
rTSR	Relative Total Shareholder Return
S&P	Standard & Poor's
SARs	Stock appreciation rights
SDRT	UK Stamp Duty Reserve Tax
SEC	U.S. Securities and Exchange Commission
SECR	Streamlined Energy and Carbon Reporting
Securities Act	U.S. Securities Act of 1933, as amended
SG&A	Selling, general, and administrative expenses
SNIA	SNIA S.p.A.
SNIA Litigation Guarantee	A first demand bank guarantee of €270.0 million in connection with the SNIA environmental litigation
SOFR	Secured Overnight Financing Rate
Sorin	Sorin S.p.A.
SteerCo	ESG Steering Committee
Term Facilities	The Initial Term Facility, together with the Delayed Draw Term Facility
TFR	Trattamento di Fine Rapporto
Third-Party Code of Conduct	Third-Party Code of Ethics and Business Conduct
Trust	LivaNova PLC Employee Benefit Trust
TSR	Total Shareholder Return
UK	United Kingdom
UK Bribery Act	UK Bribery Act of 2010
United Kingdom Accounting Standards, comprising FRS 101	United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework")
U.S.	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the U.S.
USD	U.S. dollar
UTPR	Undertaxed profits rule
VNS	Vagus nerve stimulation
VNS Therapy	LivaNova Vagus Nerve Stimulation Therapy
VP LL	Vice President, Legal Leader, Corporate & Securities
WACC	Weighted average cost of capital

20250806024425

Annual Report

This Annual Report of LivaNova PLC comprises the Strategic Report, Directors' Report, Remuneration Report, and the LivaNova PLC consolidated financial statements prepared in accordance with UK-adopted international accounting standards and the Company financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework," and applicable law, in respect of the year ended 31 December 2024.

This Annual Report has been prepared to satisfy the reporting requirements of the Companies Act 2006 and will be included in the 2025 AGM materials made available to shareholders.

Cautionary Statement

Certain statements made in this Annual Report are forward looking. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially from any expected future events or results referred to in the forward-looking statements. Unless otherwise required by applicable laws, regulations, or accounting standards, LivaNova does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments, or otherwise. Nothing in this Annual Report should be regarded as a profit forecast.

Intellectual Property, Trademarks, and Trade Names

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

- Trademarks for LivaNova's Neuromodulation systems, the VNS Therapy™ 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), and Model 8103 (Symmetry™).
- Trademarks for LivaNova's Cardiopulmonary products and systems: Essenz™, S5™, 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 apnoea 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 trade names referred to in this Annual 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 trade names.

20250806024426

TABLE OF CONTENTS

STRATEGIC REPORT 1
Introduction 1
Business Overview 1
LivaNova's Global Business Model 1
Cardiopulmonary 1
Neuromodulation 1
LivaNova's Strategy: Overview of 2024 and Looking Forward to 2025 3
Non-Financial & Sustainability Information Statement 4
Human Capital Management 4
Sustainability 5
Compliance 15
2024 Greenhouse Gas Report 16
Information Security 18
Government Regulation and Other Considerations 16
Industry Affiliations 23
Business Review 24
Introduction 24
Key Performance Indicators 24
Results of Operations 25
Liquidity and Capital Resources 28
Debt and Capital 28
Contractual Obligations 29
Market Risk 30
Risks and Uncertainties 31
LivaNova's Approach to Stakeholders 45
DIRECTORS' REPORT 49
REMUNERATION REPORT 52
Statement from the Chair of the Compensation Committee 52
How LivaNova Establishes Executive Compensation Levels 55
2024 Remuneration Report 56
FINANCIAL STATEMENTS 83
Independent Auditor's Report on Group Financial Statements 84
Table of Contents: Consolidated Financial Statements 90
Consolidated Statement of Loss 91
Consolidated Statement of Comprehensive Income 92
Consolidated Balance Sheet 93
Consolidated Statement of Changes in Equity 95
Consolidated Statement of Cash Flows 96
Notes to the Consolidated Financial Statements 97
Table of Contents: Parent Company 155
Company Statement of (Loss) Income 156
Company Statement of Comprehensive Income 157
Company Balance Sheet 158
Company Statement of Changes in Equity 159
Notes to the Company Financial Statements 160

20250806024427

STRATEGIC REPORT

Business Overview

LivaNova's Global Business Model

LivaNova PLC is a market-leading global medical technology company. The Company designs, develops, manufactures, markets, and sells products and therapies that are consistent with LivaNova's mission to provide hope for patients and their families through medical technologies, delivering life-changing solutions in select neurological and cardiac conditions. LivaNova is a public limited company organised under the laws of England and Wales and is headquartered in London, England. LivaNova's ordinary shares are listed for trading on the Nasdaq under the symbol "LIVN."

LivaNova consists of two reportable segments: Cardiopulmonary and Neuromodulation. "Other" includes non-allocated corporate expenses and the non-cannula results of the Company's former ACS segment, which was wound down during 2024.

Cardiopulmonary

LivaNova's Cardiopulmonary segment is engaged in the design, development, manufacture, marketing, and sale of cardiopulmonary products, including HLMs, oxygenators, autotransfusion systems, perfusion tubing systems, cannulae, and other related accessories. In particular, the Cardiopulmonary segment includes the Essenz Perfusion System, the Company's next-generation HLM with an embedded patient monitor for tailored patient care strategies and sensing technology for data-driven decision-making during CPB procedures.

CPB is frequently utilised in various heart-related procedures. This method allows the surgical team to oxygenate and circulate the patient's blood, providing the necessary conditions for the surgeon to operate on the heart. The procedures most commonly requiring CPB include traditional coronary artery bypass grafting and valve surgeries. LivaNova's products enable CPB for neonatal, pediatric, and adult patients.

Heart-lung Machines

The HLM product group includes HLMs, heater-coolers, related cardiac surgery equipment and maintenance, and technical services. HLMs temporarily take over the heart and/or lung functions, circulating blood and oxygen to the body, while the heart is stopped during a cardiac surgery procedure. Heater-coolers are used during surgeries to warm or cool patients as part of their care. They are especially important during surgeries involving the heart and lungs.

Oxygenators and Perfusion Tubing Systems

The oxygenators product group consists of disposable devices for extracorporeal circulation, including the Inspire systems. The Inspire range of products consists of 12 models that provide perfusionists with a customisable approach for the benefit of patients. Oxygenators exchange oxygen and carbon dioxide in the blood of patients during surgical procedures and are utilised by perfusionists during cardiac surgery in conjunction with an HLM and can also be utilised in ECMO.

Autotransfusion Systems

One of the key elements for a complete blood management strategy is autologous blood transfusion. The autotransfusion product group facilitates the collection, processing, and reinfusion of the patient's own blood lost at the surgical site.

Cannulae

The cannulae product group comprises of cardiopulmonary bypass cannulae, or tubing, which is a device used in cardiopulmonary surgery to cannulate the vessels, perfuse the coronary arteries, and interconnect the catheters and cannulae with an oxygenator.

Neuromodulation

LivaNova's Neuromodulation segment is engaged in the design, development, manufacture, marketing, and sale of devices that deliver neuromodulation therapy for treating DRE and DTD. LivaNova's principal Neuromodulation product, the VNS Therapy System, consists of an implantable pulse generator and connective lead that stimulates the vagus nerve, surgical equipment to assist with the implant procedure, and equipment and instruction manuals that enable a treating physician to set parameters for a patient's pulse generator. The lead does not need to be removed to replace a generator with a depleted battery. The Neuromodulation segment is also engaged in the development and management of clinical testing for LivaNova's aura6000 System for treating OSA. The aura6000 device stimulates the hypoglossal nerve, which engages specific tongue and palate muscles to open the airway while a patient sleeps.

20250806024428

Epilepsy

There are several broad types of treatment available to patients with epilepsy: multiple ASMs; various forms of the ketogenic diet; VNS; resective and ablative brain surgery; and intracranial neurostimulation. ASMs typically serve as a first-line treatment and are prescribed for virtually all patients diagnosed with epilepsy. After two ASMs fail to deliver seizure control, the epilepsy is characterised as drug-resistant and adjunctive non-drug options are considered, including VNS therapy, ketogenic diet, surgery, and other neuromodulation therapies.

In 1997, LivaNova's VNS Therapy System was the first medical device treatment approved by the FDA for the treatment of DRE and today is the only neuromodulation device approved for use in the U.S. in DRE patients as young as four years of age with partial onset or focal seizures. Other worldwide regulatory bodies have also approved the VNS Therapy System for treating patients with DRE, many without age or seizure-type restrictions. In 2020, CMS expanded reimbursement for VNS Therapy use in the treatment of Dravet Syndrome and, in January 2022, expanded reimbursement for VNS Therapy use in the treatment of Lennox-Gastaut Syndrome.

LivaNova distributes multiple VNS Therapy devices for the treatment of epilepsy, including Model 103 (Demipulse), Model 106 (AspireSR), Model 1000 (SenTiva), and Model 1000D (SenTiva Duo) pulse generators. LivaNova's AspireSR and SenTiva implantable pulse generators provide the traditional benefits of VNS therapy but add an additional stimulation capability: closed loop stimulation (AutoStim), which responds to detection of changes in heart rate potentially indicative of a seizure. The SenTiva generator is the smallest and lightest VNS device capable of delivering responsive therapy for epilepsy and includes the additional flexibility of LivaNova's Scheduled Programming and Day & Night Programming capabilities. In 2017, the SenTiva and AspireSR VNS Therapy devices were approved by the FDA for expanded MRI access, and similar CE Mark approval followed shortly thereafter.

Depression

VNS Therapy received CE Mark approval in 2001 for treatment-resistant depression in the EU. In 2005, the FDA approved the VNS Therapy System for the adjunctive long-term treatment of chronic or recurrent depression for patients 18 years of age or older who are experiencing a major depressive episode and have not had an adequate response to four or more adequate antidepressant treatments. In 2007, CMS issued an NCD that vagus nerve stimulation is not covered for treatment-resistant depression, significantly limiting access for most patients.

In 2017, the *American Journal of Psychiatry* published the results of the longest and largest naturalistic study on treatments for patients experiencing DTD at that time. The findings showed that the addition of the VNS Therapy System to traditional treatment was effective in significantly reducing symptoms of severe and chronic depression compared with traditional treatment alone and that VNS Therapy was well tolerated. Following the publication of these study results, LivaNova requested that CMS reconsider its previous NCD, and in 2018, CMS published a tracking sheet to reconsider.

In 2019, CMS published its final decision on the reconsideration, concluding that CMS will cover the VNS Therapy System for Medicare beneficiaries with treatment-resistant depression through CED when offered in a CMS-approved, double-blind, randomised, placebo-controlled trial with a follow-up duration of at least one year. In this 2019 decision, CMS also agreed to cover a VNS Therapy System device replacement for Medicare beneficiaries already implanted with a device. The CED also included the possibility to extend the study to a prospective longitudinal registry.

In 2019, CMS accepted the study protocol for LivaNova's RECOVER clinical study and the first patient was enrolled. LivaNova's RECOVER clinical study is examining up to 1,000 patients ages 18 or older who have unipolar or bipolar depression that is difficult to treat and is being carried out at up to 100 leading hospitals and medical centres across the U.S.

In 2023, LivaNova randomised the 500th unipolar depression patient into the RECOVER clinical study and completed enrolment in the unipolar cohort. In June 2024, the Company announced the preliminary results for the unipolar patient cohort. The study did not meet its primary endpoint for the unipolar cohort; however, statistically significant and clinically meaningful improvements were achieved in select secondary endpoints. No new safety issues were identified in the study.

In December 2024, *Brain Stimulation* published two articles chronicling the unipolar cohort data set for the RECOVER clinical study. The articles concluded that active VNS Therapy, as compared with a no-stimulation control (or sham VNS Therapy), safely and effectively demonstrated clinically meaningful therapeutic effects on depressive symptoms and positive effects on quality of life and daily function. Analyses of secondary endpoints revealed antidepressant benefits significantly favouring active VNS Therapy as opposed to sham VNS Therapy as measured by ratings from on-site clinicians, patients themselves, and off-site masked raters. In March 2025, the *Journal of Affective Disorders* published an article examining the impact of outcome classification, observation period, and depression rating scale on symptom improvement in RECOVER study patients with treatment-resistant depression treated with VNS Therapy. On 14 April 2025, the *Journal of Mood & Anxiety Disorders* published an article examining how the "tripartite" metric based on depressive symptoms, daily function, and quality of life can demonstrate clinically meaningful benefits in patients with treatment-resistant depression, using the RECOVER trial database. These articles

20250806024429

support the use of VNS Therapy in patients with DTD. Upon publication of the fifth and last critical manuscript, the Company expects to initiate the reconsideration submission process.

Obstructive Sleep Apnoea

In 2018, LivaNova acquired full ownership of ImThera, a company developing an implantable neurostimulation device system for the treatment of obstructive sleep apnoea. The device stimulates the hypoglossal nerve, which engages specific tongue and palate muscles to open the airway while a patient sleeps. For information on the contingent consideration arrangements associated with the ImThera acquisition, please refer to "Note 5. Fair Value Measurements" in the consolidated financial statements in this Strategic Report.

In 2021, LivaNova received approval from the FDA to proceed with its investigational device exemption clinical study, the OSPREY clinical trial, and the first patient was implanted with the aura6000 System in March 2022. In November 2024, the Company announced the OSPREY clinical study met its primary endpoints for efficacy and safety.

LivaNova's Strategy: Overview of 2024 and Looking Forward to 2025

In 2024, by embracing change and seizing performance opportunities under the leadership of new CEO Vladimir Makatsaria, the Company achieved double-digit organic revenue growth, more than 40 basis points of adjusted operating margin expansion, a 20% increase in adjusted diluted earnings per share, and a 70% improvement in cash generation. Additionally, the Company made progress in refining its business strategy and company culture. This strong performance was realised alongside continued investment in innovation and critical capabilities.

Core Businesses

LivaNova's core businesses include Epilepsy, the primary driver of the Neuromodulation segment, as well as the Cardiopulmonary segment. The markets for these segments are significant and growing, and the Company has established strong positions in both. To drive value in 2024, the Company focused on advancing its positions and generating consistent, profitable revenue growth in both Epilepsy and Cardiopulmonary.

Epilepsy

In the U.S., the Company has made progress on its goal to build VNS Therapy treatment pathways in both CECs and community health systems to improve patient access to care, drive physician advocacy, and cultivate networks of health systems to deliver VNS Therapy. In 2024, this progress resulted in revenue and total patient implant growth.

The Company has dedicated CEC and community commercial strategies, whereby the Company utilises a multidisciplinary team approach to meet the varied needs of these customer segments. This approach involves utilising dedicated teams who deliver improved outcomes by bringing expertise in the areas of clinical research, education and training, and community outreach.

The Company's mission for this business is to drive greater awareness of all surgical interventions, including VNS Therapy, as a treatment option for DRE, versus cycling through drugs. To achieve its mission, the Company is expanding its partnerships with its physician base, including its first scientific advisory meeting in February 2024. The Company believes that it can build upon its leadership position to deliver sustainable profitable growth.

Cardiopulmonary

In 2024, LivaNova's Cardiopulmonary segment delivered strong revenue growth, reflecting the elevated growth of cardiac procedures and increased capital placements. The Company also gained market share in its disposable products, benefiting from competitor manufacturing capacity constraints and its ability to supply customers. The Company continued to ramp up placements of its next-generation HLM, the Essenz Perfusion System, which launched in 2023. Capitalising on its user-centric design approach, the Essenz system was developed to modernise the practice of perfusion. The device enables users to more easily tailor patient care strategies and supports continuous improvement of clinical practice. The system is based on a near 50-year legacy of proven safety and reliability. The Essenz Perfusion System comprises the next-generation HLM, a comprehensive range of sensing technology, the intuitive Essenz patient monitor, and a service offering. The increase of Essenz placements meaningfully contributed to revenue growth in the Cardiopulmonary segment in 2024.

In 2025, LivaNova will continue the roll-out of Essenz and expand its disposable product manufacturing capacity to drive growth for the Cardiopulmonary segment. The Company will continue the Essenz roll-out in new markets and continue to increase penetration in existing markets. The Company is encouraged by both the Essenz roll-out and its manufacturing capacity expansion initiatives, both of which have been meaningful revenue growth drivers in the Cardiopulmonary segment.

20250806024430

Pipeline Initiatives

Innovation is a key focus area for the Company. LivaNova's R&D organisation is focused on advancing its core portfolio and pipeline initiatives. In Epilepsy, the Company is focused on its next-generation system with cloud connectivity and driving clinical evidence initiatives for VNS Therapy. In Cardiopulmonary, the Company continues to make progress in developing a next-generation oxygenator and enhancing capabilities for Essenz.

The foundation of the Company's profit-generating core businesses also supports investments into the Company's two pipeline initiatives: DTD and OSA. The respective RECOVER study and OSPREY trial both target medical conditions with high unmet needs. In 2024, the Company achieved significant milestones in each.

Depression

The current VNS Therapy System is being leveraged to treat DTD, a condition where patients experience chronic or recurrent depression and have not had an adequate response to four or more antidepressant treatments. The safety and efficacy of VNS Therapy is well understood with over 125,000 patients implanted to date.

In June 2024, the Company announced the preliminary results for the unipolar patient cohort of the RECOVER clinical study, assessing the use of VNS Therapy™ in depression that is DTD. The study did not meet its primary endpoint for the unipolar cohort; however, statistical significance was achieved in select secondary endpoints. These secondary endpoints demonstrated meaningful clinical benefits, as detailed in two articles published in the journal, *Brain Stimulation*, on 18 December 2024, further reinforcing the potential of VNS Therapy™ to improve outcomes for patients with treatment-resistant depression. In March 2025, the *Journal of Affective Disorders* published an article examining the impact of outcome classification, observation period, and depression rating scale on symptom improvement in RECOVER study patients with treatment-resistant depressed treated with VNS Therapy. On 14 April 2025, the *Journal of Mood & Anxiety Disorders* published an article examining how the "tripartite" metric based on depressive symptoms, daily function, and quality of life can demonstrate clinically meaningful benefits in patients with treatment-resistant depression, using the RECOVER trial database. These articles support the use of VNS Therapy in patients with DTD. Upon publication of the fifth and last critical manuscript, the Company expects to initiate the reconsideration submission process.

Obstructive Sleep Apnoea

In 2024, LivaNova made significant progress with its IDE clinical trial, OSPREY, Treating Obstructive Sleep Apnoea Using Targeted Hypoglossal Neurostimulation. OSPREY is the first randomised control trial to confirm efficacy of hypoglossal nerve stimulation for OSA. The patient population is comprised of adults with moderate to severe OSA who do not achieve results from a traditional CPAP machine or have declined its use. In March 2024, the Company announced that the OSPREY clinical trial had achieved a positive predictive outcome and would conclude enrolment sooner than expected. In November 2024, the Company confirmed that the OSPREY clinical study had met its primary safety and efficacy endpoints, achieving statistical significance in responder rates between the treatment arm and the sham arm for the LivaNova aura6000™ System. In addition, OSPREY demonstrated a significant reduction of apnoea-hypopnea index and oxygenation desaturation index against baseline values through six months of therapy.

Focused on 2025

In 2024, the Company delivered strong financial results, achieved significant pipeline milestones, and meaningfully strengthened its talented team and culture. In 2025, the Company will focus on talent, innovation, growth, and operational excellence. With its solid financial foundation, clear portfolio strategy, and capable team, the Company is well-positioned to build on its momentum and drive value for all stakeholders in 2025 and beyond.

Non-Financial & Sustainability Information Statement

Human Capital Management

LivaNova has approximately 2,900 employees worldwide, representing more than 70 nationalities and located in 31 countries. These employees are crucial in achieving the Company's mission to provide hope to its patients and their families. LivaNova encourages its employees to live by LivaNova's five core values: patients first, meaningful innovation, act with agility, commitment to quality and integrity, and collaborative culture. The Company measures its success by these values, using them as a foundation for achieving organisational growth and excellence.

Compensation and Benefits

To meet the needs of LivaNova's patients and customers, the Company strives to attract, retain, develop, and reward exceptional talent. LivaNova's proactive talent acquisition strategies, competitive compensation and benefits, collaborative and rewarding work environment, leadership development programmes, and professional training opportunities have been significant drivers of

20250806024431

the Company's success. In addition to base pay, LivaNova's rewards, compensation, and benefits programmes may include, depending on jurisdiction, annual performance bonuses, stock awards, pensions, health and well-being programmes, paid time off and parental leave, financial assistance for education-related purposes, flexible working schedules, hybrid and remote working, employee stock purchase plans, and employee rewards programs, among others.

Culture

LivaNova seeks to foster a culture of continuous understanding and transparency, where open and direct communication is valued. Accordingly, LivaNova regularly conducts employee engagement surveys, called LivaNova4You, to measure overall employment engagement and satisfaction and to provide the Company with actionable data for potential improvement opportunities. Over 90% of employees completed the 2024 LivaNova4You engagement survey, which encompassed questions relating to health and wellness, employment engagement, transformation and change, and overall culture within the Company. Based on the results of the survey, leaders within the Company are working with their teams to enhance communications and workload, collaboration around the organisation, deeper focus on change management strategies, and increased development and career growth opportunities.

Performance Management, Leadership Development, and Professional Training

LivaNova recognises the value in fostering an inclusive work environment and strives to provide a workplace free of harassment or discrimination. Accordingly, the Company closely monitors its gender metrics on a regular basis. As of 31 December 2024, LivaNova had ten Directors on its Board, of whom four (40%) are female and six (60%) are male. The executive leadership team at the end of 2024 consisted of eight individuals, of whom one (11%) is female and seven (89%) are male. Natalia Kozmina joined the executive leadership team in January 2025, resulting in two (22%) females and seven (78%) males on the team. Of the Company's senior leadership team, which includes senior vice presidents, vice presidents, senior directors, and directors, as of 31 December 2024, 32% are female and 68% are male. Finally, as of 31 December 2024, of LivaNova's approximately 2,900 employees, 53% are female and 47% are male.

LivaNova's annual performance management process is designed to build employee skills and capabilities and develop and retain enterprise leaders for the future. It includes training to increase the quality of employee/manager talent review discussions and employee performance calibrations among leaders to drive consistency. All employees, which include full-time and part-time employees, start the year creating performance-aligned goals that are reviewed with their managers at both mid-year and year-end performance evaluation reviews.

Employees have access to an extensive training library called LivaNova University, which contains modules covering different aspects of the business. In addition, LivaNova has a range of tailored programmes in place to develop and enhance employees' career paths. The LivaNova Leadership Academy is a programme that promotes development through three different learning forums–Manager Fundamentals, Emerging Leaders, and Advanced Leadership–to accelerate the development and succession readiness for employees chosen for the programme.

LivaNova also supports the continuing education of its employees externally. In the U.S. and internationally, eligible employees can access financial aid through education reimbursement programmes for approved courses and certifications completed independently.

Finally, LivaNova offers internships and apprenticeships across functions around the globe, in partnership with universities and institutions, which may lead to full-time employment with the Company.

Valuing People

LivaNova recognises the value in fostering an inclusive work environment and strives to provide a workplace free of harassment or discrimination. LivaNova's strategy for accelerating diversity begins with creating new ways to identify extraordinary talent. Examples of the Company's efforts include networking with universities, posting job listings on diverse sites, ensuring diversity-focused interview slates and panels, and training interviewers on how to conduct a fair, unbiased interview process.

LivaNova also supports internal diversity affinity initiatives, including the Multi-Generation Network and Women in Sales, where employees convene to discuss topics that unite and celebrate the strength of diversity in the workplace. In addition, the LivaNova Women's Network operates a mentorship programme created by women and for women that facilitates pairings between mentors and mentees in the U.S. and Latin America. Topics range from career and financial advice to performance management and connection to the Company's strategy. These programmes provide members with new perspectives, more personalised development, and an opportunity to network with other women across the organisation.

Sustainability

LivaNova recognises the increasing risk that climate change can pose to its business. LivaNova has utilised climate scenario modelling at a group level, consistent with guidance from the Department of Business, Energy, and Industrial Strategy on mandatory climate-related financial disclosures, to assess its exposure to climate-related (both physical and transition) risks and

20250806024432

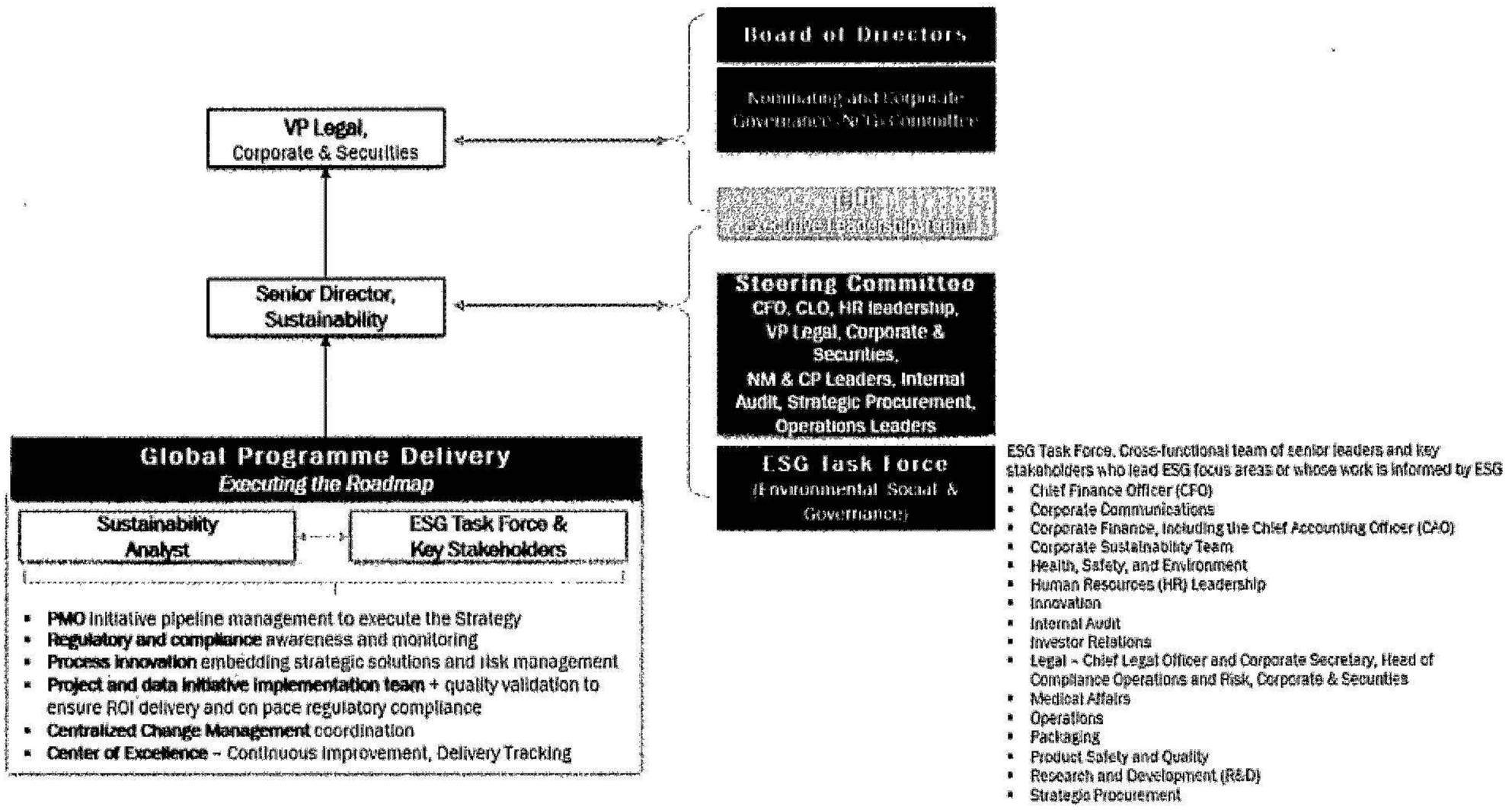
opportunities, including likelihood and impacts, to evaluate the resilience of LivaNova's business model and strategy to these risks. The initial 2023 exercise started what will be a multi-year process to assess the potential impact of climate risks and opportunities and the associated climate risk management process. Please refer to Note 10 "Investments in Subsidiaries" of this Annual Report for further details on LivaNova's subsidiaries whose activities are included within this consolidated group level report.

Based on its initial 2023 qualitative climate scenario analysis and 2024 reassessment leveraging quantitative analysis, LivaNova has identified the principal climate-related physical and transition risks, as well as opportunities, to its business.

Governance

At LivaNova, the oversight and management of climate-related risks and opportunities occurs at different levels of the organisation and includes: the Board, the ELT, the SteerCo, the VP LL, the Senior Director of Sustainability, and the ESG Task Force. As an example, the 2023 identification and 2024 update of climate-related risk and opportunity identification, assessment, and management were led by the Senior Director of Sustainability, in collaboration with the ESG Task Force. The discussions were informed by input from LivaNova's stakeholders, including customers, patients, employees, regulators, and investors, which are periodically collected by the ESG Task Force through surveys, feedback, discussions, workshops, and consultations. This information was subsequently shared and discussed with the Board and ELT. This Non-Financial & Sustainability Information statement also takes into consideration third-party frameworks such as the Task Force on Climate-related Financial Disclosures All-Sector Guidance, among others.

LivaNova's governance of sustainability and climate-related risks and opportunities is evolving and is an area that LivaNova expects to continue refining over the course of 2025, and beyond, as the organisation matures and climate risk is embedded into its ways of working (e.g., integration of climate risks into its business continuity management assessment process).



Board-Level

The NCG Committee of LivaNova's Board oversees the Company's ESG matters, as codified in its charter. The NCG Committee receives a report on the ESG Task Force's activities at each of its quarterly meetings along with a verbal discussion led by the VP LL. The quarterly update includes progress on the Company's climate-related risks and opportunities. The full Board receives the same report in their meeting materials as well. In April 2024, at the recommendation of the NCG Committee, the Board reviewed and approved LivaNova's annual Carbon Reduction Plan, which included the company's carbon reduction initiatives and 2050 Net Zero target. In July and October 2024, the NCG Committee and subsequently, the Board, were also provided updates related to LivaNova's first DMA per the European CSRD, which includes climate-related impacts, risks, and opportunities (among other topics). The results were shared and discussed with these stakeholders in December 2024, alongside the results of LivaNova's 2024 climate scenario analysis. In April 2025, at the recommendation of the NCG Committee, the Board reviewed, and approved the updated Carbon Reduction Plan, which is available on the Company's Sustainability webpage.

20250806024433

ELT

The ELT is involved in defining LivaNova's sustainability vision and strategy, monitoring progress on LivaNova's sustainability journey, and periodically discussing and managing LivaNova's principal climate risks. The ELT receives regular updates on LivaNova's Sustainability and ESG journey activities, including progress on the Company's principal climate-related risks and opportunities. For example, during a quarterly ELT functional review on sustainability progress, the ELT was updated on sustainability impacts, risks, and opportunities, including climate scenarios, and was involved in a discussion of potential next steps to improve resiliency.

ESG Task Force & Senior Director of Sustainability

LivaNova's ESG Task Force consists of leaders and executives from Corporate Finance; Corporate Communication; Health, Safety, and Environment; Human Resources; Internal Audit; Investor Relations; Legal; Medical Affairs; Operations; Packaging; Product Safety and Quality; Research and Development; and Strategic Procurement. The ESG Task Force meets biweekly to define and execute upon LivaNova's Sustainability strategy, vetting, and executing the Company's sustainability goals and overarching strategy, including the management of principal climate-related risks and leveraging of climate-related opportunities. To drive sustainability engagement, the ESG Task Force provides an internal platform to share sustainability updates with all internal stakeholders and to exchange feedback on strategy, solutions, and initiatives with key sustainability leaders from functions who oversee ESG-related matters or related topics.

Members of the ESG Task Force engage directly with the ELT to support execution of tasks related to LivaNova's Sustainability priorities, and to ensure timely reporting on relevant compliance updates, such as reporting on climate risks and opportunities. In addition, the Senior Director of Sustainability leads at least quarterly meetings with the ESG Steering Committee (which includes key members of the ELT) to ensure alignment on vision and purpose and provide a sustainability update within the ELT's functional review meetings – a regular session for the ELT to confer with functional leaders regarding progress on critical strategies or business decisions.

Risk Management

As LivaNova works to develop and refine its climate strategy, its approach to climate-related risk and opportunity identification, assessment, and management is expected to evolve in phases. The approach initiated in 2023 focused on completing a qualitative climate scenario analysis. The 2024 refresh and revalidation leveraged qualitative and quantitative analysis as well as cross-functional collaboration from the ESG Task Force. The climate scenario analysis, which identified and assessed LivaNova's climate-related risks, is consistent with LivaNova's existing enterprise risk management framework. In 2024, LivaNova commenced its quantitative climate scenario analysis by assessing the potential financial exposure related to policy and legal regulatory compliance, the potential financial impact for new and alternative technology innovations, and the global baseline of GHG emission Scope 3 data (for further details, including with respect to the Company's Scope 1, 2, and 3 GHG emissions, refer to the section entitled "2024 Greenhouse Gas Report" in this Strategic Report).

Throughout 2024, the ESG Task Force assessed LivaNova's qualitative and quantitative climate scenario analysis per the following five main steps:

1. From the list developed in 2023, reassessing relevance and evaluating new, potential climate-related impacts, risks, and opportunities based on industry research and cross-functional stakeholder engagement globally (including reference to LivaNova's 2023 climate-related risk and opportunity management practices survey and LivaNova's 2023 and 2024 climate-related impacts, risks, and opportunities interviews) to identify a holistic view of the perceived and potential climate-related impacts, risks, and opportunities to LivaNova across its global footprint.
2. In coordination with LivaNova's 2024 CSRD DMA work, mapping the list of potential climate-related impacts, risks, and opportunities to LivaNova's global value chain to identify dependencies and critical nodes at risk across LivaNova's global direct, upstream, and downstream operations. This additional CSRD DMA work allows LivaNova to better assess its exposure to each of these risks and the potential vulnerability of the business to them.
3. Conducting a qualitative climate scenario analysis on the climate-related risks and opportunities (see "Approach to Climate-Related Scenario Analysis" below) and specific 2024 quantitative analysis (see this section, first paragraph, above), leveraging reports produced by the IPCC and the IEA to assess the level of impact of each climate-related risk and opportunity.
4. Prioritizing the identified climate-related risks and opportunities, leveraging LivaNova's enterprise risk management framework to identify principal climate-related risks and opportunities based on the probability of occurrence and potential consequences of each climate-related risk and opportunity.
5. Revalidating existing and evaluating potential mitigation strategies for principal risks and strategies to leverage principal opportunities. Once aligned on the path forward and resource requirements, the Senior Director of Sustainability presented the risk mitigation strategy and resource requirements to the ESG Task Force and ELT for approval.

20250806024434

Strategy

Approach to Climate-Related Scenario Analysis

The above climate-related risk and opportunity identification, assessment, and management was identified by leveraging three climate scenarios, which were informed by internationally recognised data sets and models developed by the IPCC and the IEA and were guided by the non-binding guidance of the Department for Business, Energy & Industrial Strategy for UK Climate-related Financial Disclosure and scenarios that peers have used in their climate scenario analysis.

In selecting scenarios, a leading practice is to utilise a set of scenarios that represent a diverse range of future possibilities. In the context of a climate scenario analysis, scenarios commonly represent high-, medium-, and low-emissions scenarios. LivaNova included three scenarios in the analysis:

a. Aggressive Climate Action scenario: 1.5°C warming by 2100[1]
    i. Emission reductions in line with UK CFD disclosure requirements and the Paris Agreement, marked by global collaboration among governments, industry, and society, leading to steep decarbonisation.
    ii. Global collaboration to start reducing emissions now in an aggressive way to meet the Paris Agreement goals.
b. Moderate Climate Action scenario: ~2–2.5°C warming by 2100[2]
    i. Emissions are curbed based on existing policies and announced commitments including NDCs but fall short of meeting the Paris Agreement targets.
c. Current Climate Action scenario: ~4°C warming by 2100[3]
    i. Baseline of how global emissions would evolve if governments made no changes to their existing policies.
    ii. Emissions continue to increase with no changes to current policies, doing very little, if anything, to avert the physical risks.

Principal Climate Risks and Opportunities

Climate-related risks often act as amplifiers of a company's existing value chain risks. As such, LivaNova is adopting a proactive approach to align climate-related risk mitigations with the Company's enterprise risk management framework with the aim of minimizing disruptions caused by extreme weather events throughout the Company's operations and value chain.

LivaNova matured its risk governance approach throughout 2024, as the Company onboarded a global enterprise risk management tool to begin aggregating and synergizing risks through quarterly controls that require risk taxonomy updates and risk management process alignment via assigning cross-functional risk owners. The climate risks are integrated into LivaNova's enterprise risk management framework to identify, assess, and manage climate risks and opportunities. Further, in 2024, LivaNova onboarded a Head of Compliance Operations and Risk within the Compliance group whose focus, among other things, includes enterprise risk assessments in coordination with the Company's enterprise risk management tool, review of the risks in the Form 10-K report, and internal and external stakeholder interviews with industry standards and the COSO framework.[4]

The 2024 reassessed and updated qualitative and quantitative climate scenario analysis was informed by CSRD DMA work and a matured enterprise risk governance approach. Based on the updated analysis, LivaNova has identified two new, principal short-term risks (related to Technology and to Policy and Legal) that have imminent climate change implications, thereby increasing the identified short-term risks from zero per the Company's 2023 baseline analysis. The table below shows which risks and opportunities are newly prioritised and, at a high level, includes a summary of LivaNova's business, strategy, and financial actions to mitigate risks and leverage opportunities.

LivaNova defined the short-term period as being up to three years (in line with the planned refresh frequency of LivaNova's climate scenario analysis and the short-/medium-term time risk management horizons used in the Company's risk governance approach), medium-term as being between 3 and 10 years (encompassing two risk management planning cycles – each five years), and long-term as being 10-30 years (aligning with the overall life of LivaNova's assets).

Additionally, in 2024, the ESG Task Force developed a series of initiatives to expand and strengthen its sustainability communication protocols to ensure that climate-related impacts, risks, and opportunities and LivaNova's sustainability-related metrics and targets are better understood by LivaNova's internal and external stakeholders, including, for example:

---

[1] IPCC1 SSP1-2.6 (Physical risk) and IEA2 Sustainable Development Scenario and Net Zero Emissions by 2050 (Transition risk).
[2] IPCC1 SSP2-4.5 (Physical risk) and IEA2 Stated Policies Scenarios (Transition risk).
[3] IPCC1 SSP5-8.5 (Physical risk) and IEA2 Current Policies Scenarios (Transition risk).
[4] The COSO framework is a private sector initiative led by the American Institute of Certified Public Accountants, Institute of Management Accountants, American Accounting Association, Institute of Internal Auditors, and Financial Executives International. It provides guidance for how organisations can implement controls to prevent, detect, and manage fraud risk related to external financial reporting.

20250806024335

STRATEGIC REPORT
Business Overview

- Written policies and materials (e.g., Sustainability FAQs);
- Virtual and in-person training and engagement sessions;
- Collaboration sessions with suppliers in line with LivaNova's sustainability strategy;
- Adoption of industry best practice tools (e.g., carbon accounting software); and
- Defining governance and cross-functional processes for product lifecycle management and assessment within business unit structures.

The following have been identified as the principal climate risks and opportunities applicable to LivaNova's business:

Physical Risk	Risk	Risk Description	Potential Impact on Business	Timeframe	Actions to Mitigate Risk
	Chronic and acute risks (rising temperatures, more frequent/intense hurricanes, flooding, drought, extreme *temperatures)*	Asset closures, supply chain disruptions, and damage to assets / facilities	Lost revenue due to the closure of LivaNova or suppliers' assets and the subsequent supply chain disruptions, resulting in either the limitation of output or the inability to produce and provide certain products to customers (e.g., the *facility of LivaNova's supplier of fiber* flooding and shutting down, limiting LivaNova's production capacity during that period)	Across time horizons, with frequency and impact expected to increase over time	- Undertook operational changes to limit the impact on its inventory including onboarding warehouse management systems to streamline stock replenishment, order fulfilment, and inventory forecasting - Incorporated inventory stockpiling within its supply chain management process (e.g., LivaNova maintains at most three weeks of neuromodulation product stock at distributor sites) - Developed a capacity expansion plan with new process, additional shifts, and investment in additional equipment in Mirandola and Munich to meet increased demand and replenish field inventory
			Increased repair costs to address damage caused by acute physical risks (e.g., hurricanes, floods)		- Incorporated climate scenario analysis in capital planning / footprint expansion exercise
			Increased costs associated with asset / facility rehabilitation or relocation or to address damage caused by acute physical risks (e.g., hurricanes, floods)		- Evaluating different asset hardening / resilience investments - Exploring measures to reduce single-sourced materials (including diversifying suppliers, considering R&D investment to reformulate products, and exploring in-sourcing) - Reviewed contracts with value chain third parties to ensure sufficient force majeure clauses
			Increased property insurance cost following a LivaNova facility being closed due to an acute climate event or from the increased likelihood of such events		- Exploring implementing an internal risk mitigation process and controls framework to evaluate site-specific vs. global actions for property insurance resiliency - Insurance includes property coverage for natural hazards, in addition to a risk improvement service which estimates loss scenarios and provides risk improvement advice related to natural hazards

20250806024436

Physical Risk	Risk	Risk Description	Potential Impact on Business	Timeframe	Actions to Mitigate Risk
	Chronic and acute risks (rising temperatures, more frequent / intense hurricanes, flooding, drought, extreme temperatures)	Negative impacts on employees (reduced productivity, absenteeism)	Lost revenue due to reduced employee productivity because of extreme heat	Across time horizons, with frequency and impact expected to increase over time	- Upgrading production facilities to limit impact on employees (e.g., completed AC installation at the Munich site in 2024) - Building redundancy in production by securing additional contractors and alternative sites
			Lost revenue due to employee absenteeism resulting from increased prevalence of heat-related illnesses or employees taking time off work to respond to acute climate events that impacted them		- Upgrading production facilities to limit impact on employees (e.g., completed AC installation at the Munich site in 2024) - Embedded flexible and remote ways of working with employees through engagement with Work Councils in response to unplanned downtime
			Increased costs associated with employee health insurance for employees in areas with increased incidence of climate related health risks		- Increasing monitoring of potential impacts of climate change especially in areas with needed on-site employees by site leaders
			Increased costs associated with employee attraction and retention due to employees' growing desire to relocate from areas heavily impacted by climate change (either due to direct impacts such as health issues or indirect impacts such as growing cost of living in those areas)		- Considering opportunities to implement automation measures to support employee productivity - Embedded climate scenario analysis in capital planning / footprint expansion exercises

Transition Risk	Risk	Risk Description	Potential Impact on Business	Timeframe	Actions to Mitigate Risk
	Technology	New and alternative technology investments	Increased operating costs driven by US, EU, UK, and other national regulations (e.g., Regulatory responses are limiting the availability of and access to raw materials and other inputs including plastics [PVC] and chemicals [Dechlorane Plus and certain F-Gases]; technology investments to offset or reduce LivaNova's fossil fuel use)	Short-term	- By 2026, defining governance and cross-functional process for product lifecycle management and assessments within corporate and business unit structures (will assist to determine medium- and long-term inherent impact and to inform business model resilience strategy) - Exploring circular processes and/or pilots to reduce waste streams and need for additional material - Implementing more efficient technologies for operations - Embedded Sustainability and Carbon-risk assessment within Product Lifecycle processes and procedures (Product Development, Product Change, Capital Expenditure) to assess quantitative data throughout the stage gate review process. Assessed data includes but is not limited to material reduction, use of recycled content, design for end-of-life recyclability, and modern slavery

202508060243 7

Transition Risk	Risk	Risk Description	Potential Impact on Business	Timeframe	Actions to Mitigate Risk
	Policy and Legal	Regulatory compliance including but not limited to the: ▪ 2024 United States (US) Environmental Protection Agency (EPA) and the European Commission Medical Device Coordination Group (MDCG) 2024-13 Ethylene Oxide (EtO) regulations ▪ Carbon Reduction Plan (CRP) per UK National Health Service (NHS), as strictest authority, and California Senate Bills 253 and 261 ▪ European Commission Corporate Sustainability Reporting Directive (CSRD), Eco-design for Sustainable Products, Green Claim Directive, Regulation 2023/1115: Deforestation-free Products, anticipated European Packaging and Packaging Waste Regulation (PPWR) ▪ Several country-specific packaging regulations including Germany, India, Norway, Singapore, Spain, and the UK ▪ UK NHS Product Lifecycle Requirements	Increased cost of complying with enhanced emission reporting requirements (e.g., greenhouse gas) related to (a) air pollution due to sterilization requirements of medical devices; LivaNova must monitor Ethylene Oxide (EtO) levels in the workplace and external emissions of the produced products and must use equipment that is expected to comply with regulations and (b) product lifecycle assessments, including operations waste, use of sold products, end of life treatment of products and packaging, and circular economy	Short-term	- In connection with applicable US EPA EtO regulation changes, LivaNova is evaluating (2023-present) requirements related to creating a Permanent Total Enclosure for the Arvada facility. The resilience strategy could include the erection of a barrier and the installation of additional air handling and abatement equipment - In connection with applicable European Commission Medical Device Coordination Group (MDCG) 2024-13 EtO regulation, LivaNova is optimizing (2023-present) the required degassing energy per sterilization cycle at the Mirandola facility, which will reduce EtO consumption across the medium- and long- term - By 2026, defining governance and cross-functional process for product lifecycle management and assessments within corporate and business unit structures (will assist to determine medium- and long-term inherent impact and to inform business model resilience strategy) - Exploring circular processes and/or pilots to reduce waste streams and need for additional materials - Established a Sustainability Governance structure to monitor and meet sustainability-related requirements

20250806024438

Transition Risk	Risk	Risk Description	Potential Impact on Business	Timeframe	Actions to Mitigate Risk
	Market	Changing customer behavior / preferences (e.g., packaging, data on product lifecycle assessment)	Lost revenue due to not meeting changing customer requirements around sustainability (e.g., the National Health Service's (NHS) Carbon Reduction Plan (CRP) requirement, customers increasingly incorporating sustainability questions in tenders)	Medium- to long-term	- Embedded formal feedback channel informing Innovation, Regulatory Affairs, Supplier Quality, and R&D of shifting sustainability requirements through Product Development and Product Change stage gate review process - Embedded Sustainability and Carbon-risk assessment within Product Lifecycle processes and procedures (Product Development, Product Change, Capital Expenditure) to assess quantitative data throughout the stage gate review process. Assessed data includes but is not limited to material reduction, use of recycled content, design for end-of-life recyclability, and modern slavery - *Established a 3R (Reduce, Reuse, Recycle) Plan - Packaging* (primary and secondary) to link packaging optimizations with strategic planning and to define optimization drivers (e.g., changing customer preference) - Evolving sustainability communication protocols to educate internal stakeholders, including global leadership, through internal reference resources (e.g., Sustainability FAQ) and virtual / in-person engagements in line with LivaNova's sustainability strategy - Evolving sustainability communication protocols to educate external stakeholders, including suppliers, distributors, and customers, through virtual/in-person engagements and collaboration sessions in line with LivaNova's sustainability strategy and emerging industry best practices - By 2026, defining governance and cross-functional process for product lifecycle management and assessments within corporate and business unit structures (will assist to determine medium- and long-term inherent impact and to inform business model resilience strategy) - Increased visibility and monitoring of procurement trends and data (e.g., informing ELT and senior leaders of tender requests with sustainability metrics or questions)

20250806024439

Transition Risk	Risk	Risk Description	Potential Impact on Business	Timeframe	Actions to Mitigate Risk
	Market	Changing dynamics in raw material and utility markets	Increased cost of inputs and raw materials, driven by reduced availability of certain inputs driven by climate change (e.g., water scarcity in certain regions impacting the cost of key inputs)	Medium- to long-term	- Throughout the next three years, within procurement's Business Continuity Management assessment and processes, considering incorporating geospatial analysis of the value chain and key locations to better understand climate risk hot spots - By 2026, as part of developing LivaNova's Climate Transition Plan, exploring opportunities to reduce emissions associated with *scopes 1, 2, and 3* - Introduction of the carbon border tax will increase the costs of high carbon-impact products imported into the UK and EU. EU's Carbon Border Adjustment Mechanism (CBAM) has already entered into force with LivaNova's intermediate products, such as iron, steel, aluminum, hydrogen, and electricity targeted as priorities with potential impacts on LivaNova's raw material costs. Procurement teams actively monitor commodity and input prices and consider hedging as part of supply chain resiliency planning - Embedded Sustainability and Carbon-risk assessment within Product Lifecycle processes and procedures (Product Development, Product Change, Capital Expenditure) to assess quantitative data throughout the stage gate review process. Assessed data includes but is not limited to material reduction, use of recycled content, design for end-of-life recyclability, and modern slavery
			Increased cost of utilities (freight fuel, workforce fuel cards, site utility bills for electricity and natural gas), driven by market responses to policies (such as carbon taxes) and rising temperatures		- By 2026, LivaNova's manufacturing sites and office locations will undergo third-party energy audits to assess energy optimization opportunities. This will inform LivaNova enhanced procurement and energy resilience strategy to meet the Company's Net 0 2033 interim targets - By 2026, as part of developing LivaNova's Climate Transition Plan, exploring opportunities to reduce emissions associated with scopes 1, 2, and 3 including but not limited to evaluating business travel policy revisions and procurement considerations, enhancing fleet vehicle and fuel card governance to reduce emissions associated with business travel and employee commuting, and enhancing freight management processes
			Increased cost sensitivity due to compliance with carbon taxes and levies as they increase regionally or globally		- By 2026, as part of developing LivaNova's Climate Transition Plan, exploring opportunities to reduce emissions associated with scopes 1, 2, and 3 including but not limited to evaluating business travel policy revisions and procurement considerations, enhancing fleet vehicle and fuel card governance to reduce emissions associated with business travel and employee commuting, and enhancing freight management processes

20250806024440

Transition Opportunity	Opportunity	Opportunity Description	Potential Impact on Business	Timeframe	Activities to Leverage Opportunity
	Market	Reduced packaging and packaging waste management	Reduced costs due to the need for fewer materials and lower transportation costs due to the ability to transport *more units in the same* freight space	Short-term	- Established a 3R (Reduce, Reuse, Recycle) Plan - Packaging (primary and secondary) to link packaging optimizations with strategic planning and to define optimization drivers (e.g., changing customer preference, reduced packaging to minimum *required for safety and efficacy of product*) - Embedded Sustainability and Carbon-risk assessment within Product Lifecycle processes and procedures (Product Development, Product Change, Capital Expenditure) to assess quantitative data throughout the stage gate review process. Assessed data includes but is not limited to material reduction, use of recycled content, design for end-of-life recyclability, and modern slavery - Included sustainability regulations within LivaNova's R&D gap assessment standard operating procedure for monthly assessment of sustainability regulatory requirements (including packaging) and to establish a sustainable packaging guideline - By 2026, defining governance and cross-functional process for product lifecycle management and assessments within corporate and business unit structures (will assist to determine medium- and long-term inherent impact and to inform business model resilience strategy) - Considering third-party partnerships for product lifecycle assessment considerations - Continuing partnership with Trade Associations (e.g., MedTech Europe Sustainability Committee) and MedTech community forums (e.g., TEDx annual engagement for Mirandola site) to identify safe, effective, and sustainable alternatives for primary and secondary packaging - Considering developing sustainable packaging guidelines for internal teams and external partnerships to reduce waste and encourage more sustainable processes
	Market	Increased supply chain resilience	Increased revenue and market share due to the reliability of and resilience of LivaNova's supply chain relative to competitors	Medium- to long-term	- Throughout the next three years, within procurement's Business Continuity Management assessment and processes, evaluating supplier diversification, building in production redundancies, and exploring measures to reduce single-sourced materials including in-sourcing - By 2026, as part of developing LivaNova's Climate Transition Plan, monitoring potential impacts of climate change, especially in areas with needed on-site employees - At least annual evaluation of different asset hardening / resilience investments
		Reduced sensitivity to carbon pricing	Decreased cost sensitivity due to compliance with carbon taxes and levies as they increase regionally or globally	Long-term	- By 2026, as part of developing LivaNova's Climate Transition Plan, exploring opportunities to reduce emissions associated with scopes 1, 2, and 3 including but not limited to evaluating business travel policy revisions and procurement considerations, enhancing fleet vehicle and fuel card governance to reduce emissions associated with business travel and employee commuting, and enhancing freight management processes - Evaluating further sustainability key performance indicators for new product development and product change, beyond the indicators currently embedded

Per the above principal climate-related risks and opportunities table, two risks are identified having a principal impact in the short-term with LivaNova either assessing or having put in place mitigation actions and resilience measures:

1. New and alternative technology investments due to increased operating costs driven by U.S., EU, UK, and other national regulations, and
2. Policy and legal regulatory compliance given the increased cost of complying with enhanced emission reporting requirements.

Many of the risks associated with incremental cost exposure are not unique to LivaNova. These risks are also faced by the Company's peers and the wider healthcare sector. That said, given the medium- to long-term onset of the identified principal risks to LivaNova and the additional insulation afforded to companies in the medical space, the impact of the remaining identified

20250806024441

principal risks on LivaNova's business model and strategy are negligible in the short term. Nonetheless, LivaNova has started to implement mitigating actions and mature its corporate and operational strategic focus in line with the global regulatory landscape and LivaNova's evolving sustainability strategy.

Metrics and Targets

In April 2023, the Board reiterated LivaNova's commitment to achieve Net Zero GHG emissions by 2050. To track progress against these targets, LivaNova has adopted the following near-term targets:

- Scope 1 and 2: 54.6% reduction by 2033 versus 2022 baseline year, based on limiting global warming to 1.5°C aligned pathway.
- Scope 3: 27.5% reduction by 2033 versus 2022 baseline year, based on limiting global warming to well-below 2°C aligned pathway.

For further details on LivaNova's GHG emissions, including calculation methodologies and approach, please refer to the section entitled "2024 Greenhouse Gas Report" in this Strategic Report.

In 2024, LivaNova:

- Defined its global Scope 3 emissions baseline;
- Initiated the automation of the Company's carbon accounting process;
- Defined a 3R (reduce, reuse, and recycle) Packaging Plan and governance process;
- Defined the zero waste to landfill key performance indicator and governance process;
- Initiated energy audits for manufacturing sites to inform financial decarbonisation planning; and
- Embedded sustainability and carbon-risk assessment within its product lifecycle processes and procedures (including product development, product change, and capital expenditure) to assess quantitative data throughout its stage gate review process. Assessed data includes but is not limited to material reduction, use of recycled content, design for end-of-life recyclability, and modern slavery.

Beyond the metrics outlined above, LivaNova is examining additional metrics and targets to support its sustainability strategy, monitoring its exposure to climate risks, and tracking actions to mitigate at least short-term risks identified in the above principal climate-related risks and opportunities table. These anticipated targets include but are not limited to:

- In 2025, integrating climate-related risk and opportunity identification, assessment, and response into LivaNova's enterprise risk management process and across the value chain – in direct operations, upstream, and downstream;
- By 2026, developing a climate transition plan;
- By 2026, defining product lifecycle management governance and initiating product lifecycle assessment for products; and
- By 2030, developing plans to achieve zero waste to landfills for manufacturing sites.

Compliance

LivaNova's commitment to integrity starts with the Company's Code of Conduct, which sets the tone of the Company's organisational culture and outlines the key expectations of behaviour for LivaNova employees, officers, and directors.

LivaNova is fully committed to maintaining the highest standards of ethical conduct and regulatory compliance across all aspects of its business. To that end, the Company has implemented a comprehensive and effective compliance programme, which aligns with the seven core elements outlined by the Office of Inspector General of the U.S. Department of Health and Human Services to ensure that the Company meets and exceeds the expectations set for organisations in the medical device industry.

LivaNova's programme is built on a foundation of clearly defined written policies and procedures, which are regularly updated to reflect the latest legal requirements and industry standards. These policies address key areas including anti-bribery, anti-corruption, appropriate interactions with healthcare professionals and patients, and conflicts of interest. The Company is committed to complying with both local and global regulations, including anti-bribery and anti-corruption laws such as the FCPA and the UK Bribery Act. The Company certifies to, and complies with, major industry codes, including MedTech Europe Code of Ethical Business Practice and the various AdvaMed Codes of Ethics.

To ensure the effectiveness of the compliance programme, oversight is provided by its Chief Compliance Officer, the Audit and Compliance Committee of the Board of Directors, and the Executive Leadership Team Compliance Committee. This governance model, which includes leaders across the organisation, works to ensure ongoing compliance programme effectiveness, adherence to all legal and regulatory requirements, and identification and mitigation of risks on a continual basis.

20250806024442

LivaNova prioritises effective training and communication for all employees, tailoring its programmes to address specific roles and regulatory challenges in the medical device industry. The compliance training programme consists of core training on the Code of Ethics and Business Conduct and basic anti-bribery and anti-corruption concepts for all employees as well as role-based training on specific topics, including those for field-based personnel. This training is regularly refreshed and made available to employees worldwide to ensure a deep understanding of compliance obligations, product regulations, and the ethical standards it upholds.

Open and transparent communication is a core pillar of LivaNova's compliance culture. Employees and third parties are always encouraged to raise questions or concerns in good faith directly to LivaNova leadership, Compliance, Human Resources, or Legal. Additionally, employees and third parties may contact the LivaNova EthicsLine, which is available globally, 24/7 and in many languages, where they may report concerns about potential violations of the Company's Code, policies and procedures, or applicable laws and regulations. Senior leadership communicates its unwavering commitment to ethical conduct regularly, reinforcing the importance of compliance at every level of the organisation.

LivaNova's monitoring and auditing programme assesses ongoing compliance and informs the continuum of compliance tactics. LivaNova conducts risk-based audits and live monitoring to ensure business practices comply with the Company's high ethical standards and policy. This proactive approach helps LivaNova address issues before they escalate, ensuring continued adherence to both industry codes and global anti-bribery and anti-corruption laws.

LivaNova enforces its disciplinary policies consistently and fairly, with clear consequences for non-compliance. Employees are fully aware of the actions that may be taken if company policies or legal requirements are violated. Investigations are overseen by the Head of Global Investigations and the internal Investigations Committee to ensure reasonable, fair and consistent treatment and discipline across all matters. On a quarterly basis, the Chief Compliance Officer reports all critical matters to the Audit and Compliance Committee of the Board. Immediate escalations and referrals directly to the Chair of the Audit and Compliance Committee are handled in accordance with the Company's internal investigation procedure.

Finally, when compliance issues are identified, LivaNova takes swift corrective actions to address the root cause and prevent future occurrences. The Company is committed to continually improving its programme, learning from any incidents, and enhancing its policies, training, systems, and practices to mitigate future risks.

LivaNova aims to conduct business with third parties who share the Company's commitment to operating in a responsible and ethical manner. To that end, LivaNova also maintains a Third-Party Code of Conduct outlining the minimum standards in a variety of areas in which LivaNova requires the Company's partners to comply when doing business with or for LivaNova – including the areas of human rights and labour conditions, conflict minerals, environment and sustainability, anti-bribery and anti-corruption, anti-trust and fair competition, trade compliance, confidentiality and data privacy, and intellectual property – in addition to all applicable laws, regulations and industry standards. Additionally, LivaNova respects the human rights of all LivaNova employees and those in the Company's value chain, demanding a safe, clean working environment; freedom from discrimination and coercion; a prohibition on the use of child or forced labour; and respect for the rights of privacy and protection of access to personal information. The Company's Modern Slavery Statement, which is available on the LivaNova homepage, is updated annually and clearly defines the Company's commitment to eradicating slavery and human trafficking from LivaNova's business activities and supply chains.

By maintaining a strong and effective compliance programme, LivaNova upholds its responsibility to its patients, customers, employees, and stakeholders. LivaNova is proud to comply with both the medical device industry's codes of conduct and global anti-bribery and anti-corruption laws, ensuring that its business is conducted with the highest standards of integrity and accountability at all times.

2024 Greenhouse Gas Report

Corporate responsibility and sustainability are integral to LivaNova. LivaNova has always focused on delivering strong financial results and is committed to doing so in a way that respects the communities and environments in which the Company operates. Throughout the Company's operations, LivaNova utilises environmental management systems to protect the environment and employees. Some of the regulations and governmental agencies with which LivaNova complies are as follows: the EPA; the European Union Registration, Evaluation, Authorisation, and Restriction of Chemicals; the DEFRA; the UK Environment Agency; Companies Act 2006, Regulations 2013 and the Companies and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018; the UK Energy Savings Opportunity Scheme; and Italian regulations under the IEA.

LivaNova believes that sound environmental, health, and safety performance contributes to the Company's competitive strength while benefiting the Company's customers, employees, and shareholders. LivaNova is focused on continuous improvement in these areas by working to reduce pollution, depletion of natural resources, and the Company's overall environmental footprint. Specifically, the Company works to optimise energy and resource usage, ultimately reducing GHG emissions and waste. Whether in response to ESG Task Force projects or employee initiative, the Company is supportive of projects, big and small, that move us towards being a "greener" Company.

20250806024443

In compliance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, LivaNova reports on the Company's scope 1 and 2 emissions from seven manufacturing sites, LivaNova site management operations in Saluggia, the commercial offices, and the UK-specific emissions in line with the SECR requirements.

Methodology and Approach

In reporting the emissions data as shown in the table herein, LivaNova and its third-party consultants used the operational control approach, covering the reporting period from 1 January 2024 to 31 December 2024, in line with the Company's financial year.

Emissions were calculated in compliance with the revised World Resources Institute GHG Protocol Corporate Accounting and Reporting Standard (GHG Protocol Corporate Standard), the GHG Protocol scope 2 Guidance, and the Corporate Value Chain (scope 3) Accounting and Reporting Standard. During the 2024 maturation of data availability, accuracy, and verifiability, LivaNova received third-party data assistance and verification with respect to its global scope 1 and 2 emissions. Note that LivaNova's GHG disclosures may be limited by the availability of high-quality data and the Company's ability to collect and process certain data as desired. Where data is not available or consistently available year on year, there may be an impact to data quality which may result in revisions to reported data going forward, i.e., certain data may not be reconcilable or comparable year on year. Further, the methodologies and scenarios LivaNova uses to set climate-related metrics and targets (refer to section entitled "Non-Financial & Sustainability Information Statement" in this Strategic Report) are maturing over time in line with market practice, regulation, and/or developments in science, where applicable. Such developments may result in revisions to reported data, including financed emissions or the classification of sustainable finance and investments, and lack of reconcilability or comparability.

The Company has applied the emission factors most relevant to the source data, including DEFRA - UK Government GHG Conversion Factors for Company Reporting 2024 for UK locations, all gas, oil, heat, fugitive emissions and transport, Emissions & Generation Resource Integrated Database 2022 published by the EPA for U.S. locations, and the IEA electricity emission factors 2023 for all other locations.

Commercial office and manufacturing site GHG emissions were calculated from the utility provider invoices or landlord energy statements, and where this data was not available, estimates have been used.

Within organisational and operational boundaries, LivaNova quantifies and reports on emissions of the following GHG:

a. carbon dioxide (CO_2),
b. methane (CH_4),
c. nitrous oxide (N_2O),
d. hydrofluorocarbons (HFCs),
e. perfluorocarbons (PFCs), and
f. sulphur hexafluoride (SF_6).

LivaNova does not use any nitrogen trifluoride (NF_3).

Energy Efficiency Measures

In LivaNova's efforts to reduce the Company's carbon footprint, LivaNova continues to implement energy efficiency and low-carbon energy measures as they relate to scope 1 and 2 emissions. For example, in LivaNova's Gloucester, Houston, Melbourne, and Munich facilities, electricity contracts now require the use of 100% clean energy sources. In addition, the Company continues to retrofit lighting systems to LED lighting and automated lighting systems, update HVAC systems, add hybrid vehicles to the European fleet, and install EV charging stations at multiple sites, supporting those employees and visitors who want to commute using electric vehicles.

In addition, future efforts include (1) reviewing and updating key business policies and procedures to ensure that business practices are aligned and supportive of LivaNova's Net Zero commitment, (2) increasing awareness around decarbonisation planning in connection with LivaNova's emissions software; and (3) developing a supplier engagement programme to reduce scope 3 emissions from the Company's supply chain.

Changes in Emissions

In compliance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, which implement the UK Governments policy on SECR, LivaNova reports on its direct and indirect emissions as follows:

20250806024444

- Scope 1 – Direct GHG emissions from sources that are owned or controlled by the Company such as combustion in boilers, company cars, and fugitive emissions.
- Scope 2 – Energy indirect emissions from the consumption of purchased electricity, heat, and steam at the Company's owned or controlled sites. LivaNova does not directly source energy from nuclear sources.

Per the Methodology and Approach section above, during the 2024 maturation of data availability, accuracy, and verifiability, the Company discovered that its 2023 scope 1 and 2 data had been overstated. As a result, LivaNova's 2023 data has been refined and restated. For example, 2023 scope 1 fuel card data for LivaNova's car fleet has matured from spend-based to actual consumption, and scope 2 data for most of the Company's commercial offices has matured from square footage estimates to actual consumption. Additionally, the UK scope 1 decrease was primarily due to reducing LivaNova's UK office footprint. Pursuant to UK SECR, LivaNova is not reporting scope 3 emissions in its 2024 GHG Report.

In addition to the Company's UK offices, this report focuses on the areas of the largest environmental impact, which include the Company's global manufacturing sites and commercial offices. While the majority of manufacturing sites increased output to support increased net revenue of approximately 8.7% in 2024 as compared to 2023, the tonnes CO_2e per net revenue (US$M) decreased by 3.6%. See the data table below for the carbon emissions tonnes CO_2e and total energy used in 2024 and 2023.

	2024			2023		
	UK	Global (excluding UK)	Total	UK	Global (excluding UK)	Total
Carbon emissions tonnes CO_2e						
Direct emissions (Scope 1)	16.66	14,156.64	14,173.30	56.91	11,140.09	11,197.00
Energy indirect emissions (Scope 2) - Location-based	19.95	10,405.63	10,425.58	28.89	10,687.11	10,716.00
Energy indirect emissions (Scope 2) - Market-based	19.95	7,802.87	7,822.82	28.89	9,785.58	9,814.47
Total Scopes 1 and 2 emissions – Market-based	**36.61**	**21,959.52**	**21,996.12**	**85.80**	**20,925.67**	**21,011.47**
Energy (GWh)						
Scope 1	0.09	71.96	72.05	0.10	61.06	61.16
Scope 2	0.10	26.42	26.52	0.11	27.47	27.58
Total Scopes 1 and 2 energy used (GWh)	**0.19**	**98.38**	**98.57**	**0.22**	**88.53**	**88.75**
Intensity ratios						
Scope 1 and market-based Scope 2 emissions/net revenue (tonnes CO_2e/$M)	-	-	17.55	-	-	18.21
Scope 1 and market-based Scope 2 emissions/FTE (tonnes CO_2e/FTE)	-	-	7.43	-	-	7.20

Information Security

Cyber Risk Management and Strategy

LivaNova's enterprise risk management process consists of risk identification, evaluation, control and monitoring, and documentation. The LivaNova Board oversees risk management within the Company, and the legal and compliance teams work in tandem to provide the framework to identify and reduce risks that may materially impact the Company's business. As part of the enterprise risk management process, regular inquiries and discussions are held with, among others, the CISO, Chief Information Officer, Chief Privacy Officer, and their respective teams to review the cybersecurity risk landscape.

The CISO leads the Company's information security team, identifies cybersecurity threats, and implements countermeasures in the cybersecurity realm, considering both internal operations and the external landscape. As part of his duties, the CISO provides relevant information in connection with regular enterprise risk assessments. The CISO also manages the Company's ISMS programme. Guided by the principles of various industry-leading standards, such as the NIST cybersecurity framework and ISO 27001, the objective of the ISMS programme is to continue to strengthen LivaNova's cyber resiliency in connection with its information technology systems.

As part of LivaNova's cyber resiliency strategy and in an effort to mitigate potential cybersecurity risks, the Company employs various measures, including employee training, systems monitoring, testing and maintenance of protective systems, and contingency plans. In addition, the CISO manages a structured cybersecurity incident response programme where periodic simulation exercises are performed to prepare and train the Company's cybersecurity incident responders. The Company deploys security tools to help bolster its defence detection capabilities, such as endpoint detection and response tools, security information and event management tools, and 24/7 monitoring. LivaNova regularly evaluates itself for appropriate business continuity and disaster recovery planning, with test scenarios that include simulations and penetration tests.

20250806024445

In addition, LivaNova routinely engages with third-party service providers to conduct evaluations of its security controls, whether through penetration testing, security assessments, or consulting on best practices to address new challenges. The Company receives threat intelligence from industry peers, government agencies, industry-specific information sharing and analysis centres, and cybersecurity associations. The Company relies heavily on its supply chain to deliver products and services to its customers, and a cybersecurity incident at a supplier, subcontractor, or service provider could materially adversely impact the Company. The Company assesses third-party cybersecurity controls through its information security programme and includes security and privacy addendums to its contracts where applicable.

Historically, risks from cybersecurity threats have not materially affected the Company's business strategy, results of operations, or financial condition. As previously disclosed, in November 2023, the Company initiated its cyber response protocol in response to a cybersecurity incident that resulted in a disruption of portions of its information technology systems. Promptly after detecting the issue and per LivaNova's cyber response protocol, the Company began an investigation with assistance from external cybersecurity experts and coordinated with law enforcement. The Company implemented remediation measures to mitigate the impact of the incident. The Company also assessed the nature and scope of the affected data, analysed its statutory notification obligations, and notified affected individuals and regulators as required by applicable law. The incident has been contained, and the Company's mitigation efforts are considered complete, but any future cybersecurity event has the potential to materially affect the Company's results of operations, cash flows, and financial condition. For further information, please refer to the section titled "Business Review" and "Note 23. Commitments and Contingencies" in the consolidated financial statements in this Annual Report. Additionally, for a description of the Company's evaluation of its disclosure controls and procedures, management's report on internal control over financial reporting, and changes in internal control over financial reporting, see the "Business Review" section in this Strategic Report.

Cyber Governance

On a quarterly basis, the CISO presents key security metrics to the Company's IT Advisory Council, which is composed of functional leaders across the Company and is responsible for IT governance oversight in the Company. Specifically, this IT Advisory Council is responsible for establishing programme strategies in alignment with LivaNova's business objectives, as well as providing guidance on the implementation of appropriate and necessary security controls in alignment with the Company's Information Security Policy. Among other things, the IT Advisory Council reviews summaries of information security incidents, audit findings, or other test reports, and ensures appropriate root-cause analyses are performed and corrective actions are taken. It also reviews year-over-year goals, security objectives, and priorities for the Company's information security programme.

On an annual basis, the CISO reviews the information security programme achievements and reports with the Company's IS Executive Committee, which is a cross-functional group composed of the CEO, the CFO, the CLO, and other executive leaders of the Company. Among other things, the IS Executive Committee approves the Company's Information Security Policy and the allocation of budget and resources to information security programme initiatives, performs the annual management review of the information security programme, and reviews corrective actions to improve the programme.

As codified in its charter, the Audit Committee is responsible for reviewing the processes by which cybersecurity risks are managed and reporting any issues that arise out of such reviews to the Board. The CISO provides key security metrics to the Audit Committee on a quarterly basis, and directly to the chair of the Audit Committee on a case-by-case basis, as needed, at any time during the quarter. The Audit Committee reviews these reports, which include, among other things, external events impacting the Company, cybersecurity incidents, user training statistics, and evaluations of user readiness to address cybersecurity incidents. Notwithstanding the Company's approach to cybersecurity, the Company may not be successful in preventing or mitigating future cybersecurity incidents that could have a material adverse effect on the Company. While LivaNova maintains cybersecurity insurance, the costs related to cybersecurity threats or disruptions may not be fully insured. For more information on risks related to cybersecurity and data security, please refer to the "Risk and Uncertainties" section under the heading entitled "Risks Relating to the Company's Business and Operations" in this Strategic Report.

Government Regulation and Other Considerations

LivaNova's medical devices are subject to extensive government regulation by numerous government agencies, both within and outside the U.S. These agencies require LivaNova to comply with laws and regulations governing research, development, testing, manufacturing, labelling, pre-market clearance or approval, marketing, distribution, advertising, promotion, record keeping, reporting, tracking, importing, and exporting of LivaNova's products. LivaNova's business is also affected by data privacy and security laws, environmental health and safety regulations, and cost containment initiatives worldwide. LivaNova works to ensure compliance with such laws and regulations and continues to monitor the laws applicable to LivaNova, which are subject to changing and evolving interpretations.

Product Approval and Monitoring

Many countries in which LivaNova sells its products subject the Company's medical devices to their own product approval and requirements regarding performance, safety, and quality. For example, each medical device that LivaNova seeks to distribute

20250806024446

commercially in the U.S. must receive 510(k) clearance or PMA from the FDA, unless specifically exempted by the agency. The 510(k) process, also known as pre-market notification, requires LivaNova to demonstrate that its new medical device is substantially equivalent to a legally marketed medical device. The PMA process, which is more costly and rigorous than the 510(k) process, requires LivaNova to demonstrate independently that a medical device is safe and effective for its intended use. One or more clinical studies may be required to support a 510(k) application and are almost always required to support a PMA application.

The EU has established a single regulatory product approval process, pursuant to which a CE Mark certifies conformity with all of the legal requirements of the regulatory process. To obtain a CE Mark, defined products must meet minimum standards of performance, safety, and quality based on, among other things, the evaluation of clinical data supporting the safety and performance of the products during normal conditions of use. The competent authorities of the EU countries separately regulate the clinical research for medical devices and the market surveillance of products placed on the market, and manufacturers with CE marked devices are subject to regular inspections to monitor compliance with the applicable directives and essential requirements. In 2017, for example, the EU published its MDR, which has resulted in significant additional pre- and post-market requirements. Certifications to MDR must be achieved by December 2027 or December 2028, based on the risk classification of the device. Penalties for regulatory non-compliance can be severe, including fines and revocation or suspension of a company's marketing authorisation, mandatory price reductions, and criminal sanctions.

LivaNova is also required to comply with the regulations of every country where it commercialises products before the Company can launch or maintain products in the market. To be sold in Japan, for example, LivaNova's medical devices must undergo thorough safety examinations and demonstrate medical efficacy from the Japanese government through the Ministry of Health, Labour and Welfare before they are granted approval. In China, regulatory requirements are becoming more stringent. Many countries also require that product approvals be recertified on a regular basis, generally every four to five years. The recertification process requires LivaNova to evaluate any device change and any new regulation or standard relevant to the device and, where required, conduct appropriate testing to document continued compliance. Furthermore, in the UK, the UK Future Regulatory Framework is expected to be in place in 2026. This regulation will require manufacturers to take additional steps to register devices in the UK after completing registrations in the EU, Australia, Canada, or the United States. Transition to the UK Future Regulatory Framework is required by 2030.

The global regulatory environment is becoming increasingly more stringent and unpredictable. Several countries that did not have regulatory requirements for medical devices have established such requirements in recent years, and other countries have expanded, or plan to expand, their existing regulations. While some regulatory bodies have pursued harmonisation of global regulations, requirements continue to differ significantly among countries. LivaNova expects this global regulatory environment will continue to evolve, which could impact the Company's cost, approval lead time, or ability to maintain existing or obtain future product approvals.

Product and Promotional Restrictions

Both before and after LivaNova releases a product for commercial distribution, the Company has ongoing responsibilities under various laws and regulations governing medical devices. The FDA and other regulatory agencies in and outside the U.S. review LivaNova's design and manufacturing practices, labelling, record keeping, and required reports of adverse experiences and other information to identify potential problems with marketed medical devices. LivaNova is also subject to periodic inspections for compliance with applicable quality system regulations, which govern the methods used in, and the facilities and controls used for, the design, manufacture, packaging, and servicing of finished medical devices intended for human use. In addition, the FDA and other U.S. regulatory bodies monitor the manner in which LivaNova promotes and advertises its products. Although physicians are permitted to use their medical judgement to prescribe medical devices for indications other than those cleared or approved by regulatory bodies, LivaNova is prohibited from promoting products for such "off-label" uses and can only market the Company's products for cleared or approved uses.

Any adverse regulatory action, depending on its magnitude, may limit LivaNova's ability to market and sell its products effectively, limit its ability to obtain future pre-market approvals, or result in a substantial modification to LivaNova's business practices and operations. For additional information, please refer to the "Risks and Uncertainties" section of this Strategic Report, under the section entitled "*LivaNova's products are subject to complex laws and regulations, and failure to obtain product approvals, clearance, or reimbursement may materially adversely affect LivaNova's business, results of operations, cash flows, and financial condition.*"

Governmental Trade Regulations

The sale and shipment of LivaNova's products and services across international borders, as well as the purchase of components and products from international sources, subject LivaNova to extensive governmental trade regulations. Many countries control the export and re-export of goods, technology, and services for public health, national security, regional stability, antiterrorism, and other reasons. Some governments may also impose tariffs, trade restrictions, and economic sanctions against certain countries, persons, or entities. For example, in February 2025, the U.S. government announced substantial changes in U.S. trade policy and

20250806024447

U.S. trade agreements, and in response, certain foreign governments have retaliated by imposing tariffs on certain U.S. goods. For additional information, please refer to the "Risks and Uncertainties" section of this Strategic Report, under the section entitled "*Adverse changes in export and import costs and other trade restrictions as well as uncertainty over global tariffs could materially adversely affect LivaNova's business and results of operations.*" In certain circumstances, governmental authorities may require LivaNova to obtain approval before LivaNova may export or re-export goods, technology, or services to certain territories and end-users or for certain end-uses. Because LivaNova is subject to extensive regulations in the countries in which it operates, the Company is subject to the risk that laws and regulations could change in a way that would expose LivaNova to additional costs, penalties, or liabilities.

LivaNova also sells and provides goods, technology, and services to agents, representatives, and distributors who may export such items to customers and end-users, and if these third parties violate applicable export control or economic sanctions laws or regulations when engaging in transactions involving the Company's products, LivaNova may be subject to varying degrees of liability depending on the extent of its participation in the transaction. The activities of these third parties may cause disruption or delays in the distribution and sale of LivaNova's products or result in restrictions being placed on the Company's international distribution and sales of products, which may materially impact LivaNova's business activities.

Data Privacy and Security Laws

As a global medical device technology company, LivaNova is subject to various laws worldwide that protect the privacy, security, and confidentiality of certain data, including employee data and patient health information, and restrict the use and unauthorised disclosure of such information. Privacy standards are often strict. Enforcement actions and financial penalties related to privacy issues in the EU continue to grow, and new privacy and data localisation laws and restrictions are being passed in other countries, including the U.S. The management of cross-border transfers of personal information outside of EU member countries is complex, which may complicate LivaNova's business and clinical research activities, as well as product offerings that involve transmission or use of patient health information. LivaNova continues to adapt its business processes to comply with those standards and requirements applicable to it.

In the U.S., HIPAA, as amended by the HITECH Act and their respective implementing regulations, imposes specified requirements relating to the privacy and security of certain individually identifiable health information. Among other things, HITECH makes certain of HIPAA's privacy and security standards directly applicable to "business associates," essentially defined as service providers of covered entities that create, receive, maintain, or transmit protected health information in connection with providing a service for or on behalf of a covered entity. In certain instances, LivaNova may be considered a business associate. In such instances, the patient data that LivaNova receives may include protected health information, as defined under HIPAA. Related enforcement actions can be costly and may also interrupt LivaNova's regular business operations. In addition, state laws, such as the CCPA, govern the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways, thus complicating compliance and data protection efforts. Since the CCPA was enacted, other U.S. states have enacted comprehensive and health-related privacy laws. The effects of the CCPA and other recently adopted laws include an increased ability of individuals to control the use of their personal data, heightened transparency obligations, increased obligations of companies to maintain the security of data, and increased exposure to fines or damages for companies that violate these laws, including by not providing individuals their specified privacy rights, not maintaining data security safeguards at specified levels of quality, or experiencing data breaches. For additional information, please refer to the "Risks and Uncertainties" section of this Strategic Report, under the section entitled "*Cybersecurity incidents or other disruptions to LivaNova's information technology systems could lead to reduced revenue, increased costs, liability claims, regulatory fines, litigation, harm to LivaNova's competitive position, and loss of reputation.*"

In the EU, the processing of certain data, including employee and patient information, is subject to the privacy, security, and confidentiality provisions set forth in Regulation 2016/679. Under the GDPR, data concerning health constitutes sensitive data. The processing of sensitive data is subject to, among other obligations, appropriate notice and consent requirements. Additional requirements apply with respect to issues such as data sharing, cross-border data transfers, data security, and data breach notification. The GDPR also requires LivaNova to implement a number of accountability measures in relation to the processing of sensitive data, including carrying out Data Protection Impact Assessments and appointing a Data Protection Officer. Administrative fines may be levied for non-compliance with the GDPR's requirements and can reach the higher of €20 million ($20.8 million as of 31 December 2024), or up to 4% of LivaNova's total worldwide annual net revenue for the preceding financial year.

Environmental Regulation and Management

LivaNova is subject to various environmental laws, directives, and regulations both in the U.S. and abroad that have resulted in, and could lead to, increased environmental compliance expenditures and reporting. LivaNova's ongoing manufacturing and other operations involve the use, storage, and transportation of hazardous and non-hazardous substances regulated under environmental health and safety laws. While the Company endeavours to comply with the various environmental regulations and laws to which it is subject, governmental authorities have sought, and in the future may continue to seek, to hold the Company responsible for

20250806024 48

remediation, damages, and/or other requirements under environmental regulations and laws, whether the underlying conduct was committed directly or indirectly by the Company. For example, LivaNova has concluded it has an obligation to clean, dismantle, and deliver hazardous resources associated with a site that belonged to a subsidiary of Sorin, one of the companies that merged into LivaNova in 2015. In addition, the Italian Supreme Court determined in March 2025 that the Company can be held liable for the established liabilities of the former parent of Sorin as well as the environmental liabilities of the demerged company that materialized after the demerger. For additional information, please refer to "Note 23. Commitments and Contingencies" in the consolidated financial statements in this Annual Report under the sections entitled "SNIA Environmental Litigation," "Saluggia Site Hazardous Substances," and the "Risks and Uncertainties" sections of this Strategic Report, under the section entitled "*LivaNova is subject to heightened scrutiny on issues relating to sustainability, including environmental laws and regulations, and the risk of environmental liabilities, violations, and litigation in multiple jurisdictions, any of which could have a material impact on LivaNova's reputation, business, results of operations, cash flows, financial condition, and liquidity.*"

Applicability of Anti-Corruption Laws and Regulations

LivaNova's worldwide business is subject to the FCPA, the UK Bribery Act, and other anti-corruption laws and regulations applicable in the jurisdictions where LivaNova operates. The FCPA can be used to prosecute companies in the U.S. for arrangements with physicians or other parties outside the U.S. if the physician or party is a government official of another country and prohibited payments are made to obtain or retain business. The UK Bribery Act prohibits both domestic and international bribery, as well as bribery across both public and private sectors. There are similar laws and regulations applicable to LivaNova outside the U.S. and the UK, all of which are subject to evolving interpretations. For additional information, please refer to the "Risks and Uncertainties" section of this Strategic Report, under the section entitled *"Failure to comply with anti-bribery laws could materially adversely affect LivaNova's business and result in civil and/or criminal sanctions."*

Cost Containment Initiatives

Government and private sector initiatives to limit the growth of healthcare costs, including price regulation, competitive pricing, bidding and tender mechanics, coverage and payment policies, comparative effectiveness of therapies, technology assessments, and managed-care arrangements, are continuing in many countries where LivaNova does business. These changes are driving customers to place increased emphasis on the delivery of more cost-effective medical devices and therapies. Government programmes, private healthcare insurance, and managed-care plans have attempted to control costs by limiting the extent of coverage or amount of reimbursement available for particular procedures or treatments, by connecting reimbursement to outcomes, by shifting to population health management, and through other mechanisms designed to constrain utilisation and contain costs. Hospitals are also seeking to reduce costs through a variety of mechanisms, for example, creating centralised purchasing functions that set pricing and, in some cases, limiting the number of vendors that can participate in a given purchasing programme. Hospitals are also aligning their interests with those of physicians through employment and other arrangements, such as gainsharing, whereby a hospital agrees with physicians to share certain realised cost savings resulting from the physicians' collective change in practice patterns, such as standardisation of devices where medically appropriate, and participation in affordable care organisations. Such alignment has created increased levels of price sensitivity among customers for LivaNova's and its competitors' products.

Some third-party payers must also approve coverage and set reimbursement levels for new or innovative devices or therapies before they reimburse healthcare providers that use the medical devices or therapies. Even though a new medical device may be cleared for commercial distribution, LivaNova may find limited demand for the device until coverage and sufficient reimbursement levels have been obtained from governmental and private third-party payers. In addition, some private third-party payers require that certain procedures or the use of certain products be authorised in advance as a condition of coverage.

As a result of LivaNova's manufacturing efficiencies, cost controls, and other cost-savings initiatives, the Company believes it is well-positioned to respond to changes resulting from this worldwide trend toward cost containment. However, uncertainty remains as to the nature of any future legislation or other reforms, making it difficult for LivaNova to predict the potential impact of cost containment trends on future operating results.

Healthcare Fraud and Abuse and Related Laws

The delivery of LivaNova's products is subject to regulation by HHS and comparable state and non-U.S. agencies responsible for the reimbursement and regulation of healthcare products and services. LivaNova is subject to U.S. federal and state government healthcare regulations and enforcement imposed primarily in connection with government healthcare programmes, such as the Medicare and Medicaid programmes, as well as healthcare regulations and enforcement imposed by governments in other countries in which LivaNova conducts business.

U.S. federal healthcare laws apply when LivaNova or customers submit claims for items or services that are reimbursed under government healthcare programs, including laws related to kickbacks, false claims, self-referrals, or other healthcare fraud. Specifically, the federal healthcare Anti-Kickback Statute prohibits persons from, among other things, knowingly and wilfully offering or paying remuneration, directly or indirectly, to a person to induce them to order, purchase, lease, or recommend a good

20250806024449

or service for which payment may be made in whole or in part under a federal healthcare programme such as Medicare or Medicaid, unless the arrangement fits within one of several statutory exemptions or regulatory "safe harbours." Violations of the federal Anti-Kickback Statute may result in civil monetary penalties up to $100,000 for each violation, plus up to three times the remuneration involved. Violations can also result in criminal penalties, including criminal fines of up to $50,000 and imprisonment for up to 10 years. Finally, violations can result in exclusion from participation in government healthcare programmes, including Medicare and Medicaid.

Additionally, violations of the False Claims Act can result in significant monetary penalties and treble damages. The U.S. federal government utilises the False Claims Act, the Anti-Kickback Statute, and similar laws to investigate and prosecute device, pharmaceutical, and biotechnology companies in connection with the promotion of products for unapproved uses, the provision of patient and provider support (e.g., reimbursement support), and other prohibited sales and marketing practices. The U.S. government has obtained multi-million and multi-billion-dollar settlements under the False Claims Act, in addition to individual criminal convictions under applicable criminal statutes. Given the U.S. government's success in prosecuting claims under the False Claims Act, LivaNova anticipates that the U.S. government will continue to devote substantial resources to investigating healthcare providers' and manufacturers' compliance with applicable fraud and abuse laws.

In addition to the Anti-Kickback Statute and False Claims Act, many states have their own laws related to kickbacks, false claims, self-referrals, or other healthcare fraud. These laws do not always have the same exceptions or safe harbours as their federal corollaries and, in some states, apply with respect to all payers, including commercial health insurance companies.

HIPAA includes federal criminal statutes that prohibit, among other actions, knowingly and wilfully executing, or attempting to execute, a scheme to defraud any healthcare benefit programme, including private third-party payers; knowingly and wilfully embezzling or stealing from a healthcare benefit programme; wilfully obstructing a criminal investigation of a healthcare offence; or knowingly and wilfully falsifying, concealing, or covering up a material fact or making any materially false, fictitious, or fraudulent statement in connection with the delivery of or payment for healthcare benefits, products, or services. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation.

There is also federal and state regulation of, and transparency with respect to, payments made to physicians and other healthcare providers. LivaNova is subject to, for example, the Physician Payments Sunshine Act, which requires the Company to report annually certain payments and other transfers of value it makes to U.S. licensed physicians, nurse practitioners, physician assistants, or teaching hospitals. Any failure to comply with such laws and regulations may result in civil financial penalties.

In addition, as discussed above, the U.S. and foreign government regulators enforce the FCPA and other anti-bribery laws. These laws and regulations are broad in scope and are subject to evolving interpretation. As a result, LivaNova has been, and will likely continue to be, required to incur substantial costs to investigate allegations, audit and monitor compliance, and/or alter the Company's practices with respect to these laws. Violations or alleged violations of these laws could result in litigation, and LivaNova may be subject to criminal or civil penalties and sanctions, including substantial fines, imprisonment of current or former employees, and exclusion from participation in governmental healthcare programmes.

The evolving commercial compliance environment and the resulting need to build and maintain robust systems to comply with different compliance and/or reporting requirements in multiple jurisdictions increase the possibility that a healthcare company may violate one or more of these requirements and be required to allocate significant resources to its compliance programme. If LivaNova's operations are found to be in violation of any such laws or any other governmental regulations that apply to the Company, LivaNova may be subject to penalties, including, without limitation, civil and criminal penalties, damages, fines, entry into corporate integrity agreements or other monitoring agreements with governmental agencies, the curtailment or restructuring of its operations, and exclusion from participation in federal and state healthcare programmes, any of which could adversely affect LivaNova's financial results and the Company's ability to operate its business.

Industry Affiliations

To help navigate the complex compliance environment in which the Company operates, LivaNova has adopted the AdvaMed Code of Ethics on Interactions with Health Care Professionals, the APACMed Code of Ethical Conduct, the MecoMed Code of Ethical Business Practice, and the MedTech Europe Code of Ethical Business Practice.

20250806024450

Business Review

LivaNova is reporting in its consolidated financial statements in this Annual Report the results from operations for the years ended 31 December 2024 and 2023. The basis of presentation, critical accounting estimates, and significant accounting policies used are set forth in "Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies" and "Note 3. Revenue Recognition" in the consolidated financial statements in this Annual Report, which have been prepared in accordance with UK-adopted International Accounting Standards, and with the requirements of the Companies Act 2006, as applicable to companies reporting under those standards. Additionally, LivaNova reported the U.S. GAAP consolidated financial statements for 2024 and 2023 in the Annual Report on Form 10-K filed with the SEC on 25 February 2025.

For 2024, LivaNova reported operating income of $137.6 million on net revenue of $1,253.4 million, compared to operating loss of $69.8 million on net revenue of $1,153.5 million in 2023.

During 2024, LivaNova recorded $13.3 million as 3T litigation provision. During 2023, LivaNova recorded $90.0 million as an impairment of long-lived assets and $40.9 million as 3T litigation provision. These items are included in exceptional items in the consolidated statement of loss. Refer to "Note 23. Commitments and Contingencies" and "Note 29. Exceptional Items" for more details.

Prior to 2024, LivaNova operated through three segments: Cardiopulmonary, Neuromodulation, and ACS. During 2024, the Company reorganised its operating and reporting structure upon initiating the 2024 Restructuring Plan. This involved transitioning all ACS standalone cannulae and accessories, including ProtekDuo and transseptal (TandemHeart) cannulae, into its Cardiopulmonary segment. Operations for other ACS products, including LifeSPARC and Hemolung systems, were ceased in 2024. This restructuring, along with changes in how the Company's CODM regularly reviews information, allocates resources, and assesses performance, resulted in modifications to LivaNova's reportable segments. Specifically, LivaNova's former ACS segment is now included in "Other," excluding the ACS standalone cannulae and accessories business, which is now included in the Cardiopulmonary reportable segment. As a result, LivaNova now has two reportable segments: Cardiopulmonary and Neuromodulation. The segment financial information presented herein reflects these changes for all periods presented.

Key Performance Indicators

The directors of LivaNova consider that the most important KPIs for 2024 are those set out below, which can be found in the Company's press release dated 25 February 2025, and which are reported under the basis of U.S. GAAP.

Net Revenue Growth (on a constant currency basis, or adjusted net revenue)

Due to the number of currencies in which LivaNova's sales are invoiced to customers, the directors believe that constant currency sales growth is a more appropriate way to measure operational performance. Constant currency growth measures the change in sales between any particular year and the immediate prior year using average foreign exchange rates during the immediate prior year. Net revenue comprises earnings from product and service sales, net of customer discounts and estimated returns.

Adjusted Operating Income

Income from operations, as measured under U.S. GAAP and adjusted for non-cash transactions and nonrecurring costs, measures LivaNova's sales and management of normalised operating expenses.

Adjusted Net Income

Adjusted net income reflects LivaNova's consolidated statement of loss under U.S. GAAP, adjusted for non-cash transactions, nonrecurring costs, certain finance costs, and the related tax effects.

Adjusted Earnings Per Share

U.S. GAAP EPS, as adjusted for the items referred to above, is a measure often used by investors to arrive at a value for each share issued by a company, including the dilutive effect of incentive shares issued to management.

Share Price

An important KPI to be evaluated over a period longer than one year is the share price, which reflects not only LivaNova's current financial results, but also management's ability to articulate medium and longer term strategy and communicate both of these to investors.

20250806024511

Results of Operations

The following table presents LivaNova's annual consolidated results of operations (in thousands):

	2024	2023
Net revenue	$ 1,253,437	$ 1,153,545
Costs and expenses:		
Cost of sales	382,062	381,730
Selling, general, and administrative	524,207	514,267
Research and development	182,919	193,193
Other operating expense	13,356	3,308
Exceptional items	13,287	130,895
Operating income (loss)	137,606	(69,848)
SNIA environmental liability expense	(344,403)	—
Finance expenses	(65,563)	(60,450)
Loss on debt extinguishment	(26,148)	—
Net gain on embedded and capped call derivatives	20,127	24,209
Net foreign exchange and other income/(expense)	28,106	21,598
Share of loss from equity accounted investments	(18)	(104)
Loss before tax	(250,293)	(84,595)
Income tax expense	(23,121)	(15,787)
Loss attributable to owners of the parent	$ (273,414)	$ (100,382)

Net Revenue

The following table presents net revenue by operating segment and geographic region (in thousands):

	2024	2023
Cardiopulmonary		
United States	$ 242,463	$ 202,358
Europe [1]	168,024	157,414
Rest of World [1]	273,025	244,340
	683,512	604,112
Neuromodulation		
United States	441,022	407,493
Europe [1]	54,899	57,435
Rest of World [1]	58,302	54,782
	554,223	519,710
Other Revenue [2]	15,702	29,723
Totals		
United States	695,083	635,044
Europe [1]	220,032	214,792
Rest of World [1]	338,322	303,709
	$ 1,253,437	$ 1,153,545

(1) "Europe" includes the UK, Germany, France, Italy, the Netherlands, Spain, Belgium, Poland, Sweden, Switzerland, Austria, Norway, Portugal, Finland, and Denmark. Excluding Europe and the U.S., "Rest of World" includes all other countries where LivaNova operates.

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

Cardiopulmonary

Cardiopulmonary net revenue for 2024 increased 13.1% to $683.5 million compared to 2023, with growth across all regions, driven by strong consumables demand and Essenz Perfusion System sales.

20250806024452

Neuromodulation

Neuromodulation net revenue for 2024 increased 6.6% to $554.2 million compared to 2023, with growth in the Rest of World and U.S. regions, partially offset by a decline in Europe.

Cost of Sales and Expenses

The following table presents costs and expenses as a percentage of net revenue:

	2024	2023
Cost of sales	30.5 %	33.1 %
Selling, general, and administrative	41.8 %	44.6 %
Research and development	14.6 %	16.7 %
Other operating expense	1.1 %	0.3 %

Cost of Sales

Cost of sales primarily includes direct labour, allocated manufacturing overhead, and the acquisition of raw materials and components.

Cost of sales as a percentage of net revenue was 30.5% for 2024, a decrease of 2.6 percentage points compared to 2023. The decrease was primarily due to an inventory obsolescence adjustment of $12.6 million during 2023 associated with the wind down of LivaNova's former ACS segment, as well as a decrease in amortisation resulting from the impairment of the former ACS segment's developed technology intangible asset in 2023.

Selling, General, and Administrative Expense

SG&A expenses include sales, marketing, general, and administrative activities.

SG&A expenses as a percentage of net revenue were 41.8% for 2024, a decrease of 2.8 percentage points compared to 2023. The decrease primarily resulted from reduced sales and marketing expenses, driven by the former ACS segment wind down, as well as favourable volume leverage.

Research and Development Expense

R&D expenses consist of product design and development efforts, clinical study programmes, and regulatory activities.

R&D expenses as a percentage of net revenue were 14.6% for 2024, a decrease of 2.1 percentage points compared to 2023. The decrease was primarily due to a decline in R&D expense of $24.8 million associated with winding down the Company's heart failure programme, which was completed during 2023, as well as a decline of $6.3 million associated with winding down the Company's former ACS segment.

Other Operating Expense

The following table presents the components of other operating expense (in thousands):

	2024	2023
Restructuring expense [1]	$ 13,356	$ 956
Saluggia site remediation provision [2]	—	2,269
Merger and integration expense	—	83
	$ 13,356	$ 3,308

(1) For additional information, refer to "Note 7. Restructuring" in the consolidated financial statements in this Annual Report.
(2) For additional information, refer to "Note 23. Commitments and Contingencies" in the consolidated financial statements in this Annual Report.

Exceptional Items

Exceptional items represent items within operating income (loss) that are material, either by size or incidence, and nonrecurring in nature. Further details on these items are included below.

3T Litigation Provision

In 2024 and 2023, LivaNova recorded additional 3T litigation provisions of $13.3 million and $40.9 million, respectively, due to newly received information regarding certain claims. Refer to "Note 23. Commitments and Contingencies" in the consolidated financial statements in this Annual Report.

20250806024533

Impairment of Long-lived Assets

During 2023, LivaNova recorded an impairment of long-lived assets of $90.0 million. For additional information, refer to "Note 7. Restructuring" in the consolidated financial statements in this Annual Report.

SNIA Environmental Liability Expense

On 14 March 2025, the Italian Supreme Court issued its decision in response to all of the appeals of the Company and counter-appeals submitted by the Public Administrations. The Italian Supreme Court determined that LivaNova can be held jointly and severally liable for the established liabilities of SNIA at the time of demerger as well as the environmental liabilities of the demerged company that materialised after the demerger which are derived from actions performed prior to the demerger; however, the Italian Supreme Court also ruled that the Company should not be held responsible for certain payments previously approved by the Court of Appeal of Milan in the amount of €157 million ($162.9 million) as of 31 December 2024. The case has been referred back to the Court of Appeal of Milan to implement the decisions respecting costs and damages in accordance with the judgement of the Italian Supreme Court.

As a result of the decision by the Italian Supreme Court, the Company has recorded a current liability and environmental liability expense of €332 million ($344.4 million) as of and for the year ended 31 December 2024, as its best estimate inclusive of estimated costs, fees, interest, and taxes.

For additional information, refer to "Note 23. Commitments and Contingencies" of the Company's consolidated financial statements in this Annual Report.

Finance Expenses

LivaNova incurred finance expenses of $65.6 million for 2024, compared to $60.5 million for 2023. The increase was primarily due to increases in average borrowings and the amortisation of debt issuance costs. For additional information on LivaNova's debt, refer to "Note 16. Financial Liabilities" and "Note 23. Commitments and Contingencies" in the consolidated financial statements in this Annual Report.

Loss on Debt Extinguishment

In connection with the 2025 Notes Repurchase Transaction, during 2024, LivaNova incurred a loss on debt extinguishment of $26.1 million. For additional information, refer to "Note 16. Financial Liabilities" in the consolidated financial statements in this Annual Report.

Net Gain on Embedded and Capped Call Derivatives

Net gain associated with the Company's embedded and capped call derivatives was a gain of $20.1 million for 2024, compared to a gain of $24.2 million for 2023. The net gains on the embedded and capped call derivatives were primarily due to a decline in the LivaNova share price during 2024 and 2023. For additional information, refer to "Note 14. Derivative Financial Instruments" and "Note 16. Financial Liabilities" in the consolidated financial statements in this Annual Report. For gross fair value movements associated with the embedded and capped call derivatives, refer to the Level 3 reconciliation table included within "Note 5. Fair Value Measurements" in the consolidated financial statements in this Annual Report.

Net Foreign Exchange and Other Income/(Expense)

LivaNova incurred FX and other income of $28.1 million for 2024, compared to FX and other income of $21.6 million for 2023. The increase was primarily due to increased interest income from an increase in interest-bearing cash accounts, as well as an unrealized gain associated with LivaNova's investment in Ceribell, Inc., partially offset by a fair value loss of LivaNova's investment in ShiraTronics, Inc. For further details, refer to "Note 27. Consolidated Statement of Loss by Nature" and "Note 11. Financial Assets" in the consolidated financial statements in this Annual Report.

Income Tax Expense

LivaNova PLC is resident in the UK. The Company's subsidiaries conduct operations and earn income in numerous countries and are subject to the varying laws and income tax rates of the taxing jurisdictions within those countries. As a result of changes in the overall level of the Company's taxable income, the mix of taxable income in various jurisdictions, changes in unrecognised deferred tax assets, and changes in tax laws, LivaNova's consolidated effective income tax rate may vary substantially from one reporting period to another.

LivaNova's effective income tax rate was (9.2)% on loss before tax of $250.3 million and (18.7)% on loss before tax of $84.6 million for 2024 and 2023, respectively. Compared with 2023, the change in the effective tax rate for 2024 was primarily attributable to changes in the mix of taxable income in various jurisdictions, non-deductible interest and premiums, and changes in unrecognised deferred tax assets. For additional information, please refer to "Note 22. Income Tax Expense" in the consolidated financial statements in this Annual Report.

20250806024454

Liquidity and Capital Resources

Based on LivaNova's current business plan, the Company believes that its sources of liquidity, which primarily consist of cash and cash equivalents, future cash generated from operations, and available borrowings under its revolving credit facility, will be sufficient to fund its uses of liquidity, primarily consisting of day-to-day operating expenses, working capital, capital expenditures, acquisition earnouts, commitments and contingencies, including the SNIA environmental liability, and debt service requirements over the twelve-month period beginning from the issuance date of these consolidated financial statements. From time to time, LivaNova may access debt and/or equity markets to optimise its capital structure, raise additional capital, or increase liquidity, as necessary. LivaNova's liquidity could be adversely affected by the factors affecting future operating results, including those referred to in "Risks and Uncertainties" below and by the contingencies referred to in "Note 23. Commitments and Contingencies" in LivaNova's consolidated financial statements in this Annual Report.

LivaNova's operating and working capital obligations primarily consist of liabilities arising from the normal course of business, including inventory supply contracts, the future settlement of derivative instruments, and future lease payments, as well as contingent consideration arrangements resulting from acquisitions and obligations associated with legal and other accruals.

For additional information affecting LivaNova's liquidity and capital resources, refer to Subsequent Events below.

Cash Flows

Net cash and cash equivalents provided by (used in) operating, investing, and financing activities and the net increase in the balance of cash, cash equivalents, and restricted cash were as follows (in thousands):

	2024	2023
Operating activities	$ 192,568	$ 85,028
Investing activities	(48,160)	(40,331)
Financing activities	9,021	11,370
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(7,745)	6,187
Net increase in cash, cash equivalents, and restricted cash	$ 145,684	$ 62,254

Operating Activities

Net cash provided by operating activities for 2024 increased $107.5 million, compared to the prior year, primarily due to (i) an increase in net income adjusted for non-cash items of $89.2 million, (ii) an increase in customer collections, (iii) reduced cash outflows for inventories, and (iv) a decrease in 3T Heater-Cooler litigation settlement payments of $36.2 million, partially offset by an increase in vendor and tax payments.

Investing Activities

Net cash used in investing activities for 2024 increased $7.8 million, compared to the prior year, primarily due to an increase in purchases of tangible and intangible assets of $12.1 million primarily related to purchases and development of internal-use software, partially offset by a decrease in purchases of equity investments of $5.4 million.

Financing Activities

Net cash provided by financing activities for 2024 decreased $2.3 million, compared to the prior year, primarily due to payment of the ALung contingent consideration arrangement of $13.8 million during 2024, partially offset by an increase in proceeds from net debt borrowings and repayments of $5.7 million.

Debt and Capital

LivaNova's capital structure consists of debt and equity. As of 31 December 2024, the Company had total debt of $627.9 million, which was 94.4% of total equity of $665.0 million.

During 2024, LivaNova received $335.5 million in proceeds from the issuance of long-term debt and repaid $247.5 million in long-term debt.

During 2023, LivaNova received $50.0 million in proceeds from the issuance of long-term debt and repaid $21.6 million in long-term debt.

On 8 March 2024, LivaNova and LivaNova USA entered into Incremental Facility Amendment No. 3, which provides for LivaNova USA to obtain revolving commitments in an aggregate principal amount of $225.0 million.

On 8 March 2024, LivaNova issued $345.0 million aggregate principal amount of 2.50% notes due 2029. The 2029 Notes are senior unsecured obligations of the Company. In connection with pricing the 2029 Notes, the Company entered into privately-negotiated capped call transactions with certain financial institutions. The Company used part of the proceeds from the issuance of

20250806024455

the 2029 Notes to repurchase $230.0 million aggregate principal amount of the 2025 Notes in privately-negotiated transactions for an aggregate cash repurchase consideration of $270.5 million. Contemporaneously with the 2025 Notes Repurchase Transaction, the Company and the financial institutions party to the 2025 Capped Calls agreed to terminate a portion of the 2025 Capped Calls in a notional amount corresponding to the amount of 2025 Notes repurchased.

For additional information on LivaNova's debt obligations and Capped Call Transactions, refer to "Note 16. Financial Liabilities" in the consolidated financial statements in this Annual Report.

Subsequent Events

SNIA Environmental Liability

On 14 March 2025, the Italian Supreme Court issued its decision in response to all of the appeals of the Company and counter-appeals submitted by the Public Administrations. As a result of the decision by the Italian Supreme Court, the Company has recorded a current liability of €332 million ($344.4 million) as of and for the year ended 31 December 2024, as its best estimate of the liability inclusive of estimated costs, fees, interest, and taxes. The Company has determined that it has sufficient resources to cover the liability given its cash and cash equivalents of $738.4 million as of 31 March 2025.

On 31 March 2025, as a result of the decision by the Italian Supreme Court, the SNIA Litigation Guarantee was terminated, and the restriction to the cash deposit held as collateral was released.

For additional information, refer to "Note 23. Commitments and Contingencies" of the Company's consolidated financial statements in this Annual Report.

Contractual Obligations

LivaNova has various contractual commitments that the Company expects to fund from existing cash, future operating cash flows, and borrowings under LivaNova's credit facilities.

The following table presents the Company's significant contractual obligations and the periods in which such obligations are due (in thousands):

31 December 2024	Less Than One Year	One to Three Years	Three to Five Years	Thereafter	Total Contractual Obligations
Principal payments on debt obligations	$ 81,959	$ 295,938	$ 345,000	$ 328	$ 723,225
Interest payments on long-term debt	34,448	53,802	10,422	—	98,672
3T litigation settlements	191	—	—	—	191
Lease obligations	11,392	15,674	10,682	25,459	63,207
Inventory supply contract obligations	19,198	—	—	—	19,198
Derivative instruments	2,915	—	51,819	—	54,734
Probability-weighted contingent consideration arrangement	—	58,534	25,684	—	84,218
	$ 150,103	$ 423,948	$ 443,607	$ 25,787	$ 1,043,445

LivaNova has other commitments that the Company is contractually obligated to fulfil with cash under certain circumstances. Obligations under these guarantees are not normally called, as LivaNova typically comply with underlying performance requirements. As of 31 December 2024, no liability has been recorded in the consolidated financial statements associated with these obligations.

The following table presents the Company's guarantees (in thousands):

31 December 2024	Less Than One Year	One to Three Years	Three to Five Years	Thereafter	Total Guarantees
Guarantees on government bids [1]	$ 3,991	$ 1,683	$ 570	$ 377	$ 6,621
Guarantees - commercial [2]	300	—	37	1,679	2,016
Guarantees to tax authorities [3]	1,122	—	—	25	1,147
Guarantees to third parties	302	92	187	282	863
	$ 5,715	$ 1,775	$ 794	$ 2,363	$ 10,647

(1) Government bid guarantees include such items as unconditional bank guarantees, irrevocable letters of credit, and bid bonds.
(2) Commercial guarantees include the Company's lease and tenancy guarantees.
(3) Guarantees to tax authorities consist of guarantees issued to the Italian Revenue Agency.

20250806024456

Market Risk

LivaNova is exposed to certain market risks as part of its ongoing business operations, including risks from foreign currency exchange rates, interest rate risks, and concentration of procurement suppliers that could adversely affect LivaNova's consolidated financial position, results of operations, or cash flows. The Company manages these risks through regular operating and financing activities and, at certain times, derivative financial instruments.

Foreign Currency Exchange Rate Risk

Due to the global nature of LivaNova's operations, the Company is exposed to FX fluctuations. Historically, LivaNova has maintained a foreign currency exchange rate risk management strategy that utilises cash flow hedges and freestanding foreign currency derivatives to reduce the Company's exposure to unanticipated fluctuations in forecasted revenue and costs, intercompany debt, bank deposits, accounts receivable, and accounts payable caused by changes in foreign currency exchange rates. Upon the settlement of LivaNova's foreign currency cash flow hedges in the fourth quarter of 2022 and following an in-depth analysis of the utility of the Company's cash flow hedging programme, LivaNova discontinued its foreign currency cash flow hedging programme. LivaNova continues to use freestanding derivative forward contracts to offset exposure to the variability of the value associated with assets and liabilities denominated in a foreign currency.

LivaNova mitigates its credit risk relating to counterparties of its derivatives through a variety of techniques, including transacting with multiple, high-quality financial institutions, thereby limiting the Company's exposure to individual counterparties and by entering into ISDA Master Agreements, which include provisions for a legally enforceable master netting agreement, with almost all of LivaNova's derivative counterparties. The terms of the ISDA agreements may also include credit support requirements, cross-default provisions, termination events, and set-off provisions. Legally enforceable master netting agreements reduce credit risk by providing protection in bankruptcy in certain circumstances and generally permitting the closeout and netting of transactions with the same counterparty upon the occurrence of certain events.

If LivaNova were to incur a hypothetical 10% adverse change in foreign currency exchange rates, net unrealised losses associated with LivaNova's foreign currency denominated assets and liabilities as of 31 December 2024 would be $7.8 million. Any gains and losses on the fair value of derivative contracts would generally be offset by gains and losses on the underlying transactions. These offsetting gains and losses are not reflected in the above analysis.

Interest Rate Risk

LivaNova is subject to interest rate risk on its investments and debt. Historically, LivaNova has entered into interest rate derivative instruments designated as cash flow hedges to manage the exposure to interest rate movements and to reduce the risk of increased borrowing costs by converting floating-rate debt into fixed-rate debt. Under these agreements, LivaNova agrees to exchange, at specified intervals, the difference between fixed and floating interest amounts calculated by reference to agreed-upon notional principal amounts. These interest rate swaps are structured to mirror the payment terms of the underlying loan. The Company's outstanding interest rate swaps expired on 6 April 2023. LivaNova elected not to renew the interest rate swaps. Finance expense associated with the Initial Term Facility is principally offset by holding proceeds from the Term Facilities in a depository account, which earns a floating rate of interest.

If interest rates associated with LivaNova's variable-rate financing arrangements as of 31 December 2024 were to increase/(decrease) by 100 basis points, the effect on finance expenses within LivaNova's consolidated statement of loss would be an increase/(decrease) of $3.2 million, respectively, offset by an increase/(decrease) in interest income from amounts held in variable-rate depository accounts.

Concentration of Credit Risk

LivaNova's trade receivables represent potential concentrations of credit risk. This risk is limited due to the large number of customers and their dispersion across a number of geographic areas, as well as LivaNova's efforts to control its exposure to credit risk by monitoring its receivables and the use of credit approvals and credit limits. In addition, LivaNova has historically had strong collections and minimal write-offs. While LivaNova believes that its reserves for credit losses are adequate, essentially all of the Company's trade receivables are concentrated in the hospital and healthcare sectors worldwide, and accordingly, LivaNova is exposed to their respective business, economic, and country-specific variables. Although LivaNova does not currently foresee a concentrated credit risk associated with these receivables, repayment is dependent on the financial stability of these industry sectors and the respective countries' national economies and healthcare systems.

20250806024457

Risks and Uncertainties

Risks Relating to the Company's Business and Operations

LivaNova is subject to the risks of conducting business internationally.

LivaNova designs, develops, manufactures, markets, and sells products and therapies globally, and the Company intends to continue to pursue growth opportunities worldwide. LivaNova's international operations are subject to risks that are inherent in conducting business globally. These risks, many of which LivaNova has experienced first-hand, include higher danger of terrorist activity, war, or civil unrest; greater exposure to inflation; volatility in freight and labour costs; fluctuating interest and exchange rates; increased exposure to cyber-attacks and supply chain challenges; trade protection measures such as tariffs, evolving sanctions, and import and export licensing requirements; changing energy prices; local product changes and compliance requirements; longer payment terms and collection times for receivables in local jurisdictions; difficulty enforcing agreements; greater exposure to creditworthiness of customers and inconsistent local law enforcement of obligations; ensuring compliance with anti-bribery laws; differing labour regulations and workforce instability; selling by way of distributors and agents; and political and economic instability. Many of these risks are rapidly evolving and subject to an accelerating pace of change.

Conflicts, for example, including those in Ukraine and the Middle East, have caused the Company to assess its ability to source materials, manage transportation costs, sell product, collect payment, and comply with international sanctions. These conflicts have increased economic and regulatory uncertainties, and a significant escalation or continuation of these conflicts could have a material impact on the Company's operating results.

Certain of LivaNova's subsidiaries are engaged in business dealings in countries subject to comprehensive sanctions, including Iran and Russia. These business dealings represent an insignificant amount of LivaNova's consolidated revenues and income but expose the Company to a heightened risk of violating applicable sanctions regulations. Violations of these regulations are punishable by civil and criminal penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts, and revocations or restriction of licenses, as well as criminal fines and imprisonment. Despite best efforts to comply, there can be no assurance that LivaNova's policies and procedures will prevent the Company from violating these regulations in every transaction in which LivaNova may engage, and such a violation could adversely affect its reputation, business, results of operations, cash flows, and financial condition.

In addition, LivaNova's global operations result in revenues and expenses that are denominated in currencies other than LivaNova's reporting currency, the USD. Fluctuations in exchange rates may impact, and have impacted, LivaNova's results of operations and financial condition. Although LivaNova has in the past elected, and may in the future elect, to hedge certain foreign currency exposures, it is unlikely that any hedging strategy would eliminate its currency risk entirely. LivaNova cannot predict the change in currency exchange rates, the impact of exchange rate changes, or the degree to which it will be able to manage the impact of currency exchange rate changes.

Any of the aforementioned risks could adversely affect LivaNova's business, results of operations, cash flows, and financial condition.

Adverse changes in export and import costs and other trade restrictions as well as uncertainty over global tariffs could materially adversely affect LivaNova's business and results of operations.

Recently, the U.S. government announced substantial changes in U.S. trade policy and trade agreements, including imposing tariffs on certain foreign goods. In response to these tariffs, certain foreign governments, including China, have retaliated by imposing tariffs on certain U.S. goods. A significant number of LivaNova's Cardiopulmonary products and component parts are sourced and produced outside of the U.S., including in Italy and Germany. Similarly, LivaNova manufactures its Neuromodulation products in the U.S., which are then often distributed internationally. To the extent tariffs or other similar trade restrictions are implemented by the U.S., other countries, and/or trade blocs in connection with a global trade war, such actions would increase the cost of LivaNova's products, which may affect the competitiveness of the Company's products relative to manufacturers not affected by such actions. Increased tariffs could require LivaNova to increase its prices, which could decrease demand for its products, and in certain cases, the Company may be unable to implement price increases. While the Company continues to assess these developments, it may not be able to fully mitigate the impacts of tariffs. Further, uncertainty surrounding the scope and duration of trade actions by the U.S. and potential retaliatory trade actions by other countries and/or trade blocs has constrained LivaNova's ability to fully plan for and implement related mitigation strategies. The factors described above may have a material adverse effect on LivaNova's business, results of operations, cash flows, and financial condition.

Reductions and interruptions in LivaNova's supply chain have had, and may continue to have, adverse effects on LivaNova's business, results of operations, cash flows, and financial condition.

LivaNova purchases many of the components and raw materials used in manufacturing its products from numerous suppliers in various countries. In some cases, LivaNova purchases specific components and raw materials from primary or main suppliers (or

20250806024458

in some cases, a single or sole supplier) for reasons related to quality assurance, cost-effectiveness, and availability. Although the Company has generally been able to maintain necessary supplies of raw materials and components, supplier shortages and interruptions of certain components, such as PC-coated PMP fibre used in the manufacture of oxygenators, have caused, and may in the future cause, meaningful disruptions to LivaNova's product manufacturing supply chain. Any problem affecting a supplier (whether due to external or internal causes) could have, and in certain instances, has had, a negative impact on LivaNova. Difficulties and delays in manufacturing, internally, externally, or otherwise within the supply chain, may lead to voluntary or involuntary business interruptions or shutdowns, employee furloughs, product shortages, withdrawals or suspensions of products from the market, and potential regulatory action.

Moreover, due to strict standards and regulations governing the manufacture and marketing of LivaNova's products, the Company may not be able to locate new supply sources quickly or at all in response to a supply reduction or interruption, especially for components and raw materials sourced by a single or sole supplier, resulting in negative effects on its ability to meet market demand and to manufacture products effectively and timely. To the extent the Company is unsuccessful in managing its supply chain, any such issues could have a material adverse effect on LivaNova's business, results of operations, cash flows, and financial condition.

Cybersecurity incidents or other disruptions to LivaNova's information technology systems could lead to reduced revenue, increased costs, liability claims, regulatory fines, litigation, harm to LivaNova's competitive position, and loss of reputation.

LivaNova is increasingly dependent on its information technology systems and those of third parties to operate its business, and certain products of the Company include integrated software and information technology. Such dependencies have been exacerbated by remote work practices. LivaNova relies on information technology systems to collect and process customer orders, manage product manufacturing and shipping, and support regulatory compliance. The Company routinely processes, stores, and transmits large amounts of data, including sensitive personal information, patient health information, and confidential business information. The secure processing, maintenance, and transmission of this information are critical to LivaNova's operations. The quantity and complexity of the Company's products and information technology systems make such systems vulnerable to cybersecurity incidents, breakdowns, interruptions, destruction, loss or compromise of data, obsolescence of or incompatibility among systems, or other significant disruptions.

The Company has experienced and is continually at risk of being subject to cybersecurity incidents and other disruptions. Programmes and systems may require frequent updates or may no longer be supported, which may impact the ability of the Company's information technology systems to operate properly or without disruption. Unauthorised persons routinely attempt to access LivaNova's systems to disrupt, disable, or degrade services; obtain proprietary or confidential information; or remotely disrupt or access the systems of large healthcare provider customers of the Company by attempting to exploit the Company's systems. Furthermore, LivaNova's security assessments of third-party vendors may be inadequate to determine whether their security protocols are sufficient to prevent a cybersecurity incident or other system or data compromise. LivaNova also cannot be certain that the Company will receive timely notification by its third-party vendors of such matters. Cybersecurity incidents and other system and data compromises could remain undetected for an extended period, which could potentially result in significant harm to the Company's information technology systems, as well as unauthorised access to, or acquisition of, the information stored on and/or transmitted by the Company's information technology systems. In addition, to access LivaNova's products and services, its customers may use computers and other devices that are beyond the Company's security control safeguards.

Unauthorised disclosure or use of, denial of access to, or other incidents involving sensitive or confidential customer, patient, employee, vendor, or Company data, whether through systems failure, employee negligence, fraud, misappropriation, cybersecurity incidents, or other intentional or unintentional acts, could expose and have exposed the Company to liability under various laws and regulations across jurisdictions and increase the risk of litigation and governmental or regulatory investigation, damage LivaNova's reputation and its competitive positioning in the marketplace, disrupt its or its customers' business operations, or cause LivaNova to lose customers, potentially resulting in significant financial exposure and legal liability. Similarly, unauthorised access to or through, denial of access to, or other incidents involving LivaNova or its vendors' information systems, whether by the Company's employees or third parties, including a cyber-attack by criminal hackers, or state-sponsored organisations, who continuously develop and deploy viruses, ransomware, malware, or other malicious software programmes or social engineering attacks, have resulted and could in the future result in negative publicity, significant remediation costs, legal liability, notification requirements, and damage to LivaNova's reputation, which could have a material adverse effect on the Company's business, results of operations, cash flows, and financial condition.

Cybersecurity threats are constantly expanding and evolving, becoming increasingly sophisticated and complex, increasing the difficulty of detecting and defending against them and maintaining effective security measures and protocols. Additionally, artificial intelligence and machine learning may be used for certain cybersecurity incidents, improving or expanding the existing capabilities of threat actors in manners the Company cannot predict at this time, resulting in greater risk of cybersecurity incidents. Even when a cybersecurity incident or other system or data compromise is detected, the full extent of the issue may not be determined immediately. The costs to the Company to mitigate cybersecurity incidents or other system or data compromises could be significant, and, while the Company has implemented security measures to protect its information technology systems and data,

20250806024459

its efforts to address potential information security vulnerabilities may not be successful. LivaNova's cyber risk insurance may be insufficient to cover losses in connection with a cybersecurity incident or other system or data compromise, such as attorney's fees, regulatory fines, litigation costs, or financial losses that exceed the Company's policy limits or are not covered under any of its current insurance policies. Cyber risk insurance also has become more expensive to obtain, and LivaNova cannot be certain that the Company's current levels of insurance will be available in the future on economically reasonable terms.

As previously disclosed, in November 2023, LivaNova detected a cybersecurity incident that resulted in a disruption of portions of the Company's information technology systems. Promptly after detecting the issue, LivaNova began an investigation with assistance from external cybersecurity experts and coordinated with law enforcement. The Company implemented remediation measures to mitigate the impact of the incident. The Company also assessed the nature and scope of the affected data, analysed its statutory notification obligations, and notified affected individuals and regulators as required by applicable law. The incident has been contained, and the Company's mitigation efforts are considered complete, but any future cybersecurity event has the potential to materially affect its results of operations, cash flows, and financial condition.

The costs of complying with the requirements of U.S. federal and state and international laws and regulations pertaining to the privacy and security of personal information, including health-related information, and the potential liability associated with failure to comply with such laws and regulations, could materially adversely affect LivaNova's business and results of operations.

There is significant regulatory enforcement focus on data protection in the U.S. (at both federal and state levels) and abroad, and an actual or alleged failure to comply with applicable U.S. or international data protection laws or regulations or other data protection standards may expose LivaNova to regulatory investigations, litigation (including class action litigation), fines, sanctions, settlement costs, or other penalties and liabilities, which could harm the Company's reputation and adversely impact LivaNova's business, results of operations, cash flows, and financial condition. The Company collects, stores, and handles personnel and patient data, including sensitive patient health information, which may present material obligations and risks to LivaNova's business, including significantly expanded compliance burdens, costs, and enforcement risks. If LivaNova does not lawfully collect, store, handle, or otherwise process personal information and does not prevent cybersecurity incidents or other system or data compromises, particularly given the increased risks associated with processing sensitive health information, LivaNova may suffer legal and regulatory consequences in addition to business consequences. See "*Cybersecurity incidents or other disruptions to LivaNova's information technology systems could lead to reduced revenue, increased costs, liability claims, regulatory fines, litigation, harm to LivaNova's competitive position, and loss of reputation.*" above.

As a result of its worldwide operations, the Company is subject to various data protection and cybersecurity laws and regulations in many jurisdictions, including HIPAA, U.S. state privacy and data breach notification laws, and the GDPR. Other governments have enacted or amended or are enacting similar data protection laws, including data localisation laws that require data to stay within their borders and other technical and operational adaptations that may be required given the rapid changes in data protection regulation where LivaNova conducts business. The enactment of such laws could have potentially conflicting requirements that would make compliance challenging. LivaNova's efforts to comply with applicable laws and regulations may be inadequate, and the Company may be unable to avoid enforcement actions by governmental bodies. Enforcement actions may be costly and could interrupt the regular operations of LivaNova's business. Moreover, LivaNova's insurance coverage may be insufficient to cover all losses in connection with alleged non-compliance with applicable data protection laws and regulations. In addition, in the U.S., there is a trend of civil lawsuits and class actions relating to compromises of personal information caused by cybersecurity incidents or other system or data compromises, which typically allege negligence, breach of contract, and violation of various state consumer protection laws. LivaNova USA, Inc., for example, was named as a defendant in six putative class actions arising out of the November 2023 cybersecurity incident, which were consolidated into a single action that has been settled. The Company also has received inquiries from HHS's Office for Civil Rights, U.S. state regulators, and international data protection authorities regarding the 2023 incident. In connection with any potential future cybersecurity incident, the Company similarly could become a target of civil litigation or government enforcement actions as a result of a compromise to or loss of data.

The global medical device industry is highly competitive, and LivaNova may be unable to compete effectively.

LivaNova operates in a highly competitive market characterised by increasingly complex products that are expensive and time-consuming to develop and manufacture. In the product lines in which LivaNova competes, the Company faces a mixture of competitors ranging from large manufacturers with multiple business lines to small manufacturers that offer a limited selection of specialised products. Development by other companies of new or improved products, processes, therapies, or technologies, including products developed with the effective use of advanced technologies like artificial intelligence, may make LivaNova's products or proposed products less competitive. The Company's failure to adopt or integrate such advanced technologies may hinder product innovation, increase costs, and impact its competitiveness and operational efficiency. In addition, LivaNova faces competition from providers of alternative medical therapies, pharmaceuticals, and surgical interventions, among others. Competitive factors include product quality, reliability and performance; product technology and innovation; breadth of product lines and product services; ability to identify new market trends; changes to the regulatory environment; cost-effectiveness and

20250806024600

price; customer support and training; capacity to recruit engineers, scientists, and other qualified employees; ability to navigate the regulatory approval process in the markets in which LivaNova operates; reimbursement approval; reimbursement coverage; and effectiveness of systems and processes. Additionally, academic institutions, governmental agencies, and other public and private research organisations may also conduct research, seek patent protection, and establish collaborative arrangements for discovery, research, clinical development, and marketing of products similar to LivaNova's products. Difficulties in any of these areas may have a material adverse effect on LivaNova's business, results of operations, cash flows, and financial condition.

LivaNova's research and development efforts rely upon investments and investment collaborations, and the Company cannot guarantee that any previous or future investments or investment collaborations will be successful.

The rapid pace of technological development in the medical industry and the specialised expertise required in different areas of medicine make it difficult for one company alone to develop a broad portfolio of technological solutions. As a result, LivaNova also relies on investments and investment collaborations to provide the Company access to new technologies. If LivaNova fails to develop new and enhanced products and services on a timely basis, the Company's offerings may become more expensive to maintain and eventually obsolete over time, and its reputation, business, and financial results may be negatively impacted. LivaNova's success depends on several factors, including its ability to appropriately allocate the Company's R&D funding to products and services with higher growth prospects, for example, further incorporation of software, hiring and retaining the necessary R&D talent, stimulating customer demand for and convincing customers to adopt new technologies, innovating and developing new technologies and applications, and acquiring or obtaining third-party technologies that may have valuable applications in the markets that LivaNova serves.

LivaNova expects to make investments where it believes that the Company can internally develop, or acquire, new technologies and products to further LivaNova's strategic objectives and strengthen LivaNova's existing businesses. The success of any investment may be affected by a number of factors, including the Company's ability to identify and then properly assess and value the potential business opportunity. These types of transactions may require more resources than originally anticipated, may divert management's attention from the Company's existing business, and may not result in the expected benefits, savings, or synergies. Investments and investment collaborations in and with medical technology companies are inherently risky, and LivaNova cannot guarantee that any of its previous or future acquisitions, investments, or investment collaborations will be successful or will not materially adversely affect LivaNova's business, results of operations, cash flows, and financial condition.

The continuing development of many of LivaNova's products depends upon the Company maintaining appropriate working relationships with healthcare professionals.

The success and continuing development of LivaNova's products depend on the ability to work appropriately with healthcare professionals as needed. If LivaNova fails to maintain its working relationships with physicians and other healthcare professionals, the Company's products may not be developed and marketed in line with the needs and expectations of the professionals who use and support LivaNova's products. Physicians assist LivaNova as researchers, marketing consultants, product consultants, inventors, and public speakers, and LivaNova relies on these professionals to provide the Company with considerable knowledge and experience. If LivaNova is unable to maintain these relationships, the development and marketing of the Company's products could suffer, which could have a material adverse effect on LivaNova's business, results of operations, cash flows, and financial condition.

Quality issues with LivaNova's processes, products, and services could harm the Company's reputation for producing high-quality products and erode LivaNova's competitive advantage, revenue, and market share.

Maintaining the quality of the Company's products is important to LivaNova and its customers due to the serious and costly consequences of product failure. LivaNova's quality certifications are critical to the marketing success of the Company's products and services. If LivaNova fails to meet these standards, the Company's reputation could be damaged, the Company could lose customers, and LivaNova's revenue and results of operations could decline. Aside from specific customer standards, LivaNova's success depends generally on the Company's ability to manufacture precision-engineered components, sub-assemblies, and finished products to exact tolerances with certified materials. If LivaNova's components fail to meet these standards or fail to adapt to evolving standards, the Company's reputation as a manufacturer of high-quality products will be harmed, certain of its inventory may become obsolete, its competitive advantage could be damaged, and LivaNova could lose customers and market share.

If LivaNova's marketed medical devices are defective or otherwise pose safety risks, the FDA and similar non-U.S. governmental authorities could require their recall or initiate an enforcement action, or LivaNova may initiate a recall of the Company's products or stop sales of products voluntarily.

As a healthcare company, LivaNova's products are subject to the risk of recalls or enforcement actions. The FDA and similar non-U.S. governmental authorities may require the recall and/or the withdrawal of sales of commercialised products in the event of material deficiencies or defects in design, software, or manufacture, or in the event that a product poses an unacceptable risk to patients' health. Manufacturers, on their own initiative, may recall a product or stop sales of such product, and the Company has in the past initiated, and may initiate in the future, voluntary product recalls and sale stoppages. Any recall announcement could

20250806024461

harm LivaNova's reputation with customers and negatively affect LivaNova's reputation, business, results of operations, cash flows, and financial position. A recall could also impair LivaNova's ability to produce its products in a cost-effective and timely manner. In the future, LivaNova may initiate voluntary withdrawal, removal, replacement, or repair actions that the Company determines do not require notification as a recall. If a regulatory authority were to disagree with LivaNova's determinations, it could require the Company to report those actions as recalls.

In addition, depending on the corrective action taken to redress a device's deficiencies or defects, regulators may require, or LivaNova may decide that the Company needs to obtain new approvals or clearances before it markets or distributes the corrected device. Seeking such approvals or clearances may delay LivaNova's ability to replace the recalled device in a timely manner. Any corrective action, whether voluntary or involuntary, or related litigation will require investment of the Company's time and capital, may distract management from operating the business, may cause the Company to write down inventory related to any product recall or other quality issues, and may harm LivaNova's reputation and financial results. See, for example, "Note 23. Commitments and Contingencies" in LivaNova's consolidated financial statements included in this Annual Report under the section entitled "Product Liability Litigation." Moreover, if LivaNova does not adequately address problems associated with its devices, the Company may face additional regulatory enforcement actions, including FDA warning letters, product seizures, injunctions, administrative penalties, or civil or criminal fines, any of which could have a material adverse effect on LivaNova's business.

Failure to comply with product-related government regulations may materially adversely affect LivaNova's business, results of operations, cash flows, and financial condition.

Both before and after a product is commercially released, LivaNova has ongoing responsibilities under FDA and other applicable non-U.S. government agency regulations. For instance, many of LivaNova's facilities and procedures and those of its suppliers are subject to periodic inspections by the FDA, which can result, and in the past has resulted in inspection observations on the FDA's Form 483, warning letters, or other forms of enforcement. If the FDA were to conclude that LivaNova is not in compliance with applicable laws or regulations, or that any of the Company's medical products are ineffective or pose an unreasonable health risk, the FDA could ban such medical products; detain or seize adulterated or misbranded medical products; order a recall, repair, replacement, or refund of such products; refuse to grant pending PMA applications; and/or require LivaNova to notify health professionals and others that the devices present an unreasonable risk of substantial harm to the public health. Similar consequences could follow, such as audits by non-U.S. regulators and notified bodies.

The FDA and other non-U.S. government agencies could also assess civil or criminal penalties against LivaNova, the Company's officers, or other employees and/or impose operating restrictions on a company-wide basis. The FDA could also recommend prosecution to the U.S. Department of Justice. An adverse regulatory action could restrict LivaNova from effectively marketing and selling its products, limit its ability to obtain future pre-market clearances or PMAs, and result in a substantial modification to LivaNova's business practices and operations. These potential consequences, as well as any adverse outcome from government investigations, could have a material adverse effect on LivaNova's business, results of operations, cash flows, and financial condition.

In addition, device manufacturers are prohibited from promoting their products for uses and indications that are not consistent with the approved product labelling (so called "off-label uses"). While physicians may exercise their discretion in prescribing a device for an off-label use, a device manufacturer's failure to comply with the related applicable regulations could subject LivaNova to significant civil or criminal exposure, administrative obligations and costs, and/or other potential penalties.

Governmental regulations outside the U.S. have, and may continue to, become increasingly stringent and common as well. For example, MDR has resulted in significant additional pre-market and post-market requirements. Certifications to MDR must be achieved by December 2027 or December 2028, based on the risk classification of the device. In the interim, the European Commission is allowing companies to use their MDD certifications. LivaNova is working to obtain all appropriate approvals as required, as penalties for regulatory non-compliance can be severe, including fines and revocation or suspension of a company's business license. The development and implementation of future laws and regulations may also have a material adverse effect on LivaNova.

LivaNova's success depends on its employees and the Company's ability to attract and retain key personnel needed to successfully operate its business, plan for future executive transitions, and negotiate with local works councils.

LivaNova's ability to compete effectively depends on its ability to attract and retain key employees and maintain robust succession planning for key positions. The Company's ability to recruit and retain key talent depends on many factors, including compensation and benefits, work location, work environment, industry-specific and general economic conditions, and the hiring practices of competitors. If LivaNova fails to attract and retain key personnel in senior management and other positions, or if the Company's succession planning efforts are not effective, it could have a material adverse effect on LivaNova's business, financial condition, and results of operations.

Furthermore, in many of the countries where LivaNova operates, employees are covered by various local laws and/or collective bargaining agreements, some with the right to be consulted in relation to specific issues, including reorganisations and staff

20250806024462

reductions. The laws and/or collective bargaining agreements could have an impact on LivaNova's flexibility as they apply to programmes to redefine and/or strategically reposition the Company's activities. A negative response to any action taken by LivaNova from a works council or union-organised work stoppages by employees could have a negative impact on LivaNova's business.

LivaNova's products are subject to complex laws and regulations, and failure to obtain product approvals, clearance, or reimbursement may materially adversely affect LivaNova's business, results of operations, cash flows, and financial condition.

LivaNova's medical devices and technologies, as well as its business activities, are subject to a complex set of regulations and rigorous enforcement, including by the FDA, U.S. Department of Justice, U.S. Department of Health & Human Services, and numerous other federal, state, and non-U.S. governmental authorities. Leadership and other workforce changes within any of the aforementioned agencies as a result of the change of administration in the U.S. may impact regulations, enforcement priorities, and timelines. The time required to obtain approvals from foreign countries may be longer or shorter than that required for FDA clearance, and requirements for such approvals may differ from FDA requirements. To varying degrees, each of these agencies requires LivaNova to comply with laws and regulations governing the development, modification, testing, manufacturing, labelling, reimbursement, marketing, and distribution of LivaNova's products. As part of the approval, clearance, or reimbursement process for new products, product modifications, and new indications for existing products, LivaNova may conduct clinical trials and studies. Unfavourable or inconsistent clinical data from existing or future clinical trials, or the unfavourable interpretation of such clinical data by customers, regulatory authorities, or third-party payers, may adversely impact LivaNova's ability to obtain product approval or clearance, and/or receive reimbursement.

LivaNova, for example, is currently conducting clinical studies, and any trial delays or news regarding unfavourable or inconsistent clinical data could have a material adverse effect on LivaNova's business. Success in pre-clinical testing and early clinical studies does not always ensure that later clinical studies will be successful, and LivaNova cannot be sure that later studies will replicate the results of prior studies. Any termination or delay in the completion of LivaNova's clinical studies could delay or preclude the filing of regulatory submissions or requests for coverage determinations and, ultimately, LivaNova's ability to commercialise new or modified products and obtain reimbursement for the Company's products. It is also possible that patients enrolled in clinical studies will experience adverse side effects that are not currently part of the product's safety profile, which could inhibit further marketing and development of such products.

Even if LivaNova is able to obtain product approval, product clearance, and reimbursement, it may take a significant amount of time; require the expenditure of substantial resources; involve stringent pre-clinical and clinical testing; require increased post-market surveillance; involve modifications, repairs, or replacements of LivaNova's products; and/or impose limitations on the proposed uses of its products. Ultimately, LivaNova cannot guarantee that its clinical trials will be successful or that the Company will be able to obtain or maintain approval or clearance and/or reimbursement for new products or modifications to existing products. Any such issues, whether in relation to clinical trials, approvals, clearances, or reimbursement, could have a material adverse effect on LivaNova's business, results of operations, cash flows, and financial condition.

The impact of pending or existing climate change may have a material impact to LivaNova's future operations.

The physical impacts of natural disasters and extreme weather conditions, such as hurricanes, tornadoes, earthquakes, winter storms, wildfires, or flooding, could potentially damage LivaNova's facilities, cause unanticipated downtime in production, temporarily reduce demand, reduce employee productivity, increase absenteeism, disrupt the Company's supply chain operations and its suppliers' operations, and negatively impact operational costs. Additionally, transitional climate risks, such as changing customer behaviours and changing dynamics in raw materials and utility markets, could lead to lost revenue due to inability to meet changing customer requirements, increasing costs associated with product adjustments to meet changing customer preferences, increasing costs of inputs and raw materials, and increasing cost of utilities. There continues to be a lack of consistent climate legislation, which creates economic and regulatory uncertainty. Legal, regulatory, and customer requirements and preferences designed to mitigate the effects of climate change on the environment are increasing, and there is a risk of obligations being imposed that would increase LivaNova's compliance burden and cost to meet these obligations. Individually or in the aggregate, such risks could materially negatively impact LivaNova's future operations.

Global healthcare policy changes may have a material adverse effect on LivaNova's business, results of operations, financial condition, and cash flows.

In response to increases in healthcare costs, there have been and continue to be proposals by governments, regulators, and third-party payers globally to control these costs. These proposals, among other things, have resulted in efforts to enact healthcare system reforms that may lead to restricted access, pricing restrictions, payback requirements, and limits on the amounts of reimbursement available for LivaNova's products. For example, in 2015, the Italian Parliament introduced rules for entities that supply goods and services to the Italian National Healthcare System, impacting the business and financial reporting of medical technology sector companies that sell devices in Italy, including LivaNova. A key provision of the law is a "payback" measure, requiring companies selling medical devices in Italy to repay a percentage of the healthcare expenditures exceeding the regional maximum caps for medical devices. While LivaNova is appealing the imposition of the guidelines and requests for payment

20250806024463

pursuant to the rule, the Constitutional Court, in a separate matter, determined the rule constitutional. As a result, the Company may not be successful in its own appeals. See "Note 23. Commitments and Contingencies" in LivaNova's consolidated financial statements included in this Annual Report for additional information.

Additionally, LivaNova's ability to profitably commercialise the Company's products is dependent, in large part, on whether third-party payers, including private healthcare insurers, managed-care plans, governmental programmes, and others, agree to cover the costs and services associated with LivaNova's products and related medical procedures in the U.S. and internationally. Third-party payers, including private and government insurers, are increasingly requiring evidence that medical devices are clinically effective and cost-effective. If LivaNova is unable to demonstrate that the Company's devices are effective, third-party payers may not reimburse the use of LivaNova's products or provide sufficient reimbursement for LivaNova's products, which could reduce sales of the Company's products to healthcare providers that depend upon reimbursement for payment for their services. Similarly, periodic changes to reimbursement methodologies could have an adverse impact on LivaNova's business. Adoption of some or all of such healthcare policies and reimbursement proposals could have a material adverse effect on LivaNova's business, results of operations, cash flows, and financial position.

Failure to comply with rules relating to reimbursement of healthcare goods and services, healthcare fraud and abuse, false claims, and other applicable laws or regulations may subject LivaNova to penalties and limit patient access to its devices, thereby adversely impacting the Company's reputation and business operations.

LivaNova's devices and therapies are subject to regulation by various governmental agencies worldwide that are responsible for regulating healthcare goods and services, including laws and regulations related to kickbacks, false claims, self-referrals, and healthcare fraud. Because LivaNova's marketing practices involve direct promotion to patients in certain jurisdictions, the Company is subject to additional laws and regulations intended to prevent misleading patients and consumers through unethical promotional activities and related data collection practices. Any failure to comply with these laws and regulations could subject the Company or its officers and employees to criminal and civil financial penalties.

The risk of being found in violation of these laws is increased by the fact that many of them have not been fully interpreted by regulatory authorities or the courts and their provisions are open to a variety of interpretations. Because of the breadth of these laws and the narrowness of the statutory exceptions and safe harbours available under such laws, it is possible that some of LivaNova's business activities, including the Company's relationships with healthcare providers, some of whom recommend, purchase, and/or prescribe LivaNova's devices, group purchasing organisations, and LivaNova's independent sales agents and distributors, could be subject to challenge under one or more of such laws. Even an unsubstantiated allegation of impropriety could adversely impact LivaNova's reputation and/or business operations.

Furthermore, LivaNova's devices, products, and therapies are purchased principally by hospitals or physicians that typically bill various third-party payers, such as governmental healthcare programmes (e.g., Medicare, Medicaid, and comparable non-U.S. programmes), private insurance plans, and managed-care plans for the healthcare services provided to their patients. The ability of LivaNova's customers to obtain appropriate reimbursement for products and services from third-party payers is critical because it affects which products customers purchase and the prices they are willing to pay. LivaNova's devices, products, and therapies are subject to regulation regarding quality and cost by HHS, including CMS, as well as comparable state and non-U.S. agencies responsible for reimbursement and regulation of healthcare goods and services, including laws and regulations related to kickbacks, false claims, self-referrals, and healthcare fraud. In addition, as a manufacturer of U.S. FDA-approved devices reimbursable by federal healthcare programmes, LivaNova is subject to the Physician Payments Sunshine Act and similar U.S. state laws, which require the Company to annually report certain payments and other transfers of value LivaNova makes to U.S.-licensed physicians, U.S. teaching hospitals, or other covered recipients. Any failure to comply with these laws and regulations, including similar laws and regulations outside of the U.S., could subject the Company or its officers and employees to criminal and civil financial penalties, potentially resulting in a material adverse effect on LivaNova's business, results of operations, cash flows, and financial position.

Failure to comply with anti-bribery laws could materially adversely affect LivaNova's business and result in civil and/or criminal sanctions.

LivaNova's operations are subject to anti-corruption laws, including the UK Bribery Act, the FCPA, and other anti-corruption laws that apply in countries where the Company does business. These laws generally prohibit LivaNova and its employees and intermediaries from bribing, being bribed, or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. Because of the predominance of government-administered healthcare systems in many parts of the world outside of the U.S., many of LivaNova's customer relationships are potentially subject to such laws.

LivaNova is, therefore, exposed to the risk that its employees, independent contractors, principal investigators, consultants, vendors, independent sales agents, and distributors may engage in fraudulent or other illegal activity in violation of these laws and LivaNova's Code of Ethics & Business Conduct. LivaNova maintains a compliance programme that includes policies and training to educate its employees and agents on these legal requirements, and to prevent and prohibit improper practices. However,

20250806024644

existing safeguards and any future improvements may not always be effective, and LivaNova's employees, consultants, sales agents, or distributors may engage in conduct for which LivaNova could be held responsible. In addition, regulators could seek to hold LivaNova liable for conduct committed by companies in which LivaNova invests or acquires. The FCPA can pose unique challenges for companies that operate in foreign cultures where conduct prohibited by the FCPA may not be viewed as illegal in local jurisdictions. Although LivaNova's compliance programme includes mechanisms for detecting and correcting misconduct, including a hotline called the "LivaNova Ethics Line", it is not always possible to identify and deter misconduct by LivaNova's employees and other third parties, and the precautions the Company takes to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting LivaNova from governmental investigations or other actions or lawsuits stemming from a failure to comply with such laws or regulations.

Global enforcement of anti-corruption laws has increased substantially in recent years, with more frequent voluntary self-disclosures by companies, aggressive investigations and enforcement proceedings by governmental agencies, and assessment of significant fines and penalties against companies and individuals. LivaNova cannot predict the nature, scope, or effect of future regulatory requirements to which the Company's international operations might be subject or the manner in which existing laws might be administered or interpreted. Any alleged or actual violations of these laws and regulations may subject LivaNova to government scrutiny, severe criminal or civil sanctions, and other liabilities, including exclusion from government contracting or government healthcare programmes, and could negatively affect LivaNova's reputation, business, results of operations, cash flows, and financial condition.

If LivaNova's business development and restructuring activities are unsuccessful, the Company may not realise the intended benefits.

LivaNova has sought, and in the future may seek, to supplement its organic growth through strategic investments, alliances, and acquisitions. Moreover, LivaNova has sought, and in the future may seek, to divest or wind down certain assets deemed non-core to the Company's long-term strategic objectives. For example, as part of the 2024 Restructuring Plan, the Company wound down its former ACS segment. Such transactions are inherently risky and require significant effort and management attention. The success of any investment, alliance, acquisition, or divestiture may be affected by various factors, including LivaNova's ability to properly assess, finance, value, and obtain relevant approvals for a potential business opportunity or to successfully integrate any business LivaNova may acquire. LivaNova cannot be certain that its investments, alliances, and acquired businesses will achieve the financial projections supporting those investment decisions. In addition, if LivaNova's investments, alliances, divestitures, or acquisitions are not successful, the Company may incur costs in excess of what it anticipates, including those resulting from related litigation.

As a result of acquisitions, LivaNova may face risks due to the implementation, modification, or remediation of controls, procedures, and policies relating to data privacy and cybersecurity at the acquired company. In addition, failure to manage and coordinate the growth of the combined company successfully could have an adverse impact on LivaNova's business.

Similarly, LivaNova may divest and has divested portions of its business, resulting in the migration of data and overlapping data obligations. As a result of such divestitures, LivaNova may face risks due to the migration or modification of controls, procedures, and policies relating to data privacy and cybersecurity internally or en route during migration. Any significant breakdown, intrusion, interruption, corruption, or destruction of these systems, as well as any data breaches, could have a material adverse effect on LivaNova's business.

LivaNova may incur impairments of intangible assets, goodwill, and other long-lived assets that may adversely affect the Company's financial results.

LivaNova reviews, when circumstances warrant, the carrying amounts of its intangible assets, goodwill, and other long-lived assets to determine whether those carrying amounts continue to be recoverable in accordance with IFRS. Significant negative industry or economic trends; disruptions to LivaNova's businesses; and significant unexpected or unplanned changes in the use of assets, divestitures, and market capitalisation declines, among other events, may result in impairments to LivaNova's intangible assets, goodwill, and other long-lived assets. Recent impairments have significantly affected LivaNova's financial results, as could future impairments.

Public health crises have had, and may continue to have, an adverse effect on LivaNova's business, results of operations, cash flows, and financial condition, the nature and extent of which are uncertain and unpredictable.

LivaNova's global operations and business interactions with healthcare systems, providers, and patients around the world expose the Company to risks associated with public health crises, including epidemics and pandemics such as COVID-19. LivaNova continues to monitor the potential effects of future health epidemics on the Company's business and operations. While the spread of COVID-19 has stabilised, the Company cannot guarantee that a future outbreak of this or any other widespread epidemic will not occur, which could have the effect of decreasing demand and/or increasing volatility in demand for LivaNova's products, which could have a material impact on LivaNova's business, results of operations, cash flows, financial condition, and liquidity.

20250806024G5

Legal, Regulatory, and Compliance Risks

As a manufacturer of medical devices, LivaNova is exposed to product liability claims that could adversely affect its consolidated financial condition and tarnish the Company's reputation.

LivaNova designs, develops, manufactures, markets, and sells medical devices that pose product liability risks. Component failures, manufacturing defects, software errors, design flaws or inadequate disclosure of product-related risks or product or use-related information, or physician misuse with respect to these or other products the Company manufactures or sells could result in an unsafe condition for, injury to, or death of a patient. Such an event could result in product liability claims or a recall of, or safety alert relating to, one or more of LivaNova's products. For example, as described in "Note 23. Commitments and Contingencies" in LivaNova's consolidated financial statements included in this Annual Report, the Company is involved in product liability litigation relating to its cardiopulmonary 3T Heater-Cooler product that has adversely affected LivaNova's financial condition and has required the Company to devote significant resources to its defence and/or settlement of these claims. Any such product liability claims, whether unsubstantiated or not, could negatively affect LivaNova's reputation, business, results of operations, cash flows, and financial condition.

LivaNova holds global insurance policies to cover a portion of future potential product liability losses and has elected to self-insure with respect to a significant portion of the Company's product liability risks. Any product liability claims, regardless of their ultimate outcome, could have a material adverse effect on the Company's ability to attract and retain customers for its products, and future losses from product liability claims could exceed LivaNova's product liability insurance coverage and lead to a material adverse effect on the Company's financial condition and liquidity. In addition, future unanticipated large liability claims may raise substantial doubt about LivaNova's ability to continue as a going concern.

LivaNova is subject to heightened scrutiny on issues relating to sustainability, including environmental laws and regulations, and the risk of environmental liabilities, violations, and litigation in multiple jurisdictions, any of which could have a material impact on LivaNova's reputation, business, results of operations, cash flows, financial condition, and liquidity.

There is a heightened focus on issues relating to sustainability, including environmental stewardship, social responsibility, and corporate governance matters. Increasing attention on sustainability issues related to LivaNova's business requires continuous monitoring of various and evolving laws, regulations, standards, and expectations and the associated reporting requirements. For example, in 2023, the CSRD entered into force. Broadly, CSRD amends and strengthens the rules introduced on sustainability reporting for companies, banks, and insurance companies under the NFRD and will require a much broader range of in-scope companies to publicly report on their impact on sustainability matters as well as how sustainability matters affect their own development, performance, and position in accordance with the ESRS. To the extent LivaNova is in scope of the reporting requirements under CSRD, the Company will be required to provide such information with its management report. This will involve implementing processes to gather the relevant data, conduct materiality assessments, and prepare a CSRD-compliant report, which will likely be a time-consuming and costly exercise, and in the event that LivaNova's disclosures prove incorrect, the Company may incur liabilities. When producing a CSRD report, LivaNova may be required to obtain an assurance opinion with respect to the information in the report. To the extent an adverse or qualified assurance conclusion is reached with respect to LivaNova's report, the Company's reputation may be impacted, and investors could lose confidence in the accuracy and completeness of its sustainability disclosures. Subject to the specific circumstances of an adverse or qualified conclusion, LivaNova may also be subject to sanctions set by EU Member States. Further, there are ongoing consultations that may result in further changes or amendments to CSRD. No final proposals have yet been set out, but this process could lead to significant changes to the CSRD regime. It is unclear as to how any such future changes could impact LivaNova.

Furthermore, if LivaNova's sustainability initiatives fail to satisfy investors, customers, or other stakeholders, the Company's reputation, its ability to sell products and services to customers, and its attractiveness as an investment, business partner, or acquirer could be negatively impacted. Similarly, LivaNova's failure, or perceived failure, to fulfil its sustainability goals or to satisfy various reporting standards could also have a similar negative impact on the Company's reputation, business, and results of operations. Environmental regulations continue to become more stringent, and LivaNova may experience increased compliance burdens and costs to meet its regulatory obligations, as well as adverse impacts on raw material sourcing, manufacturing operations, and the distribution of LivaNova's products.

Additionally, certain environmental laws assess liability on current, prior, and/or related owners or operators of real property for the costs of investigation, removal, or remediation of hazardous substances on their properties or at properties on which they have disposed of hazardous substances. For example, LivaNova's Saluggia campus contains hazardous substances as a result of nuclear installations built in 1960 under previous ownership, and the Italian government has stated that LivaNova will eventually be responsible for dismantling the nuclear installation on Company property, as well as delivering the aforementioned waste to a national repository. In another example, the Italian Supreme Court determined that LivaNova can be held jointly and severally liable for the established liabilities of SNIA at the time of demerger as well as the environmental liabilities of the demerged company that materialised after the demerger which are derived from actions performed prior to the demerger. See "Note 23. Commitments and Contingencies" in LivaNova's consolidated financial statements included in this Annual Report for additional

20250806024466

information regarding these two matters. LivaNova's business, results of operations, cash flows, financial condition, and liquidity have been negatively affected by the Italian Supreme Court's decision and could be adversely affected by an increase in anticipated costs relating to disposal of hazardous waste in Saluggia. Private parties could also bring personal injury or other claims due to the presence of, or exposure to, hazardous substances.

In addition, LivaNova's operations involve the use of substances regulated under environmental laws, including for purposes of sterilisation. Regulations require sterilisation of LivaNova's products, and the Company operates, for example, a sterilisation facility in Colorado allowing the Company to sterilise certain of its products in-house. The EPA and certain states have begun scrutinising the levels of community exposure to EtO, which is used in the sterilisation process. Certain medical device operating facilities have been designated as "elevated risk" facilities based on emission levels of EtO. LivaNova is not on the "elevated risk" list, nor is it in violation of any current local or federal regulations. However, to the extent LivaNova or its contract sterilisers are unable to sterilise LivaNova's products, whether due to regulatory, legislative, or other constraints, including on the use of EtO, LivaNova may be unable to transition to alternative internal or external resources or methods in a timely or cost-effective manner or at all, which could have a material impact on LivaNova's results of operations and financial condition.

LivaNova is substantially dependent on patent and other proprietary rights, and failing to protect such rights or to be successful in litigation related to LivaNova's rights or the rights of others may result in the Company's payment of significant monetary damages and/or royalty payments, negatively impact LivaNova's ability to sell current or future products, or prohibit the Company from enforcing its patent and other proprietary rights against others.

LivaNova relies on a combination of patents, trade secrets, and non-disclosure agreements to protect the Company's proprietary intellectual property. While LivaNova intends to defend against any threats to the Company's intellectual property, any litigation to counter the infringement, misappropriation, or unauthorised use of LivaNova's intellectual property may require the expenditure of significant financial and managerial resources, which may adversely affect LivaNova's business, results of operations, cash flows, and financial condition. Additionally, LivaNova's patents, trade secrets, or other agreements may not prevent competitors from independently developing or selling similar products and services and may not adequately deter misappropriation or improper use of the Company's technology. Further, pending patent applications may not result in patents being issued to LivaNova. Patents issued to or licensed by LivaNova in the past or in the future may be challenged or circumvented by competitors, and such patents may be found invalid, unenforceable, or insufficiently broad to protect the Company's technology, and may limit LivaNova's competitive advantage. Third parties could obtain patents that may require LivaNova to negotiate licenses to conduct business, and the required licenses may not be available on reasonable terms or at all.

LivaNova also relies on non-disclosure and non-competition agreements with certain employees, consultants, and other parties to protect, in part, trade secrets and other proprietary rights. LivaNova cannot be certain that these agreements will not be breached, that the Company will have adequate remedies for any breach, that others will not independently develop substantially equivalent proprietary information, or that third parties will not otherwise gain access to LivaNova's trade secrets or proprietary knowledge. Further, new proposed regulations in the U.S. would prohibit certain competition agreements. These proposed regulations have been successfully litigated in lower courts, but appeals are pending, and the outcome of those cases remains uncertain. If regulations become effective as proposed and enforced, LivaNova may not be able to rely on agreements with certain of the Company's employees or other parties.

LivaNova operates in an industry characterised by extensive patent litigation and has been, and is, subject to patent claims from time to time. While LivaNova intends to defend against any third-party intellectual property threats, intellectual property litigation is inherently complex and unpredictable. Such litigation can result in significant damage awards and injunctions that could prevent LivaNova's manufacture and sale of affected products or require the Company to pay significant royalties in order to continue to manufacture or sell affected products.

In addition, the laws and intellectual property systems of certain countries in which LivaNova markets some of its products do not protect the Company's intellectual property rights to the same extent as in the U.S., which may impact its market position in those countries. LivaNova could also face competition in countries where the Company has not invested in an intellectual property portfolio, or where the Company has not invested in the same protection as in the U.S. If the Company is unable to protect LivaNova's intellectual property in those countries, it could have a material adverse effect on LivaNova's reputation, business, results of operations, cash flows, and financial condition.

Inadequate funding for U.S. federal government agencies and government shutdowns could negatively affect LivaNova's business, results of operations, cash flows, and financial condition.

The ability of the FDA to review and approve new products can be affected by a variety of factors, including government funding levels, the ability to hire and retain key personnel, government shutdowns, and statutory, regulatory, and policy changes. In addition, a portion of LivaNova's revenue is dependent on U.S. federal government healthcare programme reimbursement. Any disruption in U.S. federal government operations, including government shutdowns, could have a material adverse effect on LivaNova's business, results of operations, cash flows, and financial condition.

20250806024467

Risks Related to LivaNova's Indebtedness

LivaNova may not have sufficient cash flow from its business operations to pay when due, or be able to raise the funds necessary to pay when due, amounts owed with respect to the 2025 Notes and 2029 Notes and/or any amounts owed under the Company's revolving credit facility and term facilities, which could adversely affect LivaNova's business and results of operations.

LivaNova's ability to make payments (including interest, principal upon maturity, and payments to satisfy exchanges for cash or conversions) in respect of and/or to refinance LivaNova's outstanding Notes or other indebtedness (including any indebtedness under LivaNova's revolving credit facility or term facilities) depends on the Company's future performance, which is subject to economic, financial, competitive, and other factors beyond its control. If LivaNova is unable to generate enough cash flow to make payments on the 2025 Notes, the 2029 Notes, or other indebtedness when due, the Company may be required to adopt one or more alternatives, such as selling assets or obtaining additional debt financing or equity capital on terms that may be onerous or highly dilutive. LivaNova's ability to refinance the 2025 Notes, the 2029 Notes, or other indebtedness, which the Company may need to do to satisfy its obligations thereunder, will depend on the capital markets and LivaNova's financial condition at such time. LivaNova may not be able to engage in these activities on desirable terms or at all, which could result in a default on the 2025 Notes and 2029 Notes and/or LivaNova's revolving credit facility and term facilities.

LivaNova will be required to settle any exchanges of the 2025 Notes entirely in cash, while upon any conversions of the 2029 Notes, LivaNova will be required to pay cash up to the aggregate principal amount of the 2029 Notes to be converted and pay or deliver, as the case may be, cash, LivaNova's ordinary shares, or a combination of cash and LivaNova's ordinary shares, at LivaNova's election, in respect of the remainder, if any. Additionally, the holders of the 2025 Notes and 2029 Notes have the right to require LivaNova to repurchase the aforementioned notes upon the occurrence of a fundamental change (as defined in the respective indentures governing the Notes) at a repurchase price equal to 100% of the principal amount of the 2025 Notes and 2029 Notes to be repurchased, plus accrued and unpaid interest, if any.

Any failure by LivaNova to make required payments in respect of its indebtedness (after any applicable grace period) would constitute an event of default in respect of such indebtedness.

In addition, LivaNova's indebtedness, including under the 2025 Notes and 2029 Notes, combined with the Company's other financial obligations and contractual commitments, including those under LivaNova's revolving credit facility or term facilities, could have other important consequences. For example, it could:

- Make LivaNova more vulnerable to adverse changes in government regulations and in the global economy, healthcare, and competitive environment;
- Limit the Company's flexibility in planning for, or reacting to, changes in LivaNova's business and its markets;
- Place the Company at a disadvantage compared to LivaNova's competitors who have less debt;
- Limit LivaNova's ability to borrow additional amounts for working capital, to fund acquisitions, and for other general corporate purposes; and
- Make a sale of the Company less attractive to buyers or more difficult to complete.

Any of these factors could harm LivaNova's business, results of operations, cash flows, and financial condition. In addition, if LivaNova incurs additional indebtedness under the revolving credit facility or term facilities, the risks related to LivaNova's business and its ability to repay the Company's indebtedness, including under the 2025 Notes and 2029 Notes, would increase. For additional information, please refer to the "Business Review" of this Strategic Report under the section titled "Liquidity and Capital Resources" and "Note 9. Financing Arrangements" in LivaNova's consolidated financial statements included in this Strategic Report.

The conditional exchange or conversion features of the 2025 Notes and 2029 Notes, as applicable, if triggered, may adversely affect LivaNova's liquidity and operating results.

If the conditional exchange feature of the 2025 Notes is triggered, holders are entitled to exchange the 2025 Notes at any time during specified periods, at their option, and if the conditional conversion feature of the 2029 Notes is triggered, holders are entitled to convert the 2029 Notes at any time during specified periods, at their option. For example, holders are entitled to exchange 2025 Notes or convert 2029 Notes during a given calendar quarter if the closing price of LivaNova's ordinary shares for at least 20 trading days (whether or not consecutive) during the last 30 consecutive trading days of the immediately preceding calendar quarter was greater than or equal to a set dollar amount ($79.27 per share in the case of the 2025 Notes and $90.22 in the case of the 2029 Notes, subject to adjustment). Neither the exchange condition for the 2025 Notes nor the conversion condition for the 2029 Notes was satisfied on 31 December 2024, and therefore, the Notes will not be exchangeable or convertible pursuant to this condition from 1 January 2025 through 31 March 2025. On or after 15 September 2025, holders may exchange 2025 Notes at their option, and on or after 15 December 2028, holders may convert 2029 Notes at their option, in each case without regard to additional conditions. If holders exchange 2025 Notes during any future period in which such exchange is permitted, LivaNova

20250806024468

would be required to settle its exchange obligation through the payment of cash, and if holders convert 2029 Notes during any future period in which such conversion is permitted, LivaNova would be required to pay cash up to the aggregate principal amount of the 2029 Notes to be converted and may elect to settle the remainder of the conversion obligation in cash, shares, or a combination of the two. Any such cash payments upon exchange or conversion could adversely affect the Company's liquidity.

The effective interest rate and related interest expense reported on LivaNova's consolidated financial statement of operations is significantly greater than the stated interest rate of the 2025 Notes and 2029 Notes and may result in volatility to the Company's reported financial results, which could adversely affect the price at which LivaNova's ordinary shares trade.

LivaNova will settle exchanges of the 2025 Notes entirely in cash. Additionally, upon conversion of the 2029 Notes, LivaNova will pay cash up to the aggregate principal amount of the 2029 Notes to be converted and pay or deliver, as the case may be, cash, LivaNova's ordinary shares, or a combination of cash and LivaNova's ordinary shares, at LivaNova's election, in respect of the remainder, if any, of LivaNova's conversion obligation in excess of the aggregate principal amount of the 2029 Notes being converted. Accordingly, the exchange or conversion feature, as applicable, that is part of the 2025 Notes and 2029 Notes is accounted for as a derivative pursuant to accounting standards relating to derivative instruments. This resulted in an initial accounting valuation of the exchange or conversion feature, as applicable, which was bifurcated from the debt component of the 2025 Notes and 2029 Notes, resulting in an original issue discount. The original issue discount is amortised and recognised as a component of interest expense over the term of the 2025 Notes and 2029 Notes, which results in an effective interest rate reported on LivaNova's consolidated statements of income (loss) in excess of the stated interest rate of the 2025 Notes and 2029 Notes. Although this accounting treatment does not affect the amount of cash interest paid to holders of the 2025 Notes and 2029 Notes or LivaNova's cash flows, it reduces the Company's earnings and could adversely affect the price at which its ordinary shares trade.

Additionally, for each financial statement period after issuance of the 2025 Notes and 2029 Notes, a derivative gain or loss is and will be reported on LivaNova's consolidated statements of income (loss) to the extent the valuations of the exchange feature and conversion feature, as applicable, change from the previous period. The 2025 Capped Calls and 2029 Capped Calls described below and elsewhere in this report are also accounted for as derivative instruments. The valuation of the exchange feature of the 2025 Notes and 2025 Capped Calls utilises significant observable and unobservable market inputs, including stock price, stock price volatility, risk-free interest rate, and time to expiration of the 2025 Notes. The valuation of the conversion feature of the 2029 Notes and 2029 Capped Calls similarly utilises significant observable and unobservable market inputs, including stock price, expected volatility, risk-free interest rate, expected dividend yield, and time to expiration of the 2029 Notes. The change in input values at the current period-end compared to the previous period-end may result in a material change in the respective valuations and the gain or loss resulting from the exchange feature of the 2025 Notes and 2025 Capped Calls and the conversion feature of the 2029 Notes and 2029 Capped Calls, as applicable, and may not completely offset each other. As such, there may be a material net impact on LivaNova's consolidated statements of income (loss), which could adversely affect the price at which its ordinary shares trade.

The arbitrage or hedging strategy by purchasers of the 2025 Notes and 2029 Notes and Option Counterparties in connection with LivaNova's 2025 Capped Calls and 2029 Capped Calls may affect the value of LivaNova's ordinary shares.

LivaNova expects that many investors in, and potential purchasers of, the 2025 Notes and 2029 Notes will employ, or seek to employ, an arbitrage strategy with respect to the 2025 Notes and 2029 Notes. Investors would typically implement such a strategy by selling short LivaNova's ordinary shares underlying the 2025 Notes and 2029 Notes and dynamically adjusting their short position while continuing to hold the 2025 Notes and 2029 Notes. Investors may also implement this type of strategy by entering into swaps or options on LivaNova's ordinary shares in lieu of or in addition to selling short LivaNova's ordinary shares. This activity could decrease, or reduce the size of any increase in, the market price of LivaNova's ordinary shares at that time.

In connection with the pricing of the 2025 Notes and 2029 Notes, LivaNova entered into the 2025 Capped Calls and 2029 Capped Calls, respectively. The 2025 Capped Calls and 2029 Capped Calls are expected generally to compensate (through the payment of cash to LivaNova) for potential dilution to LivaNova's ordinary shares and to offset cash payments due upon exchange of the 2025 Notes or conversion of the 2029 Notes, as applicable, in excess of the principal amount thereof in the event that the market price per ordinary share of LivaNova at the time of exchange of the 2025 Notes or conversion of the 2029 Notes, respectively, is greater than the strike price under the 2025 Capped Calls or 2029 Capped Calls, respectively, with such offset subject to a cap based on the respective cap prices of the 2025 Capped Calls and 2029 Capped Calls. It is LivaNova's understanding that the Option Counterparties, or their respective affiliates, in connection with establishing their initial hedges of the 2025 Capped Calls and/or 2029 Capped Calls, purchased LivaNova's ordinary shares and/or entered into various derivative transactions with respect to LivaNova's ordinary shares concurrently with or shortly after the pricing of the 2025 Notes and/or 2029 Notes, as applicable. The Option Counterparties or their respective affiliates may modify these initial hedge positions by entering into or unwinding various transactions with respect to LivaNova's ordinary shares and/or purchasing or selling its ordinary shares or other of LivaNova's securities in secondary market transactions prior to the maturity of the 2025 Notes and/or 2029 Notes, as applicable (and are likely to do so during any observation period related to an exchange of the 2025 Notes or conversion of the 2029 Notes, as applicable, or upon a repurchase or redemption of the 2025 Notes or the 2029 Notes, as applicable, by LivaNova, if LivaNova

20250806024469

unwinds a corresponding portion of the 2025 Capped Calls or 2029 Capped Calls, as applicable). This activity could cause or avoid an increase or a decrease in the market price of LivaNova's ordinary shares, the 2025 Notes, or the 2029 Notes at that time.

LivaNova is subject to counterparty risk with respect to the 2025 Capped Calls and 2029 Capped Calls.

The Option Counterparties are financial institutions, and LivaNova is subject to the risk that they might default under the 2025 Capped Calls and 2029 Capped Calls. LivaNova's exposure to the credit risk of the Option Counterparties is not secured by any collateral.

If an Option Counterparty becomes subject to insolvency proceedings, LivaNova will become an unsecured creditor in those proceedings, with a claim equal to the Company's exposure to that Option Counterparty at that time under the 2025 Capped Calls and/or 2029 Capped Calls. LivaNova's exposure will depend on many factors, but generally an increase in the Company's exposure will be correlated to an increase in the market price and in the volatility of its ordinary shares. In addition, upon a default by an Option Counterparty, LivaNova may suffer adverse tax consequences and may, on a net basis, have to pay more cash than the Company currently anticipates to settle exchanges of the 2025 Notes, and to pay more cash or suffer more dilution than the Company currently anticipates with respect to its ordinary shares upon conversions of the 2029 Notes, the effect of which would likely not be compensated for by the Company. LivaNova can provide no assurances as to the financial stability or viability of the Option Counterparties.

Risks Relating to Tax and LivaNova's Jurisdiction of Incorporation

LivaNova is incorporated in England and Wales and governed by their laws, which may afford less protection to shareholders than under U.S. laws.

LivaNova is a public limited company. incorporated under the laws of England and Wales, and as such, the Company's shareholders may have more difficulty protecting their interests than would shareholders of a corporation incorporated in a jurisdiction of the U.S. It may be difficult to enforce court judgements obtained in the U.S. and based on the civil liability provisions of U.S. federal or state securities laws against LivaNova in the UK. In addition, there is also some uncertainty as to whether the UK courts would recognise or enforce judgements of U.S. courts obtained against LivaNova or any of its directors or officers.

Changes in tax laws or exposure to additional income tax liabilities could have a material impact on LivaNova's results of operations and financial condition.

LivaNova is subject to income taxes as well as non-income-based taxes in the U.S., the UK, the EU, and various other jurisdictions. Any material change in tax laws, regulations, or policies, or their interpretation and enforcement, including with respect to the OECD's Pillar Two global minimum tax rules applicable to multinational groups with global revenue over €750 million ($778.3 million at 31 December 2024), could result in a higher effective tax rate and have a material impact on LivaNova's consolidated statements of income (loss) or financial condition.

LivaNova continues to monitor the adoption of Pillar Two by the taxing jurisdictions in which it operates. The UK has enacted legislation providing for a minimum effective tax rate of 15% through a multinational top-up tax and a domestic top-up tax for accounting periods beginning on or after 31 December 2023. UK legislation has also been enacted for a UTPR for accounting periods beginning on or after 31 December 2024. A UTPR would be a backstop rule intended to ensure that amounts of multinational top-up tax that are not collected under foreign global minimum tax rules can in certain circumstances be collected instead in the UK. LivaNova will continue to monitor legislative developments and related guidance in the UK and other jurisdictions that may impact LivaNova's operations. Any material changes in tax laws, regulations, or policies, or their interpretation and enforcement, including with respect to Pillar Two, could result in a higher effective tax rate for LivaNova, and have a material impact on its consolidated statements of income (loss) or financial condition. The content of any future legislation, the timing of additional guidance, and the reporting periods that may be impacted cannot be determined at this time.

LivaNova's actual effective tax rate may vary from its expectations or from historical trends and that variance may be material. LivaNova's effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, or changes in tax laws or their interpretation. LivaNova is also subject to ongoing tax audits in various non-U.S. jurisdictions. Tax authorities may disagree with certain positions LivaNova has taken and assess additional taxes. LivaNova believes that its accruals reflect the probable outcome of known contingencies. However, there can be no assurance that LivaNova will accurately predict the outcomes of ongoing audits, and the actual outcomes of these audits could have a material impact on LivaNova's consolidated statements of income (loss) or financial condition.

As a public limited company incorporated under the laws of England and Wales, certain of LivaNova's capital structure decisions require shareholder approval, which may limit the Company's flexibility to manage its capital structure.

LivaNova is a public limited company incorporated under the laws of England and Wales. Under English law, LivaNova's Board of Directors may only allot shares with the prior authorisation of shareholders. English law also generally provides shareholders

20250806024470

with pre-emptive rights when new shares are issued for cash, which rights may be surrendered by shareholders. In addition, English law generally prohibits a public limited company from repurchasing its own shares without the prior approval of shareholders. As a result, LivaNova's shareholders must approve these authorities at an annual general meeting of shareholders. If LivaNova does not receive shareholder approval of these matters, the Company may not be able to raise any required additional capital in a timely manner or at all. In addition, LivaNova may not be able to continue to grant equity awards to its directors, officers, and employees under the relevant incentive plan.

Transfers of LivaNova's shares, other than those effected by means of the transfer of book-entry interests in DTC, may be subject to UK Stamp Duty or SDRT.

Transfers of LivaNova's shares effected by means of the transfer of book-entry interests in DTC are not subject to UK stamp duty or SDRT. However, if a shareholder holds LivaNova's shares directly rather than through DTC, any transfer of those shares could be subject to UK stamp duty or SDRT at a rate of 0.5% of the consideration paid for the transfer. In addition, certain transfers of LivaNova's shares to depositories or into clearance services would be subject to UK stamp duty or SDRT at a rate of 1.5% of the consideration paid for the transfer, or 1.5% of the market value of the shares if there is no consideration. The transferee generally pays the UK stamp duty or SDRT, although the position may be different in the case of a transfer to a depository or into a clearance service. The potential for UK stamp duty or SDRT could adversely affect the trading price of LivaNova's shares.

If DTC determines at any time that LivaNova's shares are not eligible for continued deposit and clearance within its facilities, LivaNova believes that its shares would not be eligible for continued listing on a U.S. securities exchange and trading in the Company's shares would be disrupted. While LivaNova would pursue alternative arrangements to preserve the listing and maintain trading, any such disruption could have a material adverse effect on the trading price of LivaNova's shares.

20250806024471

LivaNova's Approach to Stakeholders

Section 172 Statement

In accordance with Section 172 of the Companies Act 2006, LivaNova's Board of Directors considers the Company's key stakeholders and takes their views and interests into account when making decisions. Clear communication and proactive engagement to understand the issues most relevant to LivaNova's stakeholders is fundamental to the directors' responsibility to act in good faith to promote the success of the Company for the benefit of shareholders. The Board is fully aware of the potential impacts of the decisions it makes for the Company's stakeholders, the environment, and the communities in which it operates, in both the short term and the long run.

Delegation of Authority

The Board believes governance of LivaNova is best achieved by delegation of its authority to the executive management of LivaNova to the CEO, subject to defined limits and monitoring. The Board routinely monitors the delegation of authority, ensuring that it is regularly updated, while retaining ultimate responsibility. During Board meetings, the independent directors, both in their respective committees and as a full Board, review the Company's progress against strategic priorities. This collaborative approach helps to promote the long-term success of LivaNova and its stakeholders. Per the requirements of Section 172, the below articulates LivaNova's principal stakeholders, their concerns, and the Company's methods of engagement and impact.

Connecting with LivaNova's Stakeholders

Patients

LivaNova's mission is to provide hope for patients and their families through innovative medical technologies. The Company is driven by its purpose to put patients first to improve the quality of their lives – for every patient, every day.

Their concerns. LivaNova's patients want the Company to manufacture safe, quality products that are responsive to their needs and protective of their data. They desire information that is fair and balanced, easy to understand, accessible, and transparent. Patients want LivaNova to take ownership of product complaints and concerns, and they hope to impact and benefit from next-generation devices incorporating their feedback.

How we engage and impact. LivaNova's Board of Directors is keenly aware of LivaNova's mission and, as a result, is focused on how best to incorporate patient needs into the Company's vision. Marketing content, physician input, and patient feedback and interactions are ways by which the Board regularly receives insights from LivaNova's patients. In addition, the Board receives regular updates from various members of management on innovation, quality, clinical, cybersecurity, risk management, and compliance, among other key areas, to inform the Board's discussions as they relate to strategic decision-making that ultimately impact the Company's patients.

Employees

LivaNova's workforce is crucial to achieving the Company's mission to provide hope to its patients and their families through delivering life-changing medical innovation. LivaNova's employees help the Company maintain its strong reputation for high standards of business conduct and are fundamental in delivering its purpose. The Company, in turn, wants its employees to be proud of working at LivaNova, and to feel safe and supported at work. This can only be done if the Company listens to feedback and takes appropriate action to keep its employees incentivised and motivated.

Their concerns. Employees want to know that the Board is considering employee well-being and development when making strategic decisions. They want career opportunities, development plans, appreciation for their work, and a positive and enjoyable workplace. Companies need to work hard to attract and retain talent, keeping in mind that employees want to be valued and appropriately incentivised to do their job in an increasingly challenging work environment.

How we engage and impact. The Board directly engages with the Company's employees by way of discussions during strategic planning sessions, dinners, senior leadership forums, and presentations during regular and ad hoc Board meetings throughout the year. The Board is keenly aware of the importance of talent in an organisation – not only is "Human Capital Management" explicitly called out as part of the Compensation Committee's mandate in its charter, but the Board includes a "Talent" discussion as part of its regular Board agenda. In addition, senior management coordinated two "Talent Connects" in 2024 to allow the Board an opportunity to meet and converse with critical senior talent around the globe. Furthermore, with the onboarding of Susan Podlogar to the Board and Natalia Kozmina as Chief Human Resources Officer, both of whom have an extensive background in human capital management, the Board continues to demonstrate its commitment in ensuring talent is part of the conversation and properly nurtured within the organisation.

20250806024 72

Separately, and as noted in the Human Capital Management section of this Annual Report, the Company conducted another LivaNova4You survey in 2024. Over 90% of employees completed the survey, which encompassed questions relating to health and wellness, employment engagement, transformation and change, and overall culture within the Company. In response to feedback from the survey results, leaders within the Company are committed to improving, among other things, communications and workload, collaboration around the organisation, deeper focus on change management strategies, and increased development and career growth opportunities. Throughout this process, the Board has been apprised of the organisation's progress in conducting the survey, reviewing the results, and implementing initiatives in response thereto.

Physicians and Healthcare Professionals

LivaNova's relationships with customers, physicians, and healthcare professionals positively influence the business to enhance the lives of patients. They are essential partners in clinical research, as advisers, and as study investigators. The Company strives to maintain appropriate working relationships with these stakeholders because they provide a detailed understanding of therapeutic and diagnostic developments, trends, and emerging opportunities that allow the Company to respond quickly to the changing needs of providers and patients.

Their concerns. LivaNova's customers, physicians, and healthcare professionals want to know that they are in receipt of quality, effective products and want LivaNova to be held accountable for its products. They want to see innovation responsive to their patients' needs, enough product to respond to patient demand, and a Company operating in an ethical and transparent manner.

How we engage and impact. The Board is acutely aware of the importance of proper engagement with these key stakeholders. LivaNova engages by way of scientific dialogue to increase understanding of disease management, product development possibilities, and patient needs, and the Company ensures it is providing high-quality, balanced information about LivaNova's products and services. In addition, LivaNova engages by collaborating with healthcare professionals on the Company's clinical trials and research. The Board is kept abreast via regular updates during the business and strategic portfolio initiative updates at Board meetings. In April 2024, for example, the lead principal investigator in the RECOVER trial joined the Board meeting to review the status of the RECOVER clinical study and discuss potential scenarios relating to the preliminary results for the unipolar patient cohort. In addition, the Company continues to collaborate with steering committees for both the RECOVER clinical study and the OSPREY clinical study. These committees are made up of medical professionals in the industry, for difficult-to-treat depression and obstructive sleep apnoea, respectively, and their input has directly informed data analysis, coverage discussions, data interpretation, and publication content, all of which are considered in the context of setting the strategic direction of the Company. For further information regarding the importance of this relationship, please refer to the "Risk and Uncertainties" section under the heading entitled *"The continuing development of many of LivaNova's products depends upon the Company maintaining appropriate working relationships with healthcare professionals"* in this Strategic Report.

Suppliers and Distributors.

LivaNova's suppliers and distributors need to be nurtured in order for the Company's business to grow and develop. LivaNova purchases many of the components and raw materials used in manufacturing the Company's products from numerous suppliers in various countries. In some cases, the Company purchases specific components and raw materials from primary or main suppliers (or in some cases, a single or sole supplier) for reasons related to quality assurance, cost-effectiveness, and availability. Because LivaNova manufactures medical devices, the Company is reliant upon these third parties to provide and distribute safe, quality products, to comply with inspection and regulatory review, and importantly, in the face of supply chain delays and disruptions, inflationary pressures, and logistical issues, to maintain supply and distribution channels, especially in instances of sole suppliers for whom we have no alternatives.

Their concerns. The Company's suppliers and distributors may also be experiencing their own supply chain delays and disruptions. They are concerned with maintaining their own business operations and collaborative, fair and ethical partnerships. They desire prompt and fair payment and clear communication regarding specifications, needs, and quality and regulatory restrictions.

How we engage and impact. The Board receives regular updates from the management team on relationships with the Company's key suppliers, and how these relationships and potential risks are evolving as the Company responds to different market conditions and the macro environment. LivaNova continues to experience supply chain delays and interruptions, labour shortages, inflationary pressures, and logistical and capacity constraints, though, to date, the Company's supply of raw materials and the production and distribution of finished products have not been materially affected. The Board is actively involved in these risk discussions, drawing on its experiences and insights, to advise the Company as it works with suppliers to ensure supply continuity, minimise the instances in which the Company relies on a sole supplier and take other countermeasures - such as closely managing the Company's inventory - to reduce the Company's supply chain risk. For more information regarding the significance of the Company's supplier relationships, please review the related "Risk and Uncertainties" section in the Strategic Report of this Annual Report.

20250806024 73

Government and Regulators

Government policy can impact the Company's business operating environment. Product approvals, reimbursement, insurance coverage, and clinical trials are all areas in which governmental bodies affect the economic value and availability of LivaNova's products. In many countries, LivaNova's principal customers are government-owned hospitals, who purchase the Company's products for their national health systems. It is important that the Company maintains good relationships with governments and regulators so that the Company can continue to develop cost efficient and effective solutions for LivaNova's patients.

Their concerns. Governments and regulators are interested in product safety, sustainability, the efficacy of LivaNova's products, compliance with local, legal regulatory requirements, fair competition, and social and economic concerns.

How we engage and impact. The medical device industry is heavily regulated, and LivaNova's worldwide businesses are overseen by many different authorities in various jurisdictions. The Board relies on the management team to effectively manage its relationships with governments and regulators and raise issues of importance as the landscape evolves. In addition, as a matter of normal course, the Board receives regular updates on product quality, sustainability, regulatory matters, and complaints. For more information regarding the intersection between Government, Regulators and LivaNova, please refer to the "Government Regulation and Other Considerations," and the "Non-Financial & Sustainability Information Statements," section of the Annual Report, under the sections titled "Sustainability" and "2024 Greenhouse Gas Report."

Investors and Shareholders

Investors and shareholders are the ultimate owners of LivaNova's business, and it is important for LivaNova to understand their perspectives on capital allocation and how the Company is managed.

Their concerns. LivaNova's investors and shareholders are focused on LivaNova's strategy, performance, and leadership. They want to know that the Board has carefully considered Board refreshment, executive team succession planning, and its compensation philosophy. They desire an understanding of the Company's pipeline, innovation roadmap, business, culture, and values, including with respect to sustainability. Ultimately, LivaNova's investors and shareholders want to know that the Board is representing shareholder interests by ensuring the Company is best positioned to create value.

How we engage and impact. Per corporate governance best practices and LivaNova's Articles of Association, the Board has committed to using, doing, and promoting, among other things, the following at LivaNova: annual Board and committee self-evaluations of its performance; skills surveys to ensure appropriate refreshment in furtherance of the Company's strategy; proactive succession planning; annual elections for directors; majority voting for directors in uncontested elections; supermajority voting to change or amend the Company's Articles of Association; and a prohibition on repricing of grants in equity compensation plans.

Succession planning has been a top priority for the Board and LivaNova's management team. The Board and management proactively address succession planning with the objective of maintaining a pipeline of qualified leaders for the immediate future and long term. The NCG Committee is responsible for CEO succession planning, and the CHCM Committee is responsible for non-CEO executive officer succession planning. The NCG Committee's succession planning process is conducted in the context of the challenges and opportunities facing LivaNova, and the skills and expertise likely to be required by the Company in the future. This process enables the Board to address both longer-term, planned transitions, such as retirements or role changes, as well as short-term, unexpected openings. Furthermore, the CHCM Committee develops and reviews with the Board, plans for succession and talent development of the Company's non-CEO executive officers.

In that vein, in 2024, the Board oversaw the hiring of a new CEO, Mr. Makatsaria, who has extensive experience in establishing culture, talent, and innovative transformation, and a new Chief Innovation Officer, Mr. Tezel, who has an established track record of innovation turnarounds across diverse medical technology platforms. The CHCM Committee was also pleased to welcome a new director and CHCM committee member, Ms. Podlogar, who has expertise in human capital management, innovative and strategic leadership, cultural transformation, and compensation analysis. These intentional moves all came after significant discussion around the needs and strategic direction of the Company.

In addition, and in keeping with the Company's standard practice, the Board, particularly the AC Committee, are actively involved in the review of quarterly and full-year results and corresponding press releases that feed into earnings calls and webcasts. The Investor Relations team provides quarterly updates to the Board on shareholder activity and any significant changes in holdings, and copies of analyst reports on the Company and its peers are circulated regularly to the directors. The AGM is perhaps the most important engagement mechanism allowing (1) the directors to present an annual report containing information about the Company's strategy and performance, and (2) the shareholders the opportunity to exercise their voting rights with respect to important company issues.

Lastly, LivaNova is committed to engagement with the Company's shareholders. The Board is available to meet and respond to investors throughout the year to understand the issues and factors that are significant for these stakeholders, and especially in early 2024, the Company's CEO and Board Chair, Mr. Kozy, engaged with many shareholders in connection with regular earnings calls

20250806024744

and investor conversations. Throughout 2024, management, and at times, certain directors, met with shareholders and potential shareholders on topics including succession planning, human capital management, cybersecurity, company performance, existing and future products, clinical data and milestones, executive compensation, and sustainability matters. LivaNova's Board and management value the perspectives and insights of the Company's shareholders and work to provide its shareholders with continuous and meaningful engagement. The directors welcome the opportunity to engage in regular, fair, and balanced dialogue with the Company's investors to enable the Company's investors to put a fair value on the Company and ensure continued access to capital if needed.

CEO Succession

On 5 February 2024, the Company announced that the Board of Directors appointed Vladimir A. Makatsaria as the Company's CEO and a member of the Board of Directors, effective 1 March 2024. In connection with Mr. Makatsaria's appointment, William A. Kozy stepped down from his position as Interim Chief Executive Officer of the Company on 1 March 2024 and has remained the Chair of the Board since.

This Strategic Report is approved and signed on behalf of the Board.



Vladimir Makatsaria
Chief Executive Officer & Director
28 April 2025

20250806024 75

DIRECTORS' REPORT

LivaNova's Directors

The Directors of the Company, who held office in the year ended 31 December 2024 and up to the date of signing the financial statements, were as follows:

Chair and Executive Director
Mr. William Kozy*

Executive Director
Mr. Vladimir Makatsaria*

Non-Executive Directors

Mr. Francesco Bianchi

Mr. Daniel J. Moore**

Dr. Sharon O'Kane

Mr. Todd Schermerhorn

Ms. Stacy Enxing Seng

Mr. Peter Wilver

Ms. Brooke Story

Mr. James Christopher Barry

Ms. Susan Podlogar***

*Mr. Kozy was a NED and Chair of the Board until 14 April 2023, at which point he was appointed Interim CEO (maintaining his role as Chair of the Board) due to Former CEO Damien McDonald's resignation on that same date. Mr. Kozy returned to his position as an NED and Chair of the Board on 1 March 2024, upon Mr. Makatsaria's appointment as Chief Executive Officer and Director of the Company on the same date.

**Mr. Moore retired from the Board on 11 June 2024 at the conclusion of the 2024 Annual General Meeting.

***Ms. Podlogar was appointed to the Board on 8 October 2024.

Directors' Indemnities

Each director is covered by appropriate directors' and officers' liability insurance, and there are also deeds of indemnity in place between the Company and each director. These deeds of indemnity provide for the Company to indemnify the directors in respect of any proceedings brought by third parties against them personally in their capacity as directors of the Company. The Company would also fund ongoing costs in defending a legal action as they are incurred rather than after judgement has been given. In the event of an unsuccessful defence in an action against them in a criminal or civil action, individual directors would be liable to repay defence costs to the extent funded by the Company. In respect of any investigations or actions taken by a regulatory authority, individual directors would be liable to repay defence costs to the extent funded by the Company if that regulatory authority has determined that the relevant director has acted fraudulently, been grossly negligent, or has engaged in wilful misconduct in relation to that claim.

There were no qualifying pension scheme indemnity provisions in force during the 2024 financial year for the Company's directors.

Company Details and Branches Outside the UK

The Company is a public limited company incorporated in England and Wales with registered number 09451374. The Company's registered address is 20 Eastbourne Terrace, London, England W2 6LG, United Kingdom.

The Company has one branch outside the UK: LivaNova PLC (Italian Branch) in Italy. The registered address for this branch is Via Enrico Cialdini, 16, 20161 Milano, Italy.

Political Donations

The Company has not made any political donations, or incurred any political expenditure, in the period under review. In addition, the Company has not made any contributions to a non-UK political party during the period under review. Moreover, the Company has not sought shareholder approval in relation to political donations.

20250806024476

Dividends and Share Buybacks

No dividend has been proposed during, or in respect of, the course of the year under review, and the Company has never declared a dividend. The Company has no immediate intention to declare and pay dividends.

The Company has not purchased or acquired any of its own shares pursuant to section 659 of the Companies Act 2006 during the course of the year under review. Please see section "Relative importance of spend on pay" in this Annual Report.

Financial Risk Management Objectives/Policies and Hedging Arrangements

Please refer to "Note 4. Financial Risk Management" in the consolidated financial statements for information on LivaNova's financial risk management objectives/policies and hedging arrangements.

Post-Balance Sheet Events

On 14 March 2025, the Italian Supreme Court issued its decision in response to all of the appeals of the Company and counter-appeals submitted by the Public Administrations. The Italian Supreme Court determined that LivaNova can be held jointly and severally liable for the established liabilities of SNIA at the time of demerger as well as the environmental liabilities of the demerged company that materialised after the demerger which are derived from actions performed prior to the demerger; however, the Italian Supreme Court also ruled that the Company should not be held responsible for certain payments previously approved by the Court of Appeal of Milan in the amount of €157 million ($162.9 million) as of 31 December 2024. The case has been referred back to the Court of Appeal of Milan to implement the decisions respecting costs and damages in accordance with the judgement of the Italian Supreme Court.

As a result of the decision by the Italian Supreme Court, the Company recorded a current liability and environmental liability expense of €332 million ($344.4 million) as of and for the year ended 31 December 2024, as its best estimate of the liability inclusive of estimated costs, fees, interest, and taxes. The Company has determined that it has sufficient resources to cover the liability given its cash and cash equivalents of $738.4 million as of 31 March 2025.

On 31 March 2025, as a result of the decision by the Italian Supreme Court, the SNIA Litigation Guarantee was terminated, and the restriction to the cash deposit held as collateral was released.

For additional information, refer to "Note 23. Commitments and Contingencies" of the Company's consolidated financial statements in this Annual Report.

Future Developments/Research and Development

Details of the activities of the Company in research and development, as well as likely future developments are set out in the Business Overview of the Strategic Report.

Greenhouse Gas Reporting

LivaNova reports on the Company's greenhouse gas emissions in the Company's Strategic Report: 2024 Greenhouse Gas Report of this Annual Report.

Section 172 Statement

In accordance with section 172 of the Companies Act 2006, the Board considers the Company's key stakeholders and takes their views and interests into account when making decisions. Please refer to the section: Strategic Report, LivaNova's Approach to Stakeholders.

Statement of Disclosure to the UK Auditor

In accordance with section 418 of the Companies Act 2006, the Directors at the date of this Directors' Report confirm that:

- so far as they are aware, there is no relevant audit information of which the Group's and Company's Auditor is unaware; and
- they have taken all the steps they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Group's and Company's Auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

20250806024777

Auditors

PricewaterhouseCoopers LLP, the Company's Auditor, has indicated its willingness to continue in office, and on the recommendation of the Audit and Compliance Committee and in accordance with section 489 of the Companies Act 2006, a resolution to reappoint it will be proposed at the 2025 AGM.

Statement of Directors' Responsibilities in Respect of the Financial Statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the Company financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 101 and applicable law.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Remuneration Report comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This Directors' Report is approved by order of the Board.

Michael Hutchinson
Company Secretary
28 April 2025

20250806024478

Remuneration Report

Dear Shareholder,

On behalf of the Board, I am pleased to present the Company's Remuneration Report for the year ended 31 December 2024.

LivaNova's 2024 execution and financial performance were strong as demonstrated by revenue growth across all regions and significant adjusted operating margin expansion. We also achieved a 20% increase in adjusted diluted earnings per share, and a substantial improvement in cash generation. Notably, this performance was realised while also investing in innovation and critical capabilities. We are pleased with these financial outcomes as well as the progress made in refining the business strategy and company culture. Moreover, we delivered strong performance under the leadership of a new CEO, Vladimir Makatsaria, who joined the Company in March 2024. Throughout the year, the organisation embraced change and seized performance opportunities as reflected in these results. We are pleased that our 2024 results will allow us to demonstrate our appreciation to our employees in a way that recognises the performance of the Company and considers the competitive positions of global pay arrangements.

Since modifying the CHCM Committee name and charter to include human capital management, the CHCM Committee has focused on refining its compensation philosophy and evolving the Company's mandate around human capital management. As codified in its charter, the CHCM Committee develops and reviews with the Board plans for succession and talent development of the Company's non-CEO executive officers. To that end, the CHCM Committee joined with the NCG Committee for two joint meetings in 2024, to allow for alignment and discussion prior to the formal CEO succession planning review and prior to annual calibration and compensation discussions.

In addition, the CHCM Committee was heavily involved in establishing appropriate compensation packages for key executive additions throughout the year including Mr. Makatsaria, who has extensive experience in establishing culture, talent, and innovation transformations, and a new Chief Innovation Officer, Mr. Tezel, who has an established track record of innovation turnarounds across diverse medical technology platforms. The CHCM Committee was also pleased to welcome a new director and CHCM Committee member, Ms. Podlogar, who has expertise in human capital management, strategic leadership, cultural transformation, and compensation analysis.

Throughout 2024, the CHCM Committee has been committed to progressing its philosophy on compensation and culture within the organisation. We have increased our focus on attracting, motivating, developing, and retaining talent in order to continue cultivating an inclusive culture that supports our patients and communities.

Review of 2024 Performance

In 2024, worldwide revenue was $1.25 billion, an increase of 8.7% on a reported basis, 9.3% on a constant-currency basis, and 10.7% on an organic basis as compared to full-year 2023.

For the full year, Cardiopulmonary revenue increased 13.1% on a reported basis and 14.1% on a constant-currency basis versus full-year 2023 with growth across all regions, driven by increased Essenz Perfusion System sales and strong consumables demand.

For the full year, Neuromodulation revenue increased 6.6% on a reported basis and 7.0% on a constant-currency basis versus full-year 2023 with growth in the Rest of World and U.S. regions, partially offset by a decline in Europe.

For the full year, on a U.S. GAAP basis, operating income was $129.1 million, as compared to an operating loss of $68.5 million for full-year 2023. Adjusted operating income for full-year 2024 was $239.2 million, as compared to adjusted operating income of $169.3 million for full-year 2023.

In addition to the above 2024 financial results, management achieved a number of milestones over the past year:

- In January 2024, the Company announced the wind down of its Advanced Circulatory Support Business Unit in order to increase the Company's strategic focus on its core Cardiopulmonary and Neuromodulation Business Units. The Company retained all Advanced Circulatory Support standalone cannulae products and related accessories, including ProtekDuo™, transseptal (TandemHeart™), and arterial and venous cannulae, along with corresponding insertion kits, which were all transitioned into the Cardiopulmonary Business Unit product portfolio during the first quarter of 2024. Operations and service for other ACS product lines, including LifeSPARC™ and Hemolung™ Systems, were discontinued as anticipated by the end of 2024.
- In March 2024, the Company announced a milestone for its OSPREY clinical study. The study, a prospective, multi-centre, randomised controlled open-label trial, successfully concluded enrolment earlier than anticipated and achieved a positive predictive outcome, indicating a greater than 97.5% probability of meeting its primary endpoint. In November 2024, the Company confirmed that the OSPREY clinical study for patients with moderate to severe obstructive sleep apnoea had met its primary safety and efficacy endpoints, achieving statistical significance in responder rates between the treatment arm and the sham arm for the LivaNova aura6000™ System. In addition, OSPREY demonstrated a significant

20250806024 79

reduction of apnoea-hypopnea index and oxygenation desaturation index against baseline values through six months of therapy.

- In June 2024, the Company announced the preliminary results for the unipolar patient cohort of the RECOVER clinical study, assessing the use of VNS Therapy™ in difficult-to-treat depression. The study did not meet its primary endpoint for the unipolar cohort; however, statistical significance was achieved in select secondary endpoints. These secondary endpoints demonstrated meaningful clinical benefits, as detailed in two articles published in the journal, *Brain Stimulation*, on 18 December 2024, further reinforcing the potential of VNS Therapy™ to improve outcomes for patients with treatment-resistant depression.

2024 Compensation Review

On 5 February 2024, the Company announced the appointment of Mr. Makatsaria as CEO and Director with a commencement date of 1 March 2024, and the return of the ad interim CEO, Mr. Kozy, to his role as an NED and Chair of the Board. Under the terms of Mr. Makatsaria's employment agreement, Mr. Makatsaria received an initial annualised base salary of $930,000 with a target annual bonus equal to 110% of his base salary (pro-rated for 2024). Mr. Makatsaria also received (i) long-term equity incentive awards for the Company's regular 2024 annual grant cycle with a target grant-date value of $5,350,000 as described further below; (ii) special new hire one-time equity grant with an aggregate grant-date value of $1,500,000 (50% in RSUs and 50% in SARs), vesting in equal annual instalments over four years; and (iii) a sign-on cash bonus of $200,000. His employment agreement also provides for certain severance benefits in the event of Mr. Makatsaria's involuntary termination without cause or termination for good reason and required Mr. Makatsaria to enter into the Company's standard forms of confidentiality and restrictive covenant agreements as of his start date.

The 2024 STIP was designed to incentivise the delivery of short-term business targets based on the Company's business strategy, and generate a link between performance and reward, thereby driving the creation of further shareholder value. In this vein, the 2024 STIP included financial objectives - Net Revenue and Adjusted Operating Income (as defined below) — and non-financial goals, as described below. Both Mr. Makatsaria and Mr. Kozy were eligible for the 2024 STIP on a pro-rata basis.

Both of the financial objective targets under the 2024 STIP were overachieved. Net Revenue was overachieved at 104.0% versus target, and Adjusted Operating Income was overachieved at 110.5% versus target, ultimately leading to a payout percentage of 128.7% and 150.0%, respectively, leading to an overall financial objective achievement of 139.4%.

The CHCM Committee set a number of non-financial goals with respect to the 2024 STIP that were deemed to be challenging yet individually achievable, with the maximum scoring for each independent goal set at 125%. Based on the level of achievement of the 2024 non-financial objectives, and considering both quantitative and qualitative results, the CHCM Committee determined a Non-Financial Goal Modifier of 90%. Combined with LivaNova's 2024 STIP financial objective achievement of 139.4%, the STIP produced a payout of 125.4% of target.

The 2024 LTIP for Mr. Makatsaria consisted of grants of SARs with a four-year vesting schedule based on service and a face value of $1,337,500; RSUs with a four-year vesting schedule based on service and a face value of $1,337,500; and PSUs consisting of three separate performance metrics with a three year cliff-vesting schedule (Adjusted ROIC, Relative TSR (rTSR), and Adjusted FCF) with an aggregate face value of $2,675,000 at target payout.

Remuneration Report

We were pleased with the endorsement of LivaNova's compensation of its named executive officers (otherwise known as U.S. Say-on-Pay), which was approved by 95% of the votes cast by shareholders at our 2024 AGM. The advisory vote on the Remuneration Report for the year ended 31 December 2024 also showed strong support with 95% approval of the votes cast. The CHCM Committee took into account shareholder and other stakeholder feedback along with the results of each of these votes and considered all such information when making compensation decisions. The CHCM Committee will continue to ensure that performance outcomes, and any consequent payments, are aligned with business performance.

Remuneration Policy

Our current Remuneration Policy was approved at the 2022 AGM, and we will be seeking shareholder approval for a new Remuneration Policy at the 2025 AGM. Our new Remuneration Policy does not materially differ in substance to our current Remuneration Policy, although certain changes – including those described in the notes to the future policy tables – have been made to increase operational flexibility and to further align remuneration levels and structures with our remuneration peer group in the U.S., so that we can remain competitive during the period for which the new Remuneration Policy is expected to apply. Given the talent market in which LivaNova competes, we use U.S. pay levels and structures as our core reference to establish competitive remuneration levels for our executive directors.

20250806024480

Review of Non-Executive Director and CHCM Committee Fees

Remuneration for our NEDs includes an annual cash retainer for each of the NEDs, cash amounts paid in addition to the basic retainer for the Chair of the Board and for the chairs and members of the three committees of the Board (the Audit and Compliance, Compensation and Human Capital Management, and Nominating and Governance committees — see Single Total Figure of Remuneration - Chair and Non-Executive Directors (Audited) for more details), and annual service-based share awards.

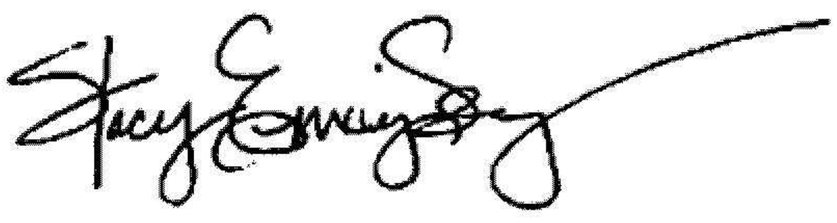
In 2024, to reflect a more appropriate mix of cash and equity per benchmarking data and the advice of the Company's independent compensation consultant, Pearl Meyer, the CHCM Committee recommended to the Board an increase in the grant value of the annual service-based share awards for NEDs of $50,000 (from $130,000 to $180,000 for all NEDs other than the Chair of the Board, and from $205,000 to $255,000 for the Chair of the Board) and a consistent decrease of $50,000 to the NED cash retainer (from $110,000 to $60,000 for all NEDs other than the Chair of the Board, and from $185,000 to $135,000 for the Chair of the Board). On 15 February 2024, the Board approved these changes, effective upon the re-election of the NEDs at the 2024 AGM.

Based on benchmarking data and the advice of its independent compensation consultant, Pearl Meyer, the CHCM Committee recommended to the Board, and the Board approved the following to take effect at the 2025 AGM:

- an increase of $10,000 to the annual non-executive director cash retainer (to $70,000 for non-employee directors other than the Chair of the Board, and to $145,000 for the Chair of the Board);
- an increase of $2,000 to the annual NCG and CHCM Committee member fees (to $10,000 for members other than the Committee Chairs); and
- an increase of $5,000 to the annual non-executive director equity grant date fair market value (to $185,000 for non-employee directors other than the Chair of the Board, and to $260,000 for the Chair of the Board).

Moving forward, the CHCM Committee will continue to monitor the development of best practices relating to all remuneration. We are committed to ensuring that our remuneration is strongly linked to performance and strategy execution, so as to continue delivering sustainable value for our shareholders.

As Chair of the CHCM Committee, I am committed to ensuring an open dialogue with our shareholders and have periodically engaged in shareholder conversations with management this past year. If you have any questions about remuneration generally, or the presentation or the content of this report, please contact me via mail at c/o Company Secretary, LivaNova PLC, 20 Eastbourne Terrace, London W2 6LG, United Kingdom or via email at company.secretariat@livanova.com. I would like to thank my fellow CHCM Committee members for their support throughout the year, and we look forward to your support at our 2025 AGM.



Stacy Enxing Seng
Chair of the Compensation and Human Capital Management Committee
28 April 2025

20250806024481

How LivaNova Establishes Executive Compensation Levels

The Directors' 2022 Remuneration Policy, which aims to encourage directors to perform in a consistent, responsible way with the focus on long-term value creation for the Company's shareholders, became effective immediately after approval at the 2022 AGM. The Committee considers the Company's Remuneration Policy annually to ensure that it remains aligned with business needs and is appropriately positioned relative to the market. However, in the absence of exceptional or unexpected circumstances that may necessitate a change to the Remuneration Policy, there is no intention to revise it more frequently than every three years as required by the Companies Act 2006. Accordingly, the Company is submitting an updated Director's 2025 Remuneration Policy at the 2025 AGM for shareholder vote, to take effect from the conclusion of the 2025 AGM.

LivaNova strives to remain competitive in order to retain key talent, which is essential to the Company's successful operation, and the CHCM Committee continues to monitor the development of best practices relating to remuneration. In keeping with the Remuneration Policy in making executive compensation determinations, the Company relies on several factors to set compensation elements and compensation targets that are consistent with the Company's executive compensation programme objectives, which include:

- **Assessment of Company Performance**

  The CHCM Committee establishes specific, objectively measurable company financial and non-financial performance goals that the Board, the CHCM Committee, and management believe will drive shareholder value. The relative achievement of the performance objectives determines substantially all of the payouts under the Company's short-term incentive plan and its performance-based equity incentive awards.

- **Assessment of Individual Performance**

  Individual performance has a strong impact on compensation.

- **CEO**

  Following discussion with the incumbent CEO, the CHCM Committee sets the CEO's performance objectives for the year. The CHCM Committee and the Chair of the Board meet in executive session annually to assess the incumbent CEO's performance against their performance objectives, their contribution to the Company's performance, their ethics, and other leadership attributes.

- **Benchmarking Analysis**

  The CHCM Committee reviews peer group data based on benchmark analysis provided by its independent compensation consultant, Pearl Meyer, which compares individual pay to comparable roles among LivaNova's peer group. To perform the benchmark analysis, Pearl Meyer uses survey data from Radford Aon, which is the compensation survey platform LivaNova uses for salary benchmark data, as well as data from a pre-established peer group selected by the CHCM Committee.

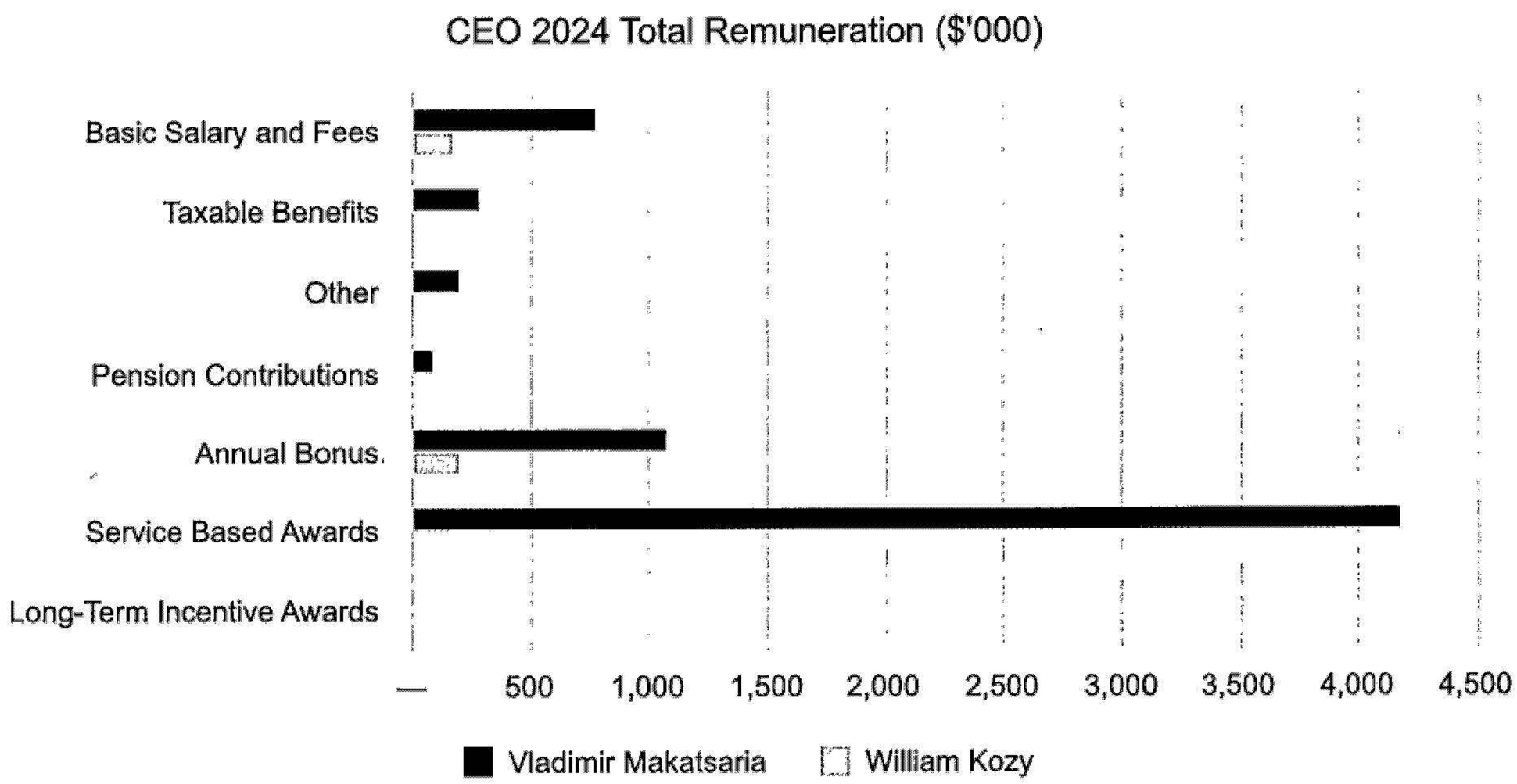
- **Overall Competitiveness**

  The CHCM Committee uses aggregated market data and its peer group as reference points to ensure that executive compensation falls within the broad middle range of comparable pay at peer companies with which the Company competes for talent.

20250806024482

2024 Remuneration Report

Single Total Figure of Remuneration - Executive Director (Audited)



	Basic Salary and Fees ($'000) (1)	*Taxable Benefits ($'000) (2)*	*Pension Contributions ($'000) (3)*	*Other ($'000)*	*Total Fixed ($'000)*	*Annual Bonus ($'000) (4)*	*Service-Based Awards ($'000) (5) (6)*	*Performance-Based Awards ($'000) (5)*	*Total Variable ($'000)*	*Total ($'000)*
Vladimir Makatsaria - 2024	*773*	*277*	*80*	*200*	*1,330*	*1,072*	*4,175*	*—*	*5,247*	*6,577*
William Kozy - 2024	*165*	*2*	*—*	*—*	*167*	*220*	*—*	*—*	*220*	*387*
William Kozy - 2023	*698*	*2*	*—*	*—*	*700*	*1,059*	*1,250*	*—*	*2,309*	*3,009*

(1) In 2024, Mr. Makatsaria was paid a prorated base salary of $772,615 since his start date of 1 March 2024 — based on an annual salary of $930,000. In 2024, Mr. Kozy was paid a prorated base salary of $165,000 until 29 February 2024 — based on an annual salary of $975,000. The amounts Mr. Kozy received as an NED in 2024 are reported separately in the "Single Total Figure of Remuneration - Chair and Non-Executive Directors (Audited)" section below.

(2) In 2024, for Mr. Makatsaria, the taxable benefits column line includes: (i) a relocation assistance payment of $250,000 in connection with temporary living expenses related to his relocation from his current home in NYC to Houston, Texas; (ii) tax assistance in the amount of $7,806; and (iii) medical, dental and vision insurance in the overall amount of $18,838. The benefits column line entitled "Other" comprises a one-time signing bonus of $200,000. In the event of Mr. Makatsaria's employment termination by the Company for cause or by Mr. Makatsaria without good reason prior to the second anniversary of his employment start date, he will be required to repay to the Company: (i) 100% of both his signing bonus and relocation assistance payment if the date of such termination is on or before the first anniversary of his start date; or (ii) 50% of his signing bonus if the date of such termination is on or before the second anniversary, but after the first anniversary of his start date. In 2024, for Mr. Kozy, the taxable benefits column line includes tax assistance amounting to £1,500, the equivalent of $1,917 using a currency conversion rate of £/$ = 1.27796 (average currency rate for the period 1 January 2024 to 31 December 2024). In 2023, for Mr. Kozy, the taxable benefits column line includes tax assistance amounting to £1,500, the equivalent of $1,865 using a currency conversion rate of £/$ =1.24305 (average currency rate for the period 1 January 2023 to 31 December 2023).

(3) In 2024, Mr. Makatsaria received $11,375 from the Company as contributions into the Company-sponsored 401(k) plan. In addition, the Company contributed $68,870 to the Company-sponsored Non-Qualified Deferred Compensation Plan on behalf of Mr. Makatsaria, including the contribution accrued in relation to his bonus payout. Mr. Kozy chose to decline any retirement benefit, despite being eligible for the Company's 401(k) retirement plan and U.S. Non-Qualified Deferred Compensation Plan.

(4) The annual bonus payment for Messrs. Makatsaria and Kozy is explained in the "Short-Term Incentive Plan - Executive Director (Audited)" section below.

(5) Because of LivaNova's strong U.S. nexus (listing and shareholding base), the 2024 LTIP allows for the grant of service-based awards that have no performance requirement, which vest subject to continued service in tranches over one or more years or by cliff vesting, as well as awards with a performance requirement. Due to the difference in design of the 2024 LTIP versus a typical long-term incentive plan in the UK, and in order to provide optimal transparency, LivaNova has created separate columns for such service-based awards and performance-based awards. Amounts recorded in the "Service-Based Awards" column are equal to the full grant date value of the equity awards (Award Value) (whether in the form of RSUs or SARs). As a SAR by definition has zero value at the moment of grant, LivaNova has recorded the grant value approved by the CHCM Committee (i.e., the fair market value of the SARs on the date of grant calculated using the Black-Scholes formula). The "Performance-Based Awards" column does not include any amount for 2024 as the PSU granted in 2024 are subject to a three-year performance period.

20250806024B3

(6) In connection with Mr. Makatsaria's appointment as CEO, the CHCM Committee agreed to a special new hire one-time equity grant with an aggregate grant-date value of $1,500,000 (comprising 50% in RSUs and 50% in SARs), vesting in equal annual instalments over four years, which was granted on 30 March 2024. This amount is in addition to the service-based portion of the 2024 LTIP grant consisting of SARs and RSUs, each with a four-year vesting schedule and a respective face value of $1,337,500. The amounts Mr. Kozy received in service-based RSUs as an NED in 2024 are reported separately in the "Single Total Figure of Remuneration - Chair and Non-Executive Directors (Audited)" section below.

Short-Term Incentive Plan - Executive Director (Audited)

LivaNova's STIP is an annual cash-based incentive bonus plan, which is an important component of the Company's total compensation programme. It provides incentives that compensate the Company's incumbent CEO for achieving objectives intended to enhance shareholder value.

Under English company law, LivaNova is required to adopt a remuneration policy for its directors, including its CEO, who is also a director. Under that shareholder-approved Remuneration Policy, the maximum short-term incentive of the Company's incumbent CEO cannot exceed 200% of his base salary. In 2024, the CHCM Committee approved a lower maximum short-term incentive of 181.8% of target for both Messrs. Makatsaria and Kozy.

The table below shows the minimum, target, and maximum achievement of the target payout under the 2024 STIP:

	2024 STIP Minimum (Percentage of Base Salary)	2024 STIP Target (Percentage of Base Salary)	2024 STIP Maximum (Percentage of Target)[1]
Vladimir Makatsaria	—%	110%	181.8%
William Kozy	—%	110%	181.8%

(1) Per the Remuneration Policy, the maximum bonus opportunity is 200% of base salary.

The performance objectives selected by the CHCM Committee for the 2024 STIP were as follows:

Business Performance Factor	=	(	50 %	Net Sales Payout %	+	50 %	Adjusted Operating Income Payout %	)	X	Non-Financial Goals Modifier %

If the threshold for a financial objective is achieved, funding for that objective is scaled down or up for underachievement or overachievement, respectively, of the objective, as follows:

Net Sales Payout	
Achievement %	Payout %
<93%	0%
93%	50%
Linear Interpolation	
100%	100%
Linear Interpolation	
≥107%	150%

Adjusted Operating Income Payout	
Achievement %	Payout %
<90%	0%
90%	50%
Linear Interpolation	
100%	100%
Linear Interpolation	
≥110%	150%

"Net Sales" is defined as the Company's net sales for 2024 at constant currency exchange rates, excluding net sales from any acquisitions, divestitures, restructuring, and other strategic transactions, in 2024. "Adjusted Operating Income" is defined as the Company's non-GAAP operating income at constant currency exchange rates, after adjustments for the effects of acquisitions, divestitures, restructuring, integration, product remediation, purchase price allocation and intangible amortisation, significant litigation, equity compensation, significant non-cash adjustments, and other infrequent, unusual, or nonrecurring items not incurred in the ordinary course of business.

20250806024484

The non-financial objectives comprise strategic milestones in commercial, clinical, regulatory, R&D, and system capability that will drive revenue generation beyond 2024. The Non-Financial Goal Modifier is determined by the CHCM Committee within a range of 75% to 125% based on its evaluation of performance versus a set of pre-determined non-financial goals.

If the threshold for a Non-Financial Goal Modifier is achieved, then the funding pool is scaled down or up for underachievement or overachievement, respectively, as follows:

Non-Financial Goal Modifier	
Achievement %	Payout %
≤75%	75%
Linear Interpolation	
100%	100%
Linear Interpolation	
≥125%	125%

The CHCM Committee considers both quantitative and qualitative results and applies discretion when evaluating performance and determining the payout factor. The CHCM Committee reserves the right to adjust an individual's bonus based on an overall assessment of their performance and contributions during the plan year.

Bonuses are based on the Company's performance over the calendar year, which is also the Company's financial year, and are generally paid in April of the following year after completion of the audit of the Company's annual financial statements. The Company's performance in 2024, as defined by the 2024 STIP, was as follows:

Financial Objectives	Weight (%)	Target ($M)	Achievement ($M)	Achievement (%)	Financial Payout (% vs Target)
Net Sales	50%	1,218.20	1,267.20	104.0	128.70%
Adjusted Operating Income	50%	219.10	242.20	110.5	150.00%
					139.4%

Non-Financial Objectives

The table below describes the Company's Non-Financial Goal achievements:

Business Area	Description	Weight (%)	Achievement	Achievement description
DTD	Unipolar primary and secondary endpoint table of results delivered by target date	10%	Achieved	Unipolar primary and secondary endpoint table of results delivered ahead of target date
	Randomise additional target number of patients for bipolar cohort in the RECOVER clinical study	5%	Partially achieved	Target number of additional bipolar patients was partially achieved
Epilepsy	Target % of NPIs growth year-over-year	15%	Overachieved	Target % of year-over-year growth in NPIs was overachieved
	Launch partnership care programme in a target number of sites	10%	Overachieved	Partnership care programme was launched in a higher number of sites compared to target
	Two key milestones in R&D to be completed by target date	15%	Partially achieved	Milestones were partially achieved by target date
CP	Two major capacity enhancement initiatives completed by target date	15%	Partially achieved	One of the initiatives was successfully completed, while the second one was partially achieved
	Software release by target date	15%	Partially achieved	Software was launched with a moderate delay versus target date
System Capability	Five system capability objectives related to the implementation of an IT and cybersecurity infrastructure system enhancements	15%	Overachieved	All objectives achieved ahead of the expected timelines
Total		100%		

Based on the level of achievement of the 2024 non-financial objectives and considering both quantitative and qualitative results, the CHCM Committee determined a Non-Financial Goal Modifier of 90%.

20250806024485

Business Performance Factor

Combined with LivaNova's 2024 STIP financial objective achievement of 139.4%, the STIP produced a payout of 125.4% of target.

Percentage Change in Director Remuneration Compared to Other Employees

The table below shows the annual percentage change in remuneration in respect of each of the Company's directors, and the average percentage change in the remuneration of the Company's employees (other than those who are also a director and on a full-time equivalent basis) between 2023 and 2022, 2022 and 2021, 2021 and 2020, and 2020 and 2019:

	Change in 2024 against 2023 (%)			Change in 2023 against 2022 (%)			Change in 2022 against 2021 (%)			Change in 2021 against 2020 (%)			Change in 2020 against 2019 (%)		
	Base salary change %	Benefits change %	Annual Cash Bonus change %	Base salary change %	Benefits change %	Annual Cash Bonus change %	Base salary change %	Benefits change %	Annual Cash Bonus change %	Base salary change %	Benefits change %	Annual Cash Bonus change %	Base salary change %	Benefits change %	Annual Cash Bonus change %
Vladimir Makatsaria	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
William Kozy	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Stacy Enxing Seng	(21)%	N/A	N/A	—%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Todd Schermerhorn	(20)%	N/A	N/A	—%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Francesco Bianchi	(21)%	N/A	N/A	—%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dr. Sharon O'Kane	(29)%	N/A	N/A	+18%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Peter Wilver	(22)%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Brooke Story	(24)%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Daniel J. Moore	N/A	N/A	N/A	—%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Chris Barry	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Susan Podlogar	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Average for all employees	+4%	+36%	(13)%	+4%	+30%	+22%	+3%	+1%	(11)%	+3%	+10%	+223%	+3%	+2%	(16)%

The table above reflects a comparison of the directors' remuneration year over year. "N/A" is used if a change is inapplicable because the director started in the current year, if the number was zero in the prior year or if the comparison is not meaningful (e.g., comparison between taxable travel expenses year over year or for a prorated year with a full year as in the case of the comparison for Mr. Kozy between 2024 and 2023).

By comparison, in 2024 versus 2023, the remaining employees of LivaNova PLC, other than the executive leadership team, received an average base salary increase of 4% and an average taxable benefit increase of 36% (the latter related to the higher cost of employer-provided private medical coverage in 2024 versus 2023). Employees also received an average annual bonus payout decrease of 13% versus 2023. The average annual cash bonus payout was 114% in 2024 versus 131% in 2023.

20250806024486

Single Total Figure of Remuneration - Chair and Non-Executive Directors (Audited)

	Basic Annual Fee		Additional Fee		Benefits		Total Fixed		Service-Based Share Awards		Total	
	($'000) [1][4]		($'000) [1]		($'000) [2]		($'000)		($'000) [3]		($'000)	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
William Kozy	64	32	63	21	17	0	144	53	313	—	457	53
Stacy Enxing Seng	82	110	20	20	14	4	116	134	180	130	296	264
Todd Schermerhorn	82	110	30	30	17	4	129	144	180	130	309	274
Francesco Bianchi	82	110	23	23	21	8	126	141	180	130	306	271
Dr. Sharon O'Kane	82	110	25	41	5	4	112	155	180	130	292	285
Peter Wilver	82	110	23	23	6	4	111	137	180	130	291	267
Brooke Story	82	110	8	8	7	3	97	121	180	130	277	251
Daniel J. Moore	49	110	4	8	17	22	70	140	180	130	250	270
Chris Barry	82	26	19	4	9	0	110	30	180	88	290	118
Susan Podlogar	14	0	2	0	0	0	16	0	121	0	137	0

(1) *The following cash amounts are paid in addition to the annual cash retainer: (i) any NED serving as the Chair of the Board shall receive an additional annual retainer of $75,000 for such service; (ii) any NED serving as the Lead Director shall receive an additional annual retainer of $30,000 for such service; (iii) any NED serving as Chair of the Audit and Compliance Committee shall receive an additional annual retainer of $30,000 for such service and any NED serving as a member of the Audit and Compliance Committee (other than the Chair) shall receive an additional annual retainer of $15,000 for such service; (iv) any NED serving as Chair of the CHCM Committee shall receive an additional annual retainer of $20,000 for such service, and any NED serving as a member of the CHCM Committee (other than the Chair) shall receive an additional annual retainer of $8,000 for such service; and (v) any NED serving as Chair of the NCG Committee shall receive an additional annual retainer of $20,000 for such service and any NED serving as a member of the Nominating and Governance Committee (other than the Chair) shall receive an additional annual retainer of $8,000 for such service. In the "2024" column the amounts of the "Basic Annual Fee" and the "Additional Fee": (i) for Ms. Podlogar, reflect the fees earned since her appointment; and (ii) for Mr. Moore, reflect the fees earned until his retirement. In the "2023" column, the amounts of the "Basic Annual Fee" and the "Additional Fee" for Mr. Barry reflect the fees earned since his appointment.*

(2) *The amounts refer to expense reimbursements for the directors to exercise their roles which are considered taxable under UK tax legislation (in particular: (i) certain travel, accommodation, meals, and other subsistence costs incurred while travelling to attend meetings, on-site visits, and other company-related matters; and (ii) certain expenses incurred in attending continuing professional development courses). For non-UK resident directors, tax treatment of expenses changes depending on the start of director duties in the UK.*

(3) *The figures included for 2024 reflect the annual award of service-based RSUs, which were granted on 15 June 2024, vest on 15 June 2025, and have a grant value of $180,000. Mr. Kozy received two grants, respectively on 30 March 2024 for his prorated Chair grant from 1 March 2024 until the AGM and a full grant as Chair on 15 June 2024.*

(4) *Payments are made quarterly to directors.*

20250806024487

2024 Schemes Interests Awarded (Audited)

Director	Face Value of Award ($)(1)	No. of Shares Subject to the Award (2)	Percentage if Minimum Performance is met for Performance Awards (3)	Closing Share Price on Date of Grant (for Face Value Calculation) ($) (4)	Date of Grant	Expiry of Performance Period	Basis of Award	Type of Award and Performance Criteria
Vladimir Makatsaria	2,674,939	47,818	40%	55.94	30/3/2024	31/12/2026	Fixed value	rTSR PSUs (2)
Vladimir Makatsaria	1,337,414	23,908	20%	55.94	30/3/2024	31/12/2026	Fixed value	FCF PSUs (2)
Vladimir Makatsaria	1,337,414	23,908	50%	55.94	30/3/2024	31/12/2026	Fixed value	ROIC PSU (2)
Vladimir Makatsaria	2,087,457	37,316		55.94	30/3/2024	N/A	Fixed value	Service-Based Vesting RSUs
Vladimir Makatsaria	2,087,474	81,577		25.589	30/3/2024	N/A	Fixed value	Service-Based Vesting SARs
Vladimir Makatsaria Total Face Value 2024 Awards	9,524,698							
William Kozy	57,842	1,034		55.94	30/3/2024	N/A	Fixed value	Service-Based Vesting RSUs
William Kozy	254,971	4,840		52.68	15/06/2024	N/A	Fixed value	Service-Based Vesting RSUs
Francesco Bianchi	179,955	3,416		52.68	15/06/2024	N/A	Fixed value	Service-Based Vesting RSUs
Dr. Sharon O'Kane	179,955	3,416		52.68	15/06/2024	N/A	Fixed value	Service-Based Vesting RSUs
Stacy Enxing Seng	179,955	3,416		52.68	15/06/2024	N/A	Fixed value	Service-Based Vesting RSUs
Todd Schermerhorn	179,955	3,416		52.68	15/06/2024	N/A	Fixed value	Service-Based Vesting RSUs
Peter Wilver	179,955	3,416		52.68	15/06/2024	N/A	Fixed value	Service-Based Vesting RSUs
Brooke Story	179,955	3,416		52.68	15/06/2024	N/A	Fixed value	Service-Based Vesting RSUs
Chris Barry	179,955	3,416		52.68	15/06/2024	N/A	Fixed value	Service-Based Vesting RSUs
Susan Podlogar	121,283	2,355		51.50	15/12/2024	N/A	Fixed value	Service-Based Vesting RSUs

(1) The face value of RSU awards is calculated using the most recent closing market price of an ordinary share of the Company's stock on the Nasdaq on the date of grant. The face value of PSU awards represents the maximum number of PSUs (200% of target) multiplied by the most recent closing market price of an ordinary share of the Company's stock on the Nasdaq on the date of grant. SARs awarded to Mr. Makatsaria are calculated by dividing the award value by the Black-Scholes value of a SAR based on the date of grant ($25.589). With respect to SARs, because a SAR by definition has zero value at the moment of grant, LivaNova has recorded the grant value approved by the CHCM Committee as the face value.

(2) For PSUs, this represents the maximum number of underlying shares (200% of the target).

(3) PSU details are found in the "2024 LTIP (Audited)" section below.

(4) For SAR awards, this represents the Black-Scholes value of one SAR on the date of grant, rather than the closing market price of an ordinary share of the Company's stock on the Nasdaq on the date of grant.

2024 LTIP (Audited)

Mr. Makatsaria

The 2024 LTIP applicable to Mr. Makatsaria comprised both service-based and performance-based awards.

20250806024488

2024 Service Based Awards

Service-Based Restricted Stock Units	Service-Based Stock Appreciation Rights
Mr. Makatsaria received 23,909 service-based RSUs, vesting subject to his continued employment in equal or substantially equal amounts on each of the first four anniversaries of the grant date. The CHCM Committee determined the number of RSUs awarded by dividing the award value in RSUs ($1,337,500) by the most recent closing price ($55.94) of an ordinary share of the Company's stock on the Nasdaq as of the grant date and rounding down to the nearest whole unit. In addition, as part of his inducement award, Mr. Makatsaria received 13,407 RSUs, vesting subject to his continued employment in equal or substantially equal amounts on each of the first four anniversaries of the grant date. The CHCM Committee determined the number of RSUs awarded by dividing the award value in RSUs ($750,000) by the most recent closing price ($55.94) of an ordinary share of the Company's stock on the Nasdaq as of the grant date and rounding down to the nearest whole unit.	Mr. Makatsaria received 52,268 SARs with a strike price of $55.94, vesting subject to his continued employment in equal or substantially equal amounts on each of the first four anniversaries of the grant date. The CHCM Committee determined the number of SARs awarded to each participant by dividing the award value in SARs ($1,337,500) by the Black-Scholes value of a SAR ($25.589) based on the most recent closing price and rounding down to the nearest whole unit. In addition, as part of his inducement award, Mr. Makatsaria received 29,309 SARs with a strike price of $55.94, vesting subject to his continued employment in equal or substantially equal amounts on each of the first four anniversaries of the grant date. The CHCM Committee determined the number of SARs awarded to each participant by dividing the award value in SARs ($750,000) by the Black-Scholes value of a SAR ($25.589) based on the most recent closing price and rounding down to the nearest whole unit.

2024 Performance Based Awards

Relative Total Shareholder Return Performance Stock Units

Mr. Makatsaria received 23,909 PSUs subject to a relative TSR market condition. The CHCM Committee determined the number of PSUs awarded to each participant by dividing the award value in rTSR PSU ($1,337,500) by the most recent closing price ($55.94) and rounding down to the nearest whole unit. At the end of 2026, subject to continued employment, the Company's TSR for the three-year period 2024 through 2026 will be compared to the TSR of the S&P Healthcare Equipment Select Constituents index, and the number of shares of the Company's stock actually delivered to Mr. Makatsaria will be determined by the following chart, with linear interpolation applied between specified levels.

TSR Performance Percentile Rank	Percentage Payout
≥90th	200%
80th	150%
50th	100%
30th	40%
<30th	0%

Subject to continued employment, the following parameters will be used to determine rTSR for the three-year period ending 31 December 2026:

- Stock Price: 30 trading-day average closing prices as of the beginning and end of the performance period;
- Dividend Treatment: Dividend reinvestment approach (using ex-dividend date);
- Relative Performance Measurement:
  - Calculate cumulative TSR for LivaNova and each of the companies in the comparator group; and
  - Compute LivaNova's discrete percentile rank, which is inclusive of LivaNova's TSR (using Excel: *PERCENTRANK* function).

20250806024489

Adjusted FCF Performance Stock Units

Mr. Makatsaria received 11,954 PSUs subject to achievement of a three-year cumulative adjusted FCF target and to his continued employment. The CHCM Committee determined the number of PSUs awarded to each participant by dividing the award value in adjusted FCF PSUs ($668,750) by the closing price ($55.94) and rounding down to the nearest whole unit. Subject to continued employment, the PSUs are scheduled to vest or lapse on 30 March 2027 based on how the Company's adjusted FCF for the fiscal year 2024-2026 compares to target, and the number of shares of the Company's stock actually delivered to the participants will be determined by the following chart, with linear interpolation applied between specified levels.

FCF Achievement Relative to FCF Target	Percentage Payout
≥150%	200%
125%	150%
100%	100%
60%	20%
<60%	0%

For purposes of the plan, adjusted FCF is defined as net cash provided by operating activities less cash used for the purchase of property, plant, and equipment excluding the impact of 3T litigation settlement payments, CARES Act tax stimulus benefits and gains related to dividends received from investments, as determined in accordance with the external definition provided in the LivaNova fourth quarter and full year 2024 performance presentation posted on the Company's website, and further adjusted as needed for other one-time, nonrecurring, unusual, or infrequent charges, expenses or gains, including associated expenses, that may not be indicative of the Company's core business.

Given that adjusted FCF is a key measure of company value, the Board considers the actual target amounts to be too commercially sensitive for disclosure. The CHCM Committee plan to disclose the target amounts after the publication of the Company's 2026 financial results.

ROIC Performance Stock Units

Mr. Makatsaria received 11,954 PSUs subject to achievement of a three-year cumulative adjusted ROIC target and to his continued employment. ROIC is defined as the ratio between Net Operating Profits and Invested Capital. The numerator shows core operating performance, and the denominator denotes the capital required to achieve that performance. Net Operating Profits is defined as the Company's adjusted operating income less share-based compensation expense and is affected by LivaNova's adjusted tax rate. Adjusted operating income and adjusted tax rate are non-GAAP measures, provided in conjunction with the issuance of the Company's quarterly earnings press release. Invested Capital is defined as operating working capital plus other net operating assets. It excludes restricted cash, derivative assets and liabilities, long-term debt, and accrued legal settlements related to LivaNova's 3T matter. The CHCM Committee determined the number of PSUs awarded to each participant by dividing the award value in ROIC PSUs ($668,750) by the closing price ($55.94) and rounding down to the nearest whole unit. Subject to continued employment, the PSUs are scheduled to vest or lapse on 30 March 2027 based on how the Company's ROIC for the period 2024-2026 compares to target, and the number of shares of the Company's stock actually delivered to the participants will be determined by the following chart, with linear interpolation applied between specified levels.

ROIC Achievement Relative to ROIC Target	Percentage Vesting of Award
Target ≥+ 250 bps	200%
Target + 125 bps	150%
Target	100%
Target - 125 bps	50%
Target ≤-250 bps	0%

Given that ROIC is a key measure of company value, the Board considers the actual target amounts to be too commercially sensitive for disclosure. The CHCM Committee plans to disclose the target amounts after the publication of the Company's 2026 financial results.

Payments Made to Past Directors (Audited)

The Company did not make any payments to past directors in 2024.

Payments Made for Loss of Office (Audited)

The Company did not make any payments for loss of office in 2024.

20250806024490

Executive and Non-Executive Directors' Shareholdings (Audited)

To align the interests of the Company's executives and NEDs to those of the Company's shareholders, the Company established Stock Ownership Guidelines detailing the minimum amount of equity expected to be held by certain individuals. Failure to maintain the minimum amount of equity ownership once attained may be a factor considered by the CHCM Committee in recommending and/or approving future awards. The directors believe that meaningful ownership of equity in the Company is an essential element in demonstrating the commitment of its leadership to its primary task of creating value for its shareholders. To further this belief, equity award programmes have been established as part of the overall compensation plans for both officers and directors. Until the relevant stock ownership threshold is achieved by the CEO and each NED, each individual should retain 100% of the net ordinary shares received (i.e., following tax withholding) until the relevant stock ownership threshold has been achieved. Following achievement of the relevant stock ownership threshold, shares received in excess of the stock ownership threshold may be sold, subject to the Company's insider trading policy then in effect.

Shareholding Requirements

Level	Stock Ownership Threshold
Executive Director (CEO)	5 x annual base salary
Non-Executive Directors	5 x annual Board cash retainer

The definition of the "qualifying equity ownership" — used for purposes of satisfying the Company's stock ownership requirements — comprises ordinary shares owned by the individual or held jointly with the individual's spouse or children, and unvested service-based restricted stock units owned by the individual, in each case valued at the closing price of an ordinary share of the Company's stock on the Nasdaq on the measurement date.

Stock Ownership Thresholds are determined by using the most current base salary or annual cash retainer for the covered individual, as applicable, and the closing price of an ordinary share of the Company's stock on the Nasdaq on the relevant measurement date. If there is no closing price on the date in question, Stock Ownership Thresholds will be determined by using the most recent closing price. Share Ownership Thresholds are updated annually on 1 July or when a change in base salary or annual cash retainer occurs, with compliance generally measured on 1 July of each year. Once a director or officer has satisfied their Stock Ownership Threshold as of a measurement date, the Stock Ownership Threshold will continue to be deemed satisfied for such director or officer, regardless of market fluctuations, as long as the director or officer does not sell or transfer any ordinary shares: (i) where the sale or transfer causes the value of his or her holdings to be less than the Stock Ownership Threshold, or (ii) at a time when the value of his or her holdings is less than the Stock Ownership Threshold.

Furthermore, it is expected that any proposed sale of ordinary shares by a director or officer subject to the Stock Ownership Thresholds be assessed for compliance herewith at the time of such proposed sale. In its discretion, at the time of any such proposed sale, the Company may determine to recalculate the applicable Stock Ownership Threshold.

As of 1 July 2024, based on a stock price of $54.48, all directors with the exception of Mr. Makatsaria and Mr. Barry had achieved the Stock Ownership Threshold.

Statement of Directors' Shareholdings and Scheme Interests

Name	Ordinary Shares Held as of 31 December 2024	Ordinary Shares Underlying Scheme Interests Held as of 31 December 2024					Stock Options Exercised in the year ended 31 December 2024
		Unvested RSUs Held as of 31 December 2024	Unvested PSUs Held as of 31 December 2024	Unvested SARs Held as of 31 December 2024	Vested but Unexercised SARs/Stock Options Held as of 31 December 2024	Total as of 31 December 2024	
Vladimir Makatsaria [1]	0	37,316	95,634	81,577	0	214,527	0
William Kozy	27,462	5,874	0	0	0	5,874	0
Daniel J. Moore [2]	27,534	0	0	0	0	0	56,623
Francesco Bianchi	7,522	3,416	0	0	0	3,416	0
Stacy Enxing Seng	8,745	3,416	0	0	0	3,416	0
Dr. Sharon O'Kane	9,494	3,416	0	0	0	3,416	0
Todd Schermerhorn	6,057	3,416	0	0	0	3,416	0
Peter Wilver	3,732	3,416	0	0	0	3,416	0
Christopher Barry	1,356	3,416	0	0	0	3,416	0
Brooke Story	3,476	3,416	0	0	0	3,416	0
Susan Podlogar	0	2,355	0	0	0	2,355	0

20250806024911

(1) All RSUs held as of 31 December 2024 are service-based awards, which were unvested as of 31 December 2024. The 95,634 PSUs represent the maximum number of PSUs. The target number of PSUs is 47,817.

(2) Mr. Moore was granted 56,623 Stock Options on 15 June 2014 by Cyberonics, Inc. that were converted into LivaNova stock options at the merger date with an exercise price of $57.39 and an expiration date of 15 June 2024. Mr. Moore exercised the 56,623 options on 3 June 2024 at the fair market price of $60.10.

Relative Importance of Spend on Pay

The following table sets out the total amounts spent in the year ended 31 December 2024 and the year ended 31 December 2023 on remuneration paid to employees and distributions (comprised of share buybacks and dividends) to shareholders.

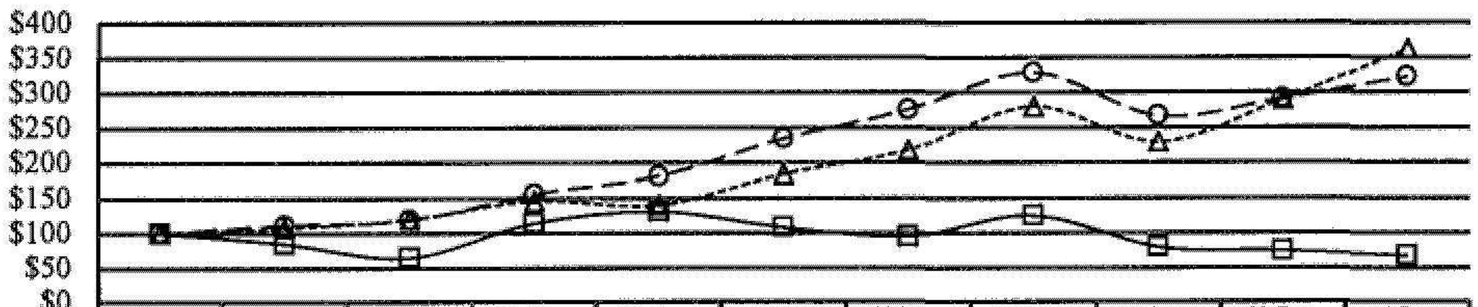
$ thousands	Year Ended 31 December 2024	Year Ended 31 December 2023	% change
Employee remuneration	321,671	311,088	3%
Share buybacks	—	—	N/A
Dividend	—	—	—%

Total Shareholder Return

Performance Graph

The graph below shows the Company's performance measured through TSR on a holding of $100 in the Company's shares between 19 October 2015 and 31 December 2024, compared to the S&P 500 Index and the S&P Healthcare Equipment Index. LivaNova selected these indices as it felt they provided both a broader market benchmark together with a more proximate industry benchmark.

COMPARISON OF 9 YEAR CUMULATIVE TOTAL RETURN*
Among LivaNova Plc, the S&P 500 Index,
and the S&P 500 Healthcare Equipment Select Industry Index



	19-Oct-2015	31-Dec-2015	31-Dec-2016	31-Dec-2017	31-Dec-2018	31-Dec-2019	31-Dec-2020	31-Dec-2021	31-Dec-2022	31-Dec-2023	31-Dec-2024
LivaNova Plc	100.00	84.90	64.31	114.29	130.80	107.87	94.68	125.03	79.42	73.99	66.22
S&P 500	100.00	107.04	119.84	146.01	139.61	183.56	217.34	279.73	229.07	289.28	361.66
S&P Healthcare Equipment Select Industry Index	100.00	111.54	118.77	155.47	180.72	233.71	274.92	328.12	266.24	290.31	322.08

*$100 invested on 19 October 2015 in stock or 30 September 2015 in index, including reinvestment of dividends.
Fiscal year ending 31 December.

CEO Total Compensation

	Year Ended 31 December 2024	Year Ended 31 December 2023	Year Ended 31 December 2022	Year Ended 31 December 2021	Year Ended 31 December 2020	Year Ended 31 December 2019	Year Ended 31 December 2018	Year Ended 31 December 2017	Year Ended 31 December 2016 [3]	19 October 2015 to 31 December 2015
Incumbent	Mr. Makatsaria	Mr. Kozy	Mr. McDonald						Mr. Ballester	
Total Single-Figure Remuneration (thousands $)	6,577	387	3,009	(6,715)	6,904	9,627	4,594	4,077	9,499	4,065	1,968	10,019
Annual Bonus Award (as a % of Maximum) [1]	69%	69%	76%	—	57%	89%	—	16%	66%	57%	53%	107%
Vesting of Long-Term Performance Awards (as a % of Maximum) [2]	N/A	—%	N/A	—%	52%	8%	14%	—	100%	—	25%	100%

20250806024492

(1) In 2018, Mr. McDonald received a payout of 105% which represented 66% of the maximum payable (which was set at 160% of his bonus opportunity). In 2019, he received a payout of 25%, which represented 16% of the maximum payable (which was set at 160% of his bonus opportunity). In 2020, Mr. McDonald did not receive a bonus payout. In 2021, Mr. McDonald received a payout of 142.7%, which represented 89% of the maximum payable (which was set at 160% of his bonus opportunity). In 2022, Mr. McDonald received a payout of 91.4%, which represented 57% of the maximum payable (which was set at 160% of his bonus opportunity). In 2023, Mr. McDonald was not eligible for a bonus payout. The 2023 percentage represents the payout received by Mr. Kozy, who received a payout of 137.5% of his bonus at target, representing 76% of the maximum payable (which was set at 181.8% of his bonus opportunity). The 2024 percentage represents the payout received by Mr. Kozy and Mr. Makatsaria, who each received a payout of 125.4% of their bonus at target, representing 69% of the maximum payable, which was set at 181.8% of their respective bonus opportunities.

(2) 13,353 performance-based RSUs vested during the financial year ended 31 December 2018, which represents 100% of the maximum opportunity for vesting in the 2018 financial year. No performance awards vested in 2019. No performance awards vested in 2020. In 2021, 7,275 FCF PSUs vested. The achievement percentage for the FCF PSUs was 78.58% which is a payout percentage of 57.16% related to performance in 2020. No rTSR PSUs vested, which, together with the FCF PSUs, represented 14% of the maximum payable (which was set at 400%). In 2022, 5,167 FCF PSUs vested — the achievement percentage for the FCF PSUs was 66.8% which is a payout percentage of 33.5% related to performance in 2021. No rTSR PSUs vested, which, together with the FCF PSUs, represented 8% of the maximum payable (which was set at 400%). In 2022, 25,131 rTSR PSUs (73% of the target) and 10,569 FCF PSUs (30.7% of the target) vested, together being 52% of the target PSUs. In 2023, Mr. McDonald did not receive any PSU payout as he forfeited his unvested equity award as a result of his resignation. Mr. Kozy's equity award was only service-based. Mr. Makatsaria's PSUs granted in 2024 will vest based on performance during the three-year period 2024-2026 (ending 31 December 2026).

(3) The figures relating to the CEO's total compensation for the year ended 31 December 2016, and for the period 19 October 2015 to 31 December 2015, reflect the compensation paid to former CEO, Andre-Michel Ballester, who resigned effective 31 December 2016.

As LivaNova has fewer than 250 UK employees, it is exempt from disclosing CEO pay ratio.

2025 Salary and STIP

Mr. Makatsaria

The following table provides the details of base salary and bonus for Mr. Makatsaria in 2025. Mr. Makatsaria received an increase of 3.8% of his base salary from $930,000 to $965,000 effective 1 April 2025. His 2025 target bonus is calculated on the basis of the weighted average base salary during the year.

	2025 Annual Base Salary (weighted avg.) ($)	2025 STIP at Target (% base salary)	2025 STIP at Target ($)
Mr. Makatsaria	956,370	110%	1,052,007

Payment of the target bonus amount will be subject to the achievement of certain financial and non-financial objectives, as described below:

Business Payout	=	Target Bonus	X	Business Performance Factor

The Business Performance Factor will be calculated according to the formula below:

Business Performance Factor	=	(	50 %	Net Sales Payout %	+	50 %	Adjusted Operating Income Payout %	)	X	Non-Financial Goals Modifier %

If the threshold for a financial objective is achieved, funding for that objective is scaled down or up for underachievement or overachievement, respectively, of the objective, as follows:

Net Sales Payout	
Achievement %	Payout %
<93%	0%
93%	50%
Linear Interpolation	
100%	100%
Linear Interpolation	
≥107%	150%

20250806024493

Adjusted Operating Income Payout	
Achievement %	Payout %
<90%	0%
90%	50%
Linear Interpolation	
100%	100%
Linear Interpolation	
≥110%	150%

"Net Sales" is defined as the Company's net sales for 2025 at constant currency exchange rates, excluding net sales from any acquisitions, divestitures, restructuring, and other strategic transactions in 2025. "Adjusted Operating Income" is defined as the Company's non-GAAP operating income at constant currency exchange rates, after adjustments for the effects of acquisitions, divestitures, restructuring, integration, product remediation, purchase price allocation and intangible amortisation, significant litigation, equity compensation, significant non-cash adjustments, and other infrequent, unusual or nonrecurring items not incurred in the ordinary course of business.

The non-financial objectives comprise strategic milestones aligned with the strategic imperatives of the organisation for 2025. The Non-Financial Goal Modifier is determined by the CHCM Committee within a range of 75% to 125% based on its evaluation of performance versus a set of pre-determined non-financial goals.

If the threshold for a Non-Financial Goal Modifier is achieved, then the funding pool is scaled down or up for underachievement or overachievement, respectively, as follows:

Non-Financial Goal Modifier	
Achievement %	Payout %
≤75%	75%
Linear Interpolation	
100%	100%
Linear Interpolation*	
≥125%	125%

The CHCM Committee considers both quantitative and qualitative results and applies discretion when evaluating performance and determining the payout factor. The CHCM Committee reserves the right to adjust an individual's bonus based on an overall assessment of their performance and contributions during the plan year.

Any payout under the 2025 STIP is conditioned on continued employment at the payment date.

Given that Net Sales and Adjusted Operating Income are key measures of company value, the Board considers the actual target amounts of both objectives to be too commercially sensitive for disclosure. The Board also considers the non-financial goals to be too commercially sensitive for disclosure. Accordingly, the CHCM Committee will disclose these after the publication of the Company's 2025 financial results.

The table below shows the minimum and maximum achievement of the target payout under the 2025 STIP, subject to continued employment.

	Minimum	Maximum
Vladimir Makatsaria	0%	187.5%

2025 LTIP

Mr. Makatsaria

On 19 February 2025, the CHCM Committee approved the Company's equity award grant under the 2025 LTIP for Mr. Makatsaria. Pursuant to the 2025 LTIP, on 24 March 2025, the CHCM Committee approved a total equity award in the amount of $5,500,000 comprising five different award vehicles for Mr. Makatsaria, with an effective date of 30 March 2025.

The equity awards are described in more detail below.

	RSUs ($)	SARs ($)	rTSR PSUs ($)	FCF PSUs ($)	ROIC PSUs ($)
2025 LTIP	1,375,000	1,375,000	1,375,000	687,500	687,500

20250806024 94

2025 LTIP Service-Based Awards

RSUs

Mr. Makatsaria received an award of service-based RSUs in the amount of $1,375,000, vesting subject to continued employment, in equal or substantially equal amounts on each of the first three anniversaries of the grant date. The CHCM Committee determined the number of RSUs awarded by dividing the award value by the most recent closing price of an ordinary share of the Company's stock on the Nasdaq as of the grant date and rounding down to the nearest whole unit. In 2025, the CHCM Committee approved a change to the 2025 LTIP, moving from four-year instalment vesting to three-year instalment vesting in line with market practice.

SARs

Mr. Makatsaria received an award of SARs in the amount of $1,375,000, vesting subject to continued employment, in equal or substantially equal amounts on each of the first four anniversaries of the grant date. The CHCM Committee determined the number of SARs awarded by dividing the award value by the Black-Scholes values of a SAR on the grant date and rounding down to the nearest whole unit.

2024 LTIP Performance-Based Awards

rTSR PSUs

Mr. Makatsaria received an award of PSUs in the amount of $1,375,000, subject to a three-year rTSR market condition and continued employment. At the end of 2027, subject to continued employment, the Company's TSR for the three-year period 2025 through 2027 will be compared to the TSR of the S&P Healthcare Equipment Select Constituents index, and the number of shares of the Company's stock actually delivered to Mr. Makatsaria will be determined by the following chart, with linear interpolation applied between specified levels.

TSR Performance Percentile Rank	Percentage Funding for Objective
≥90th	200%
80th	150%
50th	100%
30th	40%
<30th	0%

FCF PSUs

Mr. Makatsaria received an award of PSUs in the amount of $687,500 subject to achievement of a three-year cumulative adjusted FCF Target and continued employment. These FCF PSUs were subject to a three-year cliff vesting period. At the end of 2027, subject to continued employment, adjusted FCF measurement for the year will be compared to the adjusted FCF Target, and the number of shares of the Company's stock actually delivered to Mr. Makatsaria determined by the following chart, with linear interpolation applied between specified levels.

FCF Achievement Relative to FCF Target	Percentage Funding for Objective
≥150%	200%
125%	150%
100%	100%
60%	20%
<60%	0%

Adjusted FCF is defined as net cash provided by operating activities less cash used for the purchase of property, plant, and equipment excluding the impact of 3T litigation settlement payments, SNIA Financing, 2024 Financing Transactions, CARES Act tax stimulus benefits, and gains related to dividends received from investments, as determined in accordance with the external definition provided in the LivaNova Q4 and full year 2026 performance presentation posted on the Company's website, and further adjusted as needed for other one-time, nonrecurring, unusual or infrequent charges, expenses, or gains, including associated expenses, that may not be indicative of the Company's core business. The Board considers the actual target amount to be too commercially sensitive for disclosure and will disclose it after the publication of the Company's 2027 financial results.

20250806024495

Return on Invested Capital PSUs

Mr. Makatsaria received an award of PSUs in the amount of $687,500, subject to achievement of a three-year average minimum threshold ROIC Target and continued employment. At the end of 2027, subject to continued employment, the ROIC measurement for the year will be compared to the ROIC Target, and the number of shares of the Company's stock actually delivered to Mr. Makatsaria will be determined by the following chart, with linear interpolation applied between specified levels.

ROIC Achievement Relative to ROIC Target	Percentage Funding for Objective
Target ≥ + 250 bps	200%
Target + 125 bps	150%
Target	100%
Target − 125 bps	50%
Target ≤ −250bps	0%

ROIC is defined as the ratio between Net Operating Profits and Invested Capital. The numerator shows core operating performance, and the denominator denotes the capital required to achieve that performance. Net Operating Profits is defined as the Company's adjusted operating income less share-based compensation expense and is affected by LivaNova's adjusted tax rate. Adjusted Operating Income and adjusted tax rate are non-GAAP measures, provided in conjunction with the issuance of the Company's quarterly earnings press release. Invested Capital is defined as operating working capital plus other net operating assets. It excludes restricted cash, derivative assets and liabilities, long-term debt, and accrued legal settlements related to LivaNova's 3T matter.

The Board considers the actual target amounts to be too commercially sensitive for disclosure. The CHCM Committee plans to disclose the target amounts after the publication of the Company's 2026 financial results.

2025 Service-Based Share Awards and Committee Fees for Non-Executive Directors

Based on benchmarking data and upon the advice of its independent compensation consultant, Pearl Meyer, the CHCM Committee recommended to the Board:

- an increase of $10,000 to the non-executive director cash retainer (to $70,000 for non-executive directors other than the Chair of the Board, and to $145,000 for the Chair of the Board);
- an increase of $2,000 to the annual NCG and CHCM committee member fees (for members other than the committee Chairs) to $10,000; and
- an increase of $5,000 to the annual non-executive director equity grant date fair market value (to $185,000 for non-executive directors other than the Chair of the Board, and to $260,000 for the Chair of the Board).

In April 2025, the Board approved these changes, to take effect at the 2025 AGM. No other changes were made to director compensation in 2025.

Role of the CHCM Committee and Members

The Chair of the CHCM Committee is Stacy Enxing Seng, and the other members of the CHCM Committee are Peter Wilver, Francesco Bianchi, and Susan Podlogar, all of whom are NEDs that the Company considers to be independent. Ms. Enxing Seng joined the CHCM Committee in 2019 and became Chair in 2021. Mr. Bianchi has served on the CHCM Committee since 2015. Mr. Wilver has served on the CHCM Committee upon joining the board in 2022. Ms. Podlogar has served on the CHCM Committee upon joining the board in 2024. The CHCM Committee's charter is available on the Company's website.

The CHCM Committee has authority: (i) to determine and approve the corporate goals and objectives applicable to the compensation of the Company's incumbent CEO, (ii) to assess the incumbent CEO's performance annually in light of such goals and objectives, and (iii) then, to determine and approve the incumbent CEO's compensation level based on this evaluation. The incumbent CEO is not present during discussions about their own compensation. The CHCM Committee has authority to determine and approve the compensation of all other executive officers. The CHCM Committee is also entrusted with reviewing and approving incentive plans and equity-based plans that apply on a broader basis, including for the incumbent CEO and other executive officers.

202508060024496

Role of the Independent Compensation Consultant

The CHCM Committee has the sole authority to retain (and terminate the retainer of) a compensation consultant to assist with its responsibilities, as well as the sole authority to approve the consultant's fees, which the Company will then pay. Following a yearly review and based on successful prior-year collaboration, for 2024, the CHCM Committee directly engaged an independent compensation consultant, Pearl Meyer, to advise on competitive pay practices, recommend a peer group for compensation purposes, provide market data, assist the CHCM Committee in the analysis of that data, and attend all regular meetings of the CHCM Committee.

During 2024, Pearl Meyer did not perform any services for the Company, the Company's executive officers, or other employees. Based on these factors, the CHCM Committee's evaluation of Pearl Meyer's independence pursuant to the requirements approved and adopted by the SEC and Nasdaq, and information provided by Pearl Meyer, the CHCM Committee determined that the work performed by Pearl Meyer did not raise any conflicts of interest, and that the advice the CHCM Committee received from Pearl Meyer was objective and independent.

The Company paid Pearl Meyer a total of $196,004 for the services indicated above for 2024, computed on the basis of Pearl Meyer's hourly rates for services rendered, multiplied by the number of hours required to generate the reports and including administrative service fees.

Service Contracts

LivaNova's NEDs do not have service contracts; they are elected for a one-year term. The Company's CEO, Mr. Makatsaria, is employed by LivaNova USA Inc., a wholly owned subsidiary of the Company, under an employment letter effective 1 March 2024.

Statement of Voting at Prior Annual General Meetings

At the 2024 AGM held on 11 June 2024, votes on the advisory vote to approve the Remuneration Report were as follows:

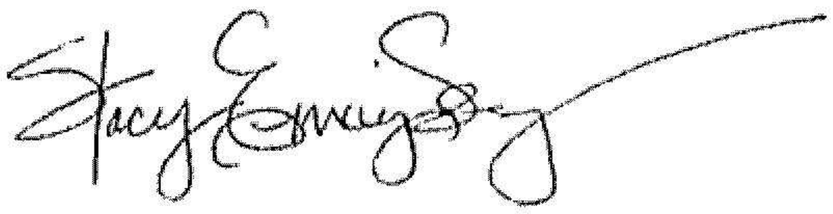
To approve, on an advisory basis, the UK Directors' Remuneration Report in the form set out in the Company's Annual Report and Accounts for the period ended 31 Dec 2023			
Votes	**For**	**Against**	**Abstentions**
	43,282,674	2,121,404	18,752
Percentages %	95.28	4.67	0.04

The Remuneration Policy was last approved by shareholders at the 2022 AGM held on 13 June 2022. The results are below, and the approved policy is available on the Investor Relations page of the Company's website at *https://investor.livanova.com/annual-reports.*

To approve the Directors' Remuneration Policy			
Votes	**For**	**Against**	**Abstentions**
	43,264,007	635,048	30,723
Percentages %	98.48	1.45	0.07

Under English law, an abstention is not a vote in law and is not counted in the calculation of the proportion of votes "for" or "against" the resolution.

This Remuneration Report was approved by the Board.



Stacy Enxing Seng

Chair of the Compensation and Human Capital Management Committee

28 April 2025

20250806002497

Directors' Remuneration Policy for Approval at the 2025 AGM

Directors' Remuneration Policy

The 2025 Policy will take effect from the conclusion of the 2025 AGM, subject to shareholder approval being obtained at the 2025 AGM.

Implementation and Review of the 2025 Policy

Once the 2025 Policy is approved, the Company will make remuneration payments and payments for loss of office to current, former, or prospective directors only if the payment is consistent with the 2025 Policy, or if the shareholders approve an amendment to the 2025 Policy authorising the Company to make such payment.

The CHCM Committee will consider the 2025 Policy annually to ensure that it remains aligned with business needs and is appropriately positioned relative to the market. However, in the absence of exceptional or unexpected circumstances that may necessitate a change to the 2025 Policy, there is no intention to revise the 2025 Policy more frequently than every three years as required by the Companies Act 2006. Any change to the 2025 Policy prior to its next binding shareholder vote would require the approval of both the Board and its shareholders.

Determination of the 2025 Policy

The 2025 Policy was informed by the CHCM Committee, of which all members are independent non-executive directors. The 2025 Policy was also approved by the full Board. The CHCM Committee determined the 2025 Policy with specific objectives in mind:

- **Providing a competitive remuneration package that attracts, motivates, and retains talented directors with the skills and experience to ensure the Company's long-term success and enhance shareholder value.** LivaNova utilises multiple pay and reward vehicles that work together to achieve the Company's overall remuneration objectives. These vehicles are intended to deliver a competitive package to each of LivaNova's directors that is focused on rewarding performance and retaining talent, while maintaining alignment with shareholder interests.
- **Ensuring a meaningful link between LivaNova's operational performance, shareholder interests, and corporate governance, and the total remuneration received by the Company's executive directors.** A substantial portion of the Company's executive directors' remuneration is based on the collective performance of LivaNova's management team, as measured by the achievement of specific, key company objectives. The emphasis on overall performance is designed to focus on the Company's executive directors, working as a team with other senior executives, on a common purpose, using shared performance standards aligned with shareholder interests and the highest levels of integrity, teamwork, and ethical standards within the Company.
- **Balancing the components of remuneration so that both short-term (annual) and long-term (multi-year) performance objectives are recognised**. LivaNova's success depends on its executive directors being focused on the critical strategic and tactical objectives, both short- and long-term, that lead to the Company's success. The components of LivaNova's remuneration package, coupled with the performance objectives, align the Company's executive director remuneration with its business objectives. The design of the programme, the selected performance objectives, and the timing of awards and payouts, are all intended to drive business performance and increase shareholder returns.
- **Considering a U.S. pay level and structure as the core reference for LivaNova's remuneration programmes.** Given the talent market in which LivaNova competes and consistent with the Company's remuneration peer group, LivaNova uses U.S. pay levels and structures as its core reference to establish competitive remuneration levels for the Company's executive directors. As a result of the multinational nature of the Company and its operations, LivaNova also considers remuneration and benefit trends and practices of the countries where the Company hires its executive directors.

In seeking to achieve the above objectives, the CHCM Committee has been mindful of the views of a broad range of stakeholders in the business and, accordingly, takes account of a number of factors when setting remuneration, including market conditions, pay and benefits in relevant comparator organisations, terms and conditions of employment across the Company, the Company's risk appetite, the expectations of institutional shareholders, and any specific feedback received from shareholders and other stakeholders. In addition, the CHCM Committee has reviewed peer-group data and broader market survey as a market check for remuneration decisions, though it has not based remuneration targets on peer-group or market survey data alone.

Legacy Arrangements

Any remuneration commitments or contractual arrangements made prior to the date on which the 2025 Policy becomes effective, such as historical share awards or the provision of equipment such as laptops, tablets, and mobile phones, will be honoured during the life of the 2025 Policy in accordance with their original terms.

20250806024498

Executive Director Remuneration Policy Table

The Company's policy on the components of executive director remuneration, including how each component supports its short- and long-term strategic objectives, how it operates, and whether the component is new or has been changed in the 2025 Policy, is set out in the table and accompanying notes below:

Purpose and Link to Strategy	Operation	Maximum Opportunity	Performance Measure
	Base Salary		
Base salary is an important part of the total remuneration package, and is designed to reflect an executive director's position, duties and responsibilities. Base salary helps balance the incentive portions of the remuneration package, and thereby provides stability and reduces the incentive for excessive risk-taking.	• Factors considered by the CHCM Committee in determining base salary levels, and any subsequent increases, include: – the individual's role, experience, tenure, and responsibilities, including any recent changes in those responsibilities; – the strategic importance of the position; – independently sourced data for relevant comparator companies; – market conditions; – changes in size, value, or complexity of the Company; – remuneration (and changes in remuneration) for other members of senior management; and – external, independent advice relating to any of the foregoing. • Salaries are reviewed annually by the CHCM Committee. • Salaries are typically paid in the currency of an executive director's country of residence. • Base salaries are not subject to clawback, recoupment, or mandatory deferral.	There is no maximum that may be paid in respect of base salary, to ensure the Company remains competitive.	No specific performance measures apply, but the overall performance of the Company is a key consideration when determining salary changes.

Purpose and Link to Strategy	Operation	Maximum Opportunity	Performance Measure
	Benefits		
Designed to attract and retain executive directors with the capability of driving the Company's corporate strategy.	• Benefits may vary depending on the personal choices, country of residence, and circumstances of the executive director. • Benefits that may be offered include, but are not limited to: – private medical insurance for the executive director and their family; – life insurance; – income protection (i.e., long-term incapacity/disability cover); – holiday pay; – relocation benefits; – tax and immigration assistance; – directors' and officers' insurance; and – reimbursement of travel and other expenses properly incurred in the discharge of an executive director's duties. • The Company has discretion to offer additional, or alternative, benefits and perquisites to executive directors to reflect changes in personal circumstances, changes in market practice, or where otherwise considered reasonable in the discretion of the CHCM Committee. • The Company also provides different benefits in the various jurisdictions in which it operates. Alternative benefits may be offered in the future if executive directors reside outside of the United States. If an executive director joins the Board, the Company expects to provide that executive director with benefits customary for senior leaders in that executive director's home country. • Tax on benefits is borne by executive directors, except where an arrangement (such as a PSA), is in place. No tax gross-up is provided.	Benefits are not subject to any maximum.	N/A

20250806024499

Purpose and Link to Strategy	Operation	Maximum Opportunity	Performance Measure
	Pension Contributions		
Designed to attract and retain executive directors with the capability of driving the Company's corporate strategy.	• The Company maintains a qualified 401(k) plan and a NQDCP that enables eligible U.S. employees, including executive directors, to save for retirement through a tax-advantaged combination of employee and Company contributions. • Pension contributions paid by the Company are based on the aggregate of an executive director's base salary and any short-term incentive paid. • The Company has discretion to offer additional, or alternative, pension benefits (including cash payment in lieu of pension contributions) to executive directors to reflect changes in personal circumstances, changes in market practice, or where otherwise considered reasonable in the discretion of the CHCM Committee. • The Company also provides different pension benefits in the various jurisdictions in which it operates. Alternative pension benefits may be offered in the future if executive directors reside outside of the United States. If an executive director joins the Board, the Company expects to provide that executive director with pension benefits customary for senior leaders in that executive director's home country.	401(k) and NQDCP contributions are matched by the employer within certain limits applicable to all eligible employees, but there is discretion under both plans to exceed the relevant limits. In all cases, pension contributions (or cash payments in lieu) will be limited to 25% of an executive director's base salary and short-term incentive payout, subject to applicable law.	N/A

20250806025000

Purpose and Link to Strategy	Operation	Maximum Opportunity	Performance Measure
	Short-Term Incentives		
Designed to incentivise the delivery of short-term business targets based on the Company's business strategy, and generate a link between performance and reward, thereby driving the creation of further shareholder value.	• Based on the achievement of a combination of financial and/or non-financial targets, with the majority of the short-term incentive assessed against financial measures. • The CHCM Committee has ultimate discretion to determine the structure and settlement methods of any short-term incentive, including as to whether any incentive is paid in cash or in other forms such as shares or options. • Short-term incentive target percentages of base salary for any executive director are reviewed on an annual basis in light of the factors considered by the CHCM Committee as set out above under "Base Salary." • Achievement of financial and non-financial targets is verified by the CHCM Committee, and the CHCM Committee may apply judgement in making appropriate adjustments to short-term incentive outcomes to ensure they reflect underlying business performance. • The Company may recoup short-term incentive remuneration under the LivaNova Compensation Recoupment Policy and the LivaNova PLC Incentive Compensation Clawback Policy, each as may be amended from time to time. • No mandatory deferral period applies to short-term incentive remuneration.	The maximum short-term incentive opportunity applicable to a particular annual performance period will be determined by the CHCM Committee prior to the start of that period and disclosed in the Company's Directors' Remuneration Report. Regardless of the prevailing maximum, the CHCM Committee may, in appropriate circumstances, approve a higher payout to a particular executive director to reflect exceptional business performance, individual contribution, or unforeseen or exceptional circumstances. In no circumstances, however, will an executive director's maximum short-term incentive opportunity exceed 225% of their base salary. In addition, the payout for threshold performance will not exceed 50% of the target payout. For 2025, achievement levels between threshold and target resulted in payouts from 41.25% to 110% of base salary, and achievement levels between target and maximum resulted in payouts from 110% to 206.25% of base salary.	• Financial and non-financial performance targets are set at the start of the annual performance period by the CHCM Committee, and short-term incentive payout levels are determined by the CHCM Committee based on performance against those targets after the completion of the performance period. • The selection of performance targets reflects the delivery of the Company's key strategic priorities in the shorter term. Such measures may include, but are not limited to, growth measures, investment return measures, cash generation measures, efficiency measures, product development measures, human capital measures, and sustainability-related metrics, any of which may be measured in absolute terms or as compared to an incremental increase or decrease, the results of a peer group, or market performance indices or indicators. • The weighting between different performance measures is determined each year according to business priorities. Due to commercial sensitivity, details of the applicable performance measures, and the weighting between them, will be disclosed retrospectively in the Company's Directors' Remuneration Report for the financial year in which such performance measures applied (and the payout is included in the Single Total Figure of Remuneration).

20250806025O1

Purpose and Link to Strategy	Operation	Maximum Opportunity	Performance Measure
	Long-Term Incentives		
Designed to promote the success of the Company by aligning the individual interests of executive directors to those of the Company's shareholders over a longer period.	• Long-term incentive awards may be granted in the form of stock options, SARs, RSUs, PSUs, and other share and cash-based awards. • Awards may be subject to service-based and/or performance-based vesting over a defined period (normally over a period of three or more years), with either cliff or tranche vesting both as a retention tool and to align with long-term Company objectives. • The value of equity awards granted to any executive director is reviewed on an annual basis in light of the factors considered by the CHCM Committee as set out above under "Base Salary." • The number of RSUs/PSUs is determined by dividing the award value by the closing price of an ordinary share of the Company's stock on the Nasdaq on the date of grant (assuming this is a trading day, and otherwise on the most recent trading day), and rounding down to the nearest full unit. The number of SARs is calculated using the Black-Scholes model for the value of one SAR. • The Company may recoup long-term incentive remuneration under the LivaNova Compensation Recoupment Policy and the LivaNova PLC Incentive Compensation Clawback Policy, each as may be amended from time to time. • The Company's executive directors are subject to the Company's stock ownership guidelines in place from time to time. No separate deferral or holding period applies to awards, or to the shares acquired following the vesting and settlement of awards. • The CHCM Committee approves awards with an effective date that reflects any predetermined annual equity award grant date established by the Company from time to time. The Board may meet on or prior to the relevant grant date without any regard as to the Company's possession or not of material non-public information and approve equity awards with an effective date on the relevant grant date.	The maximum aggregate number of shares with respect to one or more awards that may be granted to any one person during any calendar year is 1,250,000, and the maximum aggregate amount of cash that may be paid to any one person during any calendar year with respect to one or more awards payable in cash is $12,500,000. Subject to the above, the Company does not have a fixed limit as to the size or value of equity-based remuneration awards awarded to executive directors in any one year, or in the aggregate over a period of years.	• Performance measures may include any of the performance measures described above under "Short-Term Incentives," any of which may be measured in absolute terms or as compared to an incremental increase or decrease, results of a peer group, or market performance indices or indicators. • The CHCM Committee verifies the relevant achievement of performance and market conditions after the completion of the performance period, but before the vesting of performance-based awards. • Individual performance awards are not made subject to more than one performance measure, although the Company may make multiple grants and provide for each one to be subject to a different performance measure, based on the weight of each performance component. • The weighting between different performance measures is determined prior to the relevant grant according to business priorities. Due to commercial sensitivity, because the determination of performance measures reflects the delivery of the Company's key strategic priorities at the relevant time, details of the applicable performance measures (including the extent of vesting at threshold and further levels of performance), and the weighting between them, will be disclosed retrospectively in the Company's Directors' Remuneration Report for the financial year in which final vesting is determined as a result of the achievement of such performance measures (and the information is included in the Single Total Figure of Remuneration).

Purpose and Link to Strategy	Operation	Maximum Opportunity	Performance Measure
	Employee Share Purchase Plan (ESPP)		
As above.	• The Company's executive directors can participate in the Company's ESPP on the same basis as all other employees. • Shares purchased under the ESPP by U.S.-based employees, including the Company's executive directors, are not subject to clawback, recoupment, or deferral.	Up to plan or sub-plan maximum, on the same basis as other employees in the same jurisdiction.	N/A

20250806025O2

Notes to the Executive Director Remuneration Policy Table

1. Performance Measures and Targets

In line with market practice among the Company's peers, time-vesting awards under the 2025 Plan have no performance conditions, but performance awards are subject to the achievement of specified performance targets articulated upon grant. The determination of performance measures applicable for performance-vesting awards under the 2025 Plan reflects the delivery of the Company's key strategic priorities in the longer term.

By way of illustration, the PSUs granted under the LivaNova PLC 2022 Incentive Award Plan during 2024 are subject to the following three performance measures, which were chosen because they:

- Demonstrate the return on the Company's stock by way of a three-year relative TSR market condition, which is its TSR over the period as compared to the TSR of the S&P Healthcare Equipment Select Industry Index. This index was selected by the CHCM Committee on the advice of its independent advisor. The table below shows the percentage of Target PSUs earned in relation to the achievement level.

TSR Performance Percentile Rank	Percentage of Target PSUs Earned
≥90th	200%
80th	150%
50th	100%
30th	40%
<30th	0%

- Assess how efficient the Company is at generating cash by comparing a three-year cumulative adjusted FCF against a FCF target. The table below shows the percentage of Target PSUs earned in relation to the achievement level.

FCF Achievement Relative to FCF Target	Percentage of Target PSUs Earned
≥150%	200%
125%	150%
100%	100%
60%	20%
<60%	0%

- Signal and encourage effective financial stewardship by utilising ROIC, which aims to estimate core operating performance, excluding the impact of financing/capital structure decisions. The table below shows the percentage of Target PSUs earned in relation to the achievement level.

ROIC Achievement Relative to ROIC Target	Percentage of Target PSUs Earned
Target ≥ +250 bps	200%
Target +125 bps	150%
Target	100%
Target – 125 bps	50%
Target < – 250 bps	0%

20250806025O3

2. New and Amended Components

Whilst all of the components of the remuneration package for the Company's executive directors included in the policy table above formed part of the corresponding remuneration package in the 2022 Policy, the following changes have been made to increase operational flexibility for the Company, and to further align remuneration levels and structures with the Company's remuneration peer group in the United States so that it can remain competitive during the period for which the 2025 Policy is expected to apply:

- the requirement for base salary changes to apply from 1 April of each year has been removed;
- the Company has clarified that additional or alternative benefits (including pension benefits) may be provided to reflect relevant circumstances, or in the CHCM Committee's discretion, including if executive directors reside outside of the United States;
- the maximum short-term incentive opportunity has been increased slightly from 200% to 225% of base salary to provide the ability to pay executive directors based on calculated performance;
- the Company has clarified that, whilst its long-term incentive awards normally have vesting periods of three or more years, there is flexibility under the 2025 Plan to provide for shorter periods; and
- the Company has adjusted the calculation process for RSUs/PSUs such that, going forward, the award value will be divided by the closing price of an ordinary share of the Company's stock on the date of grant, rather than by the most recent closing price.

3. Differences Between the 2025 Policy and the Remuneration Policy for Employees

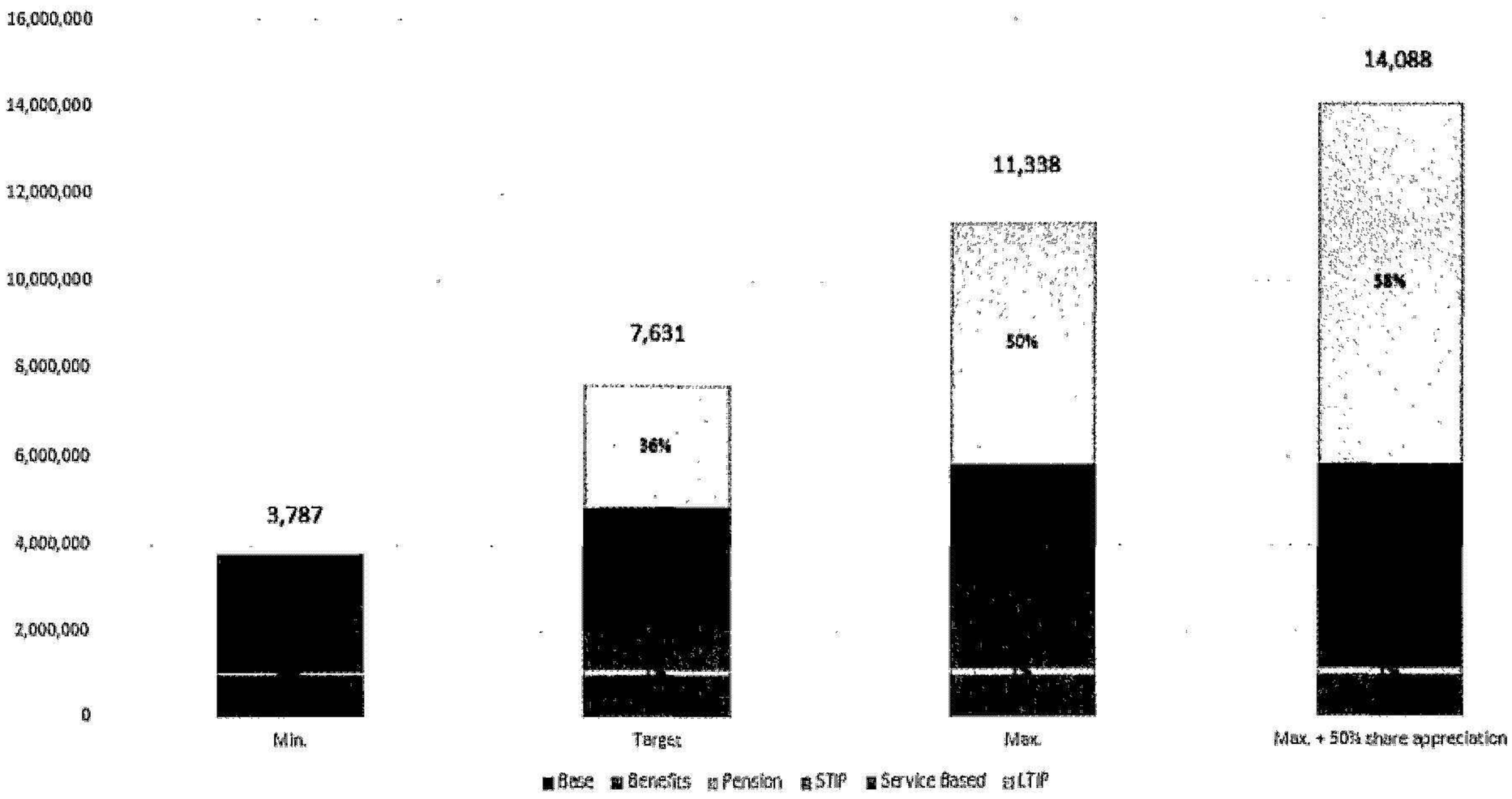
The remuneration policy for LivaNova employees is based on the same philosophy and principles that govern the 2025 Policy as it relates to executive directors, in that the Company's overarching principles are to design a remuneration structure that attracts, motivates, and retains high-calibre talent, all while supporting the delivery of the Company's business strategy. For both executive directors and other employees, annual salary reviews consider Company and individual performance, local pay and market conditions, and salary levels for similar roles in relevant geographies. However, one key difference between the 2025 Policy as it relates to the remuneration of executive directors and the Company's policy for other employees is that, overall, at the executive director level, remuneration is increasingly long-term and "at risk" with an emphasis on performance-related pay linked to business performance and share-based remuneration. This ensures that the remuneration of the Company's executive directors will increase or decrease in line with business performance, and provides alignment between the interests of executive directors and shareholders. For executive directors, there is also a greater focus on severance-related benefits.

Illustration of the Application of the 2025 Policy for the Company's Executive Director for the Year Ending 31 December 2025

The following chart indicates, in respect of the Company's one executive director, the level of remuneration that would be received by him under the 2025 Policy for the year ending 31 December 2025, under four different performance scenarios (minimum, target, maximum not allowing for any share price appreciation on his PSU awards, and maximum allowing for 50% share price appreciation on his PSU awards). The amounts (in thousands) are computed in accordance with the 2025 Policy, and by applying the following assumptions:

- his weighted average base salary is $956,370 as a result of his base salary of $930,000 until 31 March 2025 and $965,000 as of 1 April 2025;
- the value of benefits included is $27,000, as reported as part of the single total figure of remuneration in the Company's Directors' Remuneration Report for the year ending 31 December 2024, excluding the one-time relocation assistance payment and cash sign-on bonus;
- the value of pension contributions included is $15,000 plus 4% of base and bonus;
- his target bonus for 2025 is 110% of the weighted average base salary in 2025;
- the target value of the RSUs and PSUs is assumed to be the same as their grant date value ($1,375,000 for the RSUs and $2,750,000 for the PSUs). The target value of the SARs is assumed to be $1,375,000, as the fair market value calculated on the grant date using the Black-Scholes formula. This assumed value is the same in all four performance scenarios. The maximum number of shares of the Company's stock that could be delivered to the executive director at the end of the three-year performance period is 200% of the target; and
- the basis of the calculation of the assumed 'Max. + 50% share price appreciation' bar below, is that the share price embedded in the calculation for the 'Max.' bar below is assumed to increase by 50% across the three-year performance period. This calculation applies only to the PSUs, being the only award where performance targets or measures relate to more than one financial year.

20250806025O4



Non-Executive Director Remuneration Policy Table

As of the effective date of the 2025 Policy, all of the Company's directors, with the exception of its Chief Executive Officer, are non-executive directors. The Company believes that the following components and levels of remuneration are necessary to secure and retain the services of individuals possessing the skills, knowledge, and experience to successfully support and oversee the Company as members of its Board.

The Company's non-executive directors are not remunerated by the Company for their service as directors other than as set forth below.

Director discretion will operate within the bounds set out below. No component of non-executive director remuneration is subject to recoupment.

Purpose and Link to Strategy	Operation	Maximum Opportunity	Performance Measures
	Cash Fees		
• Designed to attract and retain non-executive directors with a diverse and specialised set of skills, background and experience. • Aligned with the market value of the role.	• Individual amounts reflect time commitments and responsibilities. The Chair of the Board, and the chairs and members of each Board committee, may receive additional cash fees. Fees are prorated where a non-executive director starts or leaves in the middle of a quarter. • Fees are reviewed periodically by the CHCM Committee (for approval by the Board), taking into account: – data at comparator companies; – increased responsibilities and scope of the roles; and – advice from independent advisors in respect of the above.	N/A	N/A

20250806025O5

Purpose and Link to Strategy	Operation	Maximum Opportunity	Performance Measures
	Annual Equity Awards		
• As above. Also designed to attract, motivate, and retain non-executive directors with experience in the U.S. market where equity awards are a standard component of non-executive director remuneration. The U.S. market remains a key market in the Company's strategy. • Designed to align the interests of the Company's non-executive directors with those of its shareholders.	• Annual awards of time-vesting RSUs. Non-executive directors do not receive performance-based awards. • The number of RSUs is determined by dividing the award value by the closing price of an ordinary share of the Company's stock on the Nasdaq on the date of grant (assuming this is a trading day, and otherwise on the most recent trading day), and rounding down to the nearest full unit. • Vesting periods are typically one year, reflecting one-year appointments (annual elections). • Level of annual awards reviewed annually by the CHCM Committee (for approval by the Board), taking into account: – data at comparator companies; – increased responsibilities and scope of the roles; and – advice from independent advisors in respect of the above. • The Company's non-executive directors are subject to the Company's stock ownership guidelines in place from time to time. No separate mandatory deferral or holding period applies to awards, or to the shares acquired following the vesting and settlement of awards. • The Board approves the annual awards with an effective date that reflects any predetermined annual equity award grant date established by the Company from time to time and may approve prorated equity awards for non-executive directors who start or leave part-way through the year, with effective dates that reflect any predetermined quarterly equity award grant dates established by the Company from time to time. The Board may meet on or prior to the relevant grant date without regard as to the Company's possession or not of material non-public information and approve equity awards with an effective date on the relevant grant date.	The sum of the grant date fair value of equity-based awards and the amount of any cash-based awards granted to any non-executive director during any calendar year shall not exceed $500,000.	N/A

Purpose and Link to Strategy	Operation	Maximum Opportunity	Performance Measures
	Tax Preparation		
• Designed to attract, motivate, and retain non-executive directors with a diverse and specialised set of skills, background, and experience, regardless of the tax status of the individual. • Designed to ensure non-executive directors meet their personal UK tax compliance responsibilities.	• Non-executive directors are provided reimbursement on production of receipts, or payments are made directly to their accountant or tax adviser on production of invoices: – for personal income tax return preparation for non-UK resident non-executive directors up to £5,000 annually, inclusive of VAT; and – although not relevant to date, up to £5,000 annually inclusive of VAT for U.S. (or another jurisdiction) personal income tax returns for non-U.S. (or non-resident of jurisdiction at issue) resident non-executive directors, if the number of Company business days in the U.S. (or other jurisdiction) requires a U.S. (or other jurisdiction) tax filing or provision of advice related thereto up to £5,000 annually, inclusive of VAT.	Fees will not exceed £5,000 annually, inclusive of VAT	N/A

Purpose and Link to Strategy	Operation	Maximum Opportunity	Performance Measures
	Other Benefits		
• Designed to promote attendance in person at meetings, on-site visits and other company- related matters (travel). • Designed to contribute to the continuous improvement of non-executive directors, and to enable them to best discharge their duties under the Companies Act 2006 (e.g., continuing education, other expenses, etc.).	• Benefits that are offered include, but are not limited to: – directors' and officers' insurance; – reimbursement of travel expenses; and – reimbursement of reasonable expenses incurred in attending continuing professional development courses. • Tax on taxable benefits is borne by the director, except in the case of items which are the object of a PSA. No tax gross-up is provided.	Benefits will not exceed market practice.	N/A

20250806025O6

Notes to the Non-Executive Director Remuneration 2025 Policy Table

New and amended components

Whilst all of the components of the remuneration package for the Company's non-executive directors included in the policy table above formed part of the corresponding remuneration package in the 2022 Policy, the following changes have been made to increase operational flexibility for the Company:

- the Company has removed the requirement for cash fees to be paid within five days of the end of each financial quarter;
- the Company has removed the prescriptive language regarding equity award proration as there may be circumstances where strict prorating is not appropriate (for example, when non-executive directors have fulfilled their one-year term but, due to the dates of the relevant AGMs, they have served fewer than 365 days in office); and
- the Company has adjusted the calculation process for RSUs such that, going forward, the award value will be divided by the closing price of an ordinary share of the Company's stock on the date of grant, rather than by the most recent closing price.

Approach to Recruitment Remuneration

Executive Directors

The remuneration package for any new executive director would, so far as practicable, be consistent with the executive director remuneration policy table set forth above, taking account of the experience and skills of the individual, market conditions, and the executive director's country of residence.

The CHCM Committee retains the discretion to offer a remuneration package necessary to meet the individual circumstances of the recruited executive director and enable the hiring of a high-calibre individual with the necessary skills and expertise.

Sign-on bonuses and buy-out awards may be provided at the CHCM Committee's discretion to facilitate the recruitment of executive directors. The CHCM Committee will use its discretion in setting any such compensation, which will be decided on a case-by-case basis, although the intention is that the expected value of such compensation would generally not exceed the value of compensation forfeited by the external appointee, as confirmed by such appointee.

The Company also recognises that, if it requires a new executive director to relocate in connection with accepting a position with the Company, the Company will also pay relocation benefits and provide tax and immigration assistance, as described in the policy table.

In no event, however, will any:

- maximum short-term incentive opportunity exceed 225% of base salary;
- long-term incentive award exceed an aggregate of 1,250,000 underlying shares in any calendar year;
- payout pursuant to any long-term incentive award exceed $12,500,000 in cash; or
- pension contributions (or cash payments in lieu) exceed 25% of base salary and short-term incentive payout.

If the Company appoints an existing employee as an executive director of the Company, or if an executive director joins as a result of a transfer of an undertaking, merger, reconstruction, or similar reorganisation of the Company, pre-existing obligations with respect to remuneration, such as pension, benefits, and legacy equity awards, will be honoured. Should these differ materially from current arrangements, these will be disclosed in the subsequent remuneration implementation report.

Non-Executive Directors

Any new non-executive directors will be paid in accordance with the current fee levels on appointment, in line with the non-executive director remuneration policy table set out above.

Directors' Service Agreements/Letters of Appointment

Executive Directors

The Company currently has one executive director, Vladimir Makatsaria, and his employment is governed by an offer letter, dated 2 February 2024, with no anticipated termination date.

A copy of Mr. Makatsaria's offer letter was filed with the SEC and is available on www.sec.gov. A copy may also be inspected at the Company's registered office by appointment.

Should the Company appoint further executive directors, it is expected that their relationship with the Company would also be documented in an offer letter and/or service agreement.

20250806025O7

Non-Executive Directors

The Chair and other non-executive directors have letters of appointment. They do not have service agreements with the Company or any of its subsidiaries.

The letters of appointment provide for the non-executive directors' date of commencement of appointment and the termination of appointment at the conclusion of the Company's AGM in the following year, subject to the earlier termination by the Company:

- for disqualification for any of the grounds set out in Article 30.1 of the Articles, as amended from time to time; and/or
- on the grounds of the commission by the director of any serious or repeated breach or non-observance of their obligations to the Company (which includes an obligation not to breach statutory, fiduciary, or common-law duties).

Payments for Loss of Office

Executive Directors

There is no Company policy relating to the setting of notice periods under executive directors' service contracts. When applicable, such terms are addressed on a case-by-case basis in, for example, individual offer letters, service agreements or separation agreements.

The CHCM Committee's charter requires it to review and approve severance arrangements, and change-in-control agreements.

Under the Company's equity plan and associated award agreements, which determine how long-term incentive awards are treated in connection with a termination of service, subject to CHCM Committee discretion in certain circumstances:

- upon a termination of service due to death or disability, all outstanding SARs immediately become fully vested and exercisable, all outstanding RSUs immediately become fully vested, and the CHCM Committee has discretion to allow PSUs to become fully vested, or to continue vesting on the date(s) set out in the applicable grant notice, taking into account such factors as it considers appropriate including, but not limited to, the extent to which the performance period has elapsed, and the extent to which performance measures have been achieved or are expected to be achieved. Vested SARs expire 24 months following a termination of service due to death or disability;

- upon a termination of service by the Company without cause or due to a resignation for good reason within the 24 months immediately following a change in control that occurs following the grant date, SARs, RSUs and PSUs become fully vested (and SARs become exercisable) immediately prior to, but subject to the consummation of, such change in control, subject to the executive director's continuous employment with the Company or a subsidiary of the Company through such change in control;

- subject to shareholder approval of the Company's new equity plan being obtained at the 2025 AGM, the CHCM Committee's discretion to designate a termination of service as an "approved retirement", allowing SARs, RSUs, and PSUs to continue to vest on the date(s) set out in the applicable grant notice, will be maintained for SARs, RSUs and PSUs granted prior to the 2025 AGM. In relation to SARs, RSUs and PSUs granted after the 2025 AGM: (i) upon a termination of service for retirement, SARs, RSUs, and PSUs will continue to vest on the date(s) set out in the applicable grant notice, subject to all other terms which apply being met, including the terms regarding restricted activities set forth in the award agreements, and (ii) upon a termination of service due to (a) redundancy, (b) elimination of position, (c) an awardholder leaving the Company's group as a result of a divestiture, or (d) any other mutually agreed separation as a good leaver, all unvested SARs and RSUs are immediately forfeited, vested SARs expire three months following such termination of service, and PSUs continue to vest on the date(s) set out in the applicable grant notice (provided all other terms which apply are met, including the terms regarding restricted activities set forth in the award agreements) with any vested PSUs subject to prorating to reflect service up to and including the termination date; and

- upon a termination of service in any other circumstances, all unvested SARs, RSUs and PSUs are immediately forfeited.

At times, as circumstances dictate, the Company also enters into additional separation arrangements with departing executive directors.

The offer letter of the Company's only executive director provides for severance payments and benefits in amounts that have been deemed appropriate by the CHCM Committee. The severance amounts consider how long it is expected to take a separated employee to find alternative employment, as well as market practice for global executives.

Mr. Makatsaria's offer letter provides for the following severance benefits in case his employment is terminated by the Company:

- in the event that his employment is terminated by the Company without cause or by him for good reason (as defined in his offer letter), other than in connection with a change in control: (A) a lump-sum severance payment equal to 18 months of his then current Base Salary, (B) continued coverage of him and his eligible dependants under the Company's group health plan for up to 18 months immediately following the termination of his employment, and (C) continued vesting of his 2024 equity

20250806025508

awards (and, if unvested on the relevant date, his inducement award), in each case, on the original vesting schedule, with any PSUs earned based on the level of actual achievement of the applicable performance goals or metrics; and

- in the event that his employment is terminated by the Company without cause or by him for good reason within six months immediately prior to, or within 24 months immediately following, a change in control: (A) a lump-sum severance payment equal to the sum of (1) 24 months of his then-current Base Salary, and (2) his target annual bonus for two years in which such termination occurs, (B) continued coverage of him and his eligible dependents under the Company's group health plan for up to 24 months following the termination of his employment, and (C) subject to the terms of the Company's equity plan and the associated award agreements, accelerated vesting of any unvested equity awards.

In addition, in the event of termination of employment due to death, Mr. Makatsaria's nominated beneficiary would receive a payment of up to $1,000,000. The benefit is insured by a third-party (which can change from time to time) under a policy held by the Company on behalf of its employees.

Non-Executive Directors

Non-executive directors do not receive payments for loss of office, although any non-executive director resigning can typically expect a proration of their annual equity award, calculated by multiplying the number of RSUs and dividend equivalents by a fraction, the numerator of which is the number of days elapsed between the grant date and the date of termination of office, and the denominator of which is 365 days. As noted above, there may be circumstances where strict prorating is not appropriate (for example, when non-executive directors have fulfilled their one-year term but, due to the dates of the relevant AGMs, they have served fewer than 365 days in office). Pursuant to the Articles, directors stand for election annually.

Other

There are no contractual provisions agreed before 27 June 2012 that could impact the quantum of any payment for loss of office.

Statement of Consideration of Employment Conditions Elsewhere in the Group

When setting the 2025 Policy, the CHCM Committee considered the level and structure of remuneration, employment conditions, and salary budgets for other employees in the Company. More specifically, the CHCM Committee reviewed annual salary increase budgets for the general employee population in the Company's key countries, as well as the remuneration structure and policy for the global senior management population.

LivaNova employs approximately 2,900 employees and operates in more than 100 countries around the world. Given the Company's global scale and complexity, the CHCM Committee has not consulted directly with employees when designing the 2025 Policy. However, the Company conducts regular employee surveys that cover a wide range of issues relating to compensation and benefits, and an understanding of group-wide strategic matters.

Statement of Consideration of Shareholder Views

Both the Board and the CHCM Committee are committed to considering shareholder views.

Since the approval of the 2022 Policy, the advisory vote on the Company's Directors' Remuneration Reports in each of 2022, 2023, and 2024 showed strong support, with more than 88% approval of the votes cast in each of these three years. As a result of this consistently positive support, the CHCM Committee concluded that the Company's director remuneration programmes are performing as intended and therefore determined not to make any significant changes to the core structure of the programmes in the 2025 Policy.

The Board is committed to dialogue with shareholders and intends to engage directly with them, and their representative bodies, when considering any significant changes to the Company's remuneration arrangements. The CHCM Committee will consider shareholder feedback received following the 2025 AGM, as well as any additional feedback and guidance received from time to time. This feedback will be considered by the CHCM Committee as it develops the Company's remuneration framework and practices going forward.

Assisted by its independent adviser, the CHCM Committee also actively monitors developments in the expectations of institutional investors and their representative bodies.

Discretion

The CHCM Committee maintains discretion in the implementation of the 2025 Policy, so that the 2025 Policy can be applied in unforeseen circumstances. The CHCM Committee takes seriously the trust the Company's shareholders place in the CHCM Committee in exercising this discretion. Discretion is typically applied in the following contexts:

- In respect of specific amounts paid or provided to directors pursuant to the 2025 Policy, the CHCM Committee, under powers bestowed by its charter, reviews both non-executive director remuneration and the remuneration of all Section 16 Officers, which includes the Company's only executive director. The CHCM Committee has final authority to determine the remuneration of its Section 16 Officers within the ranges set out in the maximum opportunity sections of the Remuneration

202508060250 9

Policy tables. The CHCM Committee makes recommendations to the Board with respect to the Company's non-executive director remuneration. However, it is the Board, rather than the CHCM Committee, which makes the final decision on non-executive director remuneration.

- The CHCM Committee may also exercise discretion in respect of various areas of the operation and administration of the Company's short-term incentive plans in place from time to time, including in the setting of performance criteria each year, dealing with departing employees and exceptional circumstances. The CHCM Committee, for example, may exercise its discretion when determining amounts that should be paid to leavers (other than in respect of the relevant leaver's contractual entitlements which will be respected), taking into account the facts and circumstances of each case.
- The CHCM Committee may exercise discretion in various areas under the Company's equity plans. These include the timing of awards (subject to any predetermined equity award grant dates established by the Company from time to time), the setting of performance criteria each year, making objectively determinable adjustments to performance goals, adjudicating as to when a termination of service has occurred, determinations as to whether terminations have been for cause, determining the vesting schedule of awards, and the exercise of certain other discretionary powers as set out in the rules of the relevant plan in place from time to time. Awards to non-executive directors are recommended by the CHCM Committee. However it is the Board, rather than the CHCM Committee, who has the authority to conduct the general administration of awards granted to non-executive directors.

20250806025510

Independent auditors' report to the members of LivaNova PLC

Report on the audit of the financial statements

Opinion

In our opinion:

- LivaNova PLC's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2024 and of the Group's and Company's loss and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the 2024 UK Annual Report (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheets as at 31 December 2024; the Consolidated Statement of Loss, the Company Statement of (Loss) Income, the Consolidated and Company Statements of Comprehensive Income, the Consolidated Statement of Cash Flows, and the Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Context

The Group operates in two primary operating segments through a legal entity structure with distribution to over 100 countries, which are managed as a number of components. Our audit focuses on six components, over which we performed either a full scope audit or audit procedures on certain balances or transactions.

Overview

Audit scope

- The components where we conducted audit procedures, together with work performed at corporate functions and over consolidation adjustments, accounted for approximately 66% of the Group's net revenue and 86% of the Group's total assets.

Key audit matters

- Recoverability of the goodwill carrying value of the Obstructive Sleep Apnea cash generating unit (Group)
- Recoverability of the carrying value of investments in subsidiaries (Company)

Materiality

- Overall Group materiality: $9.5 million (2023: $8.5 million) based on approximately 0.8% of total net revenue.
- Overall Company materiality: $34 million (2023: $41 million) based on approximately 1% of total assets.
- Performance materiality: $7.1 million (2023: $6.3 million) (Group) and $25.5 million (2023: $30.0 million) (Company).

20250806025111

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Recoverability of the goodwill carrying value of the Obstructive Sleep Apnea (OSA) cash generating unit ('CGU') (Group) *Refer to Notes 2 and 9 in the Group financial statements* At 31 December 2024, the Group had goodwill of $448.1 million (2023: $458.9 million). Goodwill must be tested for impairment on at least an annual basis. Goodwill is also tested for impairment between annual assessments if an event occurs or circumstances change that would indicate the carrying amount may be impaired. An impairment charge is recognised when the carrying value of the CGU exceeds its recoverable amount, the recoverable amount being the higher of fair value less cost of disposal or value in use where the net present value of future cash flows are estimated based on the continued use of the asset in the business. There is significant estimation uncertainty in calculating the recoverable amount of CGUs, including management's view of future cash flow forecasts, external market conditions, such as future pricing and profitability, timing and probability of regulatory success, and the most appropriate discount rate. In respect of the OSA CGU (goodwill of $82.6 million), this represented an area requiring greater allocation of resources in the audit and greater extent of audit effort, and on this basis is considered a key audit matter.	For the OSA CGU, our audit procedures included evaluating and challenging the completeness and accuracy of the impairment model, and assessing the reasonableness of the assumptions used. We evaluated future cash flow forecasts and the process by which they were prepared. This included: • understanding management's process for forecasting cash flows; • comparing the future cash flow forecasts used to the latest Board approved forecasts and assessed the year on year forecasts for comparison; • testing the mathematical integrity of management's impairment models; and • evaluating and independently performing management's sensitivity analysis to understand the impact of reasonably possible changes to key assumptions. Additionally, we independently performed a break-even analysis to determine the changes in the key assumptions that could result in an impairment. We tested key assumptions utilised in the impairment assessments, namely short-term revenue growth rate, discount rate and the timing of commercialisation. This testing included: • benchmarking the short-term revenue growth rate to similar products launched by competitors; • validating the timing of commercialisation by inspecting and collaborating the respective milestones in the timeline with the review of the press releases, and publicly available data; and • engaging with our internal valuation specialists to assess the reasonableness of the discount rate assumption. Management concluded that it was appropriate not to recognise any impairment charges on the basis that the carrying value of the goodwill of the OSA CGU is higher than its recoverable value. Based on our procedures, we agree with its conclusion. We have also assessed management's disclosures within the Group financial statements in Note 2 and 9 and consider them to be appropriate. We noted no material exceptions through performing our procedures.

20250806025512

Recoverability of the carrying value of investments in subsidiaries (Company) *Refer to Notes 2 and 6 in the Company financial statements* Investments in subsidiaries of $2,114 million (2023: $2,963 million) are accounted for at cost less impairment in the Company's Balance Sheet at 31 December 2024. Investments in subsidiaries are assessed for impairment if impairment indicators exist. If such indicators exist, the recoverable amounts of the investments in subsidiaries are estimated in order to determine the extent of the impairment loss, if any. Any such impairment loss is recognised in the Company Statement of (Loss) Income. Management assessed each investment individually for impairment indicators. An impairment indicator was determined to be present if the carrying value of the investment exceeded the subsidiary's net assets. Where an indicator was identified, management determined whether the carrying value of the investment could be supported by the recoverable amount, being the higher of fair value less cost of disposal or value in use where the net present value of future cash flows are estimated based on the continued use of the asset in the business. The assessment was based on the discounted cash flow analyses developed as part of the Group goodwill impairment assessment. The key assumptions included in those estimates were short-term revenue growth rates and discount rates. As the determination of the recoverable amount requires the application of significant judgement and estimates, particularly in determining the key assumptions to be applied in preparing cash flow projections, this represented an area requiring greater allocation of resources in the audit and greater extent of audit effort.	For each investment in a subsidiary, we evaluated management's assessment of whether any indicators of impairment existed. Where an investment's carrying value was greater than the net assets of the subsidiary, which was determined to be an impairment indicator, we audited the detailed assessment prepared by management to support the carrying value of the investment held. The substantive audit procedures we performed included: • testing the mathematical integrity of management's impairment models; • testing the allocation of the fair values of the CGUs to the respective investments in subsidiaries based on their relative revenue contributions; and • evaluating the appropriateness of key assumptions used in the model, including the short-term revenue growth rates and discount rates, in conjunction with our goodwill impairment testing. Management concluded that it was appropriate not to recognise any impairment charges on the basis that the carrying values of the investments in subsidiaries held by the Company are supportable. Based on our procedures, we agree with its conclusion. We have also assessed management's disclosures within the Company financial statements in Note 2 and 6 and consider them to be appropriate. We noted no material exceptions through performing our procedures.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

We conducted a full scope audit at two significant components: the US and Italy. In addition, in order to achieve the required coverage, we performed audit and/or specified procedures over key financial statement line items at four other components, including cost of sales; selling, general and administrative expenses; cash and cash equivalents; inventory; other accruals. In addition, audit procedures were performed centrally in relation to various balances, including goodwill and In-Process Research & Development intangible assets, restricted cash, share-based payments, property, plant and equipment, contingent considerations, leases, litigation matters, deferred income tax and consolidation adjustments.

Our oversight procedures included the issuance of formal written instructions to component auditors setting out the work to be performed at each location and regular communication throughout the audit cycle including regular component video conferences and calls, annual planning workshop with the US and Italy component teams, site visits in Italy and further audit procedures on certain non-significant components.

The components where we conducted audit procedures, together with work performed at corporate functions and over consolidation adjustments, accounted for 66% of the Group's net revenue and 86% of the Group's total assets.

The Company is incorporated in the UK, with a branch in Italy. We ensured that sufficient coverage was obtained through our testing of the UK entity and Italian branch. Certain balances were in scope for the Group audit, including cash and cash equivalents, restricted cash, accruals, provisions and taxation which were audited centrally to Group materiality. The remainder of the balances were audited to Company materiality.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the Group's and Company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the Group's and Company's financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

20250806025 13

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements - Company
Overall materiality	$9.5 million (2023: $8.5 million).	$34 million (2023: $41 million).
How we determined it	Based on approximately 0.8% of total net revenue	Based on approximately 1% of total assets
Rationale for benchmark applied	We consider total net revenue to be the appropriate benchmark for materiality because the Group has been loss-making for the past five years and has experienced significant volatility in pre-tax income due to non-recurring charges. Additionally, adjusted net revenue is the most heavily weighted metric in determining directors' remuneration.	As the Company's principal activity is to hold investments in subsidiaries, the Company is not profit oriented. Therefore, total assets are used as the benchmark.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between $4.8 million and $7.0 million. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2023: 75%) of overall materiality, amounting to $7.1 million (2023: $6.3 million) for the Group financial statements and $25.5 million (2023: $30 million) for the Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above $0.9 million (Group audit) (2023: $0.8 million) and $3.4 million (Company audit) (2023: $4.1 million) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- agreeing the underlying cash flow projections to the Board approved forecasts, assessing how these forecasts are compiled, and evaluating the accuracy of the Board approved forecasts;
- evaluating the key assumptions within the Board approved forecasts;
- considering liquidity and available financial resources;
- considering the impact of plausible downside scenarios and performing a breakeven assessment for forecast revenue, in order to assess the extent of headroom in comparison to the principal risks facing the business; and
- reviewing the covenants applicable to the Group's borrowings and assessing whether the forecasts supported ongoing compliance with the covenants.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

20250806025514

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in Respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to product safety (including, but not limited to, environmental laws and regulations and the US Food and Drug Administration regulation), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006, the Securities Exchange Act of 1934 and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financials results and potential management bias in accounting estimates. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors included:

- Evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities;
- Discussions with management, legal counsel and internal audit, including inquiry regarding known or suspected instances of non-compliance with laws and regulations and fraud, and review of the reports made by internal audit;
- Reviewing relevant meeting minutes, including those of the Board of Directors and the Audit and Compliance Committee;
- Challenging assumptions made by the management in its significant accounting estimates, in particular in relation to the impairment assessments for the Group's goodwill and Company's investments in subsidiaries;
- Identifying and testing the validity of journal entries, in particular any journal entries posted with unusual account combinations, journals posted with unusual description, journals posted by senior management and consolidation journals; and
- Assessment of matters reported on the Group's whistleblowing helpline and the results of the directors' investigation of such matters.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

20250806025515

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/ auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the Company financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

N. Comello

Nigel Comello (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 April 2025

20250806025516

LIVANOVA PLC AND SUBSIDIARIES

Table of Contents

Consolidated Statement of Loss ... 91
Consolidated Statement of Comprehensive Income ... 92
Consolidated Balance Sheet ... 93
Consolidated Statement of Changes in Equity ... 95
Consolidated Statement of Cash Flows ... 96
Note 1. Nature of Operations ... 97
Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies ... 97
Note 3. Revenue Recognition ... 107
Note 4. Financial Risk Management ... 108
Note 5. Fair Value Measurements ... 113
Note 6. Financial Instruments ... 117
Note 7. Restructuring ... 118
Note 8. Property, Plant, and Equipment ... 119
Note 9. Goodwill and Intangible Assets ... 120
Note 10. Investments in Subsidiaries ... 122
Note 11. Financial Assets ... 123
Note 12. Inventories ... 124
Note 13. Trade Receivables and Other Receivables ... 124
Note 14. Derivative Financial Instruments ... 125
Note 15. Shareholders' Equity ... 127
Note 16. Financial Liabilities ... 128
Note 17. Leases ... 132
Note 18. Other Liabilities ... 133
Note 19. Contingent Consideration, 3T Litigation Provision Liability, and Other Provisions ... 134
Note 20. Share-Based Plans ... 135
Note 21. Employee Retirement Plans ... 138
Note 22. Income Tax Expense ... 142
Note 23. Commitments and Contingencies ... 146
Note 24. Earnings Per Share ... 149
Note 25. Segment and Geographic Information ... 149
Note 26. Related Parties ... 151
Note 27. Consolidated Statement of Loss by Nature ... 152
Note 28. Employee Compensation Costs ... 153
Note 29. Exceptional Items ... 153
Note 30. Auditors' Remuneration ... 153
Note 31. New Accounting Pronouncements ... 153
Note 32. Subsequent Events ... 154

20250806025117

LIVANOVA PLC AND SUBSIDIARIES

Consolidated Statement of Loss
(In thousands, except per share amounts)

	Note	2024	2023
Net revenue	25	$ 1,253,437	$ 1,153,545
Costs and expenses:			
Cost of sales	27	382,062	381,730
Selling, general, and administrative	27	524,207	514,267
Research and development		182,919	193,193
Other operating expense		13,356	3,308
Exceptional items	29	13,287	130,895
Operating income (loss)		137,606	(69,848)
SNIA environmental liability expense	19, 23	(344,403)	—
Finance expenses		(65,563)	(60,450)
Loss on debt extinguishment	16	(26,148)	—
Net gain on embedded and capped call derivatives	4	20,127	24,209
Net foreign exchange and other income/(expense)	27	28,106	21,598
Share of loss from equity accounted investments		(18)	(104)
Loss before tax		(250,293)	(84,595)
Income tax expense	22	(23,121)	(15,787)
Loss attributable to owners of the parent		$ (273,414)	$ (100,382)
Basic loss per share	24	$ (5.04)	$ (1.86)
Diluted loss per share	24	$ (5.04)	$ (1.85)
Shares used in computing basic loss per share	24	54,240	53,939
Shares used in computing diluted loss per share	24	54,240	54,212

See accompanying notes to the consolidated financial statements.

20250806025518

LIVANOVA PLC AND SUBSIDIARIES

Consolidated Statement of Comprehensive Income
(In thousands)

	Note	2024	2023
Loss attributable to owners of the parent		$ (273,414)	$ (100,382)
Items of other comprehensive (loss) income that will be subsequently reclassified to profit or loss:			
Cash flow hedges for exchange rate fluctuations	14	—	(966)
Tax impact		—	—
Foreign currency translation differences		(29,949)	12,045
Total items of other comprehensive (loss) income that will be subsequently reclassified to profit or loss		(29,949)	11,079
Items of other comprehensive income (loss) that will not be subsequently reclassified to profit or loss:			
Remeasurement of net assets for defined benefits	21	838	(190)
Tax impact		(57)	9
Total items of other comprehensive income (loss) that will not be subsequently reclassified to profit or loss		781	(181)
Total other comprehensive (loss) income, net of taxes		(29,168)	10,898
Total comprehensive loss, net of taxes attributable to owners of the parent		$ (302,582)	$ (89,484)

See accompanying notes to the consolidated financial statements.

20250806025319

LIVANOVA PLC AND SUBSIDIARIES

Consolidated Balance Sheet

(In thousands)

	Note	31 December 2024	31 December 2023
ASSETS			
Non-current assets			
Property, plant, and equipment	8	$ 132,304	$ 132,847
Intangible assets	9	275,104	282,459
Goodwill	9	448,108	458,857
Right-of-use assets	17	44,817	49,565
Financial assets	11	31,628	28,380
Derivative financial instruments	14	23,735	38,496
Deferred tax assets	22	107,936	113,364
Other assets		7,590	6,527
Total non-current assets		1,071,222	1,110,495
Current assets			
Inventories	12	147,566	147,887
Trade receivables	13	193,158	215,072
Other receivables	13	25,873	26,699
Financial assets	11	4,171	483
Asset held for sale	8	2,319	—
Tax receivable	22	24,645	17,571
Cash and cash equivalents	2	428,858	266,504
Restricted cash	2	294,698	311,368
Total current assets		1,121,288	985,584
Total assets		$ 2,192,510	$ 2,096,079
LIABILITIES AND EQUITY			
Shareholders' equity			
Share capital	15	$ 83,156	$ 82,533
Group reconstruction reserve	15	2,046,497	2,046,497
Share premium		46,216	40,058
Treasury shares		(136)	(55)
Accumulated other comprehensive loss	15	(42,860)	(13,692)
Accumulated losses		(1,467,858)	(1,222,322)
Total shareholders' equity		$ 665,015	$ 933,019
Non-current liabilities			
Financial liabilities	16	$ 549,510	$ 568,517
Derivative financial instruments	14	51,819	45,569
Contingent consideration	19	84,218	80,902
Other liabilities	18	11,341	13,175
Provisions	19	40,881	45,945
Long-term lease liabilities	17	40,329	45,474
Provision for employee severance indemnities and other employee benefit provisions	21	6,586	11,951
Deferred tax liabilities	22	7,087	9,086
Total non-current liabilities		791,771	820,619

20250806025203

LIVANOVA PLC AND SUBSIDIARIES
Consolidated Balance Sheet

	Note	31 December 2024	31 December 2023
Current liabilities			
SNIA environmental liability	19, 23	344,403	—
Trade payables		67,081	78,922
Other liabilities	18	179,434	178,249
Financial liabilities	16	78,346	18,084
3T litigation provision liability	19	12,918	17,156
Provisions	19	23,299	26,690
Tax payable	22	30,243	23,340
Total current liabilities		735,724	342,441
Total liabilities and shareholders' equity		$ 2,192,510	$ 2,096,079

See accompanying notes to the consolidated financial statements.

The financial statements on pages 90 to 154 were approved by the Board and were signed on its behalf on 28 April 2025 by:



VLADIMIR MAKATSARIA
CHIEF EXECUTIVE OFFICER & DIRECTOR

Company Number: 09451374

20250806025211

LIVANOVA PLC AND SUBSIDIARIES

Consolidated Statement of Changes in Equity
(In thousands)

	Note	Ordinary: Number of Shares	Ordinary: Share Capital	Group Reconstruction Reserve	Share Premium	Treasury Shares	Accumulated Other Comprehensive Loss	Accumulated Losses	Total Shareholders' Equity
1 January 2023		53,852	$ 82,424	$ 2,046,497	$ 37,031	$ (375)	$ (24,590)	$ (1,146,877)	$ 994,110
Share-based compensation plans	20	90	109	—	3,027	320	—	24,937	28,393
Total transactions with owners recognised directly in shareholders' equity		90	109	—	3,027	320	—	24,937	28,393
Net loss		—	—	—	—	—	—	(100,382)	(100,382)
Other comprehensive income	15	—	—	—	—	—	10,898	—	10,898
Total comprehensive income (loss) for the year		—	—	—	—	—	10,898	(100,382)	(89,484)
31 December 2023		53,942	82,533	2,046,497	40,058	(55)	(13,692)	(1,222,322)	933,019
Share-based compensation plans	20	146	183	—	6,158	359	—	27,878	34,578
EBT purchase of shares		350	440	—	—	(440)	—	—	—
Total transactions with owners recognised directly in shareholders' equity		496	623	—	6,158	(81)	—	27,878	34,578
Net loss		—	—	—	—	—	—	(273,414)	(273,414)
Other comprehensive loss	15	—	—	—	—	—	(29,168)	—	(29,168)
Total comprehensive loss for the year		—	—	—	—	—	(29,168)	(273,414)	(302,582)
31 December 2024		54,438	$ 83,156	$ 2,046,497	$ 46,216	$ (136)	$ (42,860)	$ (1,467,858)	$ 665,015

See accompanying notes to the consolidated financial statements.

20250806025522

LIVANOVA PLC AND SUBSIDIARIES

Consolidated Statement of Cash Flows
(In thousands)

	Note	2024	2023
Cash Flows From Operating Activities:			
Loss for the year		$ (273,414)	$ (100,382)
Non-cash items included in loss			
Finance expenses		65,563	60,450
Depreciation and amortisation	8, 9	42,316	50,209
Share-based compensation	20	36,842	33,184
Interest income		(29,973)	(22,012)
Loss on debt extinguishment	16	26,148	—
Remeasurement of derivative instruments		(25,345)	(22,911)
Income tax expense	22	23,121	15,787
Amortisation of debt issuance costs		21,469	19,053
Depreciation of lease assets	17	9,753	10,291
Gain on investment revaluation - Ceribell, Inc.	11	(7,144)	—
Fair value loss on investment	11	5,768	—
Remeasurement of contingent consideration to fair value	19	3,316	9,360
Impairment of long-lived assets	7	—	89,974
ACS inventory obsolescence adjustment	7	—	12,621
Other non-cash items		3,557	1,514
Changes in operating assets and liabilities:			
Accounts receivable, net		11,060	(28,864)
Inventories		(6,757)	(28,478)
Other current and non-current assets		(1,645)	15,302
SNIA environmental liability	19, 23	344,403	—
3T litigation provision liability	19	(4,125)	(12,731)
Tax payable		6,299	(9,809)
Other current and non-current liabilities		(31,031)	7,344
Cash provided by operations		220,181	99,902
Interest paid		(41,674)	(38,506)
Interest received		29,973	22,012
Income taxes (paid)/received		(15,912)	1,620
Net cash provided by operating activities		192,568	85,028
Cash Flows From Investing Activities:			
Purchases of tangible and intangible assets		(47,107)	(34,981)
Purchases of investments		(1,142)	(6,504)
Other		89	1,154
Net cash used in investing activities		(48,160)	(40,331)
Cash Flows From Financing Activities:			
Proceeds from long-term debt obligations	16	335,513	50,000
Repayment of long-term debt obligations	16	(247,500)	(21,624)
Payment of debt extinguishment costs		(38,953)	—
Purchase of capped calls	5	(31,637)	—
Proceeds from unwind of capped calls	5	22,524	—
Payment of contingent consideration	5	(13,750)	—
Principal payments of lease liabilities	17	(9,530)	(10,114)
Shares repurchased from employees for minimum tax withholding		(8,439)	(7,503)
Proceeds from exercise of stock options		6,341	19
Payment of debt issuance costs		(5,939)	—
Other financial assets and liabilities		391	592
Net cash provided by financing activities		9,021	11,370
Effect of exchange rate changes on cash, cash equivalents, and restricted cash		(7,745)	6,187
Net increase in cash, cash equivalents, and restricted cash		145,684	62,254
Cash, cash equivalents, and restricted cash at beginning of year		577,872	515,618
Cash, cash equivalents, and restricted cash at end of year		$ 723,556	$ 577,872

See accompanying notes to the consolidated financial statements.

20250806002523

LIVANOVA PLC AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Note 1. Nature of Operations

Company information. LivaNova is a public limited company incorporated in the UK under the Companies Act 2006 (Registration number 09451374). The Company is domiciled in England and Wales in the UK and its registered address is 20 Eastbourne Terrace, London, W2 6LG, United Kingdom.

Background. LivaNova PLC was organised under the laws of England and Wales on 20 February 2015 for the purpose of facilitating the business combination of Cyberonics, a Delaware corporation, and Sorin, a joint stock company organised under the laws of Italy. As a result of the business combination, LivaNova, headquartered in London, became the holding company of the combined businesses of Cyberonics and Sorin. This business combination became effective on 19 October 2015, at which time LivaNova's Ordinary Shares were listed for trading on the Nasdaq and on the LSE as a standard listing under the trading symbol "LIVN." Upon the consummation of the business combination of Cyberonics and Sorin, the historical financial statements of Cyberonics became the Company's historical financial statements. On 23 February 2017, LivaNova announced the voluntary cancellation of its standard listing of the Company's shares with the LSE due to the low trading volume of its shares, and trading ceased at the close of business on 4 April 2017. LivaNova continues to serve its shareholders through LivaNova's listing on the Nasdaq.

Description of the business. LivaNova PLC is a market-leading global medical technology company. The Company designs, develops, manufactures, markets, and sells products and therapies that are consistent with LivaNova's mission to provide hope for patients and their families through medical technologies, delivering life-changing solutions in select neurological and cardiac conditions.

Business segments. LivaNova is comprised of two reportable segments: Cardiopulmonary and Neuromodulation. For additional information, please refer to "Note 25. Segment and Geographic Information," which also discusses LivaNova's former segment, ACS.

Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies

Basis of Preparation. The consolidated financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards, and with the requirements of the Companies Act 2006, as applicable to companies reporting under those standards, and have been prepared on a going concern basis.

Accounting policies have been applied consistently and are presented on a historical cost basis, except for investments in equity instruments in privately-held companies, derivative financial instruments, contingent consideration liabilities, pension obligations, and share awards that have been measured at fair value. The consolidated financial statements are presented in USD, and all values are rounded to the nearest thousands, except where otherwise indicated.

Cybersecurity Incident. As previously disclosed, in November 2023, LivaNova detected a cybersecurity incident that resulted in a disruption of portions of the Company's information technology systems. Promptly after detecting the issue, LivaNova began an investigation with assistance from external cybersecurity experts and coordinated with law enforcement. The Company implemented remediation measures to mitigate the impact of the incident. The Company also assessed the nature and scope of the affected data, analysed its statutory notification obligations, and notified affected individuals and regulators as required by applicable law. For further discussion on legal and regulatory developments, refer to "Note 23. Commitments and Contingencies." The incident has been contained, and the Company's mitigation efforts are considered complete.

Through 31 December 2024, LivaNova incurred direct costs totalling $11.6 million in connection with this cybersecurity incident, including $9.0 million and $2.6 million during 2024 and 2023, respectively. The total incurred direct costs primarily included external cybersecurity expert and legal fees, system restoration costs, and a $1.2 million provision related to the class action settlement, and do not include business interruption losses. The Company expects to incur additional costs related to this incident in the future. For further discussion on legal and regulatory developments, refer to "Note 23. Commitments and Contingencies." LivaNova maintains insurance, including cyber insurance, which is subject to certain retentions and policy limitations that will likely limit the amount that the insurers may reimburse the Company. LivaNova has filed claims for insurance reimbursement of covered costs and business interruption losses related to this incident and has submitted additional claims and supplemental requests for reimbursement as new costs have been incurred. During 2024, LivaNova received $8.4 million, including $5.1 million in reimbursement of covered costs and $3.3 million in reimbursement of business interruption losses under the Company's cyber insurance policy. The Company's insurance coverage may be insufficient or unavailable to cover all costs and expenses related to this cybersecurity incident.

Reclassifications. LivaNova reclassified certain immaterial prior period amounts on the consolidated statement of cash flows for comparative purposes.

20250806025524

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies

Going Concern. Based on LivaNova's current business plan, the Company believes that its cash and cash equivalents, future cash generated from operations, and available borrowings under its revolving credit facility, will be sufficient to fund its uses of liquidity, primarily consisting of day-to-day operating expenses, working capital, capital expenditures, acquisition earnouts, commitments and contingencies, including the SNIA environmental liability, and debt service requirements over the twelve-month period beginning from the issuance date of these consolidated financial statements.

LivaNova regularly reviews its capital needs and considers various investing and financing alternatives to support the Company's requirements. Additionally, as of 31 March 2025, LivaNova is in compliance with the financial covenants associated with the Company's debt facilities, and the Group's forecasts support ongoing compliance with the covenants for a period of at least twelve months from the issuance of these financial statements. Therefore, it is appropriate to adopt the going concern basis in preparing these consolidated financial statements.

The current macroeconomic environment, including FX volatility, inflationary pressures, geopolitical instability, and supply chain challenges, has impacted and may continue to impact LivaNova's business, results of operations, cash flows, and financial condition. Furthermore, LivaNova continues to experience logistical, capacity, and labour constraints. However, to date, the Company's supply of raw materials and the production and distribution of finished products have not been materially affected. The Company continues to respond to such challenges, and while LivaNova has business continuity plans in place, the impact of the ongoing challenges the Company is navigating, along with their potential escalation, may adversely affect its business.

In addition, the impact that the imposition of tariffs and changes to global trade policies could have on the Company's results of operations is uncertain. A significant number of LivaNova's Cardiopulmonary products and component parts are sourced and produced outside of the U.S., including in Italy and Germany. Similarly, LivaNova manufactures its Neuromodulation products in the U.S., which are then often distributed internationally.

On 14 March 2025, the Italian Supreme Court issued its decision in response to all of the appeals of the Company and counter-appeals submitted by the Public Administrations. The Italian Supreme Court determined that LivaNova can be held jointly and severally liable for the established liabilities of SNIA at the time of demerger as well as the environmental liabilities of the demerged company that materialised after the demerger which are derived from actions performed prior to the demerger; however, the Italian Supreme Court also ruled that the Company should not be held responsible for certain payments previously approved by the Court of Appeal of Milan in the amount of €157 million ($162.9 million) as of 31 December 2024. The case has been referred back to the Court of Appeal of Milan to implement the decisions respecting costs and damages in accordance with the judgement of the Italian Supreme Court.

As a result of the decision by the Italian Supreme Court, the Company recorded a current liability and environmental liability expense of €332 million ($344.4 million) as of and for the year ended 31 December 2024, as its best estimate of the liability inclusive of estimated costs, fees, interest, and taxes. The Company has determined that it has sufficient resources to cover the liability given its cash and cash equivalents of $738.4 million as of 31 March 2025.

On 31 March 2025, as a result of the decision by the Italian Supreme Court, the SNIA Litigation Guarantee was terminated, and the restriction to the cash deposit held as collateral was released.

For additional information, refer to "Note 23. Commitments and Contingencies."

Fiscal Year-End. LivaNova's fiscal year ends on 31 December.

Consolidation. The accompanying consolidated financial statements include LivaNova, its wholly owned subsidiaries, and the LivaNova PLC Employee Benefit Trust. All significant intercompany accounts and transactions have been eliminated.

Investments. LivaNova's investments are comprised of equity securities that may be publicly traded and are in various stages of development.

Investments in equity securities with readily determinable fair values and are not accounted for under the equity method, and are measured at fair value with unrealised gains and losses included in earnings.

Investments in equity securities that do not have readily determinable fair values and are not accounted for under the equity method are measured at cost minus fair value loss, if any, plus changes resulting from observable price changes in orderly transactions for an identical or a similar investment of the same issuer. This measurement approach is intended to approximate the fair value through profit or loss of the equity security in the absence of a readily determinable market value.

LivaNova regularly reviews its investments for changes in circumstance or the occurrence of events that suggest its investments may not be recoverable, and if a fair value loss is considered to be other than temporary, the loss is recognised on the consolidated statement of loss in the period the determination is made.

Goodwill. LivaNova allocates the amounts the Company pays for an acquisition to the assets acquired and liabilities assumed based on their fair values at the date of acquisition, including property, plant, and equipment; inventories; accounts receivable; long-term debt; and identifiable intangible assets, which either arise from a contractual or legal right or are separable from

20250806025525

goodwill. The Company bases the fair value of identifiable intangible assets acquired in a business combination, including in-process research and development, on detailed valuations that use information and assumptions provided by management, which consider management's best estimates of inputs and assumptions that a market participant would use. LivaNova allocates any excess purchase price over the fair value of the net tangible and identifiable intangible assets acquired to goodwill. Transaction costs associated with these acquisitions are expensed as incurred and are reported as selling, general, and administrative on the consolidated statement of loss. LivaNova recognises adjustments to the provisional amounts identified during the measurement period with a corresponding adjustment to goodwill in the reporting year in which the adjustment amounts are determined. The effect on earnings of changes in depreciation, amortisation or other income effects, if any, as a result of the change to the provisional amounts is recorded in the same year's consolidated financial statements, calculated as if the accounting had been completed at the acquisition date.

Intangible Assets, Other Than Goodwill. Intangible assets shown on the consolidated balance sheets consist of finite-lived and indefinite-lived assets expected to generate future economic benefits and are recorded at their respective fair values as of their acquisition date. Finite-lived intangible assets consist primarily of developed technology and technical capabilities, including patents, related know-how, and licensed patent rights, as well as trade names and customer relationships. Customer relationships consist of relationships with hospitals and surgeons in the countries where LivaNova operates. Indefinite-lived intangible assets other than goodwill are composed of IPR&D assets acquired in acquisitions. IPR&D assets acquired in business combinations are initially recognized at fair value and classified as indefinite-lived until the associated R&D efforts are completed or abandoned. These assets are not amortized, but are tested for impairment at least annually. Once the R&D is complete, the useful life and amortization method of the resulting intangible asset are determined. LivaNova amortises its finite-lived intangible assets over their useful lives using the straight-line method. Estimating the useful lives of intangible assets requires LivaNova to apply significant judgement.

LivaNova evaluates its finite-lived and indefinite-lived intangible assets each reporting year to determine whether events and circumstances indicate either a different useful life or impairment, respectively. For finite-lived intangible assets, if LivaNova changes its estimate of the useful life of an asset, the Company amortises the carrying amount over the revised remaining useful life.

Foreign Currency. LivaNova determines the functional currency of its subsidiaries that exist and operate in different economic and currency environments based on the primary economic environment in which the subsidiary operates, that is, the currency of the environment in which an entity primarily generates and expends cash. LivaNova's significant foreign subsidiaries are located in Europe and the United States. The functional currency of LivaNova's significant European subsidiaries is the Euro, and the functional currency of LivaNova's significant U.S. subsidiaries is the USD.

Assets and liabilities of subsidiaries whose functional currency is not the USD are translated into USDs based on a combination of both current and historical exchange rates, while their revenues earned, and expenses incurred are translated into USDs at average period exchange rates. Translation adjustments are included as AOCI on LivaNova's consolidated balance sheets. Gains and losses arising from transactions denominated in a currency different from an entity's functional currency are included in net foreign exchange and other income/(expense) on LivaNova's consolidated statement of loss. Taxes are not provided on cumulative translation adjustments, as substantially all translation adjustments are related to earnings which are intended to be indefinitely reinvested in the countries where earned. Net foreign exchange and other income/(expense) on the consolidated statement of loss consists primarily of gains and losses arising from transactions denominated in a currency different from an entity's functional currency and foreign currency exchange rate derivative gains and losses.

Foreign currency differences arising from translation are recognised in the consolidated statement of loss.

The Euro and GBP exchange rates to USD used in preparing the consolidated financial statements were as follows:

	Weighted Average Rate Euro	Closing Rate Euro	Weighted Average Rate GBP	Closing Rate GBP
31 December 2024	0.925599	0.924540	0.782329	0.782630
31 December 2023	0.924732	0.903590	0.804488	0.785300

Financial Instruments. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are offset with the net amount reported in the consolidated balance sheet only if there is a current enforceable legal right to offset the recognised amounts and intent to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(a) *Financial Assets*

Initial Recognition and Measurement. Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, trade receivables and other financial assets, investments, financial assets, or derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial

202508060025 26

recognition. All financial assets are recognised initially at fair value plus, in the case of assets not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date on which the Company commits to purchase or sell the asset.

The subsequent measurement and impairment of financial assets depends on their classification as described below:

Financial Assets at Fair Value Through Profit or Loss. Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held-for-trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. LivaNova uses freestanding derivative forward contracts to offset exposure to the variability of the value associated with assets and liabilities denominated in a foreign currency. These derivatives are not designated as hedges, and therefore, changes in the value of these forward contracts are recognised in the consolidated statement of loss, thereby offsetting the current net income (loss) effect of the related change in value of foreign currency denominated assets and liabilities.

Changes in the fair value of LivaNova's investments in equity instruments held at fair value are recognised through profit or loss.

Trade Receivables and Other Financial Assets. Trade receivables and other financial assets are non-derivative financial assets with fixed or determinable payments, and that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the consolidated statement of loss. The receivable balance consists of trade receivables from direct customers and distributors and loans issued. LivaNova maintains an expected credit loss provision for expected credit losses based on the Company's estimates of the ability of customers to make required payments, historical credit experience, existing economic conditions, and expected future trends. LivaNova writes off uncollectable accounts against the provision when all reasonable collection efforts have been exhausted. Loans, together with the associated provision, are written off when there is no realistic prospect of future recovery, and all collateral has been realised or has been transferred to the Company. The losses arising from impairment are recognised in the consolidated statement of loss in cost of sales or other operating expenses for receivables.

Collection periods for trade receivables vary significantly due to the nature of a customer (e.g., government or private) and its geographic location. LivaNova may utilise non-recourse and with-recourse factoring arrangements as a part of its funding policy; however, as of 31 December 2024 and 2023, there are no factoring arrangements outstanding.

Refer to "Note 13. Trade Receivables and Other Receivables" for additional information.

Financial Asset Derecognition. A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third-party under a pass-through arrangement, and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(b) Financial Liabilities

Initial Recognition and Measurement. Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings (bank debt), payables, or derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and bank debt including bank overdrafts, and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as follows:

Financial Liabilities at Fair Value Through Profit or Loss. Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held-for-trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9, which the Company has elected to apply. Gains or losses on liabilities held-for-trading are recognised in the consolidated statement of loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Changes in the fair value of the Company's contingent consideration liability are recognised through profit or loss.

20250806025 27

Loans and Borrowings (bank debt). After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated statement of loss when the liabilities are derecognised, as well as through the EIR method amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the consolidated statement of loss. Interest paid is presented within operating activities in the consolidated statement of cash flows since it represents an ongoing borrowing cost. Payment of debt extinguishment and issuance costs are presented within financing activities in the consolidated statement of cash flows since these payments relate to the extinguishment and issuance of debt. For additional information, refer to "Note 16. Financial Liabilities."

Financial Liability Derecognition. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of loss.

Derivative Financial Instruments and Hedge Accounting. LivaNova uses currency exchange rate derivative contracts to manage the impact of currency exchange changes on the consolidated statement of loss and the consolidated statement of cash flows. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company evaluates hedge effectiveness at inception and on an ongoing basis, based upon a comparison between the actual amounts and the forecasted amounts of the hedged items, for each currency included in the hedge accounting model. If a derivative is no longer expected to be highly effective, hedge accounting is discontinued. Hedge ineffectiveness, if any, is recorded in the consolidated statement of loss. Cash flows from derivative contracts are reported as operating activities in the consolidated statement of cash flows.

When a hedging instrument expires, is sold, or is terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the consolidated statement of loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to the consolidated statement of loss.

In order to minimise income statement and cash flow volatility resulting from currency exchange rate changes, historically the Company has entered into derivative instruments, principally forward currency exchange rate contracts. These contracts are designed to hedge anticipated foreign currency transactions and changes in the value of specific assets and liabilities and of some revenue. At inception of the forward contract, the derivative is designated as either a freestanding derivative or a cash flow hedge. For derivative instruments that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative instrument is reported as a component of AOCI and reclassified to the consolidated statement of loss to offset exchange differences originated by the hedged item or to adjust the value of net income (loss). Upon the settlement of LivaNova's foreign currency cash flow hedges in 2022 and following an in-depth analysis of the utility of the Company's cash flow hedging programme, the Company discontinued its foreign currency cash flow hedging programme. LivaNova does not enter into currency exchange rate derivative contracts for speculative purposes.

Cash and Cash Equivalents. LivaNova considers all highly liquid investments with an original maturity of three months or less, consisting of demand deposit accounts and money market mutual funds, to be cash equivalents. Cash equivalents are carried on the consolidated balance sheet at cost, which approximated their fair value.

Restricted Cash. The Company classifies cash that is not available for use in its operations as restricted cash within current assets on the consolidated balance sheets. As of 31 December 2024 and 2023, LivaNova's restricted cash balance totalled $294.7 million and $311.4 million, respectively, and was comprised of cash deposits with Barclays held as collateral for the SNIA Litigation Guarantee. As security for the SNIA Litigation Guarantee, LivaNova is required to grant cash collateral to Barclays in USD in an amount equal to the USD equivalent of 105% of the amount of the SNIA Litigation Guarantee calibrated on a biweekly basis.

The following table presents a reconciliation of cash, cash equivalents, and restricted cash reported on the consolidated balance sheets that sum to the total of the amounts shown on the consolidated statement of cash flows (in thousands):

	31 December	
	2024	2023
Cash and cash equivalents	$ 428,858	$ 266,504
Restricted cash	294,698	311,368
Cash, cash equivalents, and restricted cash	$ 723,556	$ 577,872

On 31 March 2025, as a result of the decision by the Italian Supreme Court, the SNIA Litigation Guarantee was terminated, and the restriction to the cash deposit held as collateral was released.

For additional information regarding the SNIA litigation, please refer to "Note 23. Commitments and Contingencies."

20250806025528

Non-monetary Assets. Property, Plant, and Equipment. PP&E is carried at cost, less accumulated depreciation and any accumulated impairment losses. Maintenance and repairs, and minor replacements are charged to expense as incurred, while significant renewals and improvements are capitalised. LivaNova computes depreciation using the straight-line method over estimated useful lives. Where an item of PP&E comprises several parts with different useful lives, each part is recognised as a separate item and depreciated over its useful life. Useful life and residual value of PP&E are reviewed at each year-end. As necessary, the occurrence of changes to the useful life or residual value is recognised prospectively as a change in accounting estimates.

Leasehold improvements are depreciated over the shorter of the useful life of an asset or the lease term. Capital improvements to the building are added as building components and depreciated over the useful life of the improvement or the building, whichever is less.

The estimated useful lives for all classes of depreciable PP&E, except for land and capital investment in process which are not depreciated, were as follows:

31 December 2024	Lives in Years
Building and building improvements	2 to 36
Equipment, other, furniture, fixtures	3 to 20

31 December 2023	Lives in Years
Building and building improvements	5 to 36
Equipment, other, furniture, fixtures	2 to 20

Where there are any internal or external indications that the value of an item of PP&E may be impaired, the recoverable amount of the CGU(s) to which it belongs is calculated. If the recoverable amount is less than the carrying amount of the CGUs, a provision for impairment is recorded. PP&E is reviewed for impairment annually on 31 December.

Impairment of Goodwill and Long-lived Assets. The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The methodology applied to LivaNova's CGUs is fair value less costs of disposal, reflecting past experience and external sources of information, and includes Board approved five-year budgets based on cash flows which are extended to trend the expected short-term revenue growth rate at the end of the budgeted period down to the estimated long-term growth rate in a linear manner. The methodology applied to the Company's fair value less cost of disposal calculations is based on projected periods and includes a discounted cash flow model test, utilising discount rates and a long-term growth rate. Impairment evaluations are highly subjective. They involve expectations of future cash flows that reflect LivaNova's judgements and assumptions regarding future industry conditions and operations. The estimates and assumptions used in the application of the Company's goodwill impairment policies reflect both historical experience and an assessment of current operational, industry, market, economic, and political environments. Quantitative factors used to determine the fair value less cost of disposal of the CGU reflect the Company's best estimates, and the Company believes they are reasonable. Future declines in the CGU's operating performance or LivaNova's anticipated business outlook may reduce the estimated fair value of LivaNova's CGU and result in additional impairment. Factors that could have a negative impact on the fair value of the CGUs include, but are not limited to:

- Decreases in revenue as a result of the inability of LivaNova's sales force to effectively market and promote the Company's products;
- Increased competition, patent expirations, or new technologies or treatments commercialised by competitors;
- Declines in anticipated growth rates;
- The outcome of litigation, legal proceedings, investigations, or other claims resulting in significant cash outflows; and
- Increases in the market-participant risk-adjusted WACC.

Refer to "Note 9. Goodwill and Intangible Assets" for a discussion of the sensitivity analyses performed for the discount rate, the expected short-term revenue growth rate, and a one-year delay in the OSA CGU's commercialisation date for LivaNova's CGUs.

Generally, for intangible assets with a definite useful life, the Company uses cash flow projections for the whole useful life of these assets with a terminal value based on cash flow projections usually in line with or lower than inflation rates for later years.

Discount rates used are based on the Company's estimated WACC adjusted for specific country and currency risks associated with cash flow projections as an approximation of the WACC of a comparable market participant. Due to the above factors, actual

20250806025729

cash flows and values could vary significantly from forecasted future cash flows and related values derived using discounting techniques.

Goodwill is tested for impairment annually as of 31 December and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future years.

LivaNova conducts impairment testing of its indefinite-lived intangible assets on 31 December each year. The Company tests indefinite-lived intangible assets for impairment between annual tests if an event occurs or circumstances change that would indicate the carrying amount may be impaired. An impairment loss is recognised when the asset's carrying value exceeds its fair value.

Research and Development. Research costs are recognised as an expense for the year in which they are incurred. R&D includes costs of basic research activities as well as engineering and technical effort required to develop a new product or make a significant improvement to an existing product or manufacturing process. R&D costs also include regulatory and clinical study expenses, including post-market clinical studies.

Inventories. LivaNova states its inventories at the lower of cost, using the FIFO method, and net realisable value. The Company's calculation of cost includes the acquisition cost of raw materials and components, direct labour, and overhead. During the years ended 31 December 2024 and 2023, LivaNova reduced the carrying value of inventories for those items that are potentially excess, obsolete, or slow moving based on changes in customer demand, technology developments or other economic factors by $8.6 million and $19.9 million, respectively.

Revenue Recognition. Refer to "Note 3. Revenue Recognition."

Defined Benefit Pension Plans and Other Post-Employment Benefits. The Company sponsors various retirement benefit plans, including defined benefit pension plans (pension benefits), defined contribution savings plans, and termination indemnity plans, covering substantially all U.S. employees and employees outside the United States. The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability), and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the consolidated balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Remeasurements are not reclassified to the consolidated statement of loss in subsequent years.

Past service costs are recognised in the consolidated statement of loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date on which the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation under cost of sales and selling, general, and administrative expenses in the consolidated statement of loss (by function):

- Service costs comprising current service costs, past-service costs, gains and losses on curtailment, and non-routine settlements, and
- Net finance expenses or income.

Provision for severance indemnity is mandatory for Italian companies and is considered:

- A defined benefit plan with respect to amounts vested up to 31 December 2006 and amounts vesting from 1 January 2007 for employees who have chosen to maintain the TFR at the Company, for companies with 50 or fewer employees.
- A defined contribution plan with respect to amounts vesting as from 1 January 2007 for employees who have opted for supplementary pensions or who have chosen to maintain the TFR at the Company, for companies with more than 50 employees.

As a defined benefit plan, the TFR is measured using the unit credit projection method based on actuarial assumptions (demographic assumptions: mortality, turnover, disability of the population included in the above plan; financial assumptions: discount rate, benefit growth rate, capitalisation rate). The increase in the present value of the TFR is included in personnel expense, with the exception of the revaluation of the net liability, which is recorded among items of OCI. The cost of TFR accrued through 31 December 2006 no longer includes the component related to future salary increases. Payments of TFR, as a defined contribution plan, are also included in personnel expense, and until they are settled financially, they have a balancing entry in the statement of financial position in the form of current payables.

20250806025530

Share-Based Compensation. LivaNova grants share-based awards to directors, officers, and key employees. The Company measures the cost of services received in exchange for an award of equity instruments based on the grant date fair market value of the award. The cost of equity-settled transactions is recognised in employee benefits expense, together with a corresponding increase in retained earnings over the period in which the service and the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. LivaNova issues new shares upon stock option exercises, otherwise issuance of stock for vesting of restricted stock, restricted stock units, market performance-based restricted share units, operating performance-based restricted share units, or exercises of stock appreciation rights are issued from treasury shares. LivaNova has the right to elect to pay the cash value of vested restricted stock units in lieu of the issuance of new shares. The social security contributions on employee share-based payment awards are accrued over the service period.

The following share-based awards are offered by the Company:

- *SARs.* LivaNova may grant SARs that confer upon the grantee the contractual right to receive an amount of cash, stock, or a combination of both, that equals the appreciation in the Company's stock from the award's grant date to the exercise date. SARs may be exercised at the grantee's discretion during the exercise period and do not give the grantee an ownership right in the underlying stock. SARs do not involve payment of an exercise price. LivaNova uses the Black-Scholes option pricing methodology to calculate the grant date fair market value of SARs and compensation is expensed ratably over the service period. The Company determines the expected volatility of the awards based on historical volatility. Calculation of compensation for SAR stock awards requires the Company to estimate historical volatility and forfeiture rates.
- *RSUs.* LivaNova may grant service-based RSUs at no purchase cost to the grantee. The grantees of unvested units have no voting rights or rights to dividends and sale, or transfer of the stock and stock units is restricted until they are vested. The fair market value of service-based RSUs is determined using the market closing price on the grant date, and compensation is expensed ratably over the service period. Calculation of compensation for RSU stock awards requires the Company to estimate forfeiture rates.
- *Market Performance-Based RSUs.* LivaNova may grant market performance-based RSUs at no purchase cost to the grantee. The grantees of unvested units have no voting rights or rights to dividends, and sale or transfer of the units is restricted until they are vested. The number of shares that are ultimately transferred to the grantee is dependent upon the Company's percentile rank of TSR relative to a peer group. The fair market value of market performance-based RSUs is determined utilising a Monte Carlo simulation on the grant date and compensation is then expensed ratably over the service period. Calculation of compensation for market performance-based stock awards requires the Company to estimate historical volatility and forfeiture rates.
- *Operating Performance-Based RSUs.* LivaNova may grant operating performance-based RSUs at no purchase cost to the grantee. The grantees of unvested units have no voting rights or rights to dividends, and sale or transfer of the units is restricted until they are vested. The number of shares that are ultimately transferred to the grantee is dependent upon the Company's percentage achievement of certain targets for cumulative FCF and ROIC. The fair market value of operating performance-based RSUs is determined using the market closing price on the grant date. Compensation is expensed ratably over the service period and is adjusted based upon the estimated and actual percentage achievement of cumulative adjusted FCF and return on invested capital as compared to target.

Income Taxes. The tax expense for the year comprises current and deferred tax. Current and deferred tax is recognised in the consolidated statement of loss, except to the extent that it relates to items recognised in OCI or directly in equity. In this case, the tax is also recognised in OCI or directly in equity, respectively.

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year in the countries where the Company's subsidiaries and associates operate and generate taxable income. The Company is subject to taxation on earnings in several countries under various tax regulations. Calculation of taxes on a global scale requires the use of estimates and assumptions developed based on the information available at the balance sheet date. Management establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred taxes are recognised by the liability method for temporary differences between the carrying amount of assets and liabilities in the consolidated balance sheet and their tax base. They are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Adjustments to deferred taxes resulting from changes in tax rates are recognised in the consolidated statement of loss. A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. At each year-end, the Company reviews the recoverable value of deferred tax assets of tax entities holding significant loss carryforwards. This value

20250806025331

is based, by tax entity, on the strategy for recoverability of the tax loss carryforwards. Deferred taxes are charged or credited directly to equity when the tax relates to items that are recognised directly in equity, such as gains and losses on cash flow hedges and actuarial gains and losses on defined benefit plan obligations. Deferred tax assets and liabilities are set off when they are levied on the same taxable entity (legal entity or tax group) by the same taxation authority and the entity has a legally enforceable right of set off. Deferred taxes are recognised for all temporary differences associated with investments in subsidiaries and associates, except to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax balances are not discounted. As allowed by the amendments to IAS 12, the Company has applied the exception and will neither recognise or disclose information about deferred tax assets and liabilities relating to the OECD BEPS Pillar Two.

Leases. LivaNova has leases primarily for (i) real estate, including office space and manufacturing, warehouse, and research and development facilities and (ii) vehicles. LivaNova determines whether an arrangement is or contains a lease at its inception or when the terms and conditions of a contract are significantly changed. ROU assets and lease liabilities are recognised based on the present value of the future minimum lease payments over the lease term at the latter of the Company's lease standard effective date for adoption or the lease commencement date. LivaNova does not record an operating lease asset and corresponding liability for leases with terms of 12 months or less. LivaNova recognises the lease payments for such short-term leases within profit and loss on a straight-line basis over the lease term. Variable lease payments that do not depend on an index or a rate, such as variable common area rent, maintenance charges, and utility fees not known upon lease commencement, are not included in the determination of the minimum lease payments and are expensed in the period in which the obligation for those payments is incurred. Variable lease payments that depend on an index or a rate are initially measured using the index or rate as of the commencement date. As most of the Company's leases do not provide a readily determinable implicit rate, LivaNova uses its IBR based on the information available at the lease commencement date in determining the present value of future payments. LivaNova's IBR is determined using a risk-free rate adjusted for factors such as credit rating and borrowing currency, and represents an estimate of the interest rate the Company would incur at lease commencement to borrow the funds necessary to obtain an asset of similar value to the ROU asset over the term of a lease. The ROU lease asset also includes any lease payments made in advance and excludes lease incentives. LivaNova's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. ROU assets are depreciated over the shorter of the asset's useful life or the lease term on a straight-line basis. Lease payments are allocated between the liability and finance costs. Finance costs are recorded as an expense in the consolidated statement of loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. Certain of LivaNova's leases provide for tenant improvement allowances that have been recorded as ROU assets and amortised, using the straight-line method, over the life of the lease.

LivaNova applies certain practical expedients on an ongoing basis, including the practical expedient for short-term leases and leases of low-value assets pursuant to which a lessee is permitted to make an accounting policy election by class of underlying asset not to recognise a lease liability and lease asset. A short-term lease is defined as a lease with a term of 12 months or less and does not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise. In exception to vehicles as it relates to the low-value lease asset policy, the Company has applied these accounting policies to all asset classes in the Company's portfolio and will recognise the lease payments for such short-term leases and leases of low-value assets within the consolidated statement of loss on a straight-line basis over the lease term.

Accounting for leases has no impact on the actual cash flows. However, lease accounting requires the capitalisation, and subsequent depreciation, of costs that were previously expenses as paid, which impacts disclosures of cash flows within the cash flow statement.

From a lessor perspective, certain of LivaNova's agreements that allow the customer to use, rather than purchase, the Company's medical devices meet the criteria of being a lease.

For additional information, refer to "Note 17. Leases."

Equity. Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity instruments, for example, as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of LivaNova as treasury shares until the shares are cancelled or reissued. Where such Ordinary Shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of LivaNova.

Provisions and Warranties. Provisions for legal claims, service warranties, and make good obligations are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined

20250806025332

by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting year. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance expenses.

The Company offers a product warranty on various products. The Company estimates the costs that may be incurred under warranties and records a liability in the amount of such costs at the time the product is sold. The amount of the reserve recorded is equal to the net costs to repair or otherwise satisfy the claim. The warranty obligation is included in current provisions on the consolidated balance sheet. Warranty expense is recorded in cost of sales in the consolidated statement of loss.

Contingent Consideration. Contingent consideration is recognised at fair value at the date of acquisition based on the consideration expected to be transferred and estimated as the probability of future cash flows, discounted to present value in accordance with accepted valuation methodologies. The discount rate used is a benchmark yield curve for U.S. healthcare companies, determined at the time of measurement. Contingent consideration is remeasured each reporting year with the change in fair value, including accretion for the passage of time, recorded in the consolidated statement of loss. The change in fair value of contingent consideration based on the achievement of regulatory milestones is recorded as research and development expense while the change in fair value of sales-based earnout contingent consideration is recorded as cost of sales.

Product Liability Accruals. Accruals for product liability claims are recorded when it is probable that a liability has been incurred, and the amount of the liability can be reasonably estimated based on existing information. Accruals for product liability claims are adjusted periodically as additional information becomes available. The Company accrues an estimate of the legal defence costs needed to defend each matter when those costs are probable and can be reasonably estimated.

Contingencies. The Company is subject to product liability claims, government investigations, and other legal proceedings in the ordinary course of business. Legal fees and other expenses related to litigation are expensed as incurred and included in selling, general, and administrative expenses in the consolidated statement of loss. A provision is recorded when the Company determines that a loss is both probable and reasonably estimable. Due to the fact that legal proceedings and other contingencies are inherently unpredictable, LivaNova's assessments involve significant judgement regarding future events.

EPS. Basic (loss) EPS is calculated by dividing the income (loss) for the year attributable to equity holders of the parent by the weighted average number of shares outstanding during the year. Diluted EPS is calculated by dividing the income (loss) attributable to equity holders of the parent by the weighted average number of shares outstanding during the year plus the weighted average number of shares that would be issued on conversion of all the dilutive potential shares into shares. However, for the calculation of diluted EPS for the years ended 31 December 2024 and 2023 there is no dilution because to do so would be antidilutive due to the Company being in a net loss position during these years. Refer to "Note 24. Earnings Per Share" for additional information.

Exceptional Items. Exceptional items represent items within operating income (loss) that are material, either by size or incidence, and nonrecurring in nature.

Critical Estimates and Judgements. The preparation of LivaNova's consolidated financial statements in conformity with IFRS requires management to make estimates and judgements that affect the amounts reported in such financial statements and accompanying notes. These estimates and judgements are based on management's best knowledge of current events and actions the Company may undertake in the future. Actual results could differ materially from those estimates. Application of the following accounting policies requires certain judgements and estimates that have the potential for the most significant impact on LivaNova's consolidated financial statements:

Critical Estimates

- *3T Litigation and Saluggia Site Hazardous Substances Provisions.* Provisions for legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Estimates are used in assessing the likelihood of a loss being incurred and when determining a reasonable estimate of the loss for each claim. Final settlement amounts may be materially different from the provision recorded. For the 3T litigation provision, given the nature of the estimate, no sensitivities are applicable. For further discussions on the Company's 3T Litigation and Saluggia Site Hazardous Substances Provisions, please refer to "Note 23. Commitments and Contingencies," including the sensitivity to discount rates and the range of outcomes for the Saluggia site hazardous substances provision.
- *Goodwill and Intangible Assets - In-process research and development.* Goodwill and in-process R&D were recognised as part of the Company's past merger and acquisition activities based on detailed valuations that use information and assumptions provided by management. These valuations consider management's best estimates of inputs and assumptions that a market participant would use. The key estimates in the valuations include the discount rate as well as the revenue

20250806025333

growth rate and the OSA CGU's commercialisation date. For a discussion of impairments recognised and sensitivity analyses performed, refer to "Note 9. Goodwill and Intangible Assets."

- *Embedded Exchange and Conversion Features and Capped Call Derivatives.* In June 2020, the Company's wholly-owned subsidiary LivaNova USA issued the 2025 Notes and entered into the related 2025 Capped Calls, and in March 2024, the Company issued the 2029 Notes and entered into the related 2029 Capped Calls. The 2025 Notes and 2029 Notes include an embedded exchange feature and an embedded conversion feature, respectively, that are bifurcated from the 2025 Notes and 2029 Notes, as applicable. The Embedded Derivatives are measured at fair value using a binomial lattice model and discounted cash flows that utilise observable and unobservable market data. Each capped call derivative is measured at fair value using the Black-Scholes model utilising observable and unobservable market data, including stock price, remaining contractual term, expected volatility, risk-free interest rate, and expected dividend yield, as applicable. The Company uses historical volatility and implied volatility from options traded to determine expected stock price volatility, which is an unobservable input that is significant to the valuation. For additional information, please refer to "Note 4. Financial Risk Management" for a sensitivity analysis of expected stock price volatility and "Note 16. Financial Liabilities."
- *Deferred Tax Recoverability.* Management has made judgements and estimates regarding the recoverability of deductible temporary differences and tax losses carried forward to be utilised from future taxable profits. The Group has decided not to recognise UK deferred tax assets relating to losses where UK group relief is not permitted, and other timing differences due to the uncertainty involved in determining the future profitability of the Group. For additional information, please refer to "Note 22. Income Tax Expense."

Critical Judgements

- *Commitments and Contingencies.* A number of LivaNova subsidiaries are involved in various government and other investigations and legal proceedings (product liability, commercial, employment, environmental claims, etc.) arising out of the normal conduct of their businesses. The outcome of these matters is not certain, and judgement is required in determining whether these matters require the recognition of a liability. The most significant matters considered relate to the Company's 3T device, the SNIA litigation, and the Company's Saluggia site. For more information, see "Note 23. Commitments and Contingencies."

Note 3. Revenue Recognition

LivaNova generates revenue through contracts with customers consisting primarily of hospitals, healthcare institutions, and distributors. Revenue is measured based on consideration specified in customer contracts and excludes amounts collected on behalf of third parties. The Company measures the consideration based upon the estimated amount to be received. The amount of consideration LivaNova ultimately receives varies depending upon the return terms, sales rebates, discounts, and other incentives the Company may offer, which are accounted for as variable consideration when estimating the amount of revenue to recognise.

LivaNova has historically experienced a low rate of product returns, and the total value of product returns has not been significant to the Company's consolidated financial statements.

LivaNova recognises revenue when a performance obligation is satisfied by transferring control of a product or providing service to a customer. Some of LivaNova's contracts include the purchase of multiple products and/or services. In such cases, LivaNova allocates the transaction price based upon the relative estimated standalone selling price of each product and/or service sold. LivaNova records state and local sales taxes net; that is, the Company excludes sales tax from revenue. Typically, LivaNova's contracts do not have a significant financing component. LivaNova did not apply the practical expedient under IFRS 15 which provides that an entity is not required to adjust the transaction price for the effects of a significant financing component if, at contract inception, it expects the period between customer payment and the transfer of goods or services to be one year or less.

LivaNova incurs incremental commission fees paid to the sales force associated with the sale of products. LivaNova applies the practical expedient within IFRS 15 and has elected to recognise the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset the entity would otherwise recognise is one year or less. As a result, no commissions have been capitalised as contract costs since adoption of IFRS 15.

The following is a description of the principal activities (separated by reportable segments) from which LivaNova generates its revenue. For more detailed information about LivaNova's reportable segments, including disaggregated revenue results by major product line and primary geographic markets, see "Note 25. Segment and Geographic Information."

Cardiopulmonary Products and Services

Cardiopulmonary products include HLMs, oxygenators, autotransfusion systems, perfusion tubing systems, cannulae, and other related accessories.

Cardiopulmonary products may include performance obligations associated with assembly and installation of equipment. Accordingly, LivaNova allocates a portion of the sales prices to installation obligations and recognises that revenue when the service is provided. LivaNova recognises revenue for equipment and accessory product sales when control of the equipment or product passes to the customer.

Note 3. Revenue Recognition

20250806002534

Technical services include installation, repair, and maintenance of cardiopulmonary equipment under service contracts or upon customer request. Technical service agreements generally provide for upfront payments in advance of rendering services or periodic billing over the contract term. Amounts billed in advance are deferred and recognised as revenue when the performance obligation is satisfied. Technical services are not a significant component of Cardiopulmonary revenue and are presented with the related equipment and accessories revenue.

Neuromodulation Products

Neuromodulation products are comprised of neuromodulation therapy systems for the treatment of DRE and DTD. LivaNova's Neuromodulation product line includes the VNS Therapy System, which consists of an implantable pulse generator, a lead that connects the generator to the vagus nerve, and other accessories. LivaNova recognises revenue for Neuromodulation product sales when control passes to the customer.

Contract Balances

Due to the nature of LivaNova's products and services, revenue producing activities may result in contract assets and contract liabilities. These activities relate primarily to Cardiopulmonary technical services contracts for short-term and multi-year service agreements. Contract assets are primarily comprised of unbilled revenues, which occur when a performance obligation has been completed, but not billed to the customer. Contract liabilities are made up of deferred revenue, which occurs when a customer pays for a service before a performance obligation has been completed. Contract assets are included within other receivables on the consolidated balance sheets and were insignificant as of 31 December 2024 and 2023. As of 31 December 2024 and 2023, contract liabilities of $14.7 million and $15.3 million, respectively, were included within current and long-term other liabilities on LivaNova's consolidated balance sheets. During the years ended 31 December 2024 and 2023, net revenue recognised that was included in the contract liability balance at the beginning of the period was $14.2 million and $13.7 million, respectively. During the years ended 31 December 2024 and 2023, there was no revenue recognised that related to performance obligations satisfied in previous periods.

Note 4. Financial Risk Management

Management of Financial Risk

Increasing market fluctuations may result in significant earnings and cash flow volatility risk for LivaNova. The Company's operating business as well as its investment and financing activities are affected particularly by changes in foreign exchange rates, interest rates, and concentration of procurement suppliers and customers. In order to optimise the allocation of the financial resources across LivaNova's segments and entities, as well as to achieve its aims, LivaNova identifies, analyses, and manages the associated market risks. The Company seeks to manage and control these risks primarily through its regular operating and financing activities, and uses derivative financial instruments when deemed appropriate.

The Company's CFO oversees the management of these risks. The CFO is supported by a senior financial management team that advises on financial risks and the appropriate financial risk governance framework for the Company. The senior financial management team provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured, and managed in accordance with policies and risk appetite. All derivative activities for risk management purposes are carried out by teams that have the appropriate skills, experience, and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. Intercompany financing or investments of operating units are preferably carried out in their functional currency or on a hedged basis. The Board reviews and agrees to policies for managing each of these risks.

Liquidity Risk

Liquidity risk results from the Company's inability to meet its financial liabilities. LivaNova follows a financing policy that is aimed towards a balanced financing portfolio, a diversified maturity profile, and a comfortable liquidity cushion. LivaNova mitigates liquidity risk by the implementation of an effective working capital and centralised cash management and arranged credit facilities with highly rated financial institutions. In addition, LivaNova constantly monitors funding options available in the capital markets, as well as trends in the availability and costs of such funding, with a view to maintaining financial flexibility and limiting repayment risks.

The following tables reflect the undiscounted cash outflows related to settlement and repayments of the Company's financial liabilities at a balance sheet date. The disclosed expected undiscounted net cash outflows from derivative financial liabilities are determined based on each particular settlement date of an instrument and based on the earliest date on which LivaNova could be required to pay. Cash outflows for financial liabilities without fixed amount or timing are based on the conditions existing at the respective balance sheet date.

20250806025335

Contractual undiscounted future cash outflows were as follows (in thousands):

	31 December 2024				
	Due Within 1 Year	1-2 Years	2-5 Years	Over 5 Years	Total
Non-derivative financial instruments					
Trade payables	$ 67,081	$ —	$ —	$ —	$ 67,081
Financial liabilities	81,959	30,625	610,313	328	723,225
	$ 149,040	$ 30,625	$ 610,313	$ 328	$ 790,306
Financial derivative liabilities					
- On equity price risk [1]	$ 2,915	$ —	$ 51,819	$ —	$ 54,734
	$ 2,915	$ —	$ 51,819	$ —	$ 54,734

	31 December 2023				
	Due Within 1 Year	1-2 Years	2-5 Years	Over 5 Years	Total
Non-derivative financial instruments					
Trade payables	$ 78,922	$ —	$ —	$ —	$ 78,922
Financial liabilities	18,084	311,029	295,938	312	625,363
	$ 97,006	$ 311,029	$ 295,938	$ 312	$ 704,285
Financial derivative liabilities					
- On exchange rate risk	$ 3,883	$ —	$ —	$ —	$ 3,883
- On equity price risk [1]	—	45,569	—	—	45,569
	$ 3,883	$ 45,569	$ —	$ —	$ 49,452

[1] Refer to the section titled "Equity Price Risk" below.

Equity Price Risk

In June 2020 and March 2024, the Company issued the 2025 Notes and 2029 Notes, respectively, and entered into related Capped Call Transactions. The 2025 Notes and 2029 Notes each include terms resulting in a bifurcated embedded derivative. Please refer to "Note 14. Derivative Financial Instruments" and "Note 16. Financial Liabilities" for further details. The Embedded Derivatives are measured at fair value using a binomial lattice model and estimated discounted cash flows that utilise observable and unobservable market data. The Capped Call Transactions are measured at fair value using the Black-Scholes model utilising observable and unobservable market data, including stock price, remaining contractual term, expected volatility, risk-free interest rate, and expected dividend yield, as applicable.

In general, an increase in LivaNova's stock price or stock price volatility would increase the fair value of the embedded and capped call derivatives, which would result in an increase in net expense. As the remaining time to the expiration of the derivatives decreases, the fair value of the derivatives decreases. The future impact of the derivatives on net income depends on how significant inputs such as stock price, stock price volatility, and time to the expiration of the derivatives change in relation to other inputs. Changes in the fair value of the embedded and capped call derivatives are recognised in net gain on embedded and capped call derivatives on the consolidated statement of loss.

20250806025536

Stock Price Volatility

The following table presents the stock price volatility utilised in determining the fair value of LivaNova's capped call derivative assets and embedded derivative liabilities, as well as the fair value and the effect that hypothetical changes in the stock price volatility would have on the respective fair values, holding other inputs constant (dollars in thousands):

	Capped Call Derivative Assets (2025 Notes)	Capped Call Derivative Assets (2029 Notes)	Embedded Derivative Liability (2025 Notes)	Embedded Derivative Liability (2029 Notes)
Stock Price Volatility				
31 December 2024	37 %	35 %	37 %	35 %
31 December 2023	38 %	N/A	38 %	N/A
Fair Value				
31 December 2024	$ 2,624	$ 23,735	$ 2,915	$ 51,819
31 December 2023	38,496	N/A	45,569	N/A
10% Lower Stock Price Volatility				
31 December 2024	$ (1,312)	$ (3,799)	$ (1,455)	$ (18,044)
31 December 2023	(9,148)	N/A	(13,398)	N/A
10% Higher Stock Price Volatility				
31 December 2024	$ 1,185	$ 749	$ 1,622	$ 17,975
31 December 2023	4,780	N/A	13,254	N/A

Foreign Currency Exchange Rate Risk

FX risk is the risk that reported financial performance of the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. LivaNova operates in many countries and currencies and therefore currency fluctuations may impact LivaNova's financial results. In the ordinary course of business, LivaNova is exposed to foreign currency exchange rate fluctuations, particularly between USD, Euro, Canadian Dollar, GBP, and Japanese Yen. LivaNova is exposed to currency risk in the following areas:

- Transaction exposures related to anticipated sales and purchases and on-balance-sheet receivables/payables resulting from such transactions;
- Translation exposure of foreign-currency intercompany and external debt;
- Translation exposure of net income in foreign entities; and
- Translation exposure of foreign-currency denominated equity invested in consolidated companies.

Due to the global nature of LivaNova's operations, the Company is exposed to foreign currency exchange rate fluctuations. Historically, the Company has maintained a foreign currency exchange rate risk management strategy that utilises cash flow hedges and freestanding foreign currency derivatives to reduce the Company's exposure to unanticipated fluctuations in forecasted revenue and costs, inter-company debt, deposits, and accounts receivable caused by changes in foreign currency exchange rates. Additionally, foreign currency exchange rate exposure is partly balanced by the purchasing of goods, commodities, and services in their respective currencies, as well as production activities in the local markets. LivaNova's operating units are prohibited from borrowing or investing in foreign currencies on a speculative basis. Upon the settlement of LivaNova's foreign currency cash flow hedges in 2022 and following an in-depth analysis of the utility of the Company's cash flow hedging programme, LivaNova discontinued its foreign currency cash flow hedging programme. LivaNova continues to use freestanding derivative forward contracts to offset exposure to the variability of the value associated with assets and liabilities denominated in a foreign currency. Any gains and losses on the fair value of derivative contracts would generally be offset by gains and losses on the underlying transactions.

20250806025337

Note 4. Financial Risk Management

The following tables present financial instruments denominated in currencies other than the currency of account of the companies holding them which involve the greatest exposure (in thousands):

	31 December 2024				
	EUR	USD	GBP	Other	Total
Assets					
Cash and cash equivalents	$ 38,892	$ 514,373	$ 4,222	$ 12,563	$ 570,050
Trade receivables	43,740	23,745	(6)	8,783	76,262
Other assets	14,297	76,544	1,116	(465)	91,492
	96,929	614,662	5,332	20,881	737,804
Liabilities					
Trade payables	38,457	91	663	432	39,643
Financial liabilities	32,585	7	955	355	33,902
Other liabilities	44,399	11,508	4,761	5,156	65,824
	115,441	11,606	6,379	5,943	139,369
	$ (18,512)	$ 603,056	$ (1,047)	$ 14,938	$ 598,435
Financial derivative assets					
- Not for hedging [1]	$ 738	$ —	$ —	$ —	$ 738

[1] Derivative transactions that do not meet the requirements for hedge accounting.

	31 December 2023				
	EUR	USD	GBP	Other	Total
Assets					
Cash and cash equivalents	$ 534	$ 412,857	$ 3,199	$ 7,983	$ 424,573
Trade receivables	28,795	35,067	8	5,655	69,525
Other assets	11,305	4,426	52	(2,528)	13,255
	40,634	452,350	3,259	11,110	507,353
Liabilities					
Trade payables	46,540	1,699	517	(15)	48,741
Financial liabilities	34,933	—	1,478	433	36,844
Other liabilities	41,117	1,142	6,014	2,804	51,077
	122,590	2,841	8,009	3,222	136,662
	$ (81,956)	$ 449,509	$ (4,750)	$ 7,888	$ 370,691
Financial derivative liabilities					
- Not for hedging [1]	$ —	$ 3,824	$ 91	$ (32)	$ 3,883

[1] Derivative transactions that do not meet the requirements for hedge accounting.

Interest Rate Risk

The Company's main interest rate risk arises from long-term debt with variable rates, which expose the Company to cash flow interest rate risk. Historically, LivaNova entered into interest rate swaps associated with the Initial Term Facility, which qualified for and were designated as cash flow hedges. The Company's outstanding interest rate swaps expired on 6 April 2023. LivaNova elected not to renew the interest rate swaps as finance expenses associated with the Initial Term Facility are principally offset by holding proceeds from a significant portion of the Term Facilities in a depository account, which earns a floating rate of interest. During the year ended 31 December 2024, the Company's debt at variable rates was denominated in USD and EUR.

As at 31 December 2024, LivaNova Group had the following variable rate financing denominated in USD:

- A Term Loan A from a syndicate of lenders to LivaNova USA, Inc. for $318.0 million
- A local credit facility in favour of LivaNova Colombia Sas for $1.5 million

As at 31 December 2024, non-USD-denominated floating rate debt was immaterial.

As at 31 December 2023, LivaNova Group had the following variable rate financing denominated in USD:

- A Term Loan A from a syndicate of lenders to LivaNova USA, Inc. for $335.0 million
- A local credit facility in favour of LivaNova Colombia Sas for $1.5 million

As at 31 December 2023, non-USD-denominated floating rate debt was immaterial.

20250806602538

Credit Risk

LivaNova trade receivables represent potential concentrations of credit risk. This risk is limited due to the large number of customers and their dispersion across a number of geographic areas, as well as the Company's efforts to control LivaNova's exposure to credit risk by monitoring the Company's receivables, the use of credit approvals, and credit limits. Refer to "Note 13. Trade Receivables and Other Receivables" for more details. In addition, LivaNova has historically had strong collections and minimal write-offs. While the Company believes that its reserves for credit losses are adequate, essentially all of the Company's trade receivables are concentrated in the hospital and healthcare sectors worldwide, and accordingly, LivaNova is exposed to their respective business, economic, and country-specific variables. Although LivaNova does not currently foresee a concentrated credit risk associated with these receivables, repayment is dependent on the financial stability of these industry sectors and the respective countries' national economies and healthcare systems.

The following table presents the maximum theoretical credit risk exposure for LivaNova as an aggregate carrying amount of financial assets (in thousands):

	31 December	
	2024	**2023**
Cash and cash equivalents	$ 428,858	$ 266,504
Restricted cash	294,698	311,368
Trade receivables	193,158	215,072
Other receivables	25,873	26,699
Current and non-current financial derivative assets	23,735	38,496
Current and non-current financial assets	35,799	28,863
Other assets	7,590	6,527
Guarantees	10,647	16,356
	$ 1,020,358	$ 909,885

The risk related to cash and cash equivalents, financial assets, and financial derivatives assets is limited since all bank and financial counterparties have a high credit rating.

The guarantees issued by LivaNova are primarily due to unconditional bank guarantees, irrevocable letters of credit, bid bonds, guarantees to the governmental tax authorities, and tenancy guarantees, and thus, the related credit risk is remote and has been remote as viewed on a historical basis.

LivaNova operates in the medical technology sector for which there is not a significant risk of customer insolvency as a number of its customers are related to government agencies. However, LivaNova is subject to risks related to cash requirements resulting from potentially high average collection periods (days sales outstanding).

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum investment grade credit rating are accepted.

For customers, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience, and other factors. Individual risk limits are set based on internal or external information in accordance with limits set by the Company's Treasury Group. The compliance with and authorisation of credit limits by customers is regularly monitored by line management. Additionally, the Company established a policy for expected credit loss provisions based on lifetime expected credit losses, which provides the methodology to be used to calculate an addition to the provision for uncollectible receivables for past-due receivables for each LivaNova entity and the ageing of each receivable.

Changes in provisions for uncollectible receivables are explained in "Note 13. Trade Receivables and Other Receivables."

The following table presents trade receivables by due dates (in thousands) and the expected loss rate to which LivaNova is exposed:

	Expected Loss Rate [1]	31 December	
		2024	**2023**
Performing	0.04% - 6.0%	$ 170,148	$ 180,613
Less than 30 days past due	0.38% - 12.0%	12,999	19,469
31-120 days past due	0.38% - 30.0%	7,437	14,683
121-365 days past due	0.38% - 30.0%	2,574	307
		$ 193,158	$ 215,072

[1] Expected loss rates are applied based upon risk-ranked groupings of countries where the underlying sales are made.

Note 4. Financial Risk Management

20250806002539

Trade receivables that are past due were $23.0 million and $34.5 million at 31 December 2024 and 2023, respectively. Of this amount, 43.3% and 22.1% at 31 December 2024 and 2023, respectively, were receivables from certain government hospitals that pay their suppliers in 1-2 years on average, and the remaining are receivables from private customers, clinics, and distributors, some of which have agreed to repayment plans through the renegotiation of payment terms.

Performing receivables from government (public) hospitals were 22.3% and 26.9% of total performing receivables at 31 December 2024 and 2023, respectively, as presented in the following table (in thousands):

	31 December					
	2024			2023		
By Sector	Total	Performing	Past Due	Total	Performing	Past Due
Public	$ 47,959	$ 37,991	$ 9,968	$ 56,180	$ 48,559	$ 7,621
Private	145,199	132,157	13,042	158,892	132,054	26,838
	$ 193,158	$ 170,148	$ 23,010	$ 215,072	$ 180,613	$ 34,459

The following table presents trade receivables by region (in thousands except D.S.O.):

	31 December							
	2024				2023			
By Region	D.S.O.	Total	Performing	Past Due	D.S.O.	Total	Performing	Past Due
Italy	187	$ 10,583	$ 7,639	$ 2,944	136	$ 10,500	$ 8,707	$ 1,793
Spain	70	3,428	2,933	495	110	4,855	3,237	1,618
France	52	5,022	4,603	419	62	5,732	5,283	449
Germany	35	4,104	4,466	(362)	22	2,405	2,672	(267)
Rest of Europe	62	27,807	24,026	3,781	76	32,462	30,019	2,443
North America	33	63,864	59,403	4,461	44	79,784	62,658	17,126
Japan	104	9,532	9,536	(4)	104	9,404	9,408	(4)
Rest of World	94	68,818	57,542	11,276	109	69,930	58,629	11,301
	54	$ 193,158	$ 170,148	$ 23,010	66	$ 215,072	$ 180,613	$ 34,459

Revenues are derived from a large number of customers with no customers being individually material.

The average collection period decreased from 66 days at 31 December 2023 to 54 at 31 December 2024. The D.S.O., or average collection period, is calculated as the ratio of total receivables at the end of the year to revenues generated in the 12 preceding months. D.S.O. = (Trade receivables/Revenues) * 365.

For comparability, the revenue amounts include VAT.

For the purposes of the disclosure of credit risk, there were no past-due balances of a significant amount related to other assets, other receivables, and financial assets.

Capital Management

LivaNova maintains a sufficient amount of capital to meet its development needs, fund the business units' operations, and ensure the Company continues to be a going concern. The equilibrium of sources of funding, which is also aimed at minimising overall capital costs, is achieved by balancing risk capital contributed on a permanent basis by shareholders, and debt capital, which is in turn diversified and structured with several due dates and in other currencies. To this end, changes in debt levels in relation to both equity and operating profit, and the generation of cash by the business units are constantly kept under control. Please refer to the sections above titled "*Management of Financial Risk*," "*Liquidity Risk*," "*Foreign Currency Exchange Rate Risk*," "*Interest Rate Risk*," "*Credit Risk*," and "Note 16. Financial Liabilities."

Note 5. Fair Value Measurements

LivaNova follows the authoritative guidance on fair value measurements and disclosures with respect to assets and liabilities that are measured at fair value on both a recurring and nonrecurring basis. Under this guidance, fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. The authoritative guidance also establishes a hierarchy for inputs used in measuring fair value that maximises the use of observable inputs and minimises the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs market participants would use in valuing the asset or liability, based on market data obtained from sources independent of LivaNova. Unobservable inputs are inputs that reflect LivaNova's assumptions about the factors market participants would use in valuing the asset or liability developed based upon the best information available in the circumstances. The categorisation of financial assets and financial liabilities within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Note 5. Fair Value Measurements

20250806025540

The hierarchy is broken down into three levels defined as follows:

- Level 1 – Inputs are quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs (other than quoted prices) that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Inputs are unobservable for the asset or liability.

Assets and Liabilities That Are Measured at Fair Value on a Recurring Basis

The following tables present the level in the fair value hierarchy at which the Company's assets and liabilities are measured on a recurring basis (in thousands):

	31 December 2024	Fair Value Measurements Using Inputs Considered as:		
		Level 1	Level 2	Level 3
Assets				
Financial assets at fair value	$ 21,365	$ 10,144	$ —	$ 11,221
Derivative assets – freestanding instruments (FX)	738	—	738	—
Derivative assets – capped call derivatives (2025 Notes)	2,624	—	—	2,624
Derivative assets – capped call derivatives (2029 Notes)	23,735	—	—	23,735
	$ 48,462	$ 10,144	$ 738	$ 37,580
Liabilities				
Derivative liabilities – embedded derivative (2025 Notes)	$ 2,915	$ —	$ —	$ 2,915
Derivative liabilities – embedded derivative (2029 Notes)	51,819	—		51,819
Earnout for contingent payments	84,218	—	—	84,218
	$ 138,952	$ —	$ —	$ 138,952

	31 December 2023	Fair Value Measurements Using Inputs Considered as:		
		Level 1	Level 2	Level 3
Assets				
Financial assets at fair value	$ 19,907	$ —	$ —	$ 19,907
Derivative assets – capped call derivatives (2025 Notes)	38,496	—	—	38,496
Convertible notes receivable	275	—	—	275
	$ 58,678	$ —	$ —	$ 58,678
Liabilities				
Derivative liabilities – freestanding instruments (FX)	$ 3,883	$ —	$ 3,883	$ —
Derivative liabilities – embedded derivative (2025 Notes)	45,569	—	—	45,569
Earnout for contingent payments	94,652	—	—	94,652
	$ 144,104	$ —	$ 3,883	$ 140,221

Note 5. Fair Value Measurements

20250806025411

The following table presents a reconciliation of the beginning and ending balances of LivaNova's recurring fair value measurements, using significant unobservable inputs (Level 3) (in thousands):

	Financial Assets at Fair Value	Capped Call Derivative Assets (2025 Notes)	Capped Call Derivative Assets (2029 Notes)	Convertible Notes Receivable	Embedded Derivative Liability (2025 Notes)	Embedded Derivative Liability (2029 Notes)	Contingent Consideration Liability Arrangements
1 January 2023	$ 14,288	$ 54,393	$ —	$ 285	$ 85,675	$ —	$ 85,292
Additions	5,508	—	—	—	—	—	—
Changes in fair value recognised in profit or loss (1) (2)	111	(15,897)	—	(10)	(40,106)	—	9,360
31 December 2023	19,907	38,496	—	275	45,569	—	94,652
Additions	—	—	31,637	—	—	87,457	—
Cash receipts	—	(22,524)	—	—	—	—	—
Payment	—	—	—	—	(36,915)	—	(13,750)
Transfer to Level 1	(3,000)	—	—	—	—	—	—
Changes in fair value recognised in profit or loss (1) (2)	(5,686)	(13,348)	(7,902)	(275)	(5,739)	(35,638)	3,316
31 December 2024	11,221	2,624	23,735	—	2,915	51,819	84,218
Less: Current portion as of 31 December 2024	—	2,624	—	—	2,915	—	—
Long-term portion as of 31 December 2024	$ 11,221	$ —	$ 23,735	$ —	$ —	$ 51,819	$ 84,218

(1) During the year ended 31 December 2024, the contingent consideration change in fair value resulted in an increase of $1.3 million recorded to cost of sales and an increase of $2.0 million recorded to R&D. During the year ended 31 December 2023, the contingent consideration change in fair value resulted in an increase of $3.8 million recorded to cost of sales and an increase of $5.6 million recorded to R&D.

(2) Changes in the fair value of the embedded derivative liabilities and capped call derivative assets are recognised in net gain on embedded and capped call derivatives in the consolidated statement of loss. Refer to "Note 14. Derivative Financial Instruments" for additional information on the changes in fair value as it relates to the embedded and capped call derivatives.

Level 1

LivaNova's investment in Ceribell, Inc. is classified as Level 1. For additional information, refer to "Note 11. Financial Assets."

Level 2

Financial assets and liabilities classified as Level 2 include derivative instruments, primarily forward and option currency contracts, which are valued using standard calculations and models that use readily observable market data as their basis. To measure the fair value of its derivative transactions (transactions to hedge exchange risk), LivaNova calculates the mark-to-market of each transaction using prices quoted in active markets (e.g., the spot exchange rate of a currency for forward exchange transactions), or the measurement of an exchange rate option (with the processing of listed prices and observable variables such as volatility).

For all Level 2 valuations, LivaNova uses the information provided by a third-party as a source for obtaining quoted observable prices and to process market variables. In particular, for forward exchange rate transactions, fair value is calculated using the forward market exchange rate on the reporting date for each contract. The difference calculated between this amount and the contractual forward rate is discounted (present value) to the same reporting date.

The derivative valuation models incorporate the credit quality of counterparts, adjustments for counterparts' credit risk, and the Company's own non-performance risk.

Level 3

Financial assets and liabilities classified as Level 3 include equity investments without readily determinable fair values, embedded and capped call derivative instruments, and contingent consideration liability arrangements.

Financial assets at fair value consist of investments in equity shares, convertible preferred shares, and convertible notes receivable of privately held companies for which there are no quoted market prices. These investments fall within Level 3 of the fair value hierarchy due to the use of significant unobservable inputs to determine fair value as the investments are privately held entities without quoted market prices. To determine the fair value of these investments, management used all pertinent financial

20250806025542

information available related to the entities, including valuation reports prepared by third parties. Refer to "Note 11. Financial Assets" for a further discussion of the Company's investments.

LivaNova's embedded and capped call derivative instruments are classified as Level 3 as the Company uses historical volatility and implied volatility from actual options traded to determine expected stock price volatility, an unobservable input that is significant to the valuation.

Earnout for contingent payments related to LivaNova's acquisition of ImThera represents the Company's contingent consideration liability as of 31 December 2024. This liability falls within Level 3 of the fair value hierarchy due to the use of significant unobservable inputs to determine fair value as the liability is estimated as the probability of future cash flows, discounted to present value in accordance with accepted valuation methodologies. The discount rate used is determined at the time of measurement. Refer to "Note 19. Contingent Consideration, 3T Litigation Provision Liability, and Other Provisions" for a reconciliation of the changes in the fair value of the Company's contingent consideration liability.

The following table presents the fair value of LivaNova's Level 3 contingent consideration arrangements by acquisition (in thousands):

	31 December	
	2024	2023
ImThera	$ 84,218	$ 80,902
ALung [1]	—	13,750
	$ 84,218	$ 94,652

[1] The ALung business combination involved a contingent consideration arrangement composed of potential cash payments upon the achievement of certain sales-based thresholds associated with sales of products. The ALung contingent consideration was subject to a one-time phase-out payment of $13.8 million, in the event that LivaNova were to cease operations of ALung. In January 2024, LivaNova announced the wind down of ACS, including ALung, as part of the 2024 Restructuring Plan, and as a result, the ALung contingent consideration phase-out payment amount of $13.8 million was paid during 2024.

The ImThera business combination involved contingent consideration arrangements comprised of potential cash payments upon the achievement of a certain regulatory milestone and a sales-based earnout associated with sales of products. The sales-based earnouts are valued using projected sales from LivaNova's internal strategic plan. These arrangements are Level 3 fair value measurements and include the following significant unobservable inputs as of 31 December 2024:

ImThera Acquisition	Valuation Technique	Unobservable Input	Ranges
Regulatory milestone-based payment	Discounted cash flow	Discount rate	7.0%
		Probability of payment	85%
		Projected payment year	2026
Sales-based earnout	Monte Carlo simulation	Risk-adjusted discount rate	14.2% - 14.3%
		Credit risk discount rate	7.1% - 7.7%
		Revenue volatility	23.6%
		Probability of payment	85%
		Projected years of earnout	2027 - 2030

Transfers

LivaNova reviews the fair value hierarchy classification on a quarterly basis. Changes in the ability to observe valuation inputs may result in a reclassification of levels for certain securities within the fair value hierarchy. The Company's policy is to recognise transfers into and out of levels within the fair value hierarchy at the end of the fiscal quarter in which the actual event or change in circumstances that caused the transfer occurs. Excluding LivaNova's investment in Ceribell, Inc., as discussed in "Note 11. Financial Assets," there were no transfers between Level 1, Level 2 or Level 3 during the years ended 31 December 2024 and 2023. When a determination is made to classify an asset or a liability within Level 3, the determination is based upon the significance of the unobservable inputs to the overall fair value.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Non-financial assets such as goodwill, intangible assets and property, plant, and equipment are usually measured at fair value computed using the fair value less cost of disposal when there is an indicator of impairment and recorded at fair value only when impairment is recognised. Financial assets such as investments in shares are held at cost, which LivaNova believes is an appropriate estimate of fair value unless more recent information is available sufficient to measure fair value. The fair values of

20250806025543

these non-financial assets are based on the Company's own judgements about the assumptions that market participants would use in pricing the asset and on observable market data, when available. The Company classifies these measurements as Level 3 within the fair value hierarchy.

Other

The carrying value of LivaNova's long-term debt including the current portion as of 31 December 2024 and 2023 was $627.9 million and $586.6 million, respectively. The fair value of the 2025 Notes as of 31 December 2024 and 2023 was $58.7 million and $314.4 million, respectively. The fair value of the 2029 Notes as of 31 December 2024 was $343.7 million. For all other long-term debt obligations, LivaNova believes the carrying value approximates fair value. The fair value was estimated using quoted market prices for the publicly registered Senior Notes, which are classified as Level 2 within the fair value hierarchy. The fair values and principal values consider the terms of the related debt and exclude the impacts of debt discounts and hedging activity. For additional information on LivaNova's long-term debt obligations, refer to "Note 16. Financial Liabilities."

The carrying values of LivaNova's cash, cash equivalents, and restricted cash; accounts receivable; accounts payable; and accrued liabilities approximate their fair values due to the short-term nature of these items.

Note 6. Financial Instruments

The Group uses several instruments to fund its operating activities, including short- and long-term debt from credit institutions and other lenders and short-term bank loans. The Group's other financial instruments consist of trade payables and receivables resulting from operating activities, investments in other companies, assets and liabilities for financial derivatives, and other receivables and payables other than those related to staff, tax authorities, and welfare agencies.

Classification of financial instruments

The classification of financial instruments measured at fair value changed from being measured through OCI to being measured in profit or loss. With regard to the classification of financial instruments on the basis of the types as specified in IFRS 9, the following should be noted:

- Assets and liabilities for financial derivatives related to contracts entered into to mitigate exchange risk on imports and exports are classified under "Financial assets/liabilities at fair value through OCI" when they meet the requirements for being recognised as hedge accounting instruments, and under "Financial assets/liabilities at fair value through profit or loss" when these requirements are not met.

Classification of Financial Instruments at 31 December 2024

	Classification			Carrying Amount			
(in thousands)	Financial Assets/ Liabilities at Fair Value Through Profit or Loss	Financial Assets Measured at Amortised Cost	Financial Liabilities at Amortised Cost	Total	Current Portion	Non-Current Portion	Fair Value
Assets							
Cash, cash equivalents, and restricted cash	$ —	$ 723,556	$ —	$ 723,556	$ 723,556	$ —	$ 723,556
Trade receivables	—	193,158	—	193,158	193,158	—	193,158
Financial derivative assets	27,097	—	—	27,097	3,362	23,735	27,097
Financial assets	21,365	11,072	—	32,437	809	31,628	32,437
Other assets	—	7,590	—	7,590	—	7,590	7,590
	$ 48,462	$ 935,376	$ —	$ 983,838	$ 920,885	$ 62,953	$ 983,838
Liabilities							
Financial liabilities	$ —	$ —	$ 626,849	$ 626,849	$ 77,339	$ 549,510	$ 723,053
Lease liabilities	—	—	49,375	49,375	9,046	40,329	49,375
Other liabilities	—	—	83,824	83,824	—	83,824	83,824
Trade payables	—	—	67,081	67,081	67,081	—	67,081
Financial derivative liabilities	51,819	—	—	51,819	—	51,819	51,819
Other financial liabilities	—	—	665	665	665	—	665
	$ 51,819	$ —	$ 827,794	$ 879,613	$ 154,131	$ 725,482	$ 975,817

20250806025544

Note 6. Financial Instruments

	Classification of Financial Instruments at 31 December 2023						
	Classification			Carrying Amount			
(in thousands)	Financial Assets/ Liabilities at Fair Value Through Profit or Loss	Financial Assets Measured at Amortised Cost	Financial Liabilities at Amortised Cost	Total	Current Portion	Non-Current Portion	Fair Value
Assets							
Cash, cash equivalents, and restricted cash	$ —	$ 577,872	$ —	$ 577,872	$ 577,872	$ —	$ 577,872
Trade receivables	—	215,072	—	215,072	215,072	—	215,072
Financial derivative assets	38,496	—	—	38,496	—	38,496	38,496
Financial assets	19,907	8,956	—	28,863	483	28,380	28,863
Other assets	—	6,527	—	6,527	—	6,527	6,527
	$ 58,403	$ 808,427	$ —	$ 866,830	$ 793,427	$ 73,403	$ 866,830
Liabilities							
Financial liabilities	$ —	$ —	$ 586,001	$ 586,001	$ 17,484	$ 568,517	$ 652,302
Lease liabilities	—	—	53,843	53,843	8,369	45,474	53,843
Other liabilities	—	—	72,492	72,492	—	72,492	72,492
Trade payables	—	—	78,922	78,922	78,922	—	78,922
Financial derivative liabilities	45,569	—	—	45,569	—	45,569	45,569
Other financial liabilities	—	—	627	627	627	—	627
	$ 45,569	$ —	$ 791,885	$ 837,454	$ 105,402	$ 732,052	$ 903,755

Note 7. Restructuring

From time to time, LivaNova initiates restructuring plans to leverage economies of scale, streamline distribution and logistics, and strengthen operational and administrative effectiveness to reduce overall costs. A restructuring provision is recorded when a plan is approved and communicated to employees.

During 2022, management committed to implement a cost-optimisation and cost reduction programme to adapt to current economic conditions, which included a workforce reduction to be completed by mid-2023. Under this plan, LivaNova recognised restructuring expense of $1.0 million and $6.6 million during the years ended 31 December 2023 and 2022, respectively. The total estimated restructuring costs associated with the plan were approximately $10.0 million, including employee termination benefits, consulting fees, and contract termination costs.

On 5 January 2024, the Board of Directors of LivaNova PLC approved the 2024 Restructuring Plan to enhance the Company's focus on its core Cardiopulmonary and Neuromodulation segments. The main component of the 2024 Restructuring Plan was to wind down the former ACS segment, which was substantially completed in 2024. LivaNova recognised restructuring expense under the 2024 Restructuring Plan of $0.1 million in other operating expenses, and $12.6 million for inventory obsolescence in cost of sales on its consolidated statement of loss during the year ended 31 December 2023. Additionally, the Company determined that it was more likely than not that the carrying amounts associated with the former ACS segment, including the long-lived assets (asset group), may not be recoverable. This was determined to be a triggering event occurring in the fourth quarter of 2023 requiring an impairment assessment, based on certain factors, including the results of an updated long-term financial outlook for the former ACS segment.

As such, LivaNova recorded impairments of the following long-lived assets during the year ended 31 December 2023, included within impairment of long-lived assets on its consolidated statement of loss (in thousands):

	2023
Intangible assets:	
Developed technology	$ 78,067
Trade names	7,117
Property, plant, and equipment	3,894
Right-of-use assets	896
	$ 89,974

As of 31 December 2024, the 2024 Restructuring Plan was substantially complete. LivaNova incurred pre-tax restructuring charges of $13.4 million related to this plan, primarily comprised of severance expenses and retention bonuses. Minimal residual activities and expenses are expected, though estimates remain subject to change.

202508060254S

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Note 7. Restructuring

The following table presents a reconciliation of the beginning and ending balance of the accruals and other reserves recorded in connection with LivaNova's restructuring plans included within current and long-term provisions on the consolidated balance sheets (in thousands):

	Employee Severance and Other Termination Costs	Other	Total	
1 January 2023	$ 2,045	$ —	$ 2,045	
Charges	956	—	956	
Cash payments	(2,090)	—	(2,090)	
31 December 2023	911	—	911	(1)
Charges	10,569	2,787	13,356	
Cash payments	(9,441)	(2,222)	(11,663)	
31 December 2024	$ 2,039	$ 565	$ 2,604	(2)

(1) The restructuring plans' liabilities are recorded in the Consolidated Balance Sheets as $0.1 million within current and long-term provisions, and $0.8 million within current other liabilities as of 31 December 2023.

(2) The restructuring plans' liabilities are recorded in the Consolidated Balance Sheets as $2.0 million within current and long-term provisions, and $0.6 million within current other liabilities as of 31 December 2024.

The following table presents restructuring expense or reversal by reportable segment (in thousands):

	2024	2023
Cardiopulmonary	$ —	$ (55)
Neuromodulation	—	504
Other (1)	13,356	507
	$ 13,356	$ 956

(1) "Other" primarily includes restructuring expense not allocated to segments.

Note 8. Property, Plant, and Equipment

The following table presents the composition of property, plant, and equipment (in thousands):

	Land	Buildings and Building Improvements	Equipment, Other, Furniture, Fixtures	Capital Investment in Process	Total
31 December 2024					
Gross amount	$ 12,097	$ 87,741	$ 185,420	$ 14,994	$ 300,252
Accumulated depreciation and impairment	—	(34,371)	(133,577)	—	(167,948)
	$ 12,097	$ 53,370	$ 51,843	$ 14,994	$ 132,304
31 December 2023					
Gross amount	$ 14,902	$ 84,543	$ 185,692	$ 7,830	$ 292,967
Accumulated depreciation and impairment	—	(31,106)	(129,014)	—	(160,120)
	$ 14,902	$ 53,437	$ 56,678	$ 7,830	$ 132,847

20250806025546

Note 8. Property, Plant, and Equipment

The following table presents the changes in the net amount of each category of property, plant, and equipment (in thousands):

	Land	Buildings and Building Improvements	Equipment, Other, Furniture, Fixtures	Capital Investment in Process	Total
1 January 2023	$ 14,637	$ 54,310	$ 55,998	$ 7,355	$ 132,300
Additions	—	689	12,348	11,423	24,460
Disposals	—	(55)	(2,222)	(98)	(2,375)
Impairment	—	—	(3,148)	(746)	(3,894)
Depreciation	—	(4,615)	(15,068)	—	(19,683)
Currency translation gain	265	510	1,061	203	2,039
Reclassifications	—	2,598	7,709	(10,307)	—
31 December 2023	14,902	53,437	56,678	7,830	132,847
Additions	—	880	7,215	18,620	26,715
Disposals	—	(54)	(827)	(218)	(1,099)
Depreciation	—	(4,714)	(14,044)	—	(18,758)
Currency translation loss	(486)	(1,569)	(2,517)	(510)	(5,082)
Asset held for sale	(2,319)	—	—	—	(2,319)
Reclassifications	—	5,390	5,338	(10,728)	—
31 December 2024	$ 12,097	$ 53,370	$ 51,843	$ 14,994	$ 132,304

Note 9. Goodwill and Intangible Assets

The following table presents the composition of goodwill and intangible assets, net (in thousands):

		Intangible Assets						
	Goodwill	Developed Technology	Customer Relationships	Trade Names	In-Process R&D	Other Intangible Assets	Software	Total
31 December 2024								
Gross amount	$ 448,108	$ 97,858	$ 178,616	$ 12,453	$ 112,000	$ 720	$ 76,422	$ 478,069
Accumulated amortisation and impairment	—	(60,317)	(90,896)	(12,453)	—	(686)	(38,613)	(202,965)
	$ 448,108	$ 37,541	$ 87,720	$ —	$ 112,000	$ 34	$ 37,809	$ 275,104
31 December 2023								
Gross amount	$ 458,857	$ 103,490	$ 187,196	$ 13,280	$ 112,000	$ 779	$ 57,000	$ 473,745
Accumulated amortisation and impairment	—	(56,921)	(84,647)	(13,280)	—	(720)	(35,718)	(191,286)
	$ 458,857	$ 46,569	$ 102,549	$ —	$ 112,000	$ 59	$ 21,282	$ 282,459

20250806025547

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Note 9. Goodwill and Intangible Assets

The following table presents the changes in the net amount of each category of goodwill and intangible assets, net (in thousands):

		Intangible Assets						
	Goodwill	Developed Technology	Customer Relationships	Trade Names	In-Process R&D	Other Intangible Assets	Software	Total
1 January 2023	$ 453,794	$ 136,986	$ 111,577	$ 7,885	$ 112,000	$ 112	$ 14,810	$ 383,370
Additions	—	—	—	—	—	—	11,488	11,488
Amortisation	—	(14,066)	(10,587)	(768)	—	(51)	(5,054)	(30,526)
Impairment	—	(78,067)	—	(7,117)	—	—	—	(85,184)
Currency translation gain/(loss)	5,063	1,716	1,559	—	—	(2)	38	3,311
31 December 2023	458,857	46,569	102,549	—	112,000	59	21,282	282,459
Additions	—	—	—	—	—	—	22,981	22,981
Amortisation	—	(6,700)	(10,494)	—	—	(18)	(6,346)	(23,558)
Currency translation loss	(10,749)	(2,328)	(4,335)	—	—	(7)	(108)	(6,778)
31 December 2024	$ 448,108	$ 37,541	$ 87,720	$ —	$ 112,000	$ 34	$ 37,809	$ 275,104

Amortisation of intangible assets charged to the consolidated statement of loss totalled $23.6 million and $30.5 million for the years ended 31 December 2024 and 2023, respectively, and is included within cost of sales; selling, general, and administrative; and research and development.

The amortisation periods for LivaNova's finite-lived intangible assets were as follows:

31 December 2024 and 2023	Minimum Life in Years	Maximum Life in Years
Developed technology [1]	14	17
Customer relationships [1]	8	18
Software	3	5

[1] As of 31 December 2024, developed technology from the Merger had a remaining useful life of 6 to 9 years, customer relationships from the Merger had a remaining useful life of 9 years. As of 31 December 2023, developed technology from the Merger had a remaining useful life of 7 to 10 years, customer relationships from the Merger had a remaining useful life of 10 years.

Impairment of Goodwill and Intangible Assets

The Company's CGUs consist of Cardiopulmonary, Obstructive Sleep Apnoea, and Neuromodulation. The carrying amount of goodwill by CGU was as follows (in thousands):

	31 December	
	2024	2023
Cardiopulmonary	$ 49,354	$ 60,103
Obstructive Sleep Apnoea	82,595	82,595
Neuromodulation	316,159	316,159
	$ 448,108	$ 458,857

LivaNova performed quantitative assessments of the Company's CGUs as of 31 December 2024 and 2023 in accordance with IAS 36 "Impairment of Assets." The methodology applied to the Company's CGUs was fair value less cost of disposal (level 3), reflecting past experience and external sources of information, including Board approved budgets covering a five-year period. Cash flows beyond the five-year period are projected using the estimated growth rates, which are consistent with forecasts included in industry reports specific to the industry in which each CGU operates. Additionally, these calculations use cash flow projections with post-tax discount rates derived from the Company's benchmarked WACC and an expected revenue growth rate for all CGUs. The Company has considered climate risk in relation to impairment testing of goodwill. While climate-related matters can affect future cash flows and the carrying value being tested, no such impacts were identified related to the impairment tests in 2024 or 2023.

LivaNova also performed quantitative assessments of the IPR&D recognised in conjunction with the acquisition of ImThera as of 31 December 2024 and 2023. The fair value less cost of disposal calculation was based on a projection period of 23 years. The assessment included a discounted cash flow model test that included a discount rate and an expected short-term revenue growth rate. Based on the assessments performed, the Company determined that the IPR&D asset was not impaired. The fair value less cost of disposal of the IPR&D asset recognised in conjunction with the acquisition of ImThera exceeded its carrying value by 51.6% or $57.8 million as of 31 December 2024 and by 72.6% or $81.3 million as of 31 December 2023.

20250806025548

Note 9. Goodwill and Intangible Assets

The following tables presents the key assumptions used in performing the goodwill and IPR&D quantitative assessments:

	31 December 2024		
	Revenue Growth Rate	Revenue Growth Rate Years	Discount Rate
Goodwill			
Cardiopulmonary	2.0% - 9.2%	2025 - 2034	14.0%
Neuromodulation	2.0% - 5.9%	2025 - 2033	11.0%
OSA	2.0% - 1,095.7%	2025 - 2041	20.0%
Indefinite-lived Intangible Assets			
IPR&D	2.0% - 1,095.7%	2025 - 2047	19.0%

	31 December 2023		
	Short-term Revenue Growth Rate	Short-term Revenue Growth Rate Years	Discount Rate
Goodwill			
Cardiopulmonary	4.2% - 13.2%	2024 - 2028	12.0%
Neuromodulation	4.0% - 9.3%	2024 - 2029	10.5%
OSA	4.0% - 1,468.7%	2025 - 2038	19.0%
Indefinite-lived Intangible Assets			
IPR&D	4.0% - 1,468.7%	2025 - 2038	18.0%

The fair value less cost of disposal models used for calculating the recoverable amount is most sensitive to the discount rate, the expected revenue growth rate, and the OSA CGU's commercialisation date. The Company performed a sensitivity analysis, as of 31 December 2024, for each of these assumptions for each CGU, as applicable, including an increase of 0.5% in the discount rate used, a decrease of 0.5% in the expected revenue growth rate, and a one-year delay of the OSA CGU's commercialisation date, which LivaNova considers to be reasonably possible changes. None of these reasonably possible scenarios would result in an impairment of any CGU except for OSA with a one-year delay in commercialisation. A hypothetical one-year delay in commercialisation would result in an impairment of the OSA CGU's goodwill of approximately $10.0 million.

Note 10. Investments in Subsidiaries

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of Ordinary Shares held.

The following tables present the statutory operating results of Group companies that represent 5% or higher of external net revenue:

Sorin Group Italia S.r.l. (in thousands of Euros)	2024	2023
Net revenue, including intercompany sales	264,386	243,246
Earnings before interest and taxes	(477)	(6,920)
Net loss	(1,413)	(6,169)

LivaNova Deutschland GmbH [1] (in thousands of Euros)	2024	2023
Net revenue, including intercompany sales	159,012	151,469
Earnings before interest and taxes	5,836	17,355
Net profit	2,804	11,046

[1] LivaNova Deutschland GmbH is a 100% consolidated LivaNova group company that is formally exempt from GERMAN GAAP auditing and publishing.

LivaNova USA, Inc. [1] (in thousands of USD)	2024	2023
Net revenue, including intercompany sales	956,977	862,631
Earnings before interest and taxes	(92,066)	(229,525)
Net loss	(220,310)	(341,916)

[1] The amounts for LivaNova USA, Inc. are presented under generally accepted accounting principles in the U.S. as there is no statutory reporting requirement.

20250806025549

Note 11. Financial Assets

The following table presents the composition of non-current financial assets (in thousands):

	31 December	
	2024	2023
Investments in equity instruments in privately-held companies	$ 21,365	$ 19,907
Corporate owned life insurance policies	7,578	6,883
Notes receivable	2,685	1,315
Financial receivable due from equity investment	—	275
	$ 31,628	$ 28,380

The following table presents LivaNova's non-current financial assets of investments in equity instruments (in thousands):

	Percentage Ownership 31 December				Fair Value 31 December	
	2024	2023	Security	Address	2024	2023
Investment with readily determinable fair value:						
Ceribell, Inc. [1]	1.1%	N/A	Series B Preferred Shares	360 N Pastoria Avenue Sunnyvale, CA 94085	$ 10,144	$ —
Investments without readily determinable fair values:						
Cadence Neuroscience, Inc.	9.1%	9.1%	Series B Preferred Shares	8201 164th Ave NE Suite 330, Redmond, WA 98052	5,000	5,000
Noctrix Health, Inc.	6.5%	10.5%	Series A Preferred Shares	724 Brannan St., San Francisco, CA 94103	3,411	3,159
Rainbow Medical Ltd.	1.7%	1.6%	Ordinary Shares	85 Medinat Hayehudim St., Business Park, G Building, Herzeliya Pituach, Israel	1,016	1,084
Highlife SAS	9.9%	7.0%	Series A Preferred Shares	100 Avenue de Suffren, 75015 Paris, France	984	1,049
MD Start II	9.7%	9.3%	Series A Shares	7-11 bd Haussmann, 75009 Paris, France	810	865
ShiraTronics, Inc. [2]	0.0%	13.6%	Series A Preferred Shares	9210 Wyoming Ave. N., Suite 275, Brooklyn Center, MN 55445	—	5,750
Ceribell, Inc. [1]	N/A	1.4%	Series B Preferred Shares	360 N Pastoria Avenue Sunnyvale, CA 94085	—	3,000
					$ 21,365	$ 19,907

[1] On 10 October 2024, Ceribell, Inc. (Nasdaq: CBLL) announced its initial public offering and began trading on 11 October 2024. Per the amended Articles of Incorporation, LivaNova's Series B Preferred shares converted to common stock upon the offering. As a result, LivaNova's investment in Ceribell, Inc. is now classified as an investment with a readily determinable fair value and measured on a recurring basis (Level 1) (previously Level 3). As of 31 December 2024, LivaNova held 391,952 common shares and recognised a $7.1 million unrealised gain on investment during 2024, which is included in net foreign exchange and other income/(expense) on LivaNova's consolidated statement of loss. Refer to "Note 27. Consolidated Statement of Loss by Nature."

[2] During 2024, LivaNova recognised a fair value loss associated with its investment in ShiraTronics, Inc. of $5.8 million upon the conversion of LivaNova's investment from preferred shares to common stock, which is included in net foreign exchange and other income/(expense) on LivaNova's consolidated statement of loss. Refer to "Note 27. Consolidated Statement of Loss by Nature."

The table below lists LivaNova's non-current equity investments in associates totalling $3.7 million and $2.9 million as of 31 December 2024 and 2023, respectively, which are included within other assets on the consolidated balance sheets:

Note 11. Financial Assets

	Percentage Ownership 31 December		
	2024	2023	Address
MD Start I K.G.	23.4%	23.4%	7-11 bd Haussmann, 75009 Paris, France
Enopace Biomedical Ltd.	30.4%	34.5%	15 Alon ha-Tavor Street, Caesarea, Haifa District, Israel
Cardiosolutions, Inc.	35.3%	35.3%	375 West Street, West Bridgewater, MA 02379
La Bouscarre S.C.I.	50.0%	50.0%	Route de Revel, 31450 Fourquevaux, France
MD Start III [1]	7.9%	7.9%	7-11 bd Haussmann, 75009 Paris, France

(1) As of 31 December 2024 and 2023, LivaNova had commitments to fund follow-on investments up to €1.0 million and €1.9 million ($1.0 million and $2.0 million as of 31 December 2024 and 2023, respectively) based on cash calls.

The following table presents the composition of current financial assets (in thousands):

	31 December	
	2024	2023
Derivative financial instruments [1]	$ 3,362	$ —
Other receivables	809	483
	$ 4,171	$ 483

(1) For additional information, refer to "Note 14. Derivative Financial Instruments."

Note 12. Inventories

The following table presents the composition of inventories (in thousands):

	31 December	
	2024	2023
Raw materials	$ 71,949	$ 81,878
Work-in-process	12,322	12,901
Finished goods	63,295	53,108
	$ 147,566	$ 147,887

Inventory charged to cost of sales for the years ended 31 December 2024 and 2023 totalled $293.6 million and $282.0 million, respectively. Inventories are reported net of the provision for obsolescence which totalled $16.4 million and $24.4 million as of 31 December 2024 and 2023, respectively. The provisions for obsolescence at 31 December 2024 and 2023 reflect normal obsolescence and include components that are phased out or expired.

Note 13. Trade Receivables and Other Receivables

The following table presents the composition of net trade receivables (in thousands):

	31 December	
	2024	2023
Trade receivables from third parties	$ 204,433	$ 227,091
Expected credit loss provision	(11,275)	(12,019)
	$ 193,158	$ 215,072

LivaNova's customers consist of hospitals, other healthcare institutions, distributors, organised purchase groups, and government and private entities. Actual collection periods for trade receivables vary significantly as a function of the nature of the customer (e.g., government or private) and its geographic location.

Trade receivables are reported net of the expected credit loss provision. The following table presents the changes in the expected credit loss provision (in thousands):

	2024	2023
Beginning of year	$ (12,019)	$ (11,862)
Additions to provision	(1,440)	(399)
Utilisation	1,353	662
Currency translation gain/(loss)	831	(420)
End of year	$ (11,275)	$ (12,019)

20250806025S0

Note 13. Trade Receivables and Other Receivables

The following table presents the composition of other receivables (in thousands):

	31 December	
	2024	2023
Prepaid assets and other current receivables	$ 16,700	$ 18,233
Deposit and advances to suppliers	8,169	7,722
Guarantee deposits	1,004	744
	$ 25,873	$ 26,699

Note 14. Derivative Financial Instruments

Due to the global nature of LivaNova's operations, the Company is exposed to foreign currency exchange rate fluctuations. The Company has entered into foreign FX derivative contracts to reduce the impact of foreign currency fluctuations on earnings and cash flow.

LivaNova is also exposed to equity price risk in connection with its 2025 Notes and 2029 Notes, including exchange/conversion and settlement provisions based on the price of its ordinary shares at exchange/conversion or maturity of the 2025 Notes and 2029 Notes. The Capped Call Transactions associated with the 2025 Notes and 2029 Notes also include settlement provisions that are based on the price of LivaNova's ordinary shares, subject to a capped price per share. LivaNova does not enter into derivative contracts for speculative purposes.

LivaNova measures all outstanding derivatives each period-end at fair value and reports the fair value as either financial assets or liabilities on the consolidated balance sheets. At inception of the contract, the derivative is designated as either a freestanding derivative or a hedge. Derivatives that are not designated as hedging instruments are referred to as freestanding derivatives with changes in fair value included in earnings. These derivatives are intended to serve as economic hedges and follow the cash flows of the economic hedged item. The cash flows from these derivative contracts are reported as operating activities on LivaNova's consolidated statements of cash flows.

If the derivative qualifies for hedge accounting, changes in the fair value of the derivative will be recorded in AOCI until the hedged item is recognised in earnings upon settlement/termination. Interest rate swap gains and losses in AOCI are reclassified to finance expenses on LivaNova's consolidated statement of loss. LivaNova evaluates hedge effectiveness at inception. LivaNova had no designated hedging instruments as of 31 December 2024 and 2023.

Freestanding FX Derivative Contracts

The gross notional amount of FX derivative contracts not designated as hedging instruments outstanding as of 31 December 2024 and 2023 was $442.3 million and $223.4 million, respectively. These derivative contracts are designed to offset the FX effects in earnings of various intercompany loans and trade receivables. LivaNova recorded net gain for freestanding derivatives of $5.2 million and net loss of $1.3 million for the years ended 31 December 2024 and 2023, respectively. These gains and losses are included in net foreign exchange and other income/(expense) on the Company's consolidated statement of loss.

Capped Call Derivatives

The Capped Call Transactions are carried on the consolidated balance sheets as a derivative asset at their estimated fair value and are adjusted at the end of each reporting period, with unrealised gain or loss reflected in net gain on embedded and capped call derivatives in the consolidated statement of loss. The Capped Call Transactions are measured at fair value using the Black-Scholes model utilising observable and unobservable market data, including stock price, remaining contractual term, expected volatility, risk-free interest rate, and expected dividend yield, as applicable. For additional information, refer to "Note 16. Financial Liabilities."

2025 Capped Calls

In June 2020, LivaNova issued the 2025 Notes. In connection with the pricing of the 2025 Notes, the Company entered into related privately-negotiated capped call transactions with certain financial institutions. Under the 2025 Capped Calls, the Company purchased a capped call option with an initial strike price of $60.98 and an initial cap price of $100.00 per share. The strike price, which is subject to certain adjustments, corresponds to the initial exchange price of the 2025 Notes. The 2025 Capped Calls are intended to offset any cash payments upon exchange of the 2025 Notes in excess of the principal amount; however, the proceeds are limited to the initial cap price in the event the Company's share price exceeds the cap price at the time of an exchange. The 2025 Capped Calls expire on 15 December 2025, and must be settled in cash. The 2025 Capped Calls are subject to anti-dilution adjustments substantially similar to those applicable to the 2025 Notes and cover the number of LivaNova's ordinary shares underlying the 2025 Notes. If the 2025 Capped Calls are terminated early, settlement occurs at their termination value, which is equal to their fair value at the time of the early termination. In connection with the issuance of the 2029 Notes, the Company repurchased an aggregate principal amount of $230.0 million of the 2025 Notes and unwound a corresponding portion of the 2025 Capped Calls at the fair value of such portion of the 2025 Capped Calls. The Company received $22.5 million in cash

20250806025531

202508060025552

consideration, the fair value of the terminated portion, upon settlement. The terms of the remaining 2025 Capped Calls are unchanged.

2029 Capped Calls

In March 2024, LivaNova issued the 2029 Notes. In connection with the pricing of the 2029 Notes, the Company entered into related privately-negotiated capped call transactions with certain financial institutions. Under the 2029 Capped Calls, the Company purchased a capped call option with an initial strike price of $69.40 and an initial cap price of $94.28 per share. The strike price, which is subject to certain adjustments, corresponds to the initial conversion price of the 2029 Notes. The 2029 Capped Calls are intended to offset any cash payments and/or cash equivalent value of ordinary shares upon conversion of the 2029 Notes if the market value per ordinary share is greater than the strike price, with such offsets being subject to the initial cap price of $94.28 per share. However, the proceeds under the 2029 Capped Calls are limited to the initial cap price in the event the Company's share price exceeds the cap price at the time of conversion. The 2029 Capped Calls expire on 15 March 2029, and must be settled in cash. The 2029 Capped Calls are subject to anti-dilution adjustments substantially similar to those applicable to the 2029 Notes and cover the number of LivaNova's ordinary shares underlying the 2029 Notes. If the 2029 Capped Calls are terminated early, settlement occurs at their termination value, which is equal to their fair value at the time of the early termination. For transaction costs associated with entering into the 2029 Capped Calls, refer to "Additions" in the "Reconciliation of Level 3 Assets and Liabilities" table within "Note 5. Fair Value Measurements."

Embedded Derivatives

The 2025 Notes and 2029 Notes each include terms resulting in a bifurcated embedded derivative. The Embedded Derivatives are measured at fair value using a binomial lattice model and estimated discounted cash flows that utilise observable and unobservable market data and are adjusted at the end of each reporting period, with the unrealised gain or loss reflected in net gain on embedded and capped call derivatives in the consolidated statement of loss. For additional information, refer to "Note 16. Financial Liabilities."

Counterparty Credit Risk

LivaNova is exposed to credit risk in the event of non-performance by the counterparties to the Company's derivatives.

The Option Counterparties are financial institutions. To limit LivaNova's credit risk, the Company selected financial institutions with a minimum long-term investment grade credit rating. LivaNova's exposure to the credit risk of the Option Counterparties is not secured by any collateral. If one or more of the Option Counterparties become subject to insolvency proceedings, LivaNova will become an unsecured creditor in those proceedings, with a claim equal to the Company's exposure at that time under the 2025 Capped Calls and/or 2029 Capped Calls, as applicable, with that Option Counterparty.

To manage credit risk with respect to LivaNova's other derivatives, the Company selects and periodically reviews counterparties based on credit ratings, limits its exposure with respect to each counterparty, and monitors their respective market positions. However, if one or more of these counterparties were in a liability position to the Company and were unable to meet their obligations, any transactions with the counterparty could be subject to early termination, which could result in substantial losses for the Company.

Cash Flow Hedges

Interest Rate Risk. Historically, LivaNova entered into interest rate swaps associated with the Initial Term Facility, which qualified for and were designated as cash flow hedges. The Company's outstanding interest rate swaps expired on 6 April 2023. LivaNova elected not to renew the interest rate swaps. Finance expense associated with the Initial Term Facility is principally offset by holding proceeds from the Term Facilities in a depository account, which earns a floating rate of interest.

The following tables present the pre-tax (loss)/gain for derivative contracts designated as cash flow hedges recognised in OCI and the amount reclassified to earnings from AOCI (in thousands):

		2023	
Description of Derivative Contract	**Location in Earnings of Reclassified Gain or Loss**	**Loss Recognised in OCI**	**Gain Reclassified from AOCI to Earnings**
Interest rate swap contracts	Finance expenses	$ (433)	$ 533

Balance Sheet Presentation

LivaNova offsets fair value amounts associated with its derivative instruments on its consolidated balance sheets that are executed with the same counterparty under master netting arrangements on the Company's consolidated balance sheets. Master netting arrangements include a right to set off or net together purchases and sales of similar products in the settlement process.

202508060255 3

Note 14. Derivative Financial Instruments

The following tables present the fair value, and the location of, derivative contracts reported on the consolidated balance sheets (in thousands):

31 December 2024	Asset Derivatives		Liability Derivatives	
Derivatives Not Designated as Hedging Instruments	**Balance Sheet Location**	**Fair Value [1]**	**Balance Sheet Location**	**Fair Value [1]**
Capped call derivatives (2025 Notes)	Current financial assets	$ 2,624		
Capped call derivatives (2029 Notes)	Long-term financial derivative assets	23,735		
Embedded derivative (2025 Notes)			Current other liabilities	$ 2,915
Embedded derivative (2029 Notes)			Long-term financial derivative liabilities	51,819
FX derivative contracts	Current financial assets	738		
Total derivatives not designated as hedging instruments		$ 27,097		$ 54,734

[1] For the classification of input used to evaluate the fair value of the Company's derivatives, refer to "Note 5. Fair Value Measurements."

31 December 2023	Asset Derivatives		Liability Derivatives	
Derivatives Not Designated as Hedging Instruments	**Balance Sheet Location**	**Fair Value [1]**	**Balance Sheet Location**	**Fair Value [1]**
Capped call derivatives (2025 Notes)	Long-term financial derivative assets	$ 38,496		
Embedded derivative (2025 Notes)			Long-term financial derivative liabilities	$ 45,569
FX derivative contracts			Current other liabilities	3,883
Total derivatives not designated as hedging instruments		$ 38,496		$ 49,452

[1] For the classification of inputs used to evaluate the fair value of the Company's derivatives, refer to "Note 5. Fair Value Measurements."

Note 15. Shareholders' Equity

LivaNova is incorporated in England and Wales as a public company limited by shares. The principal legislation under which LivaNova operates is the Companies Act 2006, and regulations made thereunder. LivaNova Ordinary Shares were registered under the U.S. Securities Act, pursuant to the Registration Statement on Form S-4 (File No. 333-203510), as amended, filed with the SEC by LivaNova and declared effective on 19 August 2015. LivaNova's Ordinary Shares are listed on the Nasdaq under the ticker symbol "LIVN."

The following table presents LivaNova PLC's authorised share capital (in number of shares):

	31 December	
	2024	**2023**
Authorised share capital, Ordinary Shares of £1 each, unlimited shares authorised		
Issued [1]	54,437,670	53,942,151
Outstanding	54,348,542	53,918,222

[1] Allotted, fully paid, and issued.

Preferred shares. LivaNova may issue preferred shares by special resolution or by determination by the Board of LivaNova.

Group reconstruction reserve. The 'Group reconstruction reserve' represents the excess of value attributed to shares and share appreciation rights issued during the acquisition of Sorin S.p.A on 19 October 2015 over the nominal value of those shares and share rights. Additionally, on 6 August 2021, the Company closed an offering and issued 4,181,818 ordinary shares, par value £1.00 per share, at an offering price of $82.50 per share. Net proceeds from the offering were $322.5 million, after deducting underwriting discounts, commissions and offering expenses, of which $316.7 million was recognised as group reconstruction reserve.

Treasury shares. Shares held by the EBT are issued to employees and directors at exercise of share-based compensation grants. The balance of shares in the EBT are reported as treasury shares. During the year ended 31 December 2024 LivaNova PLC issued 350,000 shares to the EBT. LivaNova PLC did not issue any additional shares to the Company's EBT during the year ended 31 December 2023. As of 31 December 2024 and 2023, LivaNova held 89,128 and 23,929 shares in treasury, respectively.

20250806025541

Note 15. Shareholders' Equity

AOCI. The table below presents the change in each component of AOCI, net of tax and the reclassifications out of AOCI into accumulated losses (in thousands). Taxes were not provided for foreign currency translation adjustments for the years ended 31 December 2024 and 2023 as translation adjustments related to earnings are intended to be reinvested in the countries where earned.

	Change in Unrealised Gain (Loss) on Derivatives	Foreign Currency Translation Adjustments	Revaluation of Net (Asset) Liability for Defined Benefits	Total
Beginning Balance - 1 January 2023	$ 966	$ (24,376)	$ (1,180)	$ (24,590)
Other comprehensive (loss) income before reclassifications, before tax	(433)	12,045	(190)	11,422
Tax credit	—	—	9	9
Other comprehensive (loss) income before reclassifications, net of tax	(433)	12,045	(181)	11,431
Reclassification of loss from AOCI, before tax	(533)	—	—	(533)
Tax effect	—	—	—	—
Reclassification of loss from AOCI, after tax	(533)	—	—	(533)
Net other comprehensive (loss) income, net of tax	(966)	12,045	(181)	10,898
Ending Balance - 31 December 2023	—	(12,331)	(1,361)	(13,692)
Other comprehensive (loss) income before reclassifications, before tax	—	(29,949)	838	(29,111)
Tax expense	—	—	(57)	(57)
Other comprehensive (loss) income before reclassifications, net of tax	—	(29,949)	781	(29,168)
Net other comprehensive (loss) income, net of tax	—	(29,949)	781	(29,168)
Ending Balance - 31 December 2024	$ —	$ (42,280)	$ (580)	$ (42,860)

No dividend has been proposed during, or in respect of, the course of the years ended 31 December 2024 and 2023, and the Company has never declared a dividend. The Company has no immediate intention to declare and pay dividends. Earnings are intended to be reinvested in the Company.

Note 16. Financial Liabilities

The following table presents a summary of LivaNova's long-term debt obligations (in thousands, except interest rates):

	31 December			
	2024	2023	Maturity	Interest Rate
Term Facilities	$ 313,014	$ 328,459	July 2027	7.93%
2029 Notes	258,043	—	March 2029	2.50%
2025 Notes	53,887	255,500	December 2025	3.00%
Bank of America, U.S. [1]	1,500	1,500	January 2025	6.95%
Other	405	542		
Total long-term facilities	626,849	586,001		
Less: Current portion of long-term debt	77,339	17,484		
Total long-term debt obligations	$ 549,510	$ 568,517		

(1) Represents borrowings with a LIBOR-based variable interest rate that has not yet transitioned to SOFR or an alternative interest rate benchmark.

The following tables present the movements associated with the outstanding principal amounts of LivaNova's long-term debt obligations (in thousands):

2024	Beginning of Year	Net Borrowings [1]	Principal Repayments	Loss on Debt Extinguishment [2]	Amortisation of Prepaid Loan Fees	FX - Translation and Other	End of Year
Term Facilities	$ 328,459	$ —	$ (17,500)	$ —	$ 2,055	$ —	$ 313,014
2029 Notes	—	244,913	—	—	13,130	—	258,043
2025 Notes	255,500	—	(230,000)	22,103	6,284	—	53,887
Bank of America, U.S.	1,500	—	—	—	—	—	1,500
Other	542	—	—	—	—	(137)	405
	$ 586,001	$ 244,913	$ (247,500)	$ 22,103	$ 21,469	$ (137)	$ 626,849

20250806025555

(1) Borrowings are presented net of debt discount and issuance costs. For additional information, refer to "2029 Notes Issuance and 2025 Notes Repurchase Transactions" and "2029 Notes" below.

(2) Loss on debt extinguishment represents the unamortized debt discount and issuance costs associated with the repurchased 2025 Notes. For additional information, refer to "2029 Notes Issuance and 2025 Notes Repurchase Transactions" below.

2023	Beginning of Year	Net Borrowings	Principal Repayments	Amortisation of Prepaid Loan Fees	FX - Translation and Other	End of Year
Term Facilities	$ 289,294	$ 50,000	$ (12,813)	$ 1,978	$ —	$ 328,459
2025 Notes	239,568	—	—	15,932	—	255,500
Bank of America, US	1,500	—	—	—	—	1,500
Bank of America Merrill Lynch Banco Múltiplo S.A.	6,462	—	(7,143)	—	681	—
Mediocredito Italiano	1,601	—	(1,668)	—	67	—
Other	511	—	—	—	31	542
	$ 538,936	$ 50,000	$ (21,624)	$ 17,910	$ 779	$ 586,001

Effective interest rate finance expense associated with LivaNova's financial liabilities was $61.8 million and $57.7 million for the years ended 31 December 2024 and 2023, respectively.

Revolving Credit and Term Facilities

The outstanding principal amount of LivaNova's short-term unsecured revolving credit agreements and other agreements with various banks was $0.7 million and $0.6 million at 31 December 2024 and 2023, respectively, with an average interest rate of 4.64% and loan terms ranging from overnight to 364 days as of 31 December 2024.

On 8 March 2024, LivaNova and LivaNova USA entered into Incremental Facility Amendment No. 3, which provides for LivaNova USA to obtain revolving commitments in an aggregate principal amount of $225.0 million. The $225.0 million revolving facility is subject to the terms and conditions of the 2021 First Lien Credit Agreement, as amended thereof, and replaced the previously existing $125.0 million revolving facility under the 2021 First Lien Credit Agreement. The $225.0 million revolving facility is available for working capital and other general corporate purposes and, if drawn, can be repaid at any time without premium or penalty. The $225.0 million revolving facility matures on 8 March 2029. There were no outstanding borrowings under the revolving facilities under the 2021 First Lien Credit Agreement as of 31 December 2024 and 2023.

The 2021 First Lien Credit Agreement, as amended, also requires the payment of certain commitment fees on the unused portion of the commitments, at a variable percentage based on LivaNova's Total Net Leverage Ratio. As of 31 December 2024 and 2023, the applicable commitment fee percentage was 0.5% per annum.

On 6 July 2022, LivaNova and its wholly-owned subsidiary, LivaNova USA, entered into Incremental Facility Amendment No. 2, which provides for LivaNova USA to, among other things, obtain commitments for term loan facilities from a syndicate of lenders in an aggregate principal amount of $350 million consisting of (i) the Initial Term Facility with an aggregate principal amount of $300 million and (ii) the Delayed Draw Term Facility with an additional aggregate principal amount of $50 million. On 6 April 2023, LivaNova drew $50 million under the Delayed Draw Term Facility for general corporate purposes.

Proceeds from the Initial Term Facility were used to repay in full the Bridge Loan Facility on 6 July 2022, with the remainder used for general corporate purposes of the Company. The Term Facilities have a maturity of the earlier of (i) five years or (ii) 91 days prior to 15 December 2025, the maturity date of the 2025 Notes, unless by that date LivaNova USA will have either redeemed or refinanced the 2025 Notes, or set aside an amount of cash equal to the then-outstanding principal amount of the 2025 Notes. The Term Facilities bear interest at a rate equal to an adjusted term SOFR plus a variable margin based on the Company's consolidated total net leverage ratio. As of 31 December 2024, the applicable margin over adjusted term SOFR was equal to 3.25% per annum. The Term Facilities are subject to an original issue discount of 1.5% of their principal amount. The Term Facilities are subject to quarterly principal repayment, based on the following amortisation schedule: (i) during the first year from the initial funding date: 1.9%; (ii) year two: 5.0%; (iii) year three: 5.0%; (iv) year four: 7.5%; and (v) year five: 10.0%, with the remainder to be paid at maturity. The effective interest rate of the Term Facilities at 31 December 2024 was 6.53%.

The 2021 First Lien Credit Agreement, as amended, contains customary representations, warranties, and covenants, including the requirement to maintain a Senior Secured First Lien Net Leverage Ratio of not more than 3.50 to 1.00, calculated as the ratio of Consolidated Senior Secured First Lien Net Indebtedness to Consolidated EBITDA, as defined in the credit agreement, for the period of four consecutive fiscal quarters ended on the calculation date and an Interest Coverage Ratio of not less than 2.00 to 1.00, calculated as the ratio of Consolidated EBITDA to Consolidated Interest Expense, both as defined in the credit agreement, for the period of four consecutive fiscal quarters ended on the calculation date. As of 31 December 2024, the Company was in compliance with the financial covenants contained in the 2021 First Lien Credit Agreement.

20250806025556

Debt discount and issuance costs related to the Initial Term Facility were $9.6 million. The unamortised debt discount and issuance costs related to the Initial Term Facility were $4.8 million and $6.8 million as of 31 December 2024 and 2023, respectively.

2029 Notes Issuance and 2025 Notes Repurchase Transactions

On 8 March 2024, LivaNova issued $345.0 million aggregate principal amount of 2.50% notes due 2029 by private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act, which included exercise in full of the initial purchasers' option to purchase up to an additional $45.0 million principal amount of the 2029 Notes. The 2029 Notes are senior unsecured obligations of the Company. The Company used part of the proceeds from the issuance of the 2029 Notes to repurchase $230.0 million aggregate principal amount of the 2025 Notes in privately-negotiated transactions for an aggregate cash repurchase consideration of $270.5 million.

The 2025 Notes Repurchase Transaction was treated as a debt extinguishment. The carrying value of the related 2025 Notes, which included the unamortised debt discount and issuance costs and the fair value of the embedded derivative, was derecognised, and the 2029 Notes issued were recognised at fair value. The difference between the consideration used to extinguish the 2025 Notes, the carrying value of the 2025 Notes, and the fair value of the embedded derivative was recognised as a loss on debt extinguishment of $26.1 million on LivaNova's consolidated statement of loss during the year ended 31 December 2024. Third-party costs incurred directly related to the 2025 Notes Repurchase Transaction were deferred and capitalised as additional debt issuance costs to be amortised on the 2029 Notes.

Contemporaneously with the 2025 Notes Repurchase Transaction, the Company and the financial institutions party to the 2025 Capped Calls agreed to terminate a portion of the 2025 Capped Calls in a notional amount corresponding to the amount of 2025 Notes repurchased. The Company received $22.5 million in cash consideration, the fair value of the terminated portion, upon settlement. The terms of the remaining 2025 Capped Calls remain unchanged and are classified as current derivative assets. For additional information on LivaNova's embedded and capped call derivative instruments, refer to "Note 14. Derivative Financial Instruments."

2029 Notes

The sale of the 2029 Notes resulted in $332.1 million in net proceeds to the Company after deducting issuance costs. Interest is payable semiannually in arrears on 15 March and 15 September of each year. The effective interest rate of the 2029 Notes was 9.84% as of 31 December 2024. The 2029 Notes mature on 15 March 2029, unless earlier repurchased, redeemed, or converted.

Debt discount and issuance costs related to the 2029 Notes were $100.1 million, including $87.5 million of discount attributable to the embedded derivative and $12.6 million of new debt issuance costs related to the 2029 Notes. The debt discount and issuance costs are amortised as finance expense using the effective interest method over the term of the 2029 Notes. The unamortised debt discount and issuance costs related to the 2029 Notes as of 31 December 2024 were $87.0 million.

Holders are entitled to convert the 2029 Notes at any time during specified periods, at their option, subject to certain conditions. This includes the right to convert the 2029 Notes during any calendar quarter if the last reported sale price of LivaNova's ordinary shares is greater than or equal to 130% of the conversion price, or $90.22 per share, for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter. The initial conversion rate for the 2029 Notes is 14.4085 ordinary shares per $1,000 principal amount of 2029 Notes (equivalent to an initial conversion price of $69.40 per share). The conversion rate is subject to adjustment in certain circumstances, as set forth in the indenture governing the 2029 Notes.

As of 31 December 2024, the conditions for conversion were not met. As a result, the Company included its obligations from the 2029 Notes and the associated embedded derivative as long-term liabilities on the consolidated balance sheet as of 31 December 2024, and the 2029 Notes are not convertible during the three months ending 31 March 2025.

Upon any conversion of the 2029 Notes, LivaNova will be required to pay cash up to the aggregate principal amount of the 2029 Notes to be converted and may elect to settle the conversion obligation in excess of the aggregate principal amount of the 2029 Notes being converted in cash, shares, or a combination of the two.

On or after 15 December 2028, holders may convert their 2029 Notes at their option at any time until the close of business on the second Scheduled Trading Day (as defined in the indenture governing the 2029 Notes) immediately preceding the maturity date.

The Company may redeem the 2029 Notes, in whole or in part, at its option on or after 22 March 2027 for cash if the last reported sale price of LivaNova's ordinary share has been at least 130% of the conversion price, or $90.22 per share, then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which the Company provides notice of redemption. Additionally, the Company may redeem the 2029 Notes at its option, prior to the stated maturity, in whole but not in part, in connection with certain tax-related events.

20250806025557

Holders may require the Company to repurchase their 2029 Notes upon the occurrence of a Fundamental Change (as defined in the indenture governing the 2029 Notes) at a repurchase price equal to the principal amount thereof plus accrued and unpaid interest to, but excluding, the repurchase date. In addition, in connection with certain corporate events or if the Company issues a notice of redemption, the Company will, under certain circumstances, increase the conversion rate for holders who elect to convert their 2029 Notes in connection with such corporate event or during the relevant redemption period.

The indenture governing the 2029 Notes contains customary terms and covenants, including that upon certain events of default occurring and continuing, either the Trustee (as defined in the indenture governing the 2029 Notes) or holders of at least 25% in aggregate principal amount of the 2029 Notes then outstanding may declare the entire principal amount of all the 2029 Notes, and accrued and unpaid interest on such 2029 Notes, to be immediately due and payable. Upon events of default in connection with specified bankruptcy events involving the Company, the 2029 Notes will become due and payable immediately.

2025 Notes

On 17 June 2020, LivaNova USA issued $287.5 million aggregate principal amount of 3.00% notes due 2025 by private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act. The 2025 Notes are senior unsecured obligations of the Company. The sale of the 2025 Notes resulted in $278.0 million in net proceeds to the Company after deducting issuance costs. Interest is payable semiannually in arrears on 15 June and 15 December of each year. On 8 March 2024, in connection with the issuance of the 2029 Notes, the Company used part of the net proceeds to repurchase $230.0 million aggregate principal amount of the 2025 Notes in privately-negotiated transactions. For additional information, refer to "2029 Notes Issuance and 2025 Notes Repurchase Transactions" above. The effective interest rate of the 2025 Notes was 9.95% at 31 December 2024. The 2025 Notes mature on 15 December 2025, unless earlier exchanged, repurchased, or redeemed.

Debt discount and issuance costs related to the 2025 Notes were $82.0 million, including $75.0 million of discount attributable to the embedded derivative and $7.0 million of allocated issuance costs to the 2025 Notes related to legal, bank, and accounting fees. The debt discount and issuance costs are amortised as finance expense using the effective interest method over the term of the 2025 Notes. Upon the closing of the 2025 Notes Repurchase Transaction in March 2024, the remaining unamortised debt discount and issuance costs related to the 2025 Notes were $5.8 million. The unamortised debt discount and issuance costs related to the 2025 Notes as of 31 December 2024 and 2023 were $3.6 million and $32.0 million, respectively.

Holders are entitled to exchange the 2025 Notes at any time during specified periods, at their option, subject to certain conditions. This includes the right to exchange the 2025 Notes during any calendar quarter if the last reported sale price of LivaNova's ordinary shares is greater than or equal to 130% of the exchange price, or $79.27 per share, for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter. The 2025 Notes are exchangeable solely into cash and are not exchangeable into ordinary shares of LivaNova or any other security under any circumstances. The initial exchange rate for the 2025 Notes is 16.3980 ordinary shares per $1,000 principal amount of 2025 Notes (equivalent to an initial exchange price of $60.98 per share). The exchange rate is subject to adjustment in certain circumstances, as set forth in the indenture governing the 2025 Notes.

As of 31 December 2024, the conditions for exchange were not met. The Company included its obligations from the 2025 Notes and the associated embedded derivative as current liabilities on the consolidated balance sheet as of 31 December 2024, and the 2025 Notes are not exchangeable during the three months ending 31 March 2025.

On or after 15 September 2025, holders may exchange their 2025 Notes at their option at any time until the close of business on the second Scheduled Trading Day (as defined in the indenture governing the 2025 Notes) immediately preceding the maturity date.

The Company may redeem the 2025 Notes, in whole or in part, at its option prior to the 51st scheduled trading day immediately preceding the maturity date if the last reported sale price per ordinary share has been at least 130% of the exchange price, or $79.27 per share, then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which the Company provides notice of redemption, at a redemption price equal to 100% of the principal amount of the 2025 Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. Additionally, the Company may redeem the 2025 Notes at its option, prior to the stated maturity, in whole but not in part, in connection with certain tax-related events.

20250806025S8

Note 17. Leases

LivaNova has leases primarily for (i) office space; (ii) manufacturing, warehouse, and R&D facilities; and (iii) vehicles.

Right-of-Use Assets and Lease Liabilities

The following table presents the changes in ROU assets and lease liabilities by class of assets (in thousands):

	Real Estate	Vehicles	Others	Total ROU Assets	Lease Liabilities
1 January 2023	$ 32,163	$ 2,482	$ 147	$ 34,792	$ 38,925
Additions	24,148	1,332	649	26,129	26,009
Depreciation expense [1]	(8,430)	(1,596)	(265)	(10,291)	—
Disposals, modifications, and other	(1,597)	(118)	(15)	(1,730)	(1,830)
Finance expenses	—	—	—	—	1,573
Lease payments	—	—	—	—	(11,687)
Currency translation adjustments	577	82	6	665	853
31 December 2023	46,861	2,182	522	49,565	53,843
Additions	3,629	4,016	173	7,818	7,613
Depreciation expense [1]	(7,677)	(1,797)	(279)	(9,753)	—
Disposals, modifications, and other	(204)	(36)	—	(240)	(78)
Finance expenses	—	—	—	—	2,891
Lease payments	—	—	—	—	(12,421)
Currency translation adjustments	(2,400)	(162)	(11)	(2,573)	(2,473)
31 December 2024	$ 40,209	$ 4,203	$ 405	$ 44,817	$ 49,375

[1] Depreciation expense is included in the consolidated statement of loss in cost of sales, R&D, and SG&A.

Contractual maturities of LivaNova's lease liabilities as of 31 December 2024 were as follows (in thousands):

2025	$ 11,392
2026	8,468
2027	7,206
2028	5,795
2029	4,887
Thereafter	25,459
Total lease payments	63,207
Less: Amount representing finance charges	(13,832)
Net present value of lease liabilities	$ 49,375

Contractual maturities of LivaNova's lease liabilities as of 31 December 2023 were as follows (in thousands):

2024	$ 10,938
2025	9,517
2026	6,888
2027	5,997
2028	5,139
Thereafter	32,167
Total lease payments	70,646
Less: Amount representing finance charges	(16,803)
Net present value of lease liabilities	$ 53,843

Note 17. Leases

20250806025559

Lease Payments Not Recognised as a Liability

LivaNova has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low-value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments (i.e., variable maintenance and utility expenses) are not permitted to be recognised as lease liabilities and are expensed as incurred. Expenses recognised relating to payments not included in the measurement of lease liabilities were as follows (in thousands):

	2024	2023
Short-term leases	$ 749	$ 751
Lease of low value	705	707
Variable lease payments	964	884
	$ 2,418	$ 2,342

At 31 December 2024 and 2023, LivaNova was committed to future lease payments of $3.6 million relating to short-term leases and leases of low-value assets that are not reflected in the measurement of lease liabilities. These payments will generally be made ratably over the next 3 to 5 years.

Furthermore, lessor lease revenue constituted less than 0.5% of total net revenue for the years ended 31 December 2024 and 2023.

Note 18. Other Liabilities

The following table presents the composition of non-current other liabilities (in thousands):

	31 December	
	2024	2023
Amounts due to employees	$ 7,144	$ 8,336
Contract liabilities	3,870	4,608
Other	327	231
	$ 11,341	$ 13,175

The following table presents the composition of current other liabilities (in thousands):

	31 December	
	2024	2023
Accrued employee-related charges	$ 59,530	$ 62,935
Legal and administrative expenses	17,379	17,794
Amounts due to employees	16,673	27,033
Contract liabilities	10,848	10,725
Interest payable	9,479	7,840
Current lease liabilities [1]	9,046	8,369
Provisions for agents, returns, and other	6,744	4,464
Research and development costs	6,167	2,462
Royalty accrual	4,466	4,441
Amounts due to health and social security institutions	4,335	4,662
Derivative financial instruments [2]	2,915	3,883
Current advances from customers	2,645	1,923
Other current liabilities and accrued expenses	29,207	21,718
	$ 179,434	$ 178,249

[1] For additional information, refer to "Note 17. Leases."

[2] For additional information, refer to "Note 14. Derivative Financial Instruments."

20250806025560

Note 19. Contingent Consideration, 3T Litigation Provision Liability, and Other Provisions

The following table presents the composition of non-current provisions (in thousands):

	31 December	
	2024	2023
Contingent consideration [1]	$ 84,218	$ 80,902
Saluggia site remediation [2]	36,748	42,184
3T litigation provision liability [2]	2,925	3,104
Other reserves [3]	1,208	657
	$ 125,099	$ 126,847

(1) For additional information, refer to "Note 5. Fair Value Measurements."
(2) For additional information, refer to "Note 23. Commitments and Contingencies."
(3) Other reserves include provisions for uncertain tax positions (inclusive of penalties and interest) and restructuring.

The following table presents the composition of current provisions (in thousands):

	31 December	
	2024	2023
SNIA environmental liability [1]	$ 344,403	$ —
Italian medical device payback law [1]	15,982	8,223
3T litigation provision liability [1]	12,918	17,156
Other reserves [2]	7,317	4,717
Contingent consideration [3]	—	13,750
	$ 380,620	$ 43,846

(1) For additional information, refer to "Note 23. Commitments and Contingencies."
(2) Other reserves include provisions for restructuring, contractual warranty obligation, Saluggia site remediation, product remediation, and other individually immaterial items. For additional information on restructuring, refer to "Note 7. Restructuring."
(3) For additional information, refer to "Note 5. Fair Value Measurements."

The following table presents the changes in the non-current provisions (in thousands):

	Contingent Consideration [1]	Saluggia Site Remediation [2]	3T Litigation Provision Liability [2]	Other Reserves [3]	Total
1 January 2023	$ 85,292	$ 37,654	$ 3,006	$ 2,251	$ 128,203
Change in fair value	6,893	1,468	—	—	8,361
Additions to provision	—	2,269	—	—	2,269
Release of provisions	—	—	—	(1,634)	(1,634)
Reclassifications (to)/from current	(11,283)	(430)	171	—	(11,542)
Currency translation loss/(gain)	—	1,223	(73)	40	1,190
31 December 2023	80,902	42,184	3,104	657	126,847
Change in fair value	3,316	(2,264)	—	—	1,052
Additions to provision	—	—	—	601	601
Release of provisions	—	(549)	—	—	(549)
Currency translation gain	—	(2,623)	(179)	(50)	(2,852)
31 December 2024	$ 84,218	$ 36,748	$ 2,925	$ 1,208	$ 125,099

(1) For additional information, refer to "Note 5. Fair Value Measurements."
(2) For additional information, refer to "Note 23. Commitments and Contingencies."
(3) Other reserves include provisions for uncertain tax positions (inclusive of penalties and interest), and restructuring.

20250806025561

Note 19. Contingent Consideration, 3T Litigation Provision Liability, and Other Provisions

The following table presents the changes in the current provisions (in thousands):

	SNIA Environmental Liability [1]	Contingent Consideration [2]	3T Litigation Provision Liability [1]	Italian Medical Device Payback Law [1]	Other Reserves [3]	Total
1 January 2023	$ —	$ —	$ 29,481	$ 6,414	$ 3,532	$ 39,427
Change in fair value	—	2,467	—	—	—	2,467
Additions to provision	—	—	40,921	1,809	3,179	45,909
Utilisation	—	—	(53,652)	—	(2,711)	(56,363)
Release of provisions	—	—	—	—	37	37
Reclassifications from/(to) non-current	—	11,283	(171)	—	430	11,542
Currency translation loss	—	—	577	—	250	827
31 December 2023	—	13,750	17,156	8,223	4,717	43,846
Additions to provision	344,403	—	13,287	8,041	13,898	379,629
Utilisation	—	(13,750)	(17,412)	—	(10,704)	(41,866)
Currency translation gain	—	—	(113)	(282)	(594)	(989)
31 December 2024	$ 344,403	$ —	$ 12,918	$ 15,982	$ 7,317	$380,620

(1) For additional information, refer to "Note 23. Commitments and Contingencies."

(2) For additional information, refer to "Note 5. Fair Value Measurements."

(3) Other reserves include provisions for restructuring, contractual warranty obligation, Saluggia site remediation, product remediation, and other individually immaterial items. For additional information on restructuring, refer to "Note 7. Restructuring."

Note 20. Share-Based Plans

Share-Based Plans

On 16 October 2015, LivaNova approved the adoption of the Company's 2015 Plan, which was previously approved by the Board of the Company on 14 September 2015 subject to such shareholder approval. The 2015 Plan was adopted in order to facilitate the grant of cash and equity incentives to non-employee directors, employees (including the Company's named executive officers) and consultants of the Company, and certain of LivaNova's affiliates and to enable the Company and certain of LivaNova's affiliates to obtain and retain services of these individuals. The Plan became effective as of 19 October 2015. The 2022 Plan was adopted by the Board of Directors on 20 April 2022 and approved by the shareholders of LivaNova PLC on 13 June 2022. Share-based awards may be granted under the 2015 Plan and the A&R 2022 Plan in the form of stock options, SARs, RSUs, and other share-based and cash-based awards.

During the year ended 31 December 2024, LivaNova issued share-based compensatory awards with terms approved by the Compensation and Human Capital Management Committee of LivaNova's Board of Directors. The awards with service conditions generally vest ratably over four years and are subject to forfeiture unless service conditions are met. The market performance-based awards that were issued cliff vest after three years subject to the rank of LivaNova's total shareholder return for the three-year period ending 31 December 2026 relative to the total shareholder returns of the S&P Healthcare Equipment Select Industry Index. The adjusted free FCF and ROIC operating performance-based awards that were issued cliff vest after three years subject to the achievement of certain thresholds of cumulative results for the three-year period ending 31 December 2026.

As of 31 December 2024, under the 2015 Plan, there were 88,079 shares available for future grants to LivaNova's non-executive directors, and under the A&R 2022 Plan, there were 1,544,717 shares pursuant to stock options or SARs and 960,838 shares pursuant to other types of awards available for future grants to LivaNova's employees. In June 2024, the Company's shareholders approved amendments to the 2015 Plan and the A&R 2022 Plan. The 2015 Plan Amendment increased the number of shares that can be issued from 50,000 to 150,000. The A&R 2022 Plan Amendment increased the number of shares that can be issued pursuant to options or SARs from 2,250,000 to 2,950,000, and the number of shares that can be issued pursuant to other types of awards from 1,500,000 to 2,000,000. In 2023, the Company's shareholders approved the A&R 2022 Plan. The A&R 2022 Plan increases the aggregate number of ordinary shares that can be issued under the 2022 Plan pursuant to options or SARs from 1,900,000 to 2,250,000, and the number of ordinary shares that can be issued pursuant to awards other than options or SARs from 1,200,000 to 1,500,000.

The Company also provides an ESPP. Compensation expense related to the ESPP for the years ended 31 December 2024 and 2023 was $1.2 million and $1.1 million, respectively.

20250806025562

Share-Based Compensation

The following table presents the amounts of share-based compensation recognised in the consolidated statement of loss by expense category (in thousands):

	2024	2023
Cost of sales	$ 1,314	$ 883
Selling, general, and administrative	28,608	26,857
Research and development	6,920	5,444
	$ 36,842	$ 33,184

The following table presents the amounts of equity-settled share-based compensation expense recognised in the consolidated statement of loss by type of arrangement (in thousands):

	2024	2023
Service-based SARs	$ 19,067	$ 12,440
Service-based RSUs	13,875	18,595
Market performance-based RSUs	1,402	866
Operating performance-based RSUs	1,323	162
ESPP	1,175	1,121
	$ 36,842	$ 33,184

Share Appreciation Rights and Share Options

LivaNova uses the Black-Scholes option pricing methodology to calculate the grant date fair market value of SARs. The following table lists the assumptions the Company utilised as inputs to the Black-Scholes model:

	2024	2023
Weighted average share price	$55.77	$42.71
Exercise price	$55.77	$42.71
Dividend yield [1]	—	—
Risk-free interest rate - based on grant date [2]	3.4%	3.7%
Expected option term - in years per group of employees/consultants [3]	5.3	5.3
Expected volatility at grant date [4]	43.1%	45.1%

(1) LivaNova has not paid dividends, and no future dividends have been approved.

(2) LivaNova uses yield rates on U.S. Treasury securities for a period that approximated the expected term of the award to estimate the risk-free interest rate.

(3) The Company estimated the expected term of the awards granted using historic data of actual time elapsed between the date of grant and the exercise or forfeiture of options or SARs for employees. For consultants, the expected term is the remaining time until expiration of the option or SAR.

(4) Refer to "Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies - *Share-Based Compensation*" for additional information regarding expected volatility.

The following tables present the activity for service-based SARs and stock option awards:

	2024		2023	
	Number of Optioned Shares	Wtd. Avg. Exercise Price	Number of Optioned Shares	Wtd. Avg. Exercise Price
Outstanding – beginning of year	2,954,302	$ 62.40	2,806,836	$ 68.46
Granted	729,482	$ 55.77	974,204	$ 42.71
Exercised	(236,248)	$ 47.22	(232,980)	$ 44.24
Forfeited	(195,958)	$ 51.60	(297,831)	$ 56.67
Expired	(206,046)	$ 76.76	(295,927)	$ 75.12
Outstanding – end of year	3,045,532	$ 61.70	2,954,302	$ 62.40
Fully vested and exercisable – end of year	1,603,643	$ 67.36	1,455,930	$ 69.81
Fully vested and expected to vest – end of year [1]	2,967,677	$ 61.92	2,883,388	$ 62.67

(1) Includes the impact of expected future forfeitures.

20250806025563

The weighted average remaining contractual life for the share options and SARs outstanding at 31 December 2024 and 2023 is 6.75 years and 6.85 years, respectively.

The aggregate intrinsic value of the options and SARs outstanding at 31 December 2024 and 2023 is $46.8 million and $12.0 million, respectively. The aggregate intrinsic value of options and SARs is based on the difference between the fair market value of the underlying share at the end of the year using the market closing share price, and exercise price for in-the-money awards.

The following table presents outstanding options and SARs by exercise price range (in number of shares):

	31 December	
	2024	2023
$31 – $50	1,100,070	1,382,590
$51 – $70	806,171	246,905
$71 – $90	869,439	1,033,883
$91 – $110	268,996	288,562
$111 – $130	856	2,362
	3,045,532	2,954,302

	2024	2023
Weighted average grant date fair value of SARs granted during the year (per share)	$ 26.28	$ 19.44
Aggregate intrinsic value of SARs and stock options exercised during the year (in thousands)	$ 2,828	$ 1,905

Restricted Share Units Awards

The following tables detail the activity for service-based RSU awards:

	2024		2023	
	Number of Shares	Wtd. Avg. Grant Date Fair Value	Number of Shares	Wtd. Avg. Grant Date Fair Value
Non-vested shares - beginning of year	782,537	$ 54.40	741,892	$ 68.02
Granted	423,081	$ 55.06	528,128	$ 43.31
Vested	(329,587)	$ 54.17	(333,013)	$ 66.37
Forfeited	(113,719)	$ 54.46	(154,470)	$ 56.09
Non-vested shares - end of year	762,312	$ 54.32	782,537	$ 54.40

	2024	2023
Weighted average grant date fair value of service-based RSUs issued during the year (per share)	$ 55.06	$ 43.31
Aggregate fair value of RSUs that vested during the year (in thousands)	$ 18,119	$ 14,853

The following tables detail the activity for performance-based RSU awards:

	2024		2023	
	Number of Shares	Wtd. Avg. Grant Date Fair Value	Number of Shares	Wtd. Avg. Grant Date Fair Value
Non-vested shares - beginning of year	207,020	$ 66.84	330,534	$ 70.45
Granted	139,587	$ 64.83	189,117	$ 40.63
Vested	(79,737)	$ 84.62	(75,877)	$ 40.94
Forfeited	(66,508)	$ 52.46	(171,804)	$ 65.83
Performance adjustments [1]	24,862	$ 76.86	(64,950)	$ 42.52
Non-vested shares - end of year	225,224	$ 63.42	207,020	$ 66.84

(1) Represents the difference between the target units granted and the actual units awarded based upon the attainment of performance goals for the Company.

	2024	2023
Weighted average grant date fair value of performance-based RSUs granted during the year (per share)	$ 64.83	$ 40.63
Aggregate fair value of performance-based RSUs that vested during the year (in thousands)	$ 4,460	$ 3,641

20250806002564

Note 21. Employee Retirement Plans

Defined Benefit Plans

LivaNova sponsors several defined benefit pension plans, which include plans in the U.S., Italy, Germany, Japan, and France. The Company maintains a frozen cash balance retirement plan in the U.S. that is a contributory, defined benefit plan designed to provide the benefit in terms of a stated account balance dependent on the employer's promised interest-crediting rate. In Italy and France, the Company maintains a severance pay defined benefit plan that obligates the employer to pay a severance payment in case of resignation, dismissal, or retirement. In other jurisdictions LivaNova sponsors non-contributory, defined benefit plans designated to provide a guaranteed minimum retirement benefits to eligible employees. Certain members of the Company's key management participate in the Company's defined benefit pension plans. Please refer to "Note 26. Related Parties."

As of 31 December 2024 and 2023, the total net liability of LivaNova's U.S. and non-U.S. defined benefit pension plans was $5.7 million and $9.0 million, respectively.

As of 31 December 2024 and 2023, the U.S. defined benefit pension plan was partially funded, with a net liability of $0.2 thousand and $2.6 million, respectively.

As of 31 December 2024 and 2023, the Non-U.S. defined benefit pension plans for Italy and France were unfunded, with a net liability totalling $4.5 million and $5.3 million, respectively.

As of 31 December 2024 and 2023, the Non-U.S. defined benefit pension plan for Germany was partially funded, with a net liability of $1.2 million and $1.1 million, respectively.

As of 31 December 2024 and 2023, the Non-U.S. defined benefit pension plan for Japan was wholly funded.

Risks Related to Defined-benefit Plans

The defined benefit plans expose the Group to various demographic and economic risks such as longevity risk, investment risks, currency and interest rate risk, and in some cases inflation risk. The latter plays a role in the assumed wage increase and in some smaller plans where indexation is mandatory. Pension fund Trustees are responsible for and have full discretion over the investment strategy of the plan assets. In general, Trustees manage pension fund risks by diversifying the investments of plan assets and by (partially) matching interest rate risk of liabilities.

The Company has an active de-risking strategy in which it constantly looks for opportunities to reduce the risks associated with its defined benefit plans. The plans are governed by Trustees who have a legal obligation to evenly balance the interests of all stakeholders and operate under the local regulatory framework.

The change in benefit obligations and funded status of LivaNova's U.S. and non-U.S. pension benefits are as follows (in thousands):

	U.S. Pension Benefits					
	2024			2023		
	Present Value of Benefit Obligation	Fair Value of Plan Assets	Net Liability	Present Value of Benefit Obligation	Fair Value of Plan Assets	Net Liability
Beginning of year	$ 9,222	$ (6,671)	$ 2,551	$ 9,790	$ (5,516)	$ 4,274
Interest cost	347	—	347	409	—	409
Total amount recognised in the consolidated statement of loss	347	—	347	409	—	409
Actuarial gain	(976)	—	(976)	(416)	—	(416)
Actual return on plan assets	—	(352)	(352)	—	(598)	(598)
Total amount recognised in other comprehensive income	(976)	(352)	(1,328)	(416)	(598)	(1,014)
Employer contributions	—	(1,549)	(1,549)	—	(1,118)	(1,118)
Payments from plan:						
Plan settlements	(326)	326	—	(245)	245	—
Benefits paid	(323)	323	—	(316)	316	—
End of year	$ 7,944	$ (7,923)	$ 21	$ 9,222	$ (6,671)	$ 2,551
Amounts recognised on the consolidated balance sheets consist of:						
Non-current [2]	$ 21			$ 2,551		
Recognised liability	$ 21			$ 2,551		

20250806025655

Note 21. Employee Retirement Plans

	Non-U.S. Pension Benefits [1]					
	2024			2023		
	Present Value of Benefit Obligation	Fair Value of Plan Assets	Net Liability	Present Value of Benefit Obligation	Fair Value of Plan Assets	Net Liability
Beginning of year	$ 8,260	$ (3,290)	$ 4,970	$ 8,532	$ (3,232)	$ 5,300
Current service cost	225	—	225	239	—	239
Interest cost	205	—	205	239	—	239
Total amount recognised in the consolidated statement of loss	430	—	430	478	—	478
Actuarial (gain)/loss	(208)	—	(208)	86	—	86
Actual return on plan assets	—	20	20	—	78	78
Total amount recognised in other comprehensive income	(208)	20	(188)	86	78	164
Foreign currency exchange rate changes and other	(572)	176	(396)	136	101	237
Employer contributions	—	—	—	—	(263)	(263)
Benefits paid	(316)	78	(238)	(972)	26	(946)
End of year	$ 7,594	$ (3,016)	$ 4,578	$ 8,260	$ (3,290)	$ 4,970
Amounts recognised on the consolidated balance sheets consist of:						
Non-current [2]	$ 5,682			$ 6,367		
Recognised liability	$ 5,682			$ 6,367		

(1) In certain non-U.S. countries, fully funding pension plans is not a common practice. Consequently, certain pension plans have been partially funded.

(2) These amounts are included within provision for employee severance indemnities and other employee benefit provisions on the consolidated balance sheet as well as social security taxes payable associated with LivaNova's share-based incentive plans.

The following table presents the composition of actuarial (gain)/loss for LivaNova's U.S. and non-U.S. pension plans (in thousands):

	2024		2023	
	U.S. Pension Benefits	Non-U.S. Pension Benefits	U.S. Pension Benefits	Non-U.S. Pension Benefits
Financial assumption	$ (287)	$ (205)	$ (443)	$ 200
Demographic assumption	6	25	(69)	36
Experience	(695)	(28)	96	(150)
	$ (976)	$ (208)	$ (416)	$ 86

The following table presents the major actuarial assumptions used in determining the benefit obligations and net periodic benefit costs for LivaNova's significant U.S. and Non-U.S. defined benefit plans as weighted averages:

	2024		2023	
	U.S. Pension Benefits	Non-U.S. Pension Benefits	U.S. Pension Benefits	Non-U.S. Pension Benefits
Actuarial assumptions used to determine benefit obligation:				
Discount rate	5.41%	1.01% – 3.40%	4.93%	0.96% – 3.20%
Rate of compensation increase	N/A	2.50% – 3.50%	N/A	2.50% – 3.50%
Actuarial assumptions used to determine net periodic benefit cost:				
Discount rate	4.93%	1.01% – 3.40%	5.10%	0.96% – 3.20%
Rate of compensation increase	N/A	3.00% – 3.50%	N/A	3.38% – 3.50%
Expected return on plan assets	5.00%	N/A	5.00%	N/A

To determine the discount rate for LivaNova's U.S. benefit plan, the Company used the FTSE Above Median Pension Discount Curve. For the discount rate used for the other non-U.S. benefit plans the Company considers local market expectations of long-

20250806025566

term returns, primarily utilising the iBoxx Corporate Index Bond rating AA, duration higher than 10 years. The resulting discount rates are consistent with the duration of plan liabilities.

The expected long-term rate of return on plan assets assumption for LivaNova's U.S. benefit plan was derived from a study conducted by the Company's investment managers. The study includes a review of anticipated future long-term performance of individual asset classes and consideration of the appropriate asset allocation strategy given the anticipated requirements of the plan to determine the average rate of earnings expected on the funds invested to provide for the pension plan benefits.

Retirement Benefit Plan Investment Strategy

In the U.S., the Company has an account that holds the defined benefit frozen balance pension plan assets. The Plan Committee sets investment guidelines for U.S. pension plans with the assistance of an external consultant. The plan assets in the U.S. are invested in accordance with sound investment practices that emphasise long-term fundamentals. The investment objectives for the plan assets in the U.S. are to achieve a positive rate of return that would be expected to close the current funding deficit and so enable us to terminate the frozen pension plan at a reasonable cost. These guidelines are established based on market conditions, risk tolerance, funding requirements, and expected benefit payments. The Plan Committee also oversees the investment allocation process, selects the investment managers, and monitors asset performance. The investment portfolio contains a diversified portfolio of fixed income and equity index funds. Securities are also diversified in terms of domestic and international securities, short- and long-term securities, growth and value styles, and large cap and small cap stocks.

Outside the U.S., pension plan assets are typically managed by decentralised fiduciary committees. There is a significant variation in policy asset allocation from country to country. Local regulations, local funding rules, and local financial and tax considerations are part of the funding and investment allocation process in each country.

The following table presents LivaNova's U.S. and Non-U.S. pension plan target allocations by asset category:

	31 December			
	2024		2023	
	U.S. Pension Benefits	Non-U.S. Pension Benefits	U.S. Pension Benefits	Non-U.S. Pension Benefits
Equity Securities	29%	1%	29%	1%
Debt Securities	70%	81%	70%	85%
Other	1%	18%	1%	14%

Retirement Benefit Fair Values

The following is a description of the valuation methodologies used for retirement benefit plan assets measured at fair value:

Equity Mutual Funds: Valued based on the year-end net asset values of the investment vehicles. The net asset values of the investment vehicles are based on the fair values of the underlying investments of the partnerships valued at the closing price reported in the active markets in which the individual security is traded. Equity mutual funds have a daily reported net asset value and LivaNova classifies these investments as Level 2.

Fixed Income Mutual Funds: Valued based on the year-end net asset values of the investment vehicles. The net asset values of the investment vehicles are based on the fair values of the underlying investments of the partnerships valued based on inputs other than quoted prices that are observable.

Money Markets: Valued based on quoted prices in active markets for identical assets.

The following tables provide information by level for the U.S. retirement benefit plan assets that are measured at fair value, as defined by IFRS (in thousands):

	Fair Value Measurement Using Inputs Considered as:		
31 December 2024	**Level 1**	**Level 2**	**Level 3**
Equity mutual funds	$ 2,169	$ —	$ 2,169	$ —
Fixed income mutual funds	5,333	—	5,333	—
Money market funds	78	78	—	—
	$ 7,580	$ 78	$ 7,502	$ —

Note 21. Employee Retirement Plans

20250806025 67

31 December 2023		Fair Value Measurement Using Inputs Considered as: Level 1	Level 2	Level 3
Equity mutual funds	$ 1,882	$ —	$ 1,882	$ —
Fixed income mutual funds	4,571	—	4,571	—
Money market funds	85	85	—	—
	$ 6,538	$ 85	$ 6,453	$ —

The following tables provide information by level for the Non-U.S. retirement benefit plan assets that are measured at fair value, as defined by IFRS (in thousands):

31 December 2024		Fair Value Measurement Using Inputs Considered as: Level 1	Level 2	Level 3
Equity mutual funds	$ 24	$ —	$ 24	$ —
Fixed income mutual funds	1,566	—	1,566	—
Money market funds	332	332	—	—
	$ 1,922	$ 332	$ 1,590	$ —

31 December 2023		Fair Value Measurement Using Inputs Considered as: Level 1	Level 2	Level 3
Equity mutual funds	$ 23	$ —	$ 23	$ —
Fixed income mutual funds	1,530	—	1,530	—
Money market funds	340	340	—	—
	$ 1,893	$ 340	$ 1,553	$ —

Refer to "Note 5. Fair Value Measurements" for discussion of the fair value measurement terms of Levels 1, 2, and 3.

Defined Benefit Retirement Funding

LivaNova makes the minimum required contribution to fund the U.S. pension plan as determined by the Moving Ahead for Progress in the 21st Century Act and the Highway and Transportation Funding Act of 2014. The Company contributed $1.5 million and $1.4 million to the pension plans (U.S. and non-U.S.) during the years ended 31 December 2024 and 2023, respectively. LivaNova anticipates the Company will make contributions to the U.S. pension plan of $0.1 million during the year ended 31 December 2025. Contributions to the non-U.S. pension plans in fiscal year 2024 are not expected to be material. The weighted average duration of the defined benefit plans is 8 years and 10 years for U.S. plan and Non-U.S. plans, respectively.

The following tables present benefit payments expected to be paid, including amounts to be paid from LivaNova's assets, and reflecting expected future service (in thousands):

31 December 2024	U.S. Plan	Non-U.S. Plans
2025	$ 3,042	$ 443
2026	839	451
2027	636	477
2028	486	402
2029	502	499
2030 - 2034	1,861	3,839
Above 2034	578	1,483
	$ 7,944	$ 7,594

Note 21. Employee Retirement Plans

31 December 2023	U.S. Plan	Non-U.S. Plans
2024	$ 3,495	$ 514
2025	829	537
2026	877	657
2027	667	594
2028	509	664
2029 - 2033	2,105	3,886
Above 2033	740	1,408
	$ 9,222	$ 8,260

Defined Contribution Plans

LivaNova sponsors defined contribution plans, including the Cyberonics, Inc. Employee Retirement Savings Plan, which qualifies under Section 401(k) of the U.S. Internal Revenue Code, covering U.S. employees; the Cyberonics, Inc. Non-Qualified Deferred Compensation Plan, covering certain U.S. middle and senior management; and the Belgium Defined Contribution Pension Plan for Cyberonics's Belgium employees. LivaNova incurred expenses for LivaNova's defined contribution plans of $9.6 million and $11.1 million for the years ended 31 December 2024 and 2023, respectively.

Note 22. Income Tax Expense

The following table presents the composition of income tax expense (in thousands):

	2024	2023
Current Tax:		
Charge in respect to current period [1]	$ (16,767)	$ (9,762)
Charge in respect to prior period	(2,645)	(7,073)
	(19,412)	(16,835)
Deferred Tax:		
Relating to the origination and reversal of temporary differences	(3,725)	(857)
Relating to changes in tax rates and legislation	16	1,905
	(3,709)	1,048
	$ (23,121)	$ (15,787)

(1) Since LivaNova does not have significant operations in jurisdictions with tax rates below 15%, Pillar Two did not have a material impact on the effective rate for 2024. LivaNova will continue to monitor legislative developments and related guidance in the UK and other jurisdictions that may impact LivaNova's operations.

The following table presents a reconciliation of the statutory income tax rate to LivaNova's effective income tax rate expressed as a percentage of loss before tax:

	2024	2023
Statutory tax rate at UK rate	25.0 %	23.5 %
Change in unrecognised deferred tax assets [1]	4.8	(35.9)
Foreign tax rate differential	(0.7)	6.0
U.S. state and local tax provision, net of federal benefit	(0.4)	(3.4)
Investments and impairments charge [1]	(0.7)	(3.0)
Consulting Fees	(0.2)	(2.5)
Effect of changes in tax rate	—	1.5
Research and development tax credits	1.5	0.3
Base erosion anti-abuse tax	—	0.4
SNIA environmental liability [2]	(34.4)	—
Other, net	(4.1)	(5.6)
Effective tax rate	(9.2)%	(18.7)%

(1) During the year ended 31 December 2023, ACS impairments increased the tax rate by $21.0 million. For additional information, refer to "Note 29. Exceptional Items."

(2) During the year ended 31 December 2024, the SNIA environmental liability decreased the tax rate by 34.4%. For additional information, refer to "Note 23. Commitments and Contingencies."

20250806025568

Note 22. Income Tax Expense

20250806025569

LivaNova PLC is resident in the UK for tax purposes. LivaNova's subsidiaries conduct operations and earn income in numerous countries and are subject to the laws of taxing jurisdictions within those countries, and the income tax rates imposed in the tax jurisdictions in which LivaNova's subsidiaries conduct operations vary. As a result of the changes in the overall level of the Company's income, the earnings mix in various jurisdictions, and the changes in tax laws, LivaNova's consolidated effective income tax rate may vary from one reporting period to another.

LivaNova is subject to income taxes as well as non-income-based taxes in the U.S., the UK, the EU, and various other jurisdictions. LivaNova continues to monitor the adoption of Pillar Two by the taxing jurisdictions in which it operates. The UK has enacted legislation providing for a minimum effective tax rate of 15% through a multinational top-up tax and a domestic top-up tax for accounting periods beginning on or after 31 December 2023. Since LivaNova does not have significant operations in jurisdictions with tax rates below 15%, Pillar Two did not have a material impact on the effective rate for 2024. LivaNova will continue to monitor legislative developments and related guidance in the UK and other jurisdictions that may impact LivaNova's operations.

The following table presents the composition of tax receivable (in thousands):

	31 December	
	2024	2023
Income tax receivable	$ 12,886	$ 7,976
Indirect tax receivable	11,759	9,595
	$ 24,645	$ 17,571

The following table presents the composition of tax payable (in thousands):

	31 December	
	2024	2023
Income tax payable	$ 11,117	$ 11,145
Indirect tax payable	19,126	12,195
	$ 30,243	$ 23,340

Deferred Tax Assets and Liabilities

The following table presents the change in net deferred tax assets (liabilities) as recognised in the balance sheet (in thousands):

	2024	2023
At the beginning of the year	$ 104,278	$ 103,406
Deferred tax (expense) credit, net	(3,709)	1,048
Deferred tax recorded in equity	280	(176)
At the end of the year	$ 100,849	$ 104,278

The following table provides the net deferred tax assets expected to be recognised within the next 12 months and after the next 12 months (in thousands):

	31 December	
	2024	2023
Within the next 12 months	$ 31,169	$ 36,351
After the next 12 months	69,680	67,927
	$ 100,849	$ 104,278

202508060257O

Note 22. Income Tax Expense

Deferred tax assets and liabilities on a gross basis are summarised as follows (in thousands):

	31 December 2024	Activity During the Year: Consolidated Statement of Loss	Activity During the Year: Other Movement	Activity During the Year: Shareholders' Equity	1 January 2024
Deferred tax assets:					
NOLs	$ 87,804	$ 5,699	$ —	$ (588)	$ 82,693
Tax credit carryforwards	509	(231)	—	(24)	764
Deferred compensation	882	(1,165)	(4,480)	(429)	6,956
Accruals and reserves	34,831	1,734	(50,747)	(1,463)	85,307
Inventory	7,371	2,497	(4,983)	(540)	10,397
Other	—	(1,813)	(2,524)	6	4,331
Gross deferred tax assets [2]	131,397	6,721	(62,734)	(3,038)	190,448
Deferred tax liabilities:					
Property, equipment, and intangible assets	(22,531)	(1,874)	62,058	2,810	(85,525)
Other	(8,017)	(8,573)	693	508	(645)
Gross deferred tax liabilities	(30,548)	(10,447)	62,751	3,318	(86,170)
Deferred tax assets (liabilities), net	$ 100,849	$ (3,726)	$ 17	$ 280	$ 104,278
Reported in the consolidated balance sheet (after jurisdictional netting):					
Net deferred tax assets	$ 107,936				$ 113,364
Deferred tax liabilities	(7,087)				(9,086)
Deferred tax assets, net [1]	$ 100,849				$ 104,278

(1) During the year ended 31 December 2024, the net deferred tax assets decreased from amortisation of intangibles and debt-related deferred tax liabilities.

	31 December 2023	Activity During the Year: Consolidated Statement of Loss	Activity During the Year: Tax Rate Change [1]	Activity During the Year: Shareholders' Equity	1 January 2023
Deferred tax assets:					
NOLs	$ 82,693	$ 6,163	$ 1,066	$ 169	$ 75,295
Tax credit carryforwards	764	477	—	12	275
Deferred compensation	6,956	(1,473)	(267)	(617)	9,313
Accruals and reserves	85,307	(5,080)	(814)	642	90,559
Inventory	10,397	893	(97)	(281)	9,882
Other	4,331	(3,789)	712	97	7,311
Gross deferred tax assets [2]	190,448	(2,809)	600	22	192,635
Deferred tax liabilities:					
Gain on sale of intellectual property	—	12,603	207	—	(12,810)
Property, equipment, and intangible assets	(85,525)	(10,069)	1,161	(198)	(76,419)
Other	(645)	(582)	(63)	—	—
Gross deferred tax liabilities	(86,170)	1,952	1,305	(198)	(89,229)
Deferred tax assets (liabilities), net	$ 104,278	$ (857)	$ 1,905	$ (176)	$ 103,406
Reported in the consolidated balance sheet (after jurisdictional netting):					
Net deferred tax assets	$ 113,364				$ 110,734
Deferred tax liabilities	(9,086)				(7,328)
Deferred tax assets, net [2]	$ 104,278				$ 103,406

(1) UK tax rate to increase to 25%, effective 1 April 2023. The change in tax rate for 2023 was primarily due to the NOLs generated during 2023 net of group relief being measured to a tax rate of 19%.

(2) During the year ended 31 December 2023, the net deferred tax assets increased from net operating losses in the UK less amortisation of intangibles.

20250806025711

Note 22. Income Tax Expense

In 2023, LivaNova remeasured certain deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future.

LivaNova periodically assesses the recoverability of the Company's deferred tax assets by considering whether it is probable that some or all of the actual benefit of those assets will be realised. To the extent that realisation does not meet the "probable" criterion, the Company does not recognise a deferred tax asset. LivaNova periodically reviews the adequacy and necessity of unrecognised deferred tax assets by considering significant positive and negative evidence relative to the Company's ability to recover deferred tax assets and to determine the timing and amount of the unrecognised deferred tax assets that should be released. This evidence includes: profitability in the most recent quarters; internal forecast profitability and expected utilisation period; size of deferred tax asset relative to estimated profitability; the potential effects on future profitability from increasing competition, healthcare reforms, and overall economic conditions; limitations and potential limitations on the use of LivaNova's NOLs due to ownership changes; and the implementation of prudent and feasible tax planning strategies, if any.

As required by the amendments to IAS 12, the Company has applied the exception and will neither recognise nor disclose information about deferred tax assets and liabilities relating to Pillar Two income taxes. Refer to "Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies."

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Net Operating Loss Carryforwards

LivaNova had the following NOL carryforwards as of 31 December 2024 which can be used to reduce LivaNova's income tax payable in future years (in thousands):

Region	Gross Amount	Tax Effected Amount Without Expiration	Tax Effected Amount With Expiration	Starting Expiration Year
Europe	$ 384,514	$ 96,128	$ —	Unlimited
U.S. Federal	$ 29,563	$ —	$ 6,208	2028
U.S. State	$ 106,042	$ 2,813	$ 5,112	2025
Rest of World	$ 15,357	$ 4,303	$ 114	2025

LivaNova had the following NOL carryforwards as of 31 December 2023 which can be used to reduce the Company's income tax payable in future years (in thousands):

Region	Gross Amount	Tax Effected Amount Without Expiration	Tax Effected Amount With Expiration	Starting Expiration Year
Europe	$ 426,244	$ 100,818	$ —	Unlimited
U.S. Federal	$ 32,100	$ 35	$ 6,706	2028
U.S. State	$ 182,335	$ 2,349	$ 8,493	2023
Rest of World	$ 23,206	$ 7,578	$ 128	2025

Included in the table above are deferred tax assets that have not been recognised with respect of the following items (in thousands):

	31 December	
	2024	2023
Tax loss carryforwards	$ 26,875	$ 43,415
Tax credits	26,722	38,486
Rest of World tax credits	570	481
Accruals and reserves	88,024	65,625
Other deferred tax assets [1]	39,458	29,760
	$ 181,649	$ 177,767

[1] Other deferred tax assets include property, equipment, intangible assets, inventory, and other items.

For losses incurred after April 2017 in the UK, the Company anticipates a recoverability of these operating loss carryforwards beginning in 2025 as the Company expects an increase in taxable income due to the full amortisation of certain intangible assets. The Company is relying on estimated future income projections and judgement on the growth of the projected income for the recoverability of the deferred tax assets corresponding the NOLs. The Company estimates it will be able to recover its tax loss in less than 13 years through UK Group relief, as the UK Group as a result of increased revenues from royalty income, interest income, and decreased amortisation of intangible assets beginning in 2024.

20250806025572

Note 22. Income Tax Expense

No provision has been made for income taxes on undistributed earnings of foreign subsidiaries as of 31 December 2024 because it is the Company's intention to indefinitely reinvest undistributed earnings of the Company's foreign subsidiaries. In the event of the distribution of those earnings in the form of dividends, a sale of the subsidiaries, or certain other transactions, the Company may be liable for income taxes. There should be no material tax liability on future distributions as most jurisdictions with undistributed earnings have various participation exemptions/no withholding tax. These unrecognised differences are not expected to reverse in the foreseeable future.

Uncertain Tax Positions

Tax authorities may disagree with certain positions the Company has taken and assess additional taxes. The Company regularly assesses the likely outcomes of LivaNova's tax positions in order to determine the appropriateness of the Company's reserves for uncertain tax positions. However, there can be no assurance that LivaNova will accurately predict the outcome of these audits, and the actual outcome of an audit could have a material impact on the Company's consolidated results of income, financial position, or cash flows.

LivaNova currently has tax audits in progress with a number of tax authorities. It is reasonably possible that in the next twelve months the balance of gross unrecognised tax benefit will decrease up to $9.4 million resulting from settlements with tax authorities or the expiration of statutes of limitations.

The following table presents the components of LivaNova's total gross unrecognised tax benefit (in thousands):

	31 December	
	2024	2023
Recorded as liability	$ 1,073	$ 551
Reduction to deferred tax assets - impacting effective tax rate	4,786	—
Unrecognised deferred tax assets	9,362	4,855
	$ 15,221	$ 5,406

Accrued interest and penalties total $0.1 million and $0.7 million as of 31 December 2024 and 2023, respectively, and were included in other long-term liabilities on LivaNova's consolidated balance sheets. LivaNova records accrued interest and penalties related to unrecognised tax benefits in interest expense and foreign exchange and other income/(expense), respectively, on LivaNova's consolidated statement of loss.

Other Matters

LivaNova PLC is domiciled and resident in the UK. LivaNova's subsidiaries conduct operations and earn income in numerous countries and are subject to the laws of taxing jurisdictions within those countries, and the income tax rates imposed in the tax jurisdictions in which LivaNova's subsidiaries conduct operations vary. As a result of the changes in the overall level of the Company's income, and the changes in tax laws, the Company's consolidated effective income tax rate may vary from one reporting year to another.

The major jurisdictions where LivaNova is subject to income tax examinations as of 31 December 2024 are as follows:

Jurisdiction	Earliest Year Open
Italy	2019
Germany	2019
U.S. - federal and state	2020
England and Wales	2020
Canada	2020

Note 23. Commitments and Contingencies

Saluggia Site Hazardous Substances

LSM, formerly a subsidiary of Sorin, one of the companies that merged into LivaNova PLC in 2015, manages site services for the campus in Saluggia, Italy. In addition to being a former LivaNova manufacturing facility, the Saluggia campus is also the location of manufacturing facilities of third parties, a cafeteria for workers, and storage facilities for hazardous substances and equipment previously used in a nuclear research centre, later turned nuclear medicine business, between the 1960s and the late 1990s. Pursuant to authorisation from the Italian government, LSM performs ordinary maintenance, secures the facilities, monitors air and water quality, and files applicable reports with the competent environmental authorities.

In 2020, LSM received correspondence from National Inspectorate for Nuclear Safety and Radiation Protection, a sub-body of the Italian Ministry of Economic Development, requesting that, within five years, LSM demonstrate the financial capacity to meet its obligations under Italian law to clean and dismantle any contaminated buildings and equipment, as well as to deliver hazardous

202508060025 73

substances to a national repository. The national repository will be built by the Italian government at a location and time yet to be determined. ISIN subsequently published Technical Guide n. 30, which identifies the technical criteria, and general safety and protection requirements for the design, construction, operation, and dismantling of temporary storage facilities for the hazardous substances.

Although there is no legal obligation to deliver any hazardous substances, as the performance of these obligations is contingent on the construction of the as-yet unbuilt national repository, based on the aforementioned factors, the Company concluded its obligation to clean, dismantle, and deliver any hazardous substances to a national repository is probable and reasonably estimable. The estimated liability as of 31 December 2024 and 2023 was $37.2 million and $42.7 million, respectively. A 0.5% increase or decrease in the discount rate applied would not have a material impact on the provision. The timing of any cash outflows associated with this provision is uncertain given the factors noted above; however, LivaNova does not currently expect to incur significant cash outflows associated with this matter in the next two years. Refer to "Note 19. Contingent Consideration, 3T Litigation Provision Liability, and Other Provisions" for additional information.

SNIA Environmental Litigation

Sorin was created as a result of a spin-off from SNIA in 2004, and in 2015, Sorin was merged into LivaNova. SNIA subsequently became insolvent, and the Public Administrations sought compensation from SNIA in an aggregate amount of approximately $3.6 billion for remediation costs relating to the environmental damage at chemical sites previously operated by SNIA's other subsidiaries.

There are proceedings relating to the SNIA bankruptcy to which LivaNova is not a party in the Bankruptcy Court of Udine and the Bankruptcy Court of Milan. In 2011, the Bankruptcy Court of Udine held that the Public Administrations were not creditors of either SNIA or its subsidiaries in connection with their claims in the Italian insolvency proceedings. The Public Administrations appealed. In 2016, the Court of Udine rejected the appeal, and the Public Administrations appealed to the Italian Supreme Court. Similarly, in 2014, the Bankruptcy Court of Milan held that the Public Administrations were not creditors of either SNIA or its subsidiaries. The Public Administrations appealed. In April 2022, the Bankruptcy Court of Milan declared the Public Administrations to be a non-privileged creditor of SNIA for up to €454 million, and the Public Administrations appealed to the Italian Supreme Court.

In 2012, SNIA filed a civil action against Sorin in the Civil Court of Milan asserting joint liability of a parent and a spun-off company; the Public Administrations entered voluntarily into the proceeding, asking Sorin, as jointly liable with SNIA, to pay compensation for SNIA's environmental damages. In 2016, the Court of Milan dismissed all legal actions of SNIA and of the Public Administrations further requiring the Public Administrations to pay Sorin €292,000 ($303,000 as of 31 December 2024) for legal fees. The Public Administrations appealed the 2016 Decision to the Court of Appeal. On 5 March 2019, the Court of Appeal issued a partial decision on the merits declaring Sorin/LivaNova jointly liable with SNIA for SNIA's environmental liabilities in an amount up to the fair value of the net worth received by Sorin because of the spin-off of Sorin from SNIA in 2004, an estimated €572.1 million ($593.7 million as of 31 December 2024). LivaNova appealed the partial decision on liability to the Italian Supreme Court in August 2019.

In 2021, the Court of Appeal delivered the remainder of its decision, ordering LivaNova to pay damages of €453.6 million ($470.7 million as of 31 December 2024). LivaNova appealed the decision on damages in December 2021. On 21 February 2022, the Court of Appeal notified the Company that it granted the Company a suspension with respect to the payment of damages until a decision has been reached on the appeal to the Italian Supreme Court. This suspension was subject to LivaNova providing a first demand bank guarantee of €270.0 million ($280.2 million as of 31 December 2024) within 30 calendar days, and on 21 March 2022, LivaNova delivered the SNIA Litigation Guarantee, thereby satisfying the condition.

In 2022, in response to one of a number of appeals asserted by LivaNova, the Italian Supreme Court issued an ordinance, a procedural document, whereby the Italian Supreme Court referred a question on interpretation of a European directive on demergers to the ECJ. Specifically, the ordinance asked the ECJ to provide a binding decision as to whether a company resulting from a demerger can be held jointly and severally liable not only for the established liabilities of the demerged company that were articulated at the time of demerger, but also for the environmental liabilities of the demerged company that materialised after the demerger which are derived from actions performed prior to the demerger. On 29 July 2024, the ECJ issued a judgement in response to the ordinance. The ECJ judgement states that a demerged company can be held responsible for liabilities not established prior to a demerger as long as the liabilities derive from the conduct of a demerged company prior to the demerger. The ECJ judgement also states that national law should determine whether liability for damages stemming from F-30 conduct after a demerger can be assigned to a demerged company.

On 14 March 2025, the Italian Supreme Court issued its decision in response to all of the appeals of the Company and counter-appeals submitted by the Public Administrations. The Italian Supreme Court determined that LivaNova can be held jointly and severally liable for the established liabilities of SNIA at the time of demerger as well as the environmental liabilities of the demerged company that materialised after the demerger which are derived from actions performed prior to the demerger; however, the Italian Supreme Court also ruled that the Company should not be held responsible for certain payments previously

20250806025574

approved by the Court of Appeal of Milan in the amount of €157 million ($162.9 million) as of 31 December 2024. The case has been referred back to the Court of Appeal of Milan to implement the decisions respecting costs and damages in accordance with the judgement of the Italian Supreme Court.

As a result of the decision by the Italian Supreme Court, the Company recorded a current liability and environmental liability expense of €332 million ($344.4 million) as of and for the year ended 31 December 2024, as its best estimate of the liability inclusive of estimated costs, fees, interest, and taxes. The Company has determined that it has sufficient resources to cover the liability given its cash and cash equivalents of $738.4 million as of 31 March 2025.

On 31 March 2025, as a result of the decision by the Italian Supreme Court, the SNIA Litigation Guarantee was terminated, and the restriction to the cash deposit held as collateral was released.

Product Liability Litigation

The Company continues to be involved in litigation involving LivaNova's 3T device. The litigation includes the cases remaining in the MDL, various U.S. state court cases, and claims in jurisdictions outside the United States. As of 28 April 2025, the Company was aware of approximately 60 filed and unfiled claims worldwide. The complaints generally seek damages and other relief based on theories of strict liability, negligence, breach of express and implied warranties, failure to warn, design and manufacturing defect, fraudulent and negligent misrepresentation or concealment, unjust enrichment, and violations of various state consumer protection statutes.

During the years ended 31 December 2024 and 2023, LivaNova recorded an additional liability of $13.3 million and $40.9 million, respectively, upon receiving new information regarding the nature of certain claims. As of 31 December 2024 and 2023, the provision for these matters was $15.8 million and $20.3 million, respectively. While the amount accrued represents LivaNova's best estimate for those worldwide filed and unfiled claims of which LivaNova is aware and believes are both probable and estimable at this time, the actual liability for resolution of these matters may vary from the Company's provision. For any claims where a potential loss is not determined to be probable, or a potential loss or range of potential loss is not reasonably estimable at this time, a provision has not been recorded.

Italian MedTech Payback Measure

In 2015, the Italian Parliament introduced rules regarding public contracts with the National Healthcare System for the supply of goods and services. In particular, the law introduced a payback measure requiring companies selling medical devices in Italy to repay a percentage of the healthcare expenditures exceeding the regional maximum caps for medical devices. In August 2022, a decree was published which provided guidance and timetables for the rule. In response, LivaNova filed an appeal at the Administrative Court against the Decree of the Ministry of Health, assessing the amount payable and against the payback law. LivaNova also filed appeals against the regions requesting payments. In August 2023, the Administrative Court upheld LivaNova's request to suspend the effect of the requests for payment by the regions, pending the decision by the Administrative Court on the merits of the case. In November 2023, the Administrative Court, in a separate matter, asked the Constitutional Court whether the payback law was compliant with the Italian Constitution and pending the decision by the Constitutional Court, all cases brought by medical device companies in this matter were suspended. On 22 July 2024, the Constitutional Court determined that the payback law is compliant with the Italian Constitution and that companies may reduce their payment obligations between 2015-2018 to 48% of the amount originally charged to companies. Based on market and product information, as previously disclosed, and the recent ruling by the Constitutional Court, the amount reserved for this matter was $16.0 million and $8.2 million as of 31 December 2024 and 2023, respectively, and is included in accrued liabilities and other in the consolidated balance sheets. However, the actual liability could vary. Amounts recognised associated with the Italian MedTech payback measure are recorded as a reduction to net revenue in the consolidated statement of loss.

Cyber Litigation

In connection with the cybersecurity incident initially reported on 20 November 2023, LivaNova USA was named as a defendant in six putative class action lawsuits filed in the United States District Court for the Southern District of Texas in June and July 2024. Those cases were consolidated in a single action, and the plaintiffs filed against LivaNova USA a consolidated class action complaint, which asserted claims of negligence, breach of contract, and violation of various state consumer protection laws. The plaintiffs sought damages, equitable/injunctive relief, and attorney's fees, costs, and expenses, among other relief. The parties entered into mediation and agreed to a class action settlement, which received final approval from the Court on 4 April 2025. The Company recorded an accrual of $1.2 million for the class action settlement during 2024. The Company expects all settlement administration activities to be completed in 2025.

In addition, HHS's Office for Civil Rights is investigating the incident pursuant to its authority to enforce the HIPAA rules regarding privacy, security, and breach notification. The Office for Civil Rights issued a request for information regarding the Company's response to the incident and the Company's compliance with HIPAA rules, to which the Company responded. The Office for Civil Rights may issue additional requests for information and documentation. In connection with its investigation, the

20250806025 75

Office for Civil Rights may, among other measures, seek to impose civil monetary penalties against LivaNova and seek to require that the Company implement a corrective action plan.

Other Matters

Additionally, LivaNova is the subject of various pending or threatened legal actions and proceedings that arise in the ordinary course of LivaNova's business. These matters are subject to many uncertainties and outcomes that are not predictable and that may not be known for extended periods of time. Since the outcome of these matters cannot be predicted with certainty, the costs associated with them could have a material adverse effect on LivaNova's consolidated results of operations, financial position, or liquidity.

Note 24. Earnings Per Share

Basic EPS is calculated by dividing the profit for the year attributable to owners of the parent by the weighted average number of Ordinary Shares outstanding during the year. Diluted EPS is calculated by dividing the net profit or loss attributable to owners of the parent by the weighted average number of Ordinary Shares outstanding during the year plus the weighted average number of Ordinary Shares that would be issued on conversion of all the dilutive potential Ordinary Shares into Ordinary Shares.

The following table sets forth the basic and diluted weighted average shares outstanding used in the computation of basic and diluted EPS (in thousands of shares, except per share amounts):

	2024	2023
Numerator: [1]		
Loss attributable to owners of the parent	$ (273,414)	$ (100,382)
Denominator: [1]		
Basic weighted average shares outstanding	54,240	53,939
Add effects of share-based compensation and convertible debt instruments [2]	—	273
Diluted weighted average shares outstanding.	54,240	54,212
Basic loss per share	$ (5.04)	$ (1.86)
Diluted loss per share	$ (5.04)	$ (1.85)

(1) For the year ended 31 December 2024, the 2029 Notes were outstanding and potentially dilutive securities, but were excluded from the computation of diluted earnings per share because their effect would have been anti-dilutive.

(2) Excluded from the computation of diluted EPS for the years ended 31 December 2024 and 2023 were stock options, SARs and RSUs totalling 2.8 million and 3.0 million, respectively, because to include them would have been anti-dilutive.

Note 25. Segment and Geographic Information

Segment Information

LivaNova identifies operating segments based on how it manages, evaluates, and internally reports its business activities to allocate resources, develop, and execute its strategy and assess performance. Prior to 2024, LivaNova operated through three segments: Cardiopulmonary, Neuromodulation, and ACS. During 2024, the Company reorganised its operating and reporting structure upon initiating the 2024 Restructuring Plan. This involved transitioning all ACS standalone cannulae and accessories, including ProtekDuo and transseptal (TandemHeart) cannulae, into its Cardiopulmonary segment. Operations for other ACS products, including LifeSPARC and Hemolung systems, were ceased in 2024. For additional information, refer to "Note 7. Restructuring." This restructuring, along with changes in how the Company's CODM regularly reviews information, allocates resources, and assesses performance, resulted in modifications to LivaNova's reportable segments. Specifically, LivaNova's former ACS segment is now included in "Other," excluding the ACS standalone cannulae and accessories business, which is now included in the Cardiopulmonary reportable segment. As a result, LivaNova now has two reportable segments: Cardiopulmonary and Neuromodulation. The segment financial information presented herein reflects these changes for all periods presented. There were no transactions between reportable segments during 2024 and 2023.

LivaNova's Cardiopulmonary segment is engaged in the design, development, manufacture, marketing, and selling of cardiopulmonary products, including HLMs, oxygenators, autotransfusion systems, perfusion tubing systems, cannulae, and other related accessories.

LivaNova's Neuromodulation segment is engaged in the design, development, manufacture, marketing, and selling of devices that deliver neuromodulation therapy for treating DRE and DTD. Neuromodulation products include the VNS Therapy System, which consists of an implantable pulse generator, a lead that connects the generator to the vagus nerve, and other accessories. It also includes the development and management of clinical testing of LivaNova's aura6000 System for treating OSA. LivaNova's

20250806025576

Neuromodulation segment also includes costs associated with the Company's former heart failure programme, which the Company wound down during 2023.

Net revenue of the Company's reportable segments includes revenues from the sale of products that each reportable segment develops and manufactures or distributes. LivaNova defines segment income as operating income before exceptional items and restructuring expense. For exceptional items and restructuring expense, please refer to "Note 29. Exceptional Items" and "Note 7. Restructuring," respectively. Other income and expense not allocated to segments primarily includes corporate expenses, rental income, and the results of LivaNova's former ACS reportable segment, as discussed above.

LivaNova's CODM is the Company's CEO, who is regularly provided the results comprising segment income to make strategic business decisions, including, but not limited to, evaluation of the Company's business portfolio, R&D investment decisions, and consideration of the Company's organisational structure.

Geographic Information

LivaNova operates under three geographic regions: United States, Europe, and Rest of World. The table below presents net revenue by operating segment and geographic region (in thousands):

	2024	2023
Cardiopulmonary		
United States	$ 242,463	$ 202,358
Europe [1]	168,024	157,414
Rest of World [1]	273,025	244,340
	683,512	604,112
Neuromodulation		
United States	441,022	407,493
Europe [1]	54,899	57,435
Rest of World [1]	58,302	54,782
	554,223	519,710
Other Revenue [2]	15,702	29,723
Totals [3][4]		
United States	695,083	635,044
Europe [1]	220,032	214,792
Rest of World [1]	338,322	303,709
	$ 1,253,437	$ 1,153,545

(1) "Europe" includes the UK, Germany, France, Italy, the Netherlands, Spain, Belgium, Poland, Sweden, Switzerland, Austria, Norway, Portugal, Finland, and Denmark. Excluding Europe and the U.S., "Rest of World" includes all other countries where LivaNova operates.

(2) "Other revenue" includes revenue from the Company's former ACS reportable segment, as discussed above, as well as rental and site services income not allocated to segments.

(3) Net revenue to external customers includes $48.9 million and $41.5 million in the UK, LivaNova's country of domicile, for the years ended 31 December 2024 and 2023, respectively.

(4) No single customer represented over 10% of the Company's consolidated net revenue. No country's net revenue exceeded 10% of the Company's consolidated revenue except for the United States.

The following table presents a reconciliation of segment income to operating income (loss) (in thousands):

	2024	2023
Cardiopulmonary	$ 81,552	$ 44,289
Neuromodulation	194,770	152,460
Segment income	276,322	196,749
Other income/(expense)	(125,429)	(135,702)
Exceptional items - see "Note 29. Exceptional Items"	(13,287)	(130,895)
Operating income (loss)	$ 137,606	$ (69,848)

20250806025777

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Note 25. Segment and Geographic Information

The following table presents the components of segment income, including significant expenses, of LivaNova's reportable segments (in thousands):

	Cardiopulmonary		Neuromodulation	
	2024	2023	2024	2023
Net revenue	$ 683,512	$ 604,112	$ 554,223	$ 519,710
Less:				
Cost of sales	(322,639)	(296,753)	(50,748)	(50,694)
Selling, general, and administrative	(226,479)	(217,863)	(187,700)	(175,733)
Research and development	(52,842)	(45,207)	(121,005)	(140,823)
Segment income	$ 81,552	$ 44,289	$ 194,770	$ 152,460

The following table presents capital expenditures for tangible assets of property, plant, and equipment, and software intangible assets by operating segment (in thousands):

	2024	2023
Cardiopulmonary	$ 28,089	$ 22,367
Neuromodulation	4,244	1,201
Other capital expenditures [1]	17,621	11,539
	$ 49,954	$ 35,107

[1] "Other capital expenditures" primarily include corporate capital expenditures not allocated to segments, and capital expenditures of LivaNova's former ACS reportable segment.

The following table presents non-current assets, net of accumulated depreciation, amortisation and impairment, by primary geographic market. Non-current assets for this purpose consist of property, plant, and equipment; intangible assets, net; goodwill; and ROU assets (in thousands):

	31 December	
	2024	2023
United States	$ 528,561	$ 531,157
Europe	331,603	355,463
Rest of World	40,169	37,108
	$ 900,333	$ 923,728

Note 26. Related Parties

Interests in subsidiaries are set out in "Note 10. Investments in Subsidiaries." Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

The following receivable balance arose from financing transactions with equity investments (in thousands):

	31 December	
Consolidated Balance Sheet	**2024**	**2023**
Financial assets - non-current		
Noctrix Health, Inc.	$ —	$ 275

The following financing transaction was entered into with an equity investment (in thousands):

Consolidated Statement of Loss	**2024**	**2023**
Finance expense		
Noctrix Health, Inc.	$ (275)	$ (10)

Total compensation in respect of key management, who are defined as the Board and certain members of senior management, is considered to be a related party transaction.

20250806025578

Note 26. Related Parties

The total compensation in respect of key management was as follows (in thousands):

	2024	2023
Salaries and short-term benefits	$ 8,787	$ 6,779
Social security costs	826	781
Pension costs	432	359
Termination benefits	887	2,379
Share-based compensation	13,777	2,809
	$ 24,709	$ 13,107

Amounts received or receivable under share-based payment arrangements by key management during the years ended 31 December 2024 and 2023 were $4.4 million and $6.8 million, respectively.

There were no other related party transactions in the year.

Details of directors' remuneration are included in pages 52 to 83 of the Remuneration Report, which forms part of these financial statements.

Note 27. Consolidated Statement of Loss by Nature

The following table presents the consolidated statement of loss by nature (in thousands):

	2024	2023
Net revenue	$ 1,253,437	$ 1,153,545
Cost of materials, service used, and change in inventory	(525,272)	(524,753)
Personnel expense	(478,632)	(480,337)
Other operating costs	(24,031)	(19,881)
Amortisation of intangibles	(23,558)	(30,526)
Additions to provisions	(22,540)	(7,027)
Depreciation of property, plant, and equipment	(18,758)	(19,683)
3T litigation provision	(13,287)	(40,921)
Depreciation of right-of-use assets	(9,753)	(10,291)
Impairment of long-lived assets	—	(89,974)
Operating income (loss)	137,606	(69,848)
SNIA environmental liability expense	(344,403)	—
Finance expenses	(65,563)	(60,450)
Loss on debt extinguishment	(26,148)	—
Net gain on embedded and capped call derivatives	20,127	24,209
Net foreign exchange and other income/(expense)	28,106	21,598
Share of loss from equity accounted investments	(18)	(104)
Loss before tax	(250,293)	(84,595)
Income tax expense	(23,121)	(15,787)
Loss attributable to owners of the parent	$ (273,414)	$ (100,382)

The following table presents the items included within net foreign exchange and other income/(expense) on the consolidated statement of loss (in thousands):

	2024	2023
Interest income	$ 30,075	$ 22,012
Investment revaluation - Ceribell, Inc.	7,144	—
Fair value loss on investment - ShiraTronics, Inc.	(5,750)	—
Foreign exchange rate loss	(4,881)	(705)
Dividend income	82	1,540
Other	1,436	(1,249)
	$ 28,106	$ 21,598

20250806025579

Note 28. Employee Compensation Costs

The following table presents employee compensation costs (in thousands):

	2024	2023
Wages and salaries	$ 321,671	$ 311,088
Social security costs	26,377	34,329
Other pension costs	19,762	19,835
Share-based payments [1]	36,842	33,184
Other employee costs	73,980	81,901
	$ 478,632	$ 480,337

[1] Represents share-based payments included in personnel expense. Refer to "Note 20. Share-Based Plans" for total share-based compensation expense.

The following table presents the monthly average number of employees by geographic region:

	2024	2023
Europe	1,474	1,395
U.S.	1,129	1,201
Rest of World	356	322
	2,959	2,918

Note 29. Exceptional Items

The following exceptional items are included within operating income (loss) (in thousands):

	2024	2023
3T litigation provision [1]	$ 13,287	$ 40,921
Impairment of long-lived assets [2]	—	89,974
	$ 13,287	$ 130,895

[1] For additional information, refer to "Note 19. Contingent Consideration, 3T Litigation Provision Liability, and Other Provisions" and "Note 23. Commitments and Contingencies."

[2] For additional information, refer to "Note 7. Restructuring."

Note 30. Auditors' Remuneration

The following table summarizes the aggregate fees billed to the Company by PwC-US and its respective network member firms including PwC S.p.A. and PwC-UK, LivaNova's UK statutory auditor for services performed in connection with the fiscal years ended 31 December 2024 and 2023 (in thousands):

	2024	2023
Audit fees	$ 5,365	$ 5,687
Audit-related fees [1]	99	20
Tax fees	556	849
All other fees [2]	178	2
	$ 6,198	$ 6,558

[1] "Audit-related fees" include consents associated with Registration Statements on Form S-8 and pre-implementation fees.

[2] "All other fees" include a disclosure checklist and pre-assurance work on non-financial metrics.

Note 31. New Accounting Pronouncements

The Group has applied the following standards, amendments and interpretations for the first time for its annual reporting period commencing 1 January 2024:

- Classification of Liabilities as Current or Non-current - Deferral of Effective Date (Amendment to: IAS 1 Presentation of Financial Statements);
- Non-current Liabilities with Covenants (Amendments to: IAS 1);
- Lease Liability in a Sale and Leaseback (Amendments to: IFRS 16 Leases);
- Supplier finance arrangements (Amendments to: IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures);
- Climate-related Commitments (IAS 37 Provisions, Contingent Liabilities and Contingent Assets);

20250806025580

Note 31. New Accounting Pronouncements

- Payments Contingent on Continued Employment during Handover Periods (IFRS 3 Business Combinations); and
- Disclosure of Revenues and Expenses for Reportable Segments (IFRS 8 Operating Segments).

Refer to ""Note 25. Segment and Geographic Information" for the updated disclosures related to the Disclosure of Revenues and Expenses for Reportable Segments.

Other than the above, none of the above had a material effect on the Group's financial statements.

Certain new accounting standards, interpretations and amendments have been published that are not effective for the 31 December 2024 reporting period and have not been early adopted by the Group. These are as follows:

- Lack of Exchangeability (Amendments to: IAS 21 The Effects of Changes in Foreign Exchange Rates);
- Presentation and Disclosure in Financial Statements (IFRS 18 Presentation and Disclosure in Financial Statements);
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to: IFRS 9 Financial Instruments and IFRS 7); and
- Contracts Referencing Nature-dependent Electricity (Amendments to: IFRS 9 and IFRS 7).

The Company is in the process of analysing the impact of the above.

Note 32. Subsequent Events

SNIA Environmental Liability

On 14 March 2025, the Italian Supreme Court issued its decision in response to all of the appeals of the Company and counter-appeals submitted by the Public Administrations. The Italian Supreme Court determined that LivaNova can be held jointly and severally liable for the established liabilities of SNIA at the time of demerger as well as the environmental liabilities of the demerged company that materialised after the demerger which are derived from actions performed prior to the demerger; however, the Italian Supreme Court also ruled that the Company should not be held responsible for certain payments previously approved by the Court of Appeal of Milan in the amount of €157 million ($162.9 million) as of 31 December 2024. The case has been referred back to the Court of Appeal of Milan to implement the decisions respecting costs and damages in accordance with the judgement of the Italian Supreme Court.

As a result of the decision by the Italian Supreme Court, the Company recorded a current liability and environmental liability expense of €332 million ($344.4 million) as of and for the year ended 31 December 2024, as its best estimate of the liability inclusive of estimated costs, fees, interest, and taxes. The Company has determined that it has sufficient resources to cover the liability given its cash and cash equivalents of $738.4 million as of 31 March 2025.

On 31 March 2025, as a result of the decision by the Italian Supreme Court, the SNIA Litigation Guarantee was terminated, and the restriction to the cash deposit held as collateral was released.

For additional information, refer to "Note 23. Commitments and Contingencies."

20250806025811

LIVANOVA PLC

Table of Contents

Company Statement of (Loss) Income . . . 156
Company Statement of Comprehensive Income . . . 157
Company Balance Sheet . . . 158
Company Statement of Changes in Equity . . . 159
Note 1. Nature of Operations . . . 160
Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies . . . 160
Note 3. Other Assets . . . 166
Note 4. Property, Plant, and Equipment . . . 167
Note 5. Intangible Assets . . . 167
Note 6. Investments in Subsidiaries . . . 168
Note 7. Financial Assets . . . 171
Note 8. Trade and Other Receivables and Expected Credit Loss Provision . . . 171
Note 9. Derivative Financial Instruments . . . 172
Note 10. Shareholders' Equity . . . 173
Note 11. Financial Liabilities . . . 174
Note 12. Other Liabilities . . . 175
Note 13. Leases . . . 175
Note 14. Share-Based Compensation Plans . . . 176
Note 15. Income Tax (Expense) Credit . . . 177
Note 16. Commitments and Contingencies . . . 179
Note 17. Related Parties . . . 180
Note 18. Company Statement of (Loss) Income by Nature . . . 180
Note 19. Employee Compensation Costs . . . 180
Note 20. Auditors' Remuneration . . . 180
Note 21. Subsequent Events . . . 181

20250806002582

LIVANOVA PLC

Company Statement of (Loss) Income
(In thousands)

	Note	2024	2023
Revenue		$ 36,144	$ 25,853
Costs and expenses:			
Operating expenses		(101,342)	(72,728)
Operating loss		(65,198)	(46,875)
SNIA environmental liability expense	16	(344,403)	—
Income from subsidiary undertakings		11,607	47,500
Finance income		69,470	21,959
Net gain on embedded and capped call derivatives	9	27,736	—
Finance expenses	11	(30,171)	(32,985)
Net foreign exchange and other income/(expense)		1,465	1,789
Loss before tax		(329,494)	(8,612)
Income tax (expense) credit	15	(3,181)	11,884
(Loss) income for the year		$ (332,675)	$ 3,272

See accompanying notes to the parent company financial statements.

20250806025583

LIVANOVA PLC

Company Statement of Comprehensive Income
(In thousands)

	2024	2023
(Loss) income for the financial year	$ (332,675)	$ 3,272
Items of other comprehensive (loss)/income that will subsequently be reclassified to income or loss:		
Foreign currency translation differences	(36,994)	18,127
Total items of other comprehensive (loss)/income that will subsequently be reclassified to income or loss	(36,994)	18,127
Items of other comprehensive income that will not subsequently be reclassified to income or loss:		
Remeasurements of net assets for defined benefits	(3)	—
Tax impact	—	—
Total items of other comprehensive income that will not subsequently be reclassified to income or loss	(3)	—
Total other comprehensive (loss)/income, net of taxes	(36,997)	18,127
Total comprehensive (loss)/income for the year, net of taxes	$ (369,672)	$ 21,399

See accompanying notes to the parent company financial statements.

20250806025584

LIVANOVA PLC

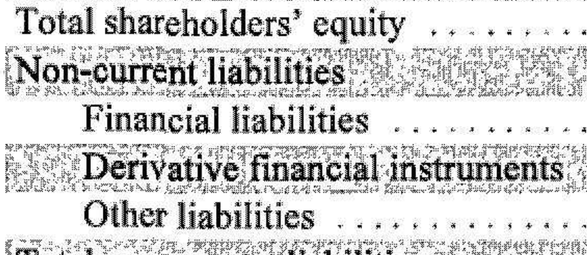
Company Balance Sheet
(In thousands)

	Note	31 December 2024	31 December 2023
ASSETS			
Non-current assets			
Investments in subsidiaries	6	$ 2,114,467	$ 2,962,917
Financial assets	7	490,151	490,362
Derivative financial instruments	9	23,735	—
Deferred tax assets	15	94,384	101,438
Other assets	3	76,326	65,899
Total non-current assets		2,799,063	3,620,616
Trade receivables	8	6,311	8,489
Other receivables	8	21,963	11,769
Financial assets	7	30,492	38,990
Tax receivable	15	8,485	8,291
Cash and cash equivalents		286,656	139,727
Restricted cash		294,698	311,368
Total current assets		648,605	518,634
Total assets		$ 3,447,668	$ 4,139,250
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Called up share capital	10	$ 83,156	$ 82,533
Merger relief reserve	10	383,179	383,179
Share premium account	10	46,216	40,058
Capital redemption reserve	10	1,897	1,897
Treasury shares	10	(136)	(56)
Accumulated other comprehensive loss	10	(40,835)	(3,838)
Retained earnings		2,055,020	2,370,637
Total shareholders' equity		$ 2,528,497	$ 2,874,410
Non-current liabilities			
Financial liabilities	11	$ 258,043	$ —
Derivative financial instruments	9	51,819	—
Other liabilities	12	3,924	5,203
Total non-current liabilities		313,786	5,203
Current liabilities			
SNIA environmental liability	16	344,403	—
Financial liabilities	11	210,700	1,226,654
Trade payables		21,814	9,694
Other liabilities	12	28,468	23,289
Total current liabilities		605,385	1,259,637
Total liabilities and shareholders' equity		$ 3,447,668	$ 4,139,250

Registration number 09451374

See accompanying notes to the parent company financial statements.

The financial statements on pages 155 to 181 were approved by the Board and were signed on its behalf on 28 April 2025 by:



VLADIMIR MAKATSARIA
CHIEF EXECUTIVE OFFICER & DIRECTOR

20250806025B5

LIVANOVA PLC

Company Statement of Changes in Equity
(In thousands)

	Note	Ordinary Shares: Number of Shares	Ordinary Shares: Share Capital	Merger Relief Reserve	Share Premium	Capital Redemption Reserve	Treasury Shares	Accumulated Other Comprehensive Loss	Retained Earnings	Total Shareholders' Equity
1 January 2023		53,852	$ 82,424	$ 383,179	$ 37,031	$ 1,897	$ (375)	$ (21,965)	$ 2,354,666	$ 2,836,857
Share-based compensation plans	14	90	109	—	3,027	—	319	—	12,699	16,154
Total transactions with owners, recognised directly in shareholders' equity		90	109	—	3,027	—	319	—	12,699	16,154
Net income for the year		—	—	—	—	—	—	—	3,272	3,272
Other comprehensive income		—	—	—	—	—	—	18,127	—	18,127
Total comprehensive income for the year		—	—	—	—	—	—	18,127	3,272	21,399
31 December 2023		53,942	82,533	383,179	40,058	1,897	(56)	(3,838)	2,370,637	2,874,410
Share-based compensation plans	14	146	183	—	6,158	—	360	—	17,058	23,759
Purchase of shares		350	440	—	—	—	(440)	—	—	—
Total transactions with owners, recognised directly in shareholders' equity		496	623	—	6,158	—	(80)	—	17,058	23,759
Net loss for the year		—	—	—	—	—	—	—	(332,675)	(332,675)
Other comprehensive loss		—	—	—	—	—	—	(36,997)	—	(36,997)
Total comprehensive loss for the year		—	—	—	—	—	—	(36,997)	(332,675)	(369,672)
31 December 2024		54,438	$ 83,156	$ 383,179	$ 46,216	$ 1,897	$ (136)	$ (40,835)	$ 2,055,020	$ 2,528,497

See accompanying notes to the parent company financial statements.

20250806025386

LIVANOVA PLC

Notes to the Financial Statements

Note 1. Nature of Operations

Company information. LivaNova PLC is a public limited company incorporated in the UK under the Companies Act 2006 (Registration number 09451374). The Company is domiciled in England and Wales and its registered address is 20 Eastbourne Terrace, London, W2 6LG, United Kingdom.

Background. LivaNova PLC was organised under the laws of England and Wales on 20 February 2015 for the purpose of facilitating the business combination of Cyberonics, Inc., a Delaware corporation, and Sorin S.p.A., a joint stock company organised under the laws of Italy. As a result of the business combination, LivaNova PLC, headquartered in London, became the holding company of the combined businesses of Cyberonics and Sorin. The business combination became effective in October 2015. LivaNova's Ordinary Shares are listed for trading on the Nasdaq under the symbol "LIVN." As part of the Mergers, Sorin undertook a cross-border legal entity merger with LivaNova (the Sorin merger) under which LivaNova was the surviving ultimate holding company.

Description of the business. LivaNova PLC, headquartered in London, is a global medical device company. The Company designs, develops, manufactures, markets, and sells products and therapies that are consistent with LivaNova's mission to provide hope for patients and their families through medical technologies, delivering life-changing solutions in select neurological and cardiac conditions. LivaNova is comprised of two reportable segments: Cardiopulmonary and Neuromodulation.

Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies

Basis of Preparation. The separate financial statements of LivaNova PLC have been prepared on a going concern basis under the historical cost convention, except for derivative financial instruments and share-based compensation plans that have been measured at fair value in accordance with the Companies Act 2006 as applicable to companies using FRS 101. The financial statements are presented in USD, and all values are rounded to the nearest thousands, except when otherwise indicated. LivaNova PLC's accounting policies have been applied consistently in 2024 as compared to 2023, other than where new policies have been adopted.

Going Concern. Based on LivaNova PLC's current business plan, the Company believes that its existing cash and cash equivalents and future cash generated from operations will be sufficient to fund LivaNova PLC's expected operating needs, working capital requirements, capital expenditures, and debt service requirements for a period of at least twelve months from the issuance of these financial statements. LivaNova PLC regularly reviews its capital needs and considers various investing and financing alternatives to support the Company's requirements. Therefore, it is appropriate to adopt the going concern basis in preparing these consolidated financial statements. In addition, the LivaNova PLC Consolidated Group (Consolidated Group) conditions may impact the value of the Company's investments in its subsidiaries and the Company's ability to recover amounts due from subsidiaries. As such, please refer to the Consolidated Group's going concern assessment included with "Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies" to the Consolidated Group financial statements in this Annual Report.

As of 31 December 2024, LivaNova PLC had a net current asset position on the Company balance sheet of $43.2 million. For additional information, please refer to "Note 7. Financial Assets."

20250806025B7

NOTES TO THE FINANCIAL STATEMENTS
Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies

The financial statements for the years ended 31 December 2024 and 2023 of LivaNova have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101). The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

Standard Disclosure	Exemption
The following paragraphs of IAS 1, "Presentation of financial statements"	10(d) – statement of cash flows; 16 – statement of compliance with all IFRS; 38A – requirement for minimum of two primary statements, including cash flow statements; 38B-D – additional comparative information; 111 – statement of cash flow information; and 134 to136 – capital management disclosures.
IFRS 7, "Financial Instruments: Disclosures"	Full exemption.
The following paragraphs of IFRS 13, "Fair Value Measurement"	91 to 99 – disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities.
IAS 7, "Statement of Cash Flows"	Full exemption.
The following paragraphs of IFRS 2, "Share-based Payment"	45(b) and 46 to 52 – details of the number and weighted average exercise prices of share options, and the fair value of services received is determined.
The following paragraphs of IAS 8, "Accounting policies, changes in accounting estimates and errors"	30 and 31 – requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective.
The following paragraphs of IAS 24,"Related Party Disclosures"	17 – key management compensation; 18A – key management services provided by a separate management entity; and the requirements to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Investments in Subsidiaries. Investments in subsidiaries are accounted for at cost less any provision for impairment. LivaNova PLC assesses at each reporting date, whether there is an indication that an investment may be impaired. If any indication exists, the Company estimates the investment's recoverable amount. Where the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount.

Foreign Currency. LivaNova PLC's functional currency is the USD; however, a portion of the revenues earned, and expenses incurred are denominated in currencies other than the USD. LivaNova PLC determines the functional currency of the Company's subsidiaries that exist and operate in different economic and currency environments based on the primary economic environment in which the subsidiary operates, that is, the currency of the environment in which an entity primarily generates and expends cash.

The Euro is the functional currency of LivaNova PLC - Italian Branch, a branch of LivaNova PLC, and the assets, liabilities, and equity of this branch are translated into USDs based on a combination of both current and historical exchange rates, while their revenues earned, and expenses incurred are translated into USDs at average period exchange rates. Translation adjustments are included as AOCI on the Company balance sheet. Gains and losses arising from transactions denominated in a currency different from an entity's functional currency are included in FX and other losses on LivaNova PLC's company statement of (loss) income. Taxes are not provided on cumulative translation adjustments, as substantially all translation adjustments are related to earnings which are intended to be indefinitely reinvested in the countries where earned.

The Euro exchange rate to USD used in preparing the Company financial statements was as follows:

	Weighted Average Rate Euro	Closing Rate Euro
31 December 2024	**0.924585**	**0.963620**
31 December 2023	0.924732	0.903590

Financial Instruments. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are offset with the net amount reported in the Company balance sheet only if there is a current enforceable legal right to offset the recognised amounts and intent to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(a) *Financial Assets*

Initial Recognition and Measurement. Financial assets are classified, at initial recognition, as financial assets at fair value through income or loss, trade receivables and other assets, investments, financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus, in the case of assets not at fair value through income or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that

20250806025B8

require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date on which the Company commits to purchase or sell the asset.

The subsequent measurement and impairment of financial assets depends on their classification as described below:

Financial Assets at Fair Value through Income or Loss. Financial assets at fair value through income or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through income or loss. Financial assets are classified as held-for-trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. LivaNova PLC uses freestanding derivative forward contracts to offset exposure to the variability of the value associated with assets and liabilities denominated in a foreign currency. These derivatives are not designated as hedges, and therefore changes in the value of these forward contracts are recognised in the company statement of (loss) income, thereby offsetting the current net income (loss) effect of the related change in value of foreign currency denominated assets and liabilities. Changes in the fair value of LivaNova PLC's derivatives designated as hedges are recognised through OCI.

Trade Receivables and Other Financial Assets. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the company statement of (loss) income. The receivable balance consists primarily of trade receivables from LivaNova PLC's subsidiaries as a result of intercompany re-charges, services, and management fees. LivaNova PLC maintains an expected credit loss provision for expected credit losses based on the Company's estimates of the ability of LivaNova PLC's subsidiaries and third-party customers to make required payments, historical credit experience, existing economic conditions, and expected future trends. LivaNova PLC writes off uncollectable accounts against the provision when all reasonable collection efforts have been exhausted. Loans, together with the associated provision, are written off when there is no realistic prospect of future recovery, and all collateral has been realised or has been transferred to the Company. The losses arising from impairment are recognised in the company statement of (loss) income. Refer to "Note 8. Trade and Other Receivables and Expected Credit Loss Provision" for additional information.

Financial Asset Derecognition. A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third-party under a pass-through arrangement, and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(b) *Financial Liabilities*

Initial Recognition and Measurement. Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through income or loss, loans and borrowings (bank debt), payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and bank debt including bank overdrafts, and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as follows:

Financial Liabilities at Fair Value through Income or Loss. Financial liabilities at fair value through income or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition at fair value through income or loss. Financial liabilities are classified as held-for-trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39, which the Company has elected to apply. Gains or losses on liabilities held-for-trading are recognised in the company statement of (loss) income. Financial liabilities designated upon initial recognition at fair value through income or loss are designated at the initial date of recognition, and only if the criteria in IAS 39 are satisfied. The Company has not designated any financial liabilities at fair value through income or loss.

Loans and Borrowings. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the company statement of (loss) income when the liabilities are derecognised as well as through the EIR method amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance expenses in the company statement of (loss) income.

20250806025B9

Financial Liability Derecognition. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the company statement of (loss) income.

Derivative financial instruments and hedge accounting. LivaNova PLC uses currency exchange rate derivative contracts to manage the impact of currency exchange rate changes on the company statement of (loss) income and cash flows. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. LivaNova PLC evaluates hedge effectiveness at inception and on an ongoing basis. If a derivative is no longer expected to be highly effective, hedge accounting is discontinued. Hedge ineffectiveness, if any, is recorded in the company statement of (loss) income. Cash flows from derivative contracts are reported as operating activities in the consolidated statement of cash flows.

When a hedging instrument expires, is sold, or is terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the company statement of (loss) income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to the company statement of (loss) income.

In order to minimise income statement and cash flow volatility resulting from currency exchange rate changes, historically LivaNova PLC has entered into derivative instruments, principally forward currency exchange rate contracts. These contracts are designed to hedge anticipated foreign currency transactions and changes in the value of specific assets and liabilities and of some revenue. At inception of the forward contract, the derivative is designated as either a freestanding derivative or a cash flow hedge. For derivative instruments that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative instrument is reported as a component of AOCI and reclassified to the company statement of (loss) income to offset exchange differences originated by the hedged item or to adjust the value of loss. Upon the settlement of LivaNova PLC's foreign currency cash flow hedges in 2022 and following an in-depth analysis of the utility of LivaNova PLC's cash flow hedging programme, the Company discontinued its foreign currency cash flow hedging programme. LivaNova PLC does not enter into currency exchange rate derivative contracts for speculative purposes.

Cash and Cash Equivalents. LivaNova PLC considers all highly liquid investments with an original maturity of three months or less, consisting of demand deposit accounts and money market mutual funds, to be cash equivalents. Cash equivalents are carried on the Company balance sheet at cost, which approximated their fair value.

Restricted Cash. The Company classifies cash that is not available for use in its operations as restricted cash within current assets on the consolidated balance sheet. As of 31 December 2024, LivaNova PLC's restricted cash balance totalled $294.7 million and was comprised of cash deposits with Barclays held as collateral for the SNIA Litigation Guarantee. As security for the SNIA Litigation Guarantee, LivaNova PLC is required to grant cash collateral to Barclays in USD in an amount equal to the USD equivalent of 105% of the amount of the SNIA Litigation Guarantee calibrated on a biweekly basis.

On 31 March 2025, as a result of the decision by the Italian Supreme Court, the SNIA Litigation Guarantee was terminated, and the restriction to the cash deposit held as collateral was released.

For additional information regarding the SNIA litigation, please refer to "Note 23. Commitments and Contingencies" of the Company's consolidated financial statements in this Annual Report.

Non-monetary Assets. PP&E is carried at cost, less accumulated depreciation and any accumulated impairment losses. Maintenance and repairs, and minor replacements are charged to expense as incurred, while significant renewals and improvements are capitalised. LivaNova PLC computes depreciation using the straight-line method over estimated useful lives. Where an item of PP&E comprises several parts with different useful lives, each part is recognised as a separate item and depreciated over its useful life. Useful life and residual value of PP&E are reviewed at each year-end. As necessary, the occurrence of changes to the useful life or residual value is recognised prospectively as a change in accounting estimates.

Leasehold improvements are depreciated over the shorter of the useful life of an asset or the lease term.

The following table presents the estimated useful lives for all classes of depreciable PP&E (in years):

	31 December 2024 and 2023
Leasehold improvements	up to 10
Equipment, furniture, and fixtures	up to 3

Where there are any internal or external indications that the value of an item of PP&E may be impaired, the recoverable amount of the group of CGUs to which it belongs is calculated. If the recoverable amount is less than the carrying amount of the group of CGUs, a provision for impairment is recorded. PP&E is reviewed for impairment annually on 31 December.

20250806025590

NOTES TO THE FINANCIAL STATEMENTS
Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies

Impairment of Long-Lived Assets. The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Revenue. Revenue largely consists of intercompany re-charges, services, and management fees. Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, and specific criteria have been met.

Leases. LivaNova PLC has leases primarily for (i) real estate, including office space and manufacturing, warehouse, and research and development facilities and (ii) vehicles. LivaNova PLC determines whether an arrangement is or contains a lease at its inception or when the terms and conditions of a contract are significantly changed. ROU assets and lease liabilities are recognised based on the present value of the future minimum lease payments over the lease term at the latter of LivaNova PLC's lease standard effective date for adoption or the lease commencement date. LivaNova PLC does not record an operating lease asset and corresponding liability for leases with terms of 12 months or less. The Company recognises the lease payments for such short-term leases within profit and loss on a straight-line basis over the lease term. Variable lease payments that do not depend on an index or rate, such as variable common area, rent maintenance charges, and utility fees not known upon lease commencement, are not included in the determination of the minimum lease payments and are expensed in the period in which the obligation for those payments is incurred. Variable lease payments that depend on an index or rate are initially measured using the index or rate as of the commencement date. As most of LivaNova PLC's leases do not provide a readily determinable implicit rate, LivaNova PLC uses the Company's IBR based on the information available at the lease commencement date in determining the present value of future payments. LivaNova PLC's IBR is determined using a risk-free rate adjusted for factors such as credit rating and borrowing currency, and represents an estimate of the interest rate the Company would incur at lease commencement to borrow the funds necessary to obtain an asset of similar value to the ROU asset over the term of a lease. The ROU lease asset also includes any lease payments made in advance and excludes lease incentives. LivaNova PLC's lease terms may include options to extend or terminate the lease when it is reasonably certain that LivaNova PLC will exercise that option. ROU assets are depreciated over the shorter of the asset's useful life or the lease term on a straight-line basis. Lease payments are allocated between the liability and finance costs. Finance costs are recorded as an expense in the company statement of (loss) income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. Certain of the Company's leases provide for tenant improvement allowances that have been recorded as ROU assets and depreciated, using the straight-line method, over the life of the lease.

LivaNova PLC applies certain practical expedients on an ongoing basis, including the practical expedient for short-term leases and leases of low-value assets pursuant to which a lessee is permitted to make an accounting policy election by class of underlying asset not to recognise a lease liability and lease asset. A short-term lease is defined as a lease with a term of 12 months or less and does not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise. In exception to vehicles as it relates to the low-value lease asset policy, the Company has applied these accounting policies to all asset classes in LivaNova PLC's portfolio and will recognise the lease payments for such short-term leases and leases of low-value assets within the company statement of (loss) income on a straight-line basis over the lease term.

Accounting for leases has no impact on the actual cash flows. However, lease accounting requires the capitalisation, and subsequent depreciation, of costs that were previously expenses as paid, which impacts disclosures of cash flows within the cash flow statement.

From a lessor perspective, certain of LivaNova PLC's agreements that allow the customer to use, rather than purchase, the Company's medical devices meet the criteria of being a lease.

For additional information, refer to "Note 13. Leases."

Share-Based Compensation Plans. LivaNova PLC grants share-based awards to directors, officers, and key employees during each fiscal year. LivaNova PLC measures the cost of employee services received in exchange for an award of equity instruments based on the grant date fair market value of the award. The cost of equity-settled transactions is recognised in employee benefits expense, together with a corresponding increase in equity over the period in which the service and the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. LivaNova PLC issues new shares upon stock option exercises, otherwise issuance of stock for vesting of restricted stock, restricted stock units, market performance-based restricted share units, operating performance-based restricted share units, or exercises of stock appreciation rights are issued from treasury shares. LivaNova PLC has the right to elect to pay the cash value of vested restricted stock units in lieu of the issuance of new shares. The social security contributions on employee share-based payment awards are accrued over the service period.

20250806025911

The following share-based awards are offered by the Company:

- *SARs.* A SAR confers upon an employee the contractual right to receive an amount of cash, share, or a combination of both, that equals the appreciation in the Company's common share from an award's grant date to the exercise date. SARs may be exercised at the employee's discretion during the exercise period and do not give the employee an ownership right in the underlying share. The SARs may be settled in LivaNova PLC shares and/or cash, as determined by LivaNova PLC and as set forth in the individual award agreements. SARs do not involve payment of an exercise price. LivaNova PLC uses the Black-Scholes option pricing methodology to calculate the grant date fair market value of SARs. The Company determines the expected volatility on historical volatility.
- *RSUs.* LivaNova PLC may grant RSUs at no purchase cost to the grantee. The grantees of unvested RSUs have no voting rights or rights to dividends. Sale or transfer of the stock and stock units is restricted until they are vested. The fair market value of service-based RSUs is determined using the market closing price on the grant date, and compensation is expensed ratably over the vesting period. Calculation of compensation for stock awards requires estimation of employee turnover and forfeiture rates. LivaNova PLC has the right to elect to pay the cash value of vested restricted share units in lieu of the issuance of new shares. Under LivaNova PLC's share-based compensation plans, the Company re-purchases a portion of these shares from LivaNova PLC's employees to permit the Company's employees to meet their minimum statutory tax withholding requirements on vesting of their restricted share.
- *Market Performance-Based RSUs.* LivaNova PLC may grant market performance-based RSUs at no purchase cost to the grantee. The grantees of the units have no voting rights or rights to dividends. Sale or transfer of the units is restricted until they are vested. The number of shares that are ultimately transferred to the grantee is dependent upon the Company's percentile rank of TSR relative to a peer group. The fair market value of market performance-based RSUs is determined utilising a Monte Carlo simulation on the grant date and compensation is expensed ratably over the service period. Calculation of compensation for market performance-based stock awards requires estimation of employee turnover, historical volatility, and forfeiture rates.
- *Operating Performance-Based RSUs.* LivaNova PLC may grant operating performance-based RSUs at no purchase cost to the grantee. The grantees of the units have no voting rights or rights to dividends. Sale or transfer of the units is restricted until they are vested. The number of shares that are ultimately transferred to the grantee is dependent upon the Company's achievement of certain thresholds for cumulative adjusted FCF and adjusted ROIC. Adjusted ROIC was introduced as an additional performance indicator in 2021. The fair market value of operating performance-based RSUs is determined using the market closing price on the grant date. Compensation is expensed ratably over the service period and adjusted based upon the percentage achievement of cumulative adjusted FCF. Calculation of compensation expense for operating performance-based stock awards requires estimation of employee turnover, adjusted FCF, adjusted ROIC and forfeiture rates.

Income Taxes. The tax expense for the year comprises current and deferred tax. Current and deferred tax is recognised in the company statement of (loss) income, except to the extent that it relates to items recognised in OCI or directly in equity. In this case, the tax is also recognised in OCI or directly in equity, respectively.

The income tax expense or benefit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year. Management establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred taxes are recognised by the liability method for temporary differences between the carrying amount of assets and liabilities in the balance sheet and their tax base. They are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Adjustments to deferred taxes resulting from changes in tax rates are recognised in the company statement of (loss) income. A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. At each year-end, the Company reviews the recoverable value of deferred tax assets of tax entities holding significant loss carryforwards. This value is based, by tax entity, on the strategy for recoverability of the tax loss carryforwards. Deferred taxes are charged or credited directly to equity when the tax relates to items that are recognised directly in equity, such as gains and losses on cash flow hedges and actuarial gains and losses on defined benefit plan obligations. Deferred tax assets and liabilities are set off when they are levied on the same taxable entity by the same taxation authority and the entity has a legally enforceable right of set off. Deferred taxes are recognised for all temporary differences associated with investments in subsidiaries and associates, except to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. As required by the amendments to IAS 12, the Company has applied the exception and will

20250806025 92

neither recognise nor disclose information about deferred tax assets and liabilities relating to Pillar Two income taxes. Deferred tax balances are not discounted.

Equity. Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity instruments, for example, as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the owners of LivaNova PLC as treasury shares until the shares are cancelled or reissued. Where such Ordinary Shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of LivaNova PLC.

Contingencies. The Company is subject to product liability claims, government investigations, and other legal proceedings in the ordinary course of business. Legal fees and other expenses related to litigation are expensed as incurred and included in SG&A in the company statement of (loss) income. Contingent accruals are recorded when the Company determines that a loss is both probable and reasonably estimable. Due to the fact that legal proceedings and other contingencies are inherently unpredictable, LivaNova PLC's assessments involve significant judgement regarding future events.

Critical Estimates and Judgements. The preparation of LivaNova PLC's financial statements in conformity with FRS 101 requires management to make judgements that affect the amounts reported in such financial statements and accompanying notes. These estimates and judgements are based on management's best knowledge of current events and actions the Company may undertake in the future. Actual results could differ materially from those estimates. Application of the following accounting policies requires certain judgements and estimates that have the potential for the most significant impact on the Company's financial statements:

Critical Estimates

- *Impairment of Investments in Subsidiaries.* LivaNova PLC performed impairment trigger assessments wherein the Company compared the net assets of LivaNova PLC's subsidiaries with their respective carrying values as of 31 December 2024. Where a trigger was identified, the Company performed impairment assessments utilising the discounted cash flow models used in the assessment of the Group's CGUs for impairment. LivaNova also performed sensitivity analyses as of 31 December 2024, which did not result in any potential impairment of the Company's investments. Refer to the consolidated financial statements "Note 9. Goodwill and Intangible Assets" under section "Impairment of Goodwill and Intangible Assets" for key assumptions and a sensitivity analysis over these key assumptions.
- *Deferred Tax Recoverability.* Management has made estimates regarding the recoverability of deductible temporary differences and tax losses carried forward to be utilised from future taxable profits. The Company has decided not to recognise UK deferred tax assets relating to losses where UK group relief is not permitted, and other timing differences due to the uncertainty involved in determining the future profitability of the Company. For additional information, please refer to "Note 15. Income Tax (Expense) Credit."

Critical Judgements

- *Commitments and Contingencies.* Due to the fact that legal proceedings and other contingencies are inherently unpredictable, LivaNova PLC's assessments involve significant judgement regarding future events. See "Note 16. Commitments and Contingencies."

Note 3. Other Assets

The following table presents the composition of non-current other assets (in thousands):

	31 December	
	2024	2023
Receivables from subsidiaries associated with the Company's share-based incentive plans	$ 64,557	$ 59,455
Right-of-use assets [1]	3,812	4,707
Intangible assets [2]	7,388	928
Property, plant, and equipment [3]	569	809
	$ 76,326	$ 65,899

(1) For additional information, refer to "Note 13. Leases."
(2) For additional information, refer to "Note 5. Intangible Assets."
(3) For additional information, refer to "Note 4. Property, Plant, and Equipment."

20250806602593

Note 4. Property, Plant, and Equipment

The following table presents the composition of property, plant, and equipment (in thousands):

	Leasehold Improvements	Equipment, Furniture, and Fixtures	Total
31 December 2024			
Gross amount	$ 1,377	$ 3,373	$ 4,750
Accumulated depreciation	(995)	(3,186)	(4,181)
	$ 382	$ 187	$ 569
31 December 2023			
Gross amount	$ 1,436	$ 3,581	$ 5,017
Accumulated depreciation	(879)	(3,329)	(4,208)
	$ 557	$ 252	$ 809

The following table presents the changes in the net amount of each category of property, plant, and equipment (in thousands):

	Leasehold Improvements	Equipment, Furniture, and Fixtures	Total
1 January 2023	$ 639	$ 244	$ 883
Additions	50	72	122
Depreciation [1]	(132)	(64)	(196)
31 December 2023	557	252	809
Disposals	(58)	(6)	(64)
Depreciation [1]	(117)	(59)	(176)
31 December 2024	$ 382	$ 187	$ 569

[1] Depreciation expense in the company statement of (loss) income totalled $0.2 million for the years ended 31 December 2024 and 2023 and is presented within operating expenses.

Note 5. Intangible Assets

The following table presents the composition of intangible assets (in thousands):

	Software and Other
31 December 2024	
Gross amount	$ 14,839
Accumulated amortisation	(7,451)
	$ 7,388
31 December 2023	
Gross amount	$ 8,651
Accumulated amortisation	(7,723)
	$ 928

The following table presents the changes in the net amount of each category of intangible assets, net (in thousands):

	Software and Other
1 January 2023	$ 849
Additions	4
Amortisation [1]	75
31 December 2023	928
Additions	$ 6,188
Amortisation [1]	272
31 December 2024	$ 7,388

[1] Amortisation expense in the company statement of (loss) income during the years ended 31 December 2024 and 2023 is presented within operating expenses.

Note 5. Intangible Assets

Amortisation is charged on a straight-line basis. The amortisation periods for LivaNova PLC's finite-lived intangible assets were as follows:

31 December 2024	Minimum Life in Years	Maximum Life in Years
Software and other	2	9

31 December 2023	Minimum Life in Years	Maximum Life in Years
Software and other	5	5

Note 6. Investments in Subsidiaries

The following table presents the composition of investments in subsidiaries (in thousands):

	31 December	
	2024	2023
Gross amount	$ 2,118,371	$ 2,962,917
Accumulated impairments	(3,904)	—
Net book value	$ 2,114,467	$ 2,962,917

The following table presents the changes in investments in subsidiaries (in thousands):

	Cost
1 January 2023	$ 2,938,074
Other	1,093
Currency translation	23,750
31 December 2023	2,962,917
Addition [1]	$ 248,021
Return of capital [2]	(1,050,192)
Impairments [3]	(3,904)
Other	1,118
Currency translation	(43,493)
31 December 2024	$ 2,114,467

(1) Addition represents a transaction with LivaNova USA, Inc., which is discussed further below.

(2) Return of capital represents transactions with LivaNova Cayman Limited and LivaNova Hungary Limited Liability Company, which are discussed further below.

(3) Impairments primarily represent the impairment of LIVN UK Holdco Limited, which is discussed further below.

20250806025944

20250806025595

NOTES TO THE FINANCIAL STATEMENTS
Note 6. Investments in Subsidiaries

The following table presents the composition of investments in subsidiaries (in thousands, except ownership percentage):

	Percentage Ownership [1]		Investments in Subsidiaries	
	31 December		31 December	
	2024	2023	2024	2023
LivaNova USA, Inc. [2]	100.00	100.00	$ 1,329,763	$ 1,081,079
Sorin Group Italia S.r.l.	98.98	98.98	639,374	681,428
LivaNova Nederland N.V.	100.00	100.00	109,643	109,525
LivaNova Site Management S.r.l.	86.42	86.42	16,819	17,928
LivaNova Canada, Inc.	100.00	100.00	12,533	12,526
LivaNova Switzerland SA	100.00	100.00	6,325	6,325
LivaNova Hungary Limited Liability Company [3]	100.00	100.00	10	100,202
LivaNova Cayman Limited [4]	100.00	100.00	—	950,020
LIVN UK Holdco Limited [5]	100.00	100.00	—	3,884
			$ 2,114,467	$ 2,962,917

(1) The Company's voting right percentage is equal to its ownership percentage.

(2) During 2024, LivaNova contributed capital and increased its investment in LivaNova USA, Inc. by $248.0 million resulting from the issuance of the 2029 Notes and LivaNova PLC's management of LivaNova's centralised treasury function by acting as an in-house bank of the Group. For additional information, refer to "Note 11. Financial Liabilities."

(3) During 2024, LivaNova completed an intercompany restructuring of LivaNova Hungary Limited Liability Company, resulting in a return of capital of $100.2 million and a decrease in due to subsidiaries.

(4) LivaNova Cayman Limited was liquidated in June 2024. LivaNova's investment in LivaNova Cayman Limited was reduced to zero through a return of capital via a distribution and a corresponding offset against the due to subsidiary with LivaNova Cayman Limited. For additional information, refer to "Note 11. Financial Liabilities."

(5) LIVN UK Holdco Limited was liquidated in January 2025. As a result, LivaNova's investment in LIVN UK Holdco Limited was fully impaired.

During the years ended 31 December 2024 and 2023, LivaNova PLC recharged subsidiary undertakings $25.2 million and $20.3 million, respectively, for share-based compensation.

20250806025596

NOTES TO THE FINANCIAL STATEMENTS
Note 6. Investments in Subsidiaries

The following table presents the details of directly and indirectly owned subsidiaries as of 31 December 2024:

Entity	Registered Office	Country of Incorporation	% Consolidated Group Ownership	Parent Name	Parent % Ownership
LivaNova PLC (Italian Branch)	Via Enrico Cialdini, 16, 20161 Milano, Italy	Italy	100		
ALung Technologies, LLC	2500 Jane St., Ste 100, Pittsburgh, PA 15203	U.S.	100	LivaNova USA, Inc.	100
Caisson Interventional, LLC	6500 Wedgwood Rd., Maple Grove, MN 55311	U.S.	100	LivaNova USA, Inc.	100
CardiacAssist, Inc. Dba TandemLife	620 Alpha Drive, Ste 200, Pittsburgh, PA 15238	U.S.	100	LivaNova USA, Inc.	100
ImThera Medical, Inc.	100 Cyberonics Boulevard, Houston, TX 77058 USA	U.S.	100	LivaNova USA, Inc.	100
LivaNova Australia PTY Limited	Unit 1, 63 Wells Road, Chelsea Heights VIC 3196	Australia	100	LivaNova Nederland N.V.	100
LivaNova Austria GmbH	Millennium Tower, Handelskai 94-96, 1200 Wien	Austria	100	LivaNova Nederland N.V.	100
LivaNova Belgium NV	Ikaroslaan 83, 1930 Zaventem, Belgium	Belgium	100	LivaNova Nederland N.V.	100
LivaNova Brasil Comércio e Distribuição de Equipamentos Médico-hospitalares Ltda	Rua Liege, 54 – Vila Vermelha, 04298-070 – São Paulo - SP - Brasil	Brazil	100	Sorin Group Italia S.r.l.	100
LivaNova Canada, Inc. *	8-280 Hillmount Road Markham, ON L6C 3A1	Canada	100	LivaNova PLC	100
LivaNova Cayman Limited [1]*	Centralis Cayman Limited One Capital Place, 3rd Floor George Town, Grand Cayman PO Box 1564, Cayman Islands KY1-1110	Cayman Islands	100	LivaNova PLC	100
LivaNova Chile SpA	Calle Miraflores 222, piso 28 Norte, Santiago, Chile	Chile	100	LivaNova UK Limited	100
LivaNova Colombia Sas	Avenida Calle 80 No. 69-70 Bodega 37, Bogotá, Colombia	Colombia	100	Sorin Group Italia S.r.l.	100
LivaNova Deutschland GmbH	Lindberghstrasse 25, D - 80939 München, Germany	Germany	100	Sorin Group Italia S.r.l.	100
LivaNova España, S.L.	Paseo de Gracia 6 1 – 2 08007 Barcelona, Spain	Spain	100	LivaNova Nederland N.V.	100
LivaNova Finland OY	c/o Kalliolaw Asianajotoimisto Oy, Södra kajen 12, 00130 Helsinki, Finland	Finland	100	Sorin Group Italia S.r.l.	100
LivaNova Holding S.r.l.	Via Enrico Cialdini, 16, 20161 Milano, Italy	Italy	100	Sorin Group Italia S.r.l.	100
LivaNova Hong Kong Limited	4008-4009, 40/F, One Pacific Place, 88 Queensway, Hong Kong	Hong Kong	100	LivaNova Nederland N.V.	100
LivaNova Hungary Limited Liability Company *	Centralis Hungary, 1062 Budapest, Váci út 1-3. "A" torony, ép. 6. em.	Hungary	100	LivaNova PLC	100
LivaNova, Inc.	100 Cyberonics Boulevard, Houston, TX 77058 USA	U.S.	100	LivaNova USA, Inc.	100
LivaNova India Private Limited	603-A, Copia Corporate Suites, Building #09, Jasola District Centre, New Delhi, India 110025	India	99.99	LivaNova Nederland N.V.	99.99
LivaNova IP Limited *	20 Eastbourne Terrace, London, England W2 6LG, United Kingdom	UK	100	LivaNova PLC	100
LivaNova Japan K.K.	11-1 Nagatacho 2 chome, Chiyoda-ku, Tokyo, 100-6110 Japan	Japan	100	LivaNova Nederland N.V.	100
LivaNova (Thailand) Ltd	999, Gaysorn Building, 5th Floor, Unit 5B-1, Room no 535 ,509-510 Ploenchit Rd., Lumpini, Patumwan, Bangkok 103304	Thailand	99.997	LivaNova Nederland N.V.	99.997
LivaNova (China) Medical Technology Co. Ltd	Room 218, 2nd Floor, No.56 Meisheng Road, Shanghai Pilot Free Trade Zone, China	China	100	LivaNova Holding S.r.l.	100
LivaNova Malaysia Sdn. Bhd.	Unit A-3-6, TTDI Plaza, Jalan Wan Kadir 3, Taman Tun Dr Ismail, 60000 Kuala Lumpur, Malaysia	Malaysia	100	LivaNova Nederland N.V.	100
LivaNova Nederland N.V. *	Westerdoksdijk 423, 1013 BX, Amsterdam, Netherlands	Netherlands	100	LivaNova PLC	100
LivaNova Norway AS	c/o AmestoAccounthouse AS, Smeltedigelen 1, 0195 Oslo, Norway	Norway	100	Sorin Group Italia S.r.l.	100
LivaNova Poland Sp. Z o.o.	Park Postepu Bud A Ul. Postepu 21 PL-02 676 Warszawa, Poland	Poland	100	LivaNova Nederland N.V.	100
LivaNova SAS	24 rue du Gouverneur Général Éboué, 92130 Issy-les-Moulineaux, France	France	100	LivaNova Nederland N.V.	100
LivaNova Scandinavia AB	Djupdalsvägen 16, 192 51 Sollentuna, Sweden	Sweden	100	Sorin Group Italia S.r.l.	100
LivaNova Singapore Pte Ltd	11 North Buona Vista Drive #13-09, The Metropolis, Singapore 138589	Singapore	100	LivaNova Nederland N.V.	100
LivaNova Site Management S.r.l. *	Via Enrico Cialdini, 16, 20161 Milano, Italy	Italy	100	LivaNova PLC Sorin Group Italia S.r.l.	86 14
LivaNova Switzerland SA *	Rue du Grand-Pont 12, 1003 Lausanne	Switzerland	100	LivaNova PLC	100
LivaNova Taiwan Co. Ltd	12F, No. 101, Songren Rd. Taipei City, 110414 Taiwan	Taiwan	100	LivaNova Nederland N.V.	100
LivaNova Turkey Medikal Limited Sirketi	Esentepe Mahallesi Ecza Sk. Pol Center Sit. C Blok Apt No: 4/1 Sisli/Istanbul	Turkiye	100	LivaNova Nederland N.V.	100
LivaNova UK Limited	1370 Montpellier Court, Gloucester Business Park, Gloucester, Gloucestershire, GL3 4AH, United Kingdom	UK	100	LivaNova Nederland N.V.	100
LivaNova USA, Inc. *	100 Cyberonics Boulevard, Houston, TX 77058 USA	U.S.	100	LivaNova PLC	100
LIVN Irishco 2 UC	Deloitte, 6 Lapp's Quay, Cork, T12 TA48, Ireland	Ireland	100	LIVN UK Holdco Limited	100

20250806025597

NOTES TO THE FINANCIAL STATEMENTS
Note 6. Investments in Subsidiaries

Entity	Registered Office	Country of Incorporation	% Consolidated Group Ownership	Parent Name	Parent % Ownership
LIVN UK 2 Co Limited	20 Eastbourne Terrace, London, England W2 6LG, United Kingdom	UK	100	LIVN US 5, LLC	100
LIVN UK Holdco Limited *	20 Eastbourne Terrace, London, England W2 6LG, United Kingdom	UK	100	LivaNova PLC	100
LIVN US 3, LLC	100 Cyberonics Boulevard, Houston, TX 77058 USA	U.S.	100	LivaNova, Inc.	100
LIVN US 5, LLC	100 Cyberonics Boulevard, Houston, TX 77058 USA	U.S.	100	LIVN US 3, LLC	100
Sorin Group Italia S.r.l. *	Via Enrico Cialdini, 16, 20161 Milano, Italy	Italy	100	LivaNova PLC LivaNova Holding S.r.l.	99 1
Sorin Group Rus LLC	Marshal Proshlyakov str. 30 office 304 123458 Moscow, Russia	Russia	100	Sorin Group Italia S.r.l.	100

(1) LivaNova Cayman Limited was liquidated in June 2024.

* Represents a direct investment of LivaNova PLC.

Note 7. Financial Assets

The following table presents the composition of non-current financial assets (in thousands):

	31 December	
	2024	2023
Note due from subsidiary (1)	$ 490,151	$ 490,151
Other	—	211
	$ 490,151	$ 490,362

(1) On 31 December 2023, LivaNova PLC entered into a $490.2 million Promissory Note with LivaNova USA, Inc. at an 8.19% fixed interest rate per annum with accrued interest and principal due 1 December 2030. This note was classified as non-current at 31 December 2024 and 2023.

The following table presents the composition of current financial assets (in thousands):

	31 December	
	2024	2023
Due in less than 12 months		
Due from subsidiaries (1)	$ 29,574	$ 38,942
FX derivative contracts (2)	738	—
Other	180	48
	$ 30,492	$ 38,990

(1) LivaNova PLC, in management of LivaNova's centralised treasury function by acting as an in-house bank of the Group, loans excess cash to subsidiaries. Interest accrues and is paid quarterly at the relevant short-term reference rate plus 1.5% per annum. Principal amounts are due on demand with 10-day notice.

(2) For additional information, refer to "Note 9. Derivative Financial Instruments."

Note 8. Trade and Other Receivables and Expected Credit Loss Provision

The following table presents the composition of net trade receivables (in thousands):

	31 December	
	2024	2023
Trade receivables due from third parties	$ 250	$ 261
Trade receivables due from LivaNova subsidiaries (1)	6,300	8,483
Expected credit loss provision	(239)	(255)
	$ 6,311	$ 8,489

(1) Trade receivables due from subsidiaries are paid within 90 days and no interest is charged.

Trade receivables are reported net of the expected credit loss provision. The following table presents the changes in the expected credit loss provision (in thousands):

	2024	2023
Beginning of year	$ 255	$ 246
Currency translation (loss)/gain	(16)	9
End of year	$ 239	$ 255

202508060259

NOTES TO THE FINANCIAL STATEMENTS
Note 8. Trade and Other Receivables and Expected Credit Loss Provision

The following table presents the composition of other receivables (in thousands):

	31 December	
	2024	2023
Deposits and receivables with subsidiaries and suppliers	$ 19,596	$ 10,322
Prepaid assets	2,216	1,289
Guarantee deposits	151	158
	$ 21,963	$ 11,769

Note 9. Derivative Financial Instruments

LivaNova PLC enters into FX derivative contracts to reduce the impact of FX fluctuations on earnings and cash flow. For additional details refer to LivaNova PLC's accounting policy "Derivatives" included within "Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies."

Freestanding FX Derivative Contracts

The gross notional amount of FX derivative contracts not designated as hedging instruments outstanding as of 31 December 2024 and 2023 was $442.3 million and $223.4 million, respectively. These derivative contracts are designed to offset the FX effects in earnings of various intercompany loans and trade receivables. LivaNova recorded a net gain for freestanding derivatives of $5.2 million and net loss of $1.3 million for the years ended 31 December 2024 and 2023, respectively. These gains and losses are included in net foreign exchange and other income/(expense) in the company statement of (loss) income.

Capped Call Derivatives

The 2029 Capped Calls are carried on the consolidated balance sheets as a derivative asset at their estimated fair value and are adjusted at the end of each reporting period, with unrealised gain or loss reflected in net gain on embedded and capped call derivatives in the company statement of (loss) income. The Capped Call Transactions are measured at fair value using the Black-Scholes model utilising observable and unobservable market data, including stock price, remaining contractual term, expected volatility, risk-free interest rate, and expected dividend yield, as applicable. For additional information, refer to "Note 4. Financial Risk Management," "Note 5. Fair Value Measurements," and "Note 14. Derivative Financial Instruments" of the Company's consolidated financial statements in this Annual Report.

Embedded Derivative

The 2029 Notes include terms resulting in a bifurcated embedded derivative. The Embedded Derivatives are measured at fair value using a binomial lattice model and estimated discounted cash flows that utilise observable and unobservable market data and is adjusted at the end of each reporting period, with the unrealised gain or loss reflected in net gain on embedded and capped call derivatives in the company statement of (loss) income. For additional information, refer to "Note 4. Financial Risk Management," "Note 5. Fair Value Measurements," and "Note 16. Financial Liabilities" of the Company's consolidated financial statements in this Annual Report.

Cash Flow Hedges

Interest Rate Risk. Historically, LivaNova entered into interest rate swaps associated with the Initial Term Facility, which qualified for and were designated as cash flow hedges. The Company's outstanding interest rate swaps expired on 6 April 2023. LivaNova elected not to renew the interest rate swaps. Finance expense associated with the Initial Term Facility is principally offset by holding proceeds from the Term Facilities in a depository account, which earns a floating rate of interest. LivaNova had no designated hedging instruments as of 31 December 2024 and 2023.

Balance Sheet Presentation

LivaNova offsets fair value amounts associated with its derivative instruments that are executed with the same counterparty under master netting arrangements on the Company's consolidated balance sheet. Master netting arrangements include a right to set off or net together purchases and sales of similar products in the settlement process.

20250806025599

Note 9. Derivative Financial Instruments

The following tables present the fair value, and the location of, derivative contracts reported in the Company balance sheet (in thousands):

31 December 2024	Asset Derivatives		Liability Derivatives	
Derivatives Not Designated as Hedging Instruments	**Balance Sheet Location**	**Fair Value**	**Balance Sheet Location**	**Fair Value**
Capped call derivatives (2029 Notes)	Long-term financial derivative assets	$ 23,735		
Embedded derivative (2029 Notes)			Long-term financial derivative liabilities	$ 51,819
FX derivative contracts	Current financial assets	738		
Total derivatives not designated as hedging instruments		$ 24,473		$ 51,819

31 December 2023	Liability Derivatives	
Derivatives Not Designated as Hedging Instruments	**Balance Sheet Location**	**Fair Value**
FX derivative contracts	Current other liabilities	$ 3,883
Total derivatives not designated as hedging instruments		$ 3,883

Note 10. Shareholders' Equity

Called Up Share Capital

The following table presents LivaNova PLC's authorised called up share capital (in number of shares):

	31 December	
	2024	**2023**
Authorised called up share capital, Ordinary Shares of £1 each, unlimited shares authorised		
Issued [(1)]	54,437,670	53,942,151
Outstanding	54,348,542	53,918,222

(1) Allotted, fully paid, and issued.

Preferred shares. LivaNova may issue preferred shares by special resolution or by determination by the Board of LivaNova.

Treasury shares. Shares held by the EBT are issued to employees and directors at exercise of share-based compensation grants. The balance of shares in the EBT are reported as treasury shares. During the year ended 31 December 2024, LivaNova PLC issued 350,000 shares to the EBT. LivaNova PLC did not issue any additional shares to the Company's EBT during the year ended 31 December 2023. As of 31 December 2024 and 2023, LivaNova held 89,128 and 23,929 shares in treasury, respectively.

Reserves

Merger relief reserve. On 19 October 2015 pursuant to the Mergers, the merger relief reserve was recognised in the amount of $2,649.6 million as a result of the share exchange transaction of the Sorin and Cyberonics Mergers with and into the Company. During the year ended 31 December 2016, the Company capitalised $2,583.1 million of the reserves in order to create distributable reserves in the financial statement of the Company. Additionally, on 6 August 2021, the Company closed an offering and issued 4,181,818 ordinary shares, par value £1.00 per share, at an offering price of $82.50 per share. Net proceeds from the offering were $322.5 million, after deducting underwriting discounts, commissions, and offering expenses, of which $316.7 million was recognised as merger relief reserve. The reserves may be used for any corporate purpose of the Company for which realised profits are required.

Capital redemption reserve. The capital redemption reserve represents transfers from distributable reserves in accordance with the Company's legislation upon the redemption of ordinary called up share capital.

Note 10. Shareholders' Equity

AOCI. The following table presents the change in each component of AOCI, net of tax, and the reclassifications out of AOCI into net earnings (in thousands):

	Foreign Currency Translation Adjustments	Revaluation of Net Asset for Defined Benefits	Total
1 January 2023	$ (21,945)	$ (20)	$ (21,965)
Reclassification of gain from AOCI, before tax	18,127	—	18,127
Tax effect	—	—	—
Reclassification of gain from AOCI, after tax	18,127	—	18,127
Net other comprehensive income, net of tax	18,127	—	18,127
31 December 2023	(3,818)	(20)	(3,838)
Reclassification of loss from AOCI, before tax	(36,994)	(3)	(36,997)
Tax effect	—	—	—
Reclassification of loss from AOCI, after tax	(36,994)	(3)	(36,997)
Net other comprehensive loss, net of tax	(36,994)	(3)	(36,997)
31 December 2024	$ (40,812)	$ (23)	$ (40,835)

No dividend has been proposed during, or in respect of, the course of the years ended 31 December 2024 and 2023, and the Company has never declared a dividend. The Company has no immediate intention to declare and pay dividends. Earnings are intended to be reinvested in the Company.

Note 11. Financial Liabilities

During 2023, LivaNova commenced an intercompany financing restructuring that was subsequently completed in 2024. As part of this intercompany financing restructuring, on 31 December 2023 LivaNova PLC entered into a Promissory Note with LivaNova USA, Inc. for $490.2 million (refer to "Note 7. Financial Assets") and the $509.8 million Promissory Note between LivaNova PLC and LivaNova USA, Inc. was relieved. These and other subsidiary transactions resulted in an increase in LivaNova PLC's due to subsidiaries of $950.0 million, included below within current financial liabilities as of 31 December 2023. The $950.0 million due to subsidiary (LivaNova Cayman Limited) was subsequently relieved on 2 January 2024 via a distribution, which reduced LivaNova's investment in LivaNova Cayman Limited to zero. For additional information, refer to "Note 6. Investments in Subsidiaries."

The following table presents the principal amounts of long-term financial liabilities (in thousands):

	31 December	
	2024	2023
2029 Notes [1]	$ 258,043	$ —

[1] On 8 March 2024, LivaNova issued $345.0 million aggregate principal amount of 2.50% notes due 2029, with accrued interest and principal due 15 March 2029. For additional information on the 2029 Notes, refer to "Note 16. Financial Liabilities" of the Company's consolidated financial statements in this Annual Report.

The following table presents the principal amounts of current financial liabilities (in thousands):

	31 December	
	2024	2023
Due to LivaNova subsidiaries [1]	$ 210,676	$ 1,226,626
Short-term facilities	24	28
	$ 210,700	$ 1,226,654

[1] LivaNova PLC, in management of LivaNova's centralised treasury function by acting as an in-house bank of the Group, holds cash on deposit from subsidiaries. Interest accrues and is paid quarterly on balances at the applicable interest index rate, of each currency, less 0.50%.

Finance expenses. Finance expenses of $30.2 million and $33.3 million for the years ended 31 December 2024 and 2023, respectively, consisted primarily of interest on the Company's debt facilities. Refer to the company statement of (loss) income. Finance expenses associated with subsidiary debt amounted to $9.7 million and $32.6 million for the years ended 31 December 2024 and 2023, respectively.

20250806026003

20250806026O1

Note 12. Other Liabilities

The following table presents the composition of non-current other liabilities (in thousands):

	31 December	
	2024	2023
Lease liabilities [1]	$ 3,613	$ 4,523
Provision for employee severance indemnities and other employee benefit provisions	311	680
	$ 3,924	$ 5,203

[1] For additional information, refer to "Note 13. Leases."

The following table presents the composition of current other liabilities (in thousands):

	31 December	
	2024	2023
Liabilities with subsidiaries	$ 10,524	$ 4,093
Accrued employee-related charges	4,085	4,427
Income tax payable	265	1,623
Interest payable [1]	2,540	—
Indirect tax payable	1,159	934
Amounts due to health and social security institution	954	1,319
Lease liabilities [2]	831	716
Derivative financial instruments [3]	—	3,883
Amounts due to employees	—	496
Other current liabilities and accrued expenses	8,110	5,798
	$ 28,468	$ 23,289

[1] Interest payable as of 31 December 2024 represents accrued interest on the 2029 Notes. For additional information, refer to "Note 16. Financial Liabilities" of the Company's consolidated financial statements in this Annual Report.

[2] For additional information, refer to "Note 13. Leases."

[3] For additional information, refer to "Note 9. Derivative Financial Instruments."

Note 13. Leases

LivaNova PLC has leases primarily for (i) real estate, including office space and manufacturing, warehouse, and research and development facilities and (ii) vehicles.

Right-of-Use Assets and Lease Liabilities

The following table presents the changes in ROU assets and lease liabilities by class of assets (in thousands):

	Real Estate	Vehicles	Right-of-Use Assets	Lease Liabilities
1 January 2023	$ 5,237	$ 49	$ 5,286	$ 6,587
Additions	53	—	53	53
Depreciation expense	(803)	(40)	(843)	—
Disposals	—	(7)	(7)	(782)
Finance expenses	—	—	—	232
Lease payments	—	—	—	(966)
Currency translation adjustments	216	2	218	115
31 December 2023	4,703	4	4,707	5,239
Additions	—	104	104	104
Depreciation expense	(766)	(22)	(788)	—
Finance expenses	—	—	—	211
Lease payments	—	—	—	(877)
Currency translation adjustments	(211)	(1)	(211)	(233)
31 December 2024	$ 3,726	$ 85	$ 3,812	$ 4,444

Note 13. Leases

Contractual maturities of LivaNova PLC's lease liabilities as of 31 December 2024 were as follows (in thousands):

2025	$ 952
2026	639
2027	465
2028	447
2029	434
Thereafter	2,313
Total lease payments	5,250
Less: Amount representing finance charges	(806)
Net present value of lease liabilities	$ 4,444

Contractual maturities of LivaNova PLC's lease liabilities as of 31 December 2023 were as follows (in thousands):

2024	$ 872
2025	956
2026	640
2027	463
2028	463
Thereafter	2,930
Total lease payments	6,324
Less: Amount representing finance charges	(1,085)
Net present value of lease liabilities	$ 5,239

Lease payments of $0.9 million were made during the year ended 31 December 2024 and 2023 in connection with lease agreements of which $0.7 million represents the principal portion classified in financing activities and $0.2 million for interest classified in operating activities.

Note 14. Share-Based Compensation Plans

Share-Based Compensation Plans

For a description of LivaNova's share-based compensation plans, refer to "Note 20. Share-Based Plans" of the Company's consolidated financial statements in this Annual Report.

The following table presents the amounts of equity-settled share-based compensation expense recognised in the consolidated statement of loss by type of arrangement (in thousands):

	2024	2023
Service-based SARs	$ 7,616	$ 4,229
Service-based RSUs	5,542	6,321
Market performance-based RSUs	1,402	866
Operating performance-based RSUs	1,323	162
ESPP	1,175	1,121
	$ 17,058	$ 12,699

Share Options and Share Appreciation Rights

	2024		2023	
Options and SARs	**Number of Optioned Shares**	**Wtd. Avg. Exercise Price**	**Number of Optioned Shares**	**Wtd. Avg. Exercise Price**
Exercised	85,546	$ 60.62	193,625	$ 44.39
Outstanding - end of year	248,680	$ 64.18	344,938	$ 61.51

The weighted average remaining contractual life for the share options and SARs outstanding at 31 December 2024 and 2023 was 5.4 years 6.0 years, respectively.

The aggregate intrinsic value of the options and SARs outstanding at 31 December 2024 and 2023 was $4.4 million and $1.2 million, respectively. The aggregate intrinsic value of options and SARs is based on the fair market value of the underlying share at the end of the year using the difference between the market closing share price, and exercise price for in-the-money awards.

20250806026O2

20250806026603

NOTES TO THE FINANCIAL STATEMENTS
Note 14. Share-Based Compensation Plans

The following table presents outstanding options and SARs by exercise price range (in number of shares):

	31 December	
Outstanding Options	**2024**	**2023**
$41 – $50	83,637	135,323
$51 – $60	51,325	76,402
$61 – $70	—	—
$71 – $80	41,286	49,412
$81 – $90	48,501	59,093
$91 – $100	23,557	24,334
$101 – $110	374	374
	248,680	344,938

Restricted Share and Restricted Share Units Awards

The following tables detail the activity for service-based restricted share and restricted share unit awards:

	2024		2023	
	Number of Shares	**Wtd. Avg. Grant Date Fair Value**	**Number of Shares**	**Wtd. Avg. Grant Date Fair Value**
Non-vested at end of year	114,793	$ 56.32	100,888	$ 53.88

	2024	2023
Aggregate fair value of service-based share grants that vested during the year (in thousands)	$ 4,951	$ 5,028

Market and Performance-Based Restricted Share and Performance-Based Restricted Share Units Awards

The following tables detail the activity for performance-based and market-based restricted share and restricted share unit awards:

	2024		2023	
	Number of Shares	**Wtd. Avg. Grant Date Fair Value**	**Number of Shares**	**Wtd. Avg. Grant Date Fair Value**
Non-vested at end of year	111,747	$ 56.05	75,917	$ 69.37

	2024	2023
Aggregate fair value of performance-based share grants that vested during the year (in thousands)	$ 6,263	$ 4,283

Note 15. Income Tax (Expense) Credit

The following tables present the composition of income tax (expense) credit (in thousands):

	2024	2023
Current Tax:		
Credit (expense) in respect to current period [1]	$ 3,844	$ (402)
Credit in respect to prior period	10	672
	3,854	270
Deferred Tax:		
Relating to the origination and reversal of temporary differences	(7,035)	12,529
Relating to changes in tax rates and legislation	—	(915)
	(7,035)	11,614
	$ (3,181)	$ 11,884

(1) Since LivaNova does not have significant operations in jurisdictions with tax rates below 15%, Pillar Two did not have a material impact on the effective rate for 2024. LivaNova will continue to monitor legislative developments and related guidance in the UK and other jurisdictions that may impact LivaNova's operations.

202508060260 4

NOTES TO THE FINANCIAL STATEMENTS
Note 15. Income Tax (Expense) Credit

	2024	2023
Current Tax:		
UK	$ 9,487	$ 4,041
Non-UK	(5,633)	(3,771)
	3,854	270
Deferred Tax:		
UK	(7,394)	11,614
Non-UK	359	—
	(7,035)	11,614
	$ (3,181)	$ 11,884

The following table presents a reconciliation of the statutory income tax rate to LivaNova PLC's effective income tax rate expressed as a percentage of income before income tax credit:

	2024	2023
Statutory tax rate at UK rate	25.0 %	23.5 %
Change in tax rate [1]	—	10.9
Permanent differences	—	(3.7)
Distribution of subsidiary earnings	0.9	129.6
Tax on UK CFC interest	—	(4.4)
Impairment	(0.3)	—
Equity compensation	(0.1)	(5.2)
SNIA environmental liability [2]	(26.0)	—
Other, net	(0.5)	(12.7)
Effective tax rate	(1.0)%	138.0 %

[1] There was no change in the tax rate for 2024, as the UK tax rate changed to 25% as of 1 April 2023. The change in tax rate for 2023 was primarily due to the NOLs generated during 2023 net of group relief being measured from a tax rate of 19%.

[2] Refer to "Note 23. Commitments and Contingencies" of the Company's consolidated financial statements in this Annual Report.

The following table presents the composition of tax receivable (in thousands):

	31 December	
	2024	2023
Income tax receivable	$ 6,408	$ 5,531
Indirect tax receivable	2,077	2,760
	$ 8,485	$ 8,291

Deferred tax assets and liabilities on a gross basis are summarised as follows (in thousands):

		Activity During the Year		
	31 December 2024	Company Statement of (Loss) Income	Shareholders' Equity	1 January 2024
Net operating loss carryforwards	$ 86,291	$ 6,381	$ (13)	$ 79,923
Interest expense carryforward	14,113	(5,957)	—	20,070
Share-based compensation	476	(576)	15	1,037
Other	89	(52)	(88)	229
Total deferred tax assets	100,969	(204)	(86)	101,259
Lease liabilities and other	(349)	(103)	(67)	(179)
Debt financing	6,934	6,934	—	—
Total deferred tax liabilities	6,585	6,831	(67)	(179)
Total deferred tax assets, net	$ 94,384	$ (7,035)	$ (19)	$ 101,438

20250806026605

Note 15. Income Tax (Expense) Credit

LivaNova continues to monitor the adoption of Pillar Two by the taxing jurisdictions in which it operates. The UK has enacted legislation providing for a minimum effective tax rate of 15% through a "multinational top-up tax" and a "domestic top-up tax" for accounting periods beginning on or after 31 December 2023. Draft UK legislation has also been published for a UTPR to be introduced, although not before accounting periods beginning on or after 31 December 2024. A UTPR would be a backstop rule intended to ensure that amounts of multinational top-up tax that are not collected under foreign global minimum tax rules can in certain circumstance be collected instead in the UK.

As required by the amendments to IAS 12, the Company has applied the exception and will neither recognise nor disclose information about deferred tax assets and liabilities relating to Pillar Two income taxes. Refer to "Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies."

		Activity During the Year			
	31 December 2023	Company Statement of (Loss) Income	Tax Rate Change [1]	Shareholders' Equity	1 January 2023
Net operating loss carryforwards	$ 79,923	$ 10,375	$ (625)	$ —	$ 70,173
Accruals and reserves	66	—	—	—	66
Share-based compensation	1,037	(2,556)	22	(664)	4,235
Lease assets and other	20,233	3,499	(306)	—	17,040
Total deferred tax assets	101,259	11,318	(909)	(664)	91,514
Lease liabilities and other	(179)	(1,211)	5	—	1,027
Total deferred tax liabilities	(179)	(1,211)	5	—	1,027
Total deferred tax assets, net	$ 101,438	$ 12,529	$ (914)	$ (664)	$ 90,487

(1) The UK tax rate increased from 19% to 25%, effective 1 April 2023. The tax rate movement of deferred tax assets/liabilities represents remeasuring from 19% to 25% for deferred tax assets and liabilities after 31 March 2023.

As of 31 December 2024, deferred tax assets have not been recognised with respect of the following items (in thousands):

Region	Gross Amount	Tax Benefit	Amount with No Expiration	Carryforward Period
UK NOL	$ 40,437	$ 10,109	$ 10,109	Unlimited
Non UK NOL	520	125	125	Unlimited
Non UK - Other deferred tax assets	1,064	255	—	Various
	$ 42,021	$ 10,489	$ 10,234	

As of 31 December 2023, deferred tax assets have not been recognised with respect of the following items (in thousands):

Region	Gross Amount	Tax Benefit	Amount with No Expiration	Carryforward Period
UK NOL	$ 40,437	$ 10,109	$ 10,109	Unlimited
Non UK NOL	520	125	125	Unlimited
Non UK - Other deferred tax assets	1,064	255	—	Various
	$ 42,021	$ 10,489	$ 10,234	

(1) Unrecognised assets of $0.5 million are included in other in the effective tax rate reconciliation for 2023.

For losses incurred after April 2017 in the UK, the Company anticipates a recoverability of these operating loss carryforwards beginning in 2025 as the Company expects an increase in taxable income due to the full amortisation of certain intangible assets. The Company is relying on estimated future income projections and judgement on the growth of the projected income for the recoverability of the deferred tax assets corresponding the NOLs. The Company estimates it will be able to recover its tax loss in 10-15 years through UK Group relief, as the UK Group will realise substantially an increase of taxable income as a result of increased revenues from royalty income, interest income, and decreased amortisation of intangible assets beginning in 2024.

No provision has been made for income taxes on undistributed earnings of foreign subsidiaries as of 31 December 2024 because it is the Company's intention to indefinitely reinvest undistributed earnings of the Company's foreign subsidiaries. In the event of the distribution of those earnings in the form of dividends, a sale of the subsidiaries, or certain other transactions, the Company may be liable for income taxes. There should be no material tax liability on future distributions as most jurisdictions with undistributed earnings have various participation exemptions/no withholding tax. These unrecognised differences are not expected to reverse in the foreseeable future.

Note 16. Commitments and Contingencies

Refer to "Note 23. Commitments and Contingencies" of the Company's consolidated financial statements in this Annual Report.

Certain subsidiaries of LivaNova PLC have entered into agreements with Bank of America, including for the issuance of credit cards and local credit facilities, for which LivaNova PLC has provided an indemnity letter up to $40 million to Bank of America

20250806026606

covering the liabilities of the subsidiaries under the agreements. As of 31 December 2024 and 2023, the assessed fair value of the Bank of America agreement was deemed immaterial.

Note 17. Related Parties

Interests in subsidiaries are set out in "Note 6. Investments in Subsidiaries." Receivables from subsidiaries are set out in "Note 7. Financial Assets." Trade receivables due from LivaNova subsidiaries are set out in "Note 8. Trade and Other Receivables and Expected Credit Loss Provision." Receivables from subsidiaries associated with the Company's share-based incentive plans are set out in "Note 3. Other Assets." Current liabilities with subsidiaries are set out in "Note 12. Other Liabilities." Refer to the consolidated financial statements "Note 26. Related Parties" for key management personnel and related parties. Refer to consolidated financial statements "Note 11. Financial Assets" for related party financial assets.

Note 18. Company Statement of (Loss) Income by Nature

The following table presents the company statement of (loss) income by nature (in thousands):

	2024	2023
Revenue	$ 36,144	$ 25,853
Cost of materials and services used	(81,026)	(52,188)
Personnel expense	(15,280)	(19,282)
Impairments of investments in subsidiaries	(3,904)	—
Amortisation and depreciation	(1,132)	(1,258)
Operating loss	(65,198)	(46,875)
SNIA environmental liability expense	(344,403)	—
Income from subsidiary undertakings	11,607	47,500
Finance income	69,470	21,959
Net gain on embedded and capped call derivatives	27,736	—
Finance expenses	(30,171)	(32,985)
Net foreign exchange and other income/(expense)	1,465	1,789
Loss before tax	(329,494)	(8,612)
Income tax (expense) credit	(3,181)	11,884
(Loss) income for the year	$ (332,675)	$ 3,272

Note 19. Employee Compensation Costs

Details of directors' remuneration are included in the Remuneration Report on pages 52 to 83, which forms part of these financial statements.

The average monthly employee numbers on a full-time equivalent basis, including executive directors, were 53 and 61 for the years ended 31 December 2024 and 2023, respectively. LivaNova PLC's employees are principally engaged in Corporate activities.

The following table presents employee compensation costs of LivaNova PLC (in thousands):

	2024	2023
Wages and salaries	$ 8,581	$ 8,138
Social security costs	2,852	3,710
Pension costs	859	1,318
Share-based payments	156	(812)
Other employee costs	2,832	6,928
	$ 15,280	$ 19,282

Note 20. Auditors' Remuneration

The following table presents the Company auditors' remuneration (in thousands):

	2024	2023
Fees payable to the Company's Auditors for the audit of parent company financial statements [1]	$ 85	$ 82

[1] Refer to "Note 30. Auditors' Remuneration" of the Company's consolidated financial statements in this Annual Report for non-audit fees.

20250806026O7

Note 21. Subsequent Events

SNIA Environmental Liability

On 14 March 2025, the Italian Supreme Court issued its decision in response to all of the appeals of the Company and counter-appeals submitted by the Public Administrations. The Italian Supreme Court determined that LivaNova can be held jointly and severally liable for the established liabilities of SNIA at the time of demerger as well as the environmental liabilities of the demerged company that materialised after the demerger which are derived from actions performed prior to the demerger; however, the Italian Supreme Court also ruled that the Company should not be held responsible for certain payments previously approved by the Court of Appeal of Milan in the amount of €157 million ($162.9 million) as of 31 December 2024. The case has been referred back to the Court of Appeal of Milan to implement the decisions respecting costs and damages in accordance with the judgement of the Italian Supreme Court.

As a result of the decision by the Italian Supreme Court, the Company recorded a current liability and environmental liability expense of €332 million ($344.4 million) as of and for the year ended 31 December 2024, as its best estimate of the liability inclusive of estimated costs, fees, interest, and taxes. The Company has determined that it has sufficient resources to cover the liability given its cash and cash equivalents of $738.4 million as of 31 March 2025.

On 31 March 2025, as a result of the decision by the Italian Supreme Court, the SNIA Litigation Guarantee was terminated, and the restriction to the cash deposit held as collateral was released.

For additional information, refer to "Note 23. Commitments and Contingencies" of the Company's consolidated financial statements in this Annual Report.

LivaNova

Health innovation that matters

LivaNova PLC

20 Eastbourne Terrace
London, W2 6LG
United Kingdom
+44 20 3325 0660

www.livanova.com