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DELTA REPORT

10-K

LIVN - LIVANOVA PLC

10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS	6999
CHANGES	510
DELETIONS	3194
ADDITIONS	3295

REFINITIV

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)**
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2022 December 31, 2023

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)**
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number: 001-37599

LivaNova PLC

(Exact name of registrant as specified in its charter)

England and Wales	**98-1268150**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
20 Eastbourne Terrace, London, United Kingdom, W2 6LG	
(Address of principal executive offices)	*(Zip Code)*

Registrant's telephone number, including area code: **(44) (0) 203 325-0660**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary Shares - £1.00 par value per share	LIVN	The Nasdaq Global Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant was approximately $3.3 billion $2.8 billion (based on the closing price of these shares on the Nasdaq Global Market on June 30, 2022 June 30, 2023, the last business day of the most recently completed second fiscal quarter). For purposes of this calculation, ordinary shares held by persons who hold more than 5% of the outstanding ordinary shares and shares held by executive officers and directors of the registrant have been excluded as such persons may be deemed to be affiliates.

As of February 17, 2023 February 23, 2024, 53,564,597 53,956,158 ordinary shares were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement of LivaNova PLC for the 2023 2024 Annual General Meeting of Shareholders, which will be filed within 120 days of December 31, 2022 December 31, 2023, are incorporated by reference into Part III of this Annual Report on Form 10-K.

LIVANOVA PLC

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DEFINITIONS

In this Annual Report on Form 10-K "LivaNova," for the year ended December 31, 2023, the following terms and abbreviations have the meanings listed below. "LivaNova" and "the Company," "we," "us" and "our" Company" refer to LivaNova PLC and its consolidated subsidiaries.

Abbreviation	Definition
2015 Plan	LivaNova PLC 2015 Incentive Award Plan
2020 Restructuring Plan	A plan, initiated during the fourth quarter of 2020, to reduce LivaNova's cost structure
2021	The year ended December 31, 2021
2021 First Lien Credit Agreement	First Lien Credit Agreement for $125 million between LivaNova PLC and its wholly-owned subsidiary, Borrower, and Goldman Sachs Bank USA, as First Lien Administrative Agent and First Lien Collateral Agent, entered into on August 13, 2021
2022	The year ended December 31, 2022
2022 Plan	LivaNova PLC 2022 Incentive Award Plan
2022 Restructuring Plan	A plan, initiated during the second quarter of 2022, to implement a cost-optimization and cost reduction program to adapt to current economic conditions
2023	The year ended December 31, 2023
2024 Proxy Statement	Definitive Proxy Statement for the annual meeting of shareholders scheduled for June 11, 2024
2024 Restructuring Plan	A plan, initiated during the first quarter of 2024, to enhance LivaNova's focus on its core Cardiopulmonary and Neuromodulation segments
A&R 2022 Plan	Amended and Restated LivaNova PLC 2022 Incentive Award Plan
ACS	Advanced Circulatory Support
ALung	ALung Technologies, Inc.
AOCI	Accumulated other comprehensive income (loss)
APAC	Asia-Pacific
ASMs	Anti-seizure medications
Audit Committee	LivaNova's Audit and Compliance Committee
Barclays	Barclays Bank Ireland PLC
BEPS	Base Erosion and Profit Shifting
Borrower	LivaNova USA, Inc.
Bridge Loan Facility	Incremental Facility Amendment No. 1 to the 2021 First Lien Credit Agreement, relating to a €200 million bridge loan facility, dated February 24, 2022, and repaid on July 6, 2022
CCPA	California Consumer Privacy Act
CDC	Centers for Disease Control and Prevention
CE Mark	*Conformité Européenne, French for "European Conformity"*
CED	Coverage with Evidence Development
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CISO	Chief Information Security Officer
CLO	Chief Legal Officer
CMS	The US Centers for Medicare & Medicaid Services
Code of Conduct	LivaNova PLC's Code of Ethics and Business Conduct
CODM	Chief Operating Decision Maker
Court of Appeal	Court of Appeal in Milan
CPB	Cardiopulmonary bypass
CRO	Chief Risk Officer
Cyberonics	Cyberonics, Inc.
D23 study	The longest and largest naturalistic study on treatments for patients experiencing chronic and severe DTD, published by the American Journal of Psychiatry in 2017
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
DRE	Drug-resistant epilepsy
DTC	Depository Trust Company

Abbreviation	Definition
DTD	Difficult-to-treat depression
ECJ	European Court of Justice
ECMO	Extracorporeal membrane oxygenation
ESG	Environmental, social and governance
ESPP	Global Employee Share Purchase Plan
EtO	Ethylene oxide
EU	European Union
EVP	Employee Value Proposition
Exchange Act	US Securities Exchange Act of 1934, as amended
False Claims Act	US False Claims Act
FCPA	US Foreign Corrupt Practices Act of 1977
FDA	US Food and Drug Administration
FIFO	First-in-first-out
FX	Foreign currency exchange rate
GAAP	Generally Accepted Accounting Principles
GDPR	General Data Protection Regulation
Hemolung RAS	Hemolung Respiratory Assist System
HHS	The US Department of Health & Human Services
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
ILBM	In-line blood monitor
ImThera	ImThera Medical, Inc., acquired by LivaNova in 2018, a company developing an implantable neurostimulation device system for the treatment of obstructive sleep apnea
Incremental Facility Amendment No. 2	An incremental facility amendment to the 2021 First Lien Credit Agreement, dated July 6, 2022
Indenture	The indenture governing the Notes
Initial Term Facility	$300 million term facility under the 2021 First Lien Credit Agreement resulting from the Incremental Facility Amendment No. 2
IPR&D	In-Process Research and Development
IRC	US Internal Revenue Code
IRS	US Internal Revenue Service
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
LivaNova PLC	A public limited company organized under the laws of England and Wales on February 20, 2015
LivaNova USA	LivaNova USA, Inc.
LSM	LivaNova Site Management S.r.l.
MDD	Medical Device Directive
MDL	Federal multi-district litigation in the US District Court for the Middle District of Pennsylvania
MDR	EU Medical Device Regulation
Mitral	Mitral Holdco S.à r.l.
MRI	Magnetic resonance imaging
Nasdaq	Nasdaq Global Market
NCD	Non-coverage determination

Abbreviation	Definition
NIST	National Institute of Standards and Technology
Notes	$287.5 million aggregate principal amount of 3.00% senior notes due December 2025, issued June 17, 2020
OCI	Other comprehensive income (loss)
OECD	Organization for Economic Co-operation and Development
Option Counterparties	Certain financial institutions with whom LivaNova entered into privately negotiated capped call transactions
Order	Administrative order from the Italian Ministry of the Environment received by LivaNova in 2021
OSA	Obstructive sleep apnea
OSPREY clinical trial	LivaNova's clinical trial, "Treating Obstructive Sleep Apnea using Targeted Hypoglossal Neurostimulation"
Pillar Two	OECD BEPS Pillar Two
Plan Committee	Qualified Plan Committee
PMA	Pre-market approval
PP&E	Property, plant and equipment
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"
Report	This Annual Report on Form 10-K
RSUs	Service-based restricted stock units
S&P	Standard & Poor's
SARs	Service-based stock appreciation rights
SDRT	UK Stamp Duty Reserve Tax
SEC	US Securities and Exchange Commission
Securities Act	US 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 litigation
SOFR	Secured Overnight Financing Rate
Sorin	Sorin S.p.A.
Sorin spin-off	The spin-off of Sorin from SNIA in 2004
Term Facilities	The Initial Term Facility, together with the Delayed Draw Term Facility
Trust	LivaNova PLC Employee Benefit Trust
UK	United Kingdom
UK Act	Finance (No.2) Act 2023
UK Bribery Act	UK Bribery Act of 2010
US	United States of America
US GAAP	Generally Accepted Accounting Principles in the US
USD	US dollar
UTPR	Undertaxed profits rule
VNS	Vagus nerve stimulation
VNS Therapy	LivaNova Vagus Nerve Stimulation Therapy
WACC	Weighted average cost of capital
Warning Letter	FDA Warning Letter received by LivaNova on December 29, 2015

INTELLECTUAL PROPERTY, TRADEMARKS AND TRADE NAMES

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

- Trademarks for our LivaNova's Neuromodulation systems, the VNS Therapy™ System, the VITARIA™ ™ System and our LivaNova's proprietary pulse generator products: Model 102 (Pulse™), Model 102R (Pulse Duo™), Model 103 (Demipulse™), Model 104 (Demipulse Duo™), Model 106 (AspireSR™), Model 1000 (SenTiva™), Model 1000-D (SenTiva™ Duo), Model 7103 (VITARIA™ ™ and TitrationAssist™ ™) and Model 8103 (Symmetry™).
- Trademarks for our LivaNova's Cardiopulmonary product products and systems: Essenz™Essenz™, S5™, S3™, S5 Pro™, B-Capta™, Inspire™, Heartlink™, XTRA™, 3T Heater-Cooler™, Connect™Connect™ and Revolution™.

- Trademarks for our LivaNova's advanced circulatory support systems: TandemLife™, TandemHeart™, TandemLung™, ProtekDuo™, LifeSPARC™, LifeSPARC™ALung™, ALung™, Hemolung™Hemolung™, Respiratory Dialysis™Dialysis™ and ActivMix™ActivMix™.
- Trademarks for our LivaNova's obstructive sleep apnea system: ImThera™ and aura6000™.

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

CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

Certain statements in this Annual Report, on Form 10-K, other than statements of historical or current fact, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Act. These statements include, but are not limited to, LivaNova's plans, objectives, strategies, financial performance and outlook, trends, the amount and timing of future cash distributions, prospects or future events and involve known and unknown risks that are difficult to predict. As a result, our the Company's actual financial results, performance, achievements or prospects may differ materially from those expressed or implied by these forward-looking statements. Generally, you can identify forward-looking statements by the use of words such as "may," "could," "seek," "guidance," "predict," "potential," "likely," "believe," "will," "should," "expect," "anticipate," "estimate," "plan," "intend," "forecast," "foresee" or variations of these terms and similar expressions, or the negative of these terms or similar expressions. Such forward-looking statements are necessarily based on estimates and assumptions that, while considered reasonable by LivaNova and its management based on their knowledge and understanding of the business and industry, are inherently uncertain. These statements are not guarantees of future performance, and stockholders should not place undue reliance on forward-looking statements. There are a number of risks, uncertainties and other important factors, many of which are beyond our the Company's control, that could cause our the Company's actual results to differ materially from the forward-looking statements contained in this Annual Report on Form 10-K. Such risks, uncertainties and other important factors include, but are not limited to: risks related to reductions, interruptions or increasing costs related to, the supply of raw materials following risks and components and the distribution of finished products, including as a result of inflation and war; uncertainties: volatility in the global market and worldwide economic conditions, including as caused by the invasion of Ukraine, the evolving instability in the Middle East, inflation, changing interest rates, foreign exchange fluctuations, changes to existing trade agreements and relationships between the U.S. US and other countries including the implementation of sanctions; cyber-attacks or other disruptions to the Company's information technology systems or those of third parties with which the Company interacts; costs of complying with privacy and security of personal information requirements and laws; risks related to reductions and interruptions in the Company's supply chain; changes in technology, including the development of superior or alternative technology or devices by competitors and/or competition from providers of alternative medical therapies; failure to obtain approvals or reimbursement in relation to our the Company's products; failure to establish, expand or maintain market acceptance of our the Company's products for the treatment of our the Company's approved indications; failure to develop and commercialize new products and the rate and degree of market acceptance of such products; unfavorable results from clinical studies or failure to meet milestones; failure to comply with, or changes in, laws, regulations or administrative practices affecting government regulation of our the Company's products; risks relating to recalls, enforcement actions or product liability claims; changes or reduction in reimbursement for our the Company's products or failure to comply with rules relating to reimbursement of healthcare goods and services; cyber-attacks or other disruptions to our information technology systems; costs of complying with privacy and security of personal information requirements and laws; failure to comply with anti-bribery laws; losses or costs from pending or future lawsuits and governmental investigations, including in the case of the Company's 3T Heater-Cooler and SNIA litigations; risks associated with environmental laws and regulations as well as environmental liabilities, violations, protest voting and litigation; losses or costs from pending or future lawsuits and governmental investigations, including in the case of our 3T and SNIA litigations; product liability, intellectual property, shareholder-related, environmental-related, income tax and other litigation, disputes, losses and costs; failure to retain key personnel, prevent labor shortages, or manage labor costs; the failure of our the Company's R&D efforts to keep up with the rapid pace of technological development in the medical device industry; risks relating to the impact of climate change and the risk of environmental, social and governance ESG pressures from internal and external stakeholders; the risk of quality concerns and the impacts thereof; failure to protect our the Company's proprietary intellectual property; COVID-19's reverberating impacts on the economy, employment, patient behaviors and supply chain, among others; failure of new acquisitions to further our the Company's strategic objectives or strengthen our the Company's existing businesses; the potential for impairments of intangible assets, goodwill and goodwill; other long-lived assets; risks relating to our the Company's indebtedness including under the exchangeable senior notes, our the Company's revolving credit facility and our the Company's 2022 Term Facilities, as defined herein; effectiveness of our the Company's internal controls over financial reporting; changes in our the Company's profitability and/or failure to manage costs and expenses; fluctuations in future quarterly operating results and/or variations in revenue and operating expenses relative to estimates; changes in tax laws and regulations, including exposure to additional income tax liabilities; and other unknown or unpredictable factors that could harm our the Company's financial performance.

See also the section titled "Risk Factors" (refer to Part I, Item 1A of this report) for further discussion of certain risks and uncertainties that could cause actual results and events to differ materially from the forward-looking statements. All forward-looking statements in this Annual Report on Form 10-K are expressly qualified in their entirety by the cautionary statements set forth above. Forward-looking statements speak only as of the date of this Annual Report, on Form 10-K, and we LivaNova expressly disclaim disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any further disclosures we make LivaNova makes on related subjects in our its Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. This cautionary note is applicable to all forward-looking statements contained in this report.

The following discussion and analysis should be read in conjunction with and are qualified in their entirety by reference to the discussions included in "Item 1A. Risk Factors," "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Annual Report on Form 10-K. Report.

PART I

Item 1. *Business*

Description of the Business and Background

LivaNova PLC headquartered in London (collectively with its subsidiaries, the "Company," "LivaNova," "we" or "our"), is a market-leading global medical device technology company. We design, develop, manufacture The Company designs, develops, manufactures, markets and sell sells products and therapies that are consistent with our LivaNova's mission to provide hope for patients and their families through innovative medical technologies delivering that deliver life-changing improvements for both the Head and Heart.

We were improvements. LivaNova is a public limited company organized under the laws of England and Wales on February 20, 2015 for the purpose of facilitating the business combination of Cyberonics, Inc., a Delaware corporation, and Sorin S.p.A. ("Sorin"), a joint stock company organized under the laws of Italy. The business combination became effective is headquartered in October 2015. London, England. LivaNova's ordinary shares are listed for trading on the Nasdaq Global Market ("Nasdaq") under the symbol "LIVN."

Business Overview

For the periods presented herein, LivaNova is was comprised of three reportable segments: Cardiopulmonary, Neuromodulation and Advanced Circulatory Support ("ACS"), corresponding to our primary business units. ACS. "Other" includes non-allocated corporate shared service expenses for finance, legal, human resources, information technology and corporate business development. For the years ended December 31, 2021 December 31, 2022 and 2020, 2023. For the year ended December 31, 2021, "Other" also includes the results of our LivaNova's Heart Valve business, which was divested on June 1, 2021.

During the first quarter of 2024, the Company reorganized its operating and reporting structure upon initiating the 2024 Restructuring Plan as further described below. In 2024, LivaNova's ACS segment will be included within "Other," excluding the ACS standalone cannulae and accessories business, which will be included within the Cardiopulmonary reportable segment.

For further information regarding our LivaNova's reportable segments, historical financial information and our methodology for the presentation of financial results, please refer to "Item 15. Exhibits and Financial Statement Schedules" of this Annual Report on Form 10-K. Report.

Cardiopulmonary

Our LivaNova's Cardiopulmonary segment is engaged in the design, development, production manufacture, marketing and sale selling of cardiopulmonary products, including heart-lung machines ("HLM"), HLMs, oxygenators, autotransfusion systems, perfusion tubing systems, cannulae and other related accessories. It includes the development of the Essenz Perfusion System, our the Company's next-generation HLM and a with an embedded patient monitor that delivers a patient-tailored approach, supporting for tailored patient care strategies and sensing technology for data-driven decisions decision making during cardiopulmonary bypass CPB procedures. In the fourth quarter of 2022, we completed the first clinical cases using Essenz in two major centers in Europe.

Cardiopulmonary bypass CPB is commonly used in many operations involving the heart. The This technique enables the surgical team to oxygenate and circulate the patient's patient's blood, thus allowing enabling the surgeon to operate on the heart. The most commonly performed procedures requiring cardiopulmonary bypass CPB are conventional coronary artery bypass grafting and valve surgeries. In such procedures, the patient is placed on an extracorporeal circulatory support system that temporarily functions as the patient's heart and lungs and provides blood flow to the body. Our LivaNova's products include systems to enable cardiopulmonary bypass, including HLMs, oxygenators, autotransfusion systems, perfusion tubing sets, cannulae and accessories, as well as related equipment and disposables for autotransfusion and autologous blood washing CPB for neonatal, pediatric, and adult patients. Our primary cardiopulmonary products include:

Heart-lung machines. Machines

The HLM product group includes HLMs, heater coolers, heater-coolers, related cardiac surgery equipment and maintenance, and technical services. HLMs temporarily take over the work of the heart and/or lungs, providing blood and oxygen to the body. HLMs are most often used during serious procedures that require the heart to be stopped. Heater coolers 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.

In March 2023, LivaNova announced it had received FDA 510(k) clearance for its Essenz HLM, which enabled the commercial launch of Essenz in the US. In the same month, LivaNova also initiated a broad commercial release of Essenz in Europe following a successful limited commercial release that supported more than 200 adult, pediatric and neonatal patients in that region. Approvals in various other countries have followed.

In August 2023, LivaNova announced it had received FDA 510(k) clearance and CE Mark for its Essenz ILBM, which provides continuous measurement of essential blood parameters to perfusionists throughout CPB procedures. The ILBM is integrated into the Essenz Perfusion System, which enables perfusionists to access and manage reliable blood parameters without the need for additional monitors or holders.

Oxygenators and perfusion tubing systems. Perfusion Tubing Systems

The oxygenators product group which includes oxygenators and other is comprised of disposable devices for extracorporeal circulation, includes including the Inspire systems. The Inspire range of products is comprised of 12 models and provides that provide perfusionists with a customizable approach for the benefit of patients. Oxygenators exchange oxygen and carbon dioxide in the blood of patients during surgical procedures. An oxygenator is typically procedures and are utilized by perfusionists during cardiac surgery in conjunction with a HLM. Oxygenators HLM and can also be utilized in extracorporeal membrane oxygenation ("ECMO"). ECMO.

Autotransfusion systems. 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. Our

The cannulae product family group in the Cardiopulmonary segment is used to connect the extracorporeal circulation system to the heart of the patient during cardiac surgery. During the first quarter of 2024, as a result of the 2024 Restructuring Plan as further described below, the Company will transition all ACS standalone cannulae and accessories, including ProtekDuo and transseptal (TandemHeart) cannulae, into its Cardiopulmonary segment. The ACS cannulae are designed and used for temporary unloading of the right ventricle, for supporting the left ventricle and for connecting ECMO systems.

Neuromodulation

Neuromodulation

Our LivaNova's Neuromodulation segment is engaged in the design, development, manufacture, marketing and marketing selling of devices that deliver neuromodulation therapy for treating drug-resistant epilepsy ("DRE") DRE and difficult-to-treat depression ("DTD"). It also encompasses the development and management of clinical testing of our aura6000 System for treating obstructive sleep apnea ("OSA") and, until recently, our VITARIA System which was intended to treat heart failure.

Our DTD. LivaNova's principal Neuromodulation product, the LivaNova Vagus Nerve Stimulation Therapy ("VNS Therapy") System, is an implantable device authorized for the treatment of DRE and DTD. The VNS Therapy System, consists of an implantable pulse generator and connective lead that stimulate stimulates the vagus nerve; surgical equipment to assist with the implant procedure; equipment and instruction manuals enabling a treating physician to set parameters for a patient's pulse generator; and for epilepsy, magnets to manually suspend or induce nerve stimulation. The pulse generator and lead are surgically implanted in a subcutaneous pocket in the upper left chest area, generally during an out-patient procedure. The lead, which does not need to be removed to replace a generator with a depleted battery, battery.

The Neuromodulation segment is connected to the pulse generator and tunneled under the skin to the vagus nerve also engaged in the lower left side development and management of the patient's neck. Our clinical testing for LivaNova's aura6000 device System for treating OSA OSA. The aura6000 device stimulates the hypoglossal nerve, which in turn, engages certain specific tongue and palate muscles in the tongue to open the airway while a patient is sleeping. sleeps.

LivaNova's Neuromodulation segment also includes costs associated with the Company's former Heart Failure program, which the Company began winding down during the first quarter of 2023.

Epilepsy

There are several broad types of treatment available to patients with epilepsy: multiple anti-seizure medications ("ASMs"); ASMs; various forms of the ketogenic diet; vagus nerve stimulation ("VNS"); 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 anti-seizure medications ASMs fail to deliver seizure control, the epilepsy is characterized as drug-resistant, at which drug-resistant. At this point, adjunctive non-drug options are considered, including VNS therapy, ketogenic diet, resective or ablative surgery and other neuromodulation therapies.

In 1997, our LivaNova's VNS Therapy System was the first medical device treatment approved by the FDA for the treatment of drug-resistant epilepsy, DRE, and today is the only neuromodulation device approved for use in the US in DRE patients in the U.S. 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. Globally, VNS Therapy is the most widely reimbursed neuromodulation therapy available. In 2020, the U.S. Centers for Medicare and Medicaid Services ("CMS") 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 Lennox-Gastaut Syndrome.

We distribute LivaNova distributes multiple VNS Therapy Systems for the treatment of epilepsy, including Model 103 (Demipulse), Model 104 (Demipulse Duo), Model 106 (AspireSR), Model 1000 (SenTiva) and Model 1000D (SenTiva Duo) pulse generators. Our LivaNova's AspireSR and SenTiva generators provide the traditional benefits of VNS Therapy but add an additional stimulation capability: closed loop stimulation (AutoStim™) (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 our LivaNova's Scheduled Programming and Day & Night Programming capabilities. In 2017, the SenTiva, AspireHC and AspireSR VNS Therapy devices were approved by the FDA approved for expanded magnetic resonance imaging ("MRI") MRI access while and similar CE Mark approval followed shortly thereafter. Currently, SenTiva, AspireHC and AspireSR models of VNS Therapy technology provide for this expanded MRI access.

Depression

In 2005, the FDA approved the VNS Therapy System for the adjunctive treatment of chronic or recurrent depression for patients 18 years or older who are experiencing a major depressive episode and have not had an adequate response to four or more antidepressant treatments. In 2007, the United States ("U.S.") CMS issued a national non-coverage determination ("NCD") within the U.S. with respect to reimbursement of the VNS Therapy System for patients with DTD, significantly limiting access to this therapeutic option for most patients. In 2020, our LivaNova's VNS Therapy System, Symmetry received CE mark approval for the treatment of DTD.

In 2017, the American Journal of Psychiatry published the results of the longest and largest naturalistic study (the "D23 study") on treatments for patients experiencing chronic and severe DTD. The findings showed that the addition of the VNS Therapy System to traditional treatment is was effective in significantly reducing symptoms of depression and well tolerated well-tolerated compared with traditional treatment alone. Following publication of the D23 study, we LivaNova requested that CMS to reconsider its previous NCD, and in 2018, CMS published a tracking sheet to reconsider its NCD. reconsider.

In 2019, CMS produced a final decision providing coverage for the VNS Therapy System for Medicare beneficiaries through Coverage with Evidence Development ("CED") CED when offered in a CMS-approved, double-blind, randomized, placebo-controlled trial with a follow-up duration of at least one year, as well as coverage of VNS Therapy System device replacement. The CED also includes the possibility to extend the study to a prospective longitudinal registry.

In 2019, CMS accepted the protocol for our LivaNova's RECOVER clinical study and the first patient was enrolled. RECOVER may include up to includes 500 unipolar and up to 500 bipolar patients at a maximum of 100 sites in the United States US in the randomized part of the trial and may include up to an additional 5,800 patients in an open label registry.

In 2020, we announced a research collaboration with Verily, a subsidiary of Alphabet Inc., to capture clinical biomarkers of depression within our RECOVER clinical study. Using technology and analytics by way of March 2023, LivaNova randomized the Verily Study Watch and related Verily mobile phone application, LivaNova and Verily aim to gather quantitative data to further understand depressive episodes and a patient's response to treatment. These complementary approaches are expected to help investigators better understand the impact of depression and its treatment on study participants' lives in a more objective and multi-dimensional manner. In 2021, LivaNova and Verily announced that the first patient had been enrolled in their collaborative UNCOVER study, a subset of the RECOVER study.

In March 2022, LivaNova announced the 250th 500th unipolar depression patient was implanted into the RECOVER clinical study and subsequently completed all unipolar implants in May. Upon receipt of the 12-month follow-up data for all 500 patients, the Company expects to conduct a final analysis for the unipolar cohort, potentially culminating in publication of the study results for that cohort.

In June 2023, LivaNova randomized the 150th bipolar depression patient into the RECOVER clinical study. This key milestone preceded conducting the first interim analysis. The study was designed with frequent interim analyses, which occur every 25 RECOVER clinical study's protocol allows for a minimum of 150 and a maximum of 500 bipolar depression patients to be randomized into the study. Upon randomizing the 150th bipolar patient, a series of interim analyses are being conducted every 25 patients by an independent Statistical Analysis Committee. The interim analysis assesses Committee to assess if predictive probability of success has been reached for the unipolar bipolar cohort of the study, at which point study. If any analysis reveals that the randomized controlled trial ("RCT") enrollment predictive probability of success has been reached, recruitment into the bipolar arm of the study will cease and future patients LivaNova will be enrolled into notify CMS and initiate the prospective open label open-label longitudinal study for that cohort. future bipolar Medicare patients. After the last patient enrolled into the RCT RECOVER clinical study has completed 12 months of follow-up, a final analysis will be conducted on the complete dataset for that respective cohort. bipolar dataset.

The trial, RECOVER clinical study, if successful, will may potentially be used to support a peer-reviewed article publication and reconsideration of reimbursement for the VNS Therapy System by CMS for the treatment of DTD. The reconsideration process will happen independently for the unipolar and bipolar cohorts.

Obstructive Sleep Apnea

In 2018, we LivaNova acquired full ownership of ImThera, a privately held, emerging-growth company developing an implantable neurostimulation device system for the treatment of obstructive sleep apnea. The device stimulates the hypoglossal nerve, which in turn, engages certain specific tongue and palate muscles in the tongue in order to open the airway while a patient is sleeping. sleeps.

In 2021, LivaNova received approval from the FDA to proceed with its investigational device exemption clinical study, Treating Obstructive Sleep Apnea using Targeted Hypoglossal Neurostimulation ("OSPREY"), the OSPREY clinical trial, and the first patient was implanted in March 2022. The OSPREY study clinical trial seeks to confirm the safety and

effectiveness of the aura6000 System.

Heart Failure

The VITARIA System was intended to treat heart failure through VNS. In 2018, after completion of pilot studies outside the U.S., we announced the first successful implantation of the VITARIA System in a patient randomized in the ANTHEM-HFrEF clinical trial, an international, multi-center, randomized trial (adaptive sample size) to evaluate the VITARIA System for the treatment of advanced heart failure. During the fourth quarter of 2022, we randomized the 500th patient in the trial which triggered the second interim analysis. The independent Data and Safety Monitoring Committee ("DSMC") evaluated safety, a trend toward the primary endpoint and success in the three functional endpoints. This analysis determined that the U.S. FDA early filing conditions were not met, and the DSMC recommended that enrollment continue in accordance with the current study protocol. However, we conducted further evaluation of the study data and concluded that such data did not demonstrate a sufficiently strong positive impact on functional or mortality endpoints and that it was unlikely that the continuation of the study would demonstrate such an impact. As a result, on February 22, 2023, we announced that we are stopping enrollment in the ANTHEM-HFrEF clinical trial, beginning the process to close the clinical study and winding down our heart failure program.

Advanced Circulatory Support

Our LivaNova's ACS segment is was engaged in the design, development, production manufacture, marketing and sale selling of leading-edge temporary life support products. Our ACS ACS's products, which comprise the LifeSPARC platform and Hemolung systems, and standalone cannulae and accessories, including ProtekDuo cannula, and transseptal (TandemHeart) cannulae, simplify temporary extracorporeal cardiopulmonary life support solutions for critically ill patients.

On January 5, 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 this plan is to wind down the ACS segment, which the Company anticipates will be substantially complete by the end of 2024. During the first quarter of 2024, the Company reorganized its operating and reporting structure upon initiating the 2024 Restructuring Plan and transitioned all ACS standalone cannulae and accessories, including ProtekDuo and transseptal (TandemHeart) cannulae, into its Cardiopulmonary segment. Operations for other ACS products, including LifeSPARC platform includes a common compact console and pump that provides temporary support for emergent rescue patients in a variety Hemolung systems, will be discontinued by the end of settings. Designed for ease of use, the system offers power and versatility for multi-disciplinary programs to support more patients in more places. The platform is accompanied by four specialized and ready-to-deploy kits, each designed to support diverse cannulation strategies. In November 2022, the FDA approved our LifeSPARC platform for ECMO. This approval allows for our LifeSPARC platform to be used for ECMO beyond six hours for patients in acute respiratory failure or acute cardiopulmonary failure, including but not limited to those receiving treatment for COVID-19.

We previously owned a 3% equity interest in ALung Technologies, Inc. ("ALung"), a privately-held medical device company focused on creating advanced medical devices for treating respiratory failure. In May 2022, we acquired the remaining 97% of equity interests. 2024. For additional information, please refer to "Note 4. Business Combinations" and "Note 8. Goodwill and Intangible Assets" 6. Restructuring" in our LivaNova's consolidated financial statements included in this Report.

R&D

The Company's R&D investment consists of product design and accompanying notes beginning on page F-1 of this Annual Report on Form 10-K. As a result of the ALung transaction, our ACS segment also includes the Hemolung Respiratory Assist System ("Hemolung RAS"), which is the only FDA-cleared platform designed specifically for low-flow extracorporeal carbon dioxide removal for acute respiratory failure.

In August 2022, CMS approved a New Technology Add-on Payment ("NTAP") for our Hemolung RAS for in-patient care. The NTAP designation is awarded to novel medical technologies development expenses, including technology, software, clinical study programs and services supported by clinical evidence that are expected to substantially improve the diagnosis or treatment of Medicare beneficiaries.

Research and Development ("R&D")

Our regulatory activities. LivaNova's markets are subject to rapid technological advances, and as such, product improvement, software advancements and innovation are necessary to maintain market leadership. We direct our The Company directs its R&D efforts toward maintaining or achieving technological leadership in each of the its markets we serve to help ensure that patients using our the Company's devices and therapies receive the most advanced and effective treatment possible. We remain available. LivaNova remains committed to developing technological enhancements and new uses for existing products, and as well as less invasive and new technologies for new and emerging markets to address unmet patient needs. We initiate and participate in many clinical trials each year as the demand for LivaNova continues to engage researchers to collect clinical and health economic evidence remains high. We also strive that support regulatory filings and value dossiers and to establish the value proposition to patients, physicians, and payors for development activities to help reduce patient care costs its current and the length of hospital stays in the future.

We work to continue to identify innovative technologies and continually assess the ability of our R&D programs to deliver economic value to the customer. Our current R&D expenses consist of product design and development efforts, including in relation to software and technology, clinical study programs and regulatory activities, which are essential to our strategic portfolio initiatives. future products.

Patents and Licenses

We rely LivaNova relies on a combination of patents, trademarks, copyrights, trade secrets and non-disclosure and non-competition agreements to protect our the Company's intellectual property. We LivaNova generally file files patent applications in the U.S. US and countries where patent protection for our LivaNova's technology is appropriate and available. As of December 31, 2022 December 31, 2023, we LivaNova held more than 840 865 issued patents worldwide, with approximately 285 295 pending patent applications that cover various aspects of our the Company's technology. Patents typically have a 20-year term from the application filing date. In addition, we hold LivaNova holds exclusive and non-exclusive licenses to a variety of third-party technologies covered by patents and pending patent applications. There can be no assurance that pending patent applications will result in the issuance of patents, that patents issued to or licensed by us LivaNova will not be challenged or circumvented by competitors, or that these patents will be found to be valid or sufficiently broad to protect our LivaNova's technology or to provide us the Company with a competitive advantage. We have LivaNova has also obtained certain trademarks and trade names for our the Company's products and maintain maintains certain details about our its processes, products and strategies as trade secrets. In the aggregate, we consider LivaNova considers these intellectual property assets to be of material importance to our business segments and operations. We its business. LivaNova regularly review reviews third-party patents and patent applications in an effort to protect our its intellectual property and avoid disputes over proprietary rights.

We rely LivaNova relies on non-disclosure and non-competition agreements with employees, consultants and other parties to protect, in part, trade secrets and other proprietary technology. There can be no assurance that these agreements will not be breached or will be enforceable, in particular due to new proposed regulation in the U.S., that we LivaNova

will have adequate remedies for any breach, that others will not independently develop equivalent proprietary information or that third parties will not otherwise gain access to our LivaNova's trade secrets and proprietary knowledge.

For additional information, please refer to "Item 1A. Risk Factors" of this Annual Report, on Form 10-K, under the section entitled "*We are LivaNova is substantially dependent on patent and other proprietary rights and failing to protect such rights or to be successful in litigation related to our LivaNova's rights or the rights of others may result in our the Company's payment of significant monetary damages and/or royalty payments, negatively impact our LivaNova's ability to sell current or future products or prohibit us the Company from enforcing our its patent and other proprietary rights against others.*"

Markets and Distribution Methods

The three largest markets for our medical devices are the U.S., Europe and the Asia-Pacific region ("APAC"). We sell LivaNova sells most of our its medical devices through direct sales representatives in the U.S. US and a combination of direct sales representatives and independent distributors in international markets. Europe and the APAC region are the Company's largest international markets, outside comprising 19% and 13% of net revenue during the U.S. year ended December 31, 2023, respectively.

Our LivaNova's marketing and sales strategy is focused on rapid, cost-effective delivery of high-quality products to a diverse group of customers worldwide, including perfusionists, neurologists, neurosurgeons and other physicians, hospitals and other medical institutions and healthcare providers. To achieve this objective, we maintain a highly knowledgeable LivaNova's sales team develops and dedicated sales staff that is able to foster preserves strong relationships with our broad range of customers. We cultivate customers, and maintain the Company cultivates and maintains close working relationships with professionals in the medical industry. These relationships provide us LivaNova with a detailed understanding of therapeutic and diagnostic trends, developments, trends and emerging opportunities, which enable us enables the Company to respond to the changing needs of providers and patients. We LivaNova actively participate participates in medical meetings and conduct conducts comprehensive training and educational activities to enhance our its presence in the medical communities we serve. We believe it serves. LivaNova believes that these activities also contribute to advancing the expertise of healthcare professionals' expertise. professionals.

Due to the emphasis on cost-effectiveness in healthcare delivery, the The current trend among hospitals and other medical device customers is to consolidate into larger purchasing groups to enhance purchasing power. As a result, customer transactions have become increasingly complex. Enhanced purchasing power complex, which has led, and may also continue to lead, to downward pricing pressure on pricing and an increase in the use of preferred vendors. Our LivaNova's global customer base continues to evolve in response to reflect such these and other economic changes developments across the geographic markets we serve. the Company serves.

Competition and Industry

We compete LivaNova competes in the global medical device market with sales in more than 100 countries. Technological This market is characterized by technological advances and scientific discoveries which can cause often trigger rapid change changes in this market. Our market dynamics. LivaNova's competitors across our product portfolio range from large manufacturers with multiple business lines to small manufacturers offering a limited selection of specialized products. In addition, we face LivaNova faces competition from, among others, providers of alternative medical therapies, such as pharmaceutical companies pharmaceuticals and providers of cannabis derived products, among others. surgical interventions.

Product problems, physician Physician advisories, regulatory safety alerts and publications about our LivaNova's products, or competitor products, can cause major shifts in industry market share, reflecting the importance of product quality, product efficacy and quality systems in the medical device industry. In addition, because of developments in managed care, economically motivated customers, consolidation among healthcare providers, increased competition and declining reimbursement rates we may be increasingly required require LivaNova to compete on the basis of price. In order to continue to compete effectively, we must LivaNova will likely be required to continue to create or acquire advanced technology, incorporate this technology into proprietary products, obtain regulatory approvals in a timely manner, maintain high-quality manufacturing processes, and successfully market and sell these products.

Our LivaNova's primary medical device competitors in the Cardiopulmonary, Neuromodulation and Advanced Circulatory Support ACS product groups are Terumo Medical Corporation, Maquet Medical Systems, Medtronic plc, Haemonetics Corporation, NeuroPace, Inc. and Abbott Laboratories, Inc., although not all competitors are present in all product lines.

Production, Quality Systems and Raw Materials

We manufacture LivaNova manufactures a majority of our its products at nine manufacturing in facilities located in the US, Italy, Germany, the U.S., Brazil Australia and Australia. We purchase Brazil. LivaNova purchases raw materials and many of the components used in our manufacturing facilities its products from numerous suppliers located in various countries. countries worldwide. For quality assurance, sole source availability or cost effectiveness purposes, we LivaNova may procure certain components and raw materials from a sole supplier. We work closely LivaNova takes countermeasures to reduce its supply chain risk, including working with our suppliers to ensure continuity of supply while maintaining high quality and reliability and working to minimize the instances in which we rely the Company relies on a sole supplier and take other countermeasures to reduce our supply chain risk, but, like many companies, have experienced and continue to experience supply chain delays and interruptions, labor shortages, inflationary pressures and logistical issues. We use supplier. LivaNova uses quality systems in the design, production, development, manufacturing, warehousing and distribution of our its products to ensure our its products are safe and effective. In addition, we utilize LivaNova utilizes environmental management systems and safety programs to protect the environment and our the Company's employees. For example, all of our LivaNova's manufacturing facilities are certified ISO 13485. Additionally, our LivaNova's Mirandola, Italy plant is certified ISO 14001 and ISO 45001 certified, and our its Munich, Germany plant is certified ISO 14001. 14001 certified. For additional information related to our LivaNova's manufacturing facilities, refer to "Item 2. Properties" in this Annual Report on Form 10-K. Report.

Government Regulation and Other Considerations

Our LivaNova's medical devices are subject to extensive government regulation by numerous government agencies, both within and outside the U.S. To varying degrees, each of these US. These agencies requires us require LivaNova to comply with laws and regulations governing the research, development, testing, manufacturing, labeling, pre-market clearance or approval, marketing, distribution, advertising, promotion, record keeping, reporting, tracking, and importing, and exporting of our LivaNova's products. Our LivaNova's business is also affected by patient data privacy and security laws, cost containment initiatives, and environmental health and safety laws and regulations worldwide.

The laws applicable LivaNova works to us are subject to changing and evolving interpretations, and we continue to monitor such shifts. The Company believes it is in ensure compliance with such laws and regulations and while continues to monitor the impact of regulatory changes cannot be predicted with certainty, the Company does not expect compliance laws applicable to have a material adverse effect upon the Company's earnings, competitive position or estimated capital expenditures. However, if a governmental

authority were to conclude that we LivaNova, which are not in compliance with applicable laws and regulations, we and our officers and employees could be subject to severe civil changing and criminal penalties, including substantial fines and damages, and exclusion from participation as a supplier of products to beneficiaries covered by government programs, among other potential enforcement actions. evolving interpretations.

Product Approval and Monitoring

Many countries where we sell our in which LivaNova sells its products subject our the Company's medical devices to their own product approval and requirements regarding performance, safety and quality. Each For example, each medical device we seek that LivaNova seeks to distribute commercially in the U.S., for example, US must receive 510(k) clearance or pre-market approval ("PMA") PMA from the FDA, unless specifically exempted by the agency. The 510(k) process, also known as pre-market notification, requires us LivaNova to demonstrate that our 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 us 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 European Union ("EU") EU has established a single regulatory product approval process, according pursuant to which a "*Conformité Européenne*" (French for "European Conformity") or 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 (i.e., the essential requirements), and then, according to their classification, comply with one or more of a selection of conformity assessment routes. To demonstrate compliance with the essential requirements, we must undergo a conformity assessment procedure, which varies according to the type of medical device and its classification. As a general rule, demonstration of conformity of medical devices and their manufacturers with the essential requirements must be 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 Medical Device Regulation ("Reg MDR"), MDR, which imposed significantly more premarket has resulted in significant additional pre- and post-market requirements requirements. Certifications to EU MDR must be achieved by December 2027 or December 2028, based on the risk classification of the device. Penalties for medical devices upon conclusion regulatory non-compliance can be severe, including fines and revocation or suspension of a three-year implementation period. We have initiated a plan of action to obtain the appropriate approvals for our products company's business license, mandatory price reductions and intend to be fully compliant prior to the May 2024 deadline, though we understand there criminal sanctions.

LivaNova is a proposal to extend the compliance deadline.

We are also required to comply with the regulations of every other country where we commercialize it commercializes products before we the Company can launch or maintain new products in the market. To be sold in Japan, for example, our 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, with the China National Medical Product Administration recently increasing regulatory requirements to market and maintain products in China. stringent. Many countries also require that product approvals be recertified on a regular basis, generally every four to five years. The recertification process requires that we LivaNova to evaluate any device changes change and any new regulations regulation or standards standard relevant to the device and, where needed, required, conduct appropriate testing to document continued compliance. Where recertification applications are required, they must be approved in order to continue selling our products in those countries.

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 harmonization of global regulations, requirements continue to differ significantly among countries. We expect LivaNova expects this global regulatory environment will continue to evolve, which could impact the Company's cost, approval lead time, and ultimately, our or ability to maintain existing approvals or obtain future approvals for our products. product approvals.

Product and Promotional Restrictions

Both before and after we release LivaNova releases a product for commercial distribution, we have 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. US review our LivaNova's design and manufacturing practices, labeling, record keeping, and required reports of adverse experiences and other information to identify potential problems with marketed medical devices. We are 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. US regulatory bodies monitor the manner in which we promote LivaNova promotes and advertise our advertises its products. Although physicians are permitted to use their medical judgment to prescribe medical devices for indications other than those cleared or approved by the FDA, we are LivaNova is prohibited from promoting products for such "off-label" uses and can only market our the Company's products for cleared or approved uses.

Any adverse regulatory action, depending on its magnitude, may limit our LivaNova's ability to market and sell our its products effectively, limit our its ability to obtain future premarket approvals or result in a substantial modification to our LivaNova's business practices and operations. For additional information, see "Item 1A. Risk Factors" of this Annual Report, on Form 10-K, under the section entitled "*Our LivaNova's products are subject to complex laws and regulations, and failure to obtain product approvals, clearance or reimbursement may materially adversely affect our LivaNova's business, results of operations, cash flows and financial condition.*"

Governmental Trade Regulations

The sale and shipment of our LivaNova's products and services across international borders, as well as the purchase of components and products from international sources, subject us 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 economic sanctions against certain countries, persons or entities. In certain circumstances, governmental authorities may require that we LivaNova to obtain an approval before we LivaNova may export or re-export goods, technology or services to certain destinations, to certain end-users and for certain end-uses. Because we are LivaNova is subject to extensive regulations in the countries in which we operate, we are it operates, the Company is subject to the risk that laws and regulations could change in a way that would expose us LivaNova to additional costs, penalties or liabilities.

We LivaNova also sell sells and provide 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 our the Company's products, we LivaNova may be subject to varying degrees of liability depending on the extent of our its participation in the transaction. The activities of these third parties may cause disruption or delays in the distribution and sale of our LivaNova's products or result in restrictions being placed on our the Company's international distribution and sales of products, which may materially impact our LivaNova's business activities.

Patient Data Privacy and Security Laws

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

In the U.S., the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") US, HIPAA, as amended by the Health Information Technology and Clinical Health HITECH Act ("HITECH") and their respective implementing regulations, impose imposes specified requirements relating to the privacy and security and transmission 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 independent contractors or agents 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. We are deemed to operate as In certain instances, LivaNova may be considered a business associate to covered entities in certain instances. associate. In those cases, such instances, the patient data that we receive LivaNova receives may include protected health information, as defined under HIPAA. Enforcement Related enforcement actions can be costly and may also interrupt LivaNova's regular operations of our business. business operations. In addition, state laws, such as the California Consumer Privacy Act ("CCPA"), 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 US states have enacted 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 or, not maintaining data security safeguards at specified levels of quality, or that experience data breaches. For additional information, see "Item 1A. Risk Factors" of this Annual Report, on Form 10-K, under the section entitled "*Cyber-attacks or other disruptions to our LivaNova's information technology systems could lead to reduced revenue, increased costs, liability claims, fines, harm to our 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 on 679. Under the protection GDPR, data concerning health constitutes sensitive data. The processing of natural persons sensitive data is subject to, among other obligations, appropriate notice and consent requirements. Additional requirements apply with regard 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 personal sensitive data, and on the free movement of such data General including carrying out Data Protection Regulation ("GDPR") came into effect in May 2018. One of the strictest Impact Assessments and most comprehensive data privacy laws in the world, the GDPR, among other things, introduced proactive compliance measures, such as the requirement to carry out a Privacy Impact Assessment, Data Transfer Impact Assessment, and appoint appointing a Data Protection Officer in organizations where health data is processed on a "large scale." Although "large scale" is not defined, it is likely that clinical trials involving substantial numbers of patients (or healthy volunteers if applicable) would mean that such requirements apply to us. In addition, the administrative Officer. Administrative fines that can may be levied are significantly increased, for non-compliance with the maximum being GDPR's requirements and can reach the higher of €20 million (approximately $21.4 $22.1 million), or up to 4% of our LivaNova's total worldwide annual net revenue in for the previous preceding financial year.

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 we do LivaNova does business. These changes are causing the marketplace driving customers to put place increased emphasis on the delivery of more cost-effective medical devices and therapies. Government programs, 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, tying by connecting reimbursement to outcomes, by shifting to population health management and through other mechanisms designed to constrain utilization and contain costs. Hospitals which purchase implants, are also seeking to reduce costs through a variety of mechanisms, including, for example, creating centralized purchasing functions that set pricing and, in some cases, limit the number of vendors that can participate in the a given purchasing program. 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 realized cost savings resulting from the physicians' collective change in practice patterns, such as standardization of devices where medically appropriate, and participation in affordable care organizations. Such alignment has created increasing increased levels of price sensitivity among customers for our LivaNova's products.

Some third-party payers must also approve coverage and set reimbursement levels for new or innovative devices or therapies before they will reimburse healthcare providers who that use the medical devices or therapies. Even though a new medical device may be cleared for commercial distribution, we 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 authorized in advance as a condition of coverage.

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

Applicability of Anti-Corruption Laws and Regulations

Our LivaNova's worldwide business is subject to the U.S. Foreign Corrupt Practices Act of 1977 (the "FCPA"), FCPA, the UK Bribery Act of 2010 (the "UK Bribery Act") and other anti-corruption laws and regulations applicable in the jurisdictions where we operate. LivaNova operates. The FCPA can be used to prosecute companies in the U.S. US for arrangements with physicians or other parties outside the U.S. US 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 us LivaNova outside the U.S. US and the UK, all of which are subject to evolving interpretations. For additional information, please refer to "Item 1A. Risk Factors" of this Annual Report, on Form 10-K, under the section entitled "*The failure Failure to comply with anti-bribery laws could materially adversely affect our LivaNova's business and result in civil and/or criminal sanctions.*"

Environmental Regulation and Management

We are LivaNova is subject to various environmental laws, directives and regulations both in the U.S. US and abroad. These laws abroad that have resulted in, and regulations could lead to, increased environmental compliance expenditures increased energy and raw materials costs and new and/or additional investment in designs and technologies. Like other medical device companies, our 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, including those related laws. In addition, governmental authorities may seek to hold LivaNova liable for successor environmental liability violations committed by any companies in which LivaNova invests or acquires or may require LivaNova to clean and remove hazardous substances at its sites that were produced by the operations of prior owners and are unrelated to the transportation of hazardous substances. To the best of our knowledge at this time, we do not believe that compliance with environmental protection laws related Company's current operations. For additional information, please refer to our current operations, including but not limited to the Saluggia site as referenced in "Note 14. 13. Commitments and Contingencies" in our LivaNova's consolidated financial statements under the sections entitled "Saluggia Site Hazardous Substances" and accompanying notes beginning on page F-1 "SNIA Environmental Liability" and "Item 1A. Risk Factors" of this Annual Report, on Form 10-K, will under the section entitled "*LivaNova is subject to environmental laws and regulations and the risk of environmental liabilities, violations, protest voting and litigation in multiple jurisdictions, any of which could have a material impact on our LivaNova's business, results of operations, cash flows, financial position or liquidity. In addition, as noted in Note 14 to such financial statements, we are engaged in litigation with respect to historical remediation claims at sites operated by subsidiaries of SNIA, unrelated to our current operations. For more information, see "Note 14. Commitments condition and Contingencies" to such financial statements. liquidity*."

We believe that sound environmental, health and safety performance contribute to our competitive strength while benefiting our customers, stockholders and employees. We are focused on continuous improvement in these areas by reducing pollution, depletion of natural resources and our overall environmental footprint. Specifically, we work to improve our energy and resource usage, ultimately seeking to reduce greenhouse gas emissions and waste.

Health Care Healthcare Fraud and Abuse and Related Laws

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

US 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. The Specifically, the federal healthcare Anti-Kickback Statute prohibits persons from, among other things, knowingly and willfully offering or paying remuneration, directly or indirectly, to a person to induce the them to order, purchase, order, lease, or recommendation of recommend a good or service for which payment may be made in whole or in part under a federal healthcare program such as Medicare or Medicaid, unless the arrangement fits within one of several statutory exemptions or regulatory "safe harbors." 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 $100,000 $50,000 and imprisonment for up to 10 years. Finally, violations can result in exclusion from participation in government healthcare programs, including Medicare and Medicaid.

In addition to the Anti-Kickback Statute, many states have their own anti-kickback laws. Often, these laws closely follow the language of the federal law, although they do not always have the same exceptions or safe harbors. In some states, these anti-kickback laws apply with respect to all payers, including commercial health insurance companies.

Additionally, violations of the U.S. False Claims Act (the "False Claims Act") can result in significant monetary penalties and treble damages. The U.S. US federal government utilizes the False Claims Act, the Anti-Kickback Statute and the accompanying threat of significant financial liability, 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. US 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. US government's success with in prosecuting claims under the False Claims Act, we anticipate LivaNova anticipates that the U.S. US 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 harbors 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 willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, including private third-party payors; knowingly and willfully embezzling or stealing from a healthcare benefit program; willfully obstructing a criminal investigation of a healthcare offense; and or knowingly and willfully 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, items 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 has is also been a recent trend of increased federal and state regulation of, and transparency with respect to, payments made to physicians and other healthcare providers. We are LivaNova is subject to, for example, to the Physician Payments Sunshine Act, which requires us the Company to report annually certain payments and other transfers of value we make it makes to U.S. US licensed physicians, nurse practitioners, physician assistants, or U.S. teaching hospitals annually. hospitals. Any failure to comply with such laws and regulations hold the potential for criminal and may result in civil financial penalties.

In addition, as discussed above, the US 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 programs.

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 increases the possibility that a healthcare company may violate one or more of the requirements. these requirements and be required to allocate significant resources to its compliance program. If our LivaNova's operations are found to be in violation of any of such laws or any other governmental regulations that apply to us, we 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 our its operations, and exclusion from participation in federal and state healthcare programs, any of which could adversely affect our LivaNova's financial results and the Company's ability to operate our business and our financial results. its business.

Disclosure Pursuant to Section 13(r) of the Exchange Act of 1934

Section 13(r) of the Exchange Act requires issuers to disclose in their annual reports, among other things, certain types of dealings with Iran and other entities, including transactions or dealing with government-owned entities, even when those activities are lawful and do not involve U.S. US persons. Two of our non-U.S. LivaNova's non-US subsidiaries currently sell medical devices, including cardiopulmonary and neuromodulation products, to distributors and non-governmental organizations in Iran to support patient care in that country. We have LivaNova has limited visibility into the identity of the customers of these distributors' and non-governmental organizations' customers organizations in Iran. It is possible that their customers include entities, such as government-owned hospitals or sub-distributors, that are owned or controlled directly or indirectly by the Iranian government. To However, to the best of our its knowledge at this time, we do LivaNova does not have any contracts or commercial arrangements with the Iranian government or other relevant entities.

Our LivaNova's gross revenues and net profits attributable to the above-mentioned Iranian activities were $0.4 $1.0 million and $0.2 $0.5 million for the three months ended December 31, 2022 December 31, 2023, respectively, and $4.9 $4.3 million and $1.8 $1.9 million for the year ended December 31, 2022 December 31, 2023, respectively.

We believe our LivaNova believes its activities are consistent with applicable law, including U.S., US, UK, EU, and other applicable sanctions sanction laws, though such laws are complex and continue to evolve rapidly. We intend The Company intends to continue our its business in Iran.

Human Capital Management

Our LivaNova has approximately 2,900 employees worldwide, representing 75 nationalities and located in 32 countries. These employees are crucial in our achieving the Company's mission to provide hope to our its patients and their families through delivering life-changing medical innovation for the head and the heart. In doing so, we seek to execute our business and encourage our families. LivaNova encourages its employees to live our by LivaNova's five core values: patients first, meaningful innovation, act with agility, commitment to quality and integrity, and collaborative culture. These LivaNova evaluates itself against these values are how we evaluate ourselves and, ultimately, achieve achieves success through them as an organization. They are deeply embedded in our culture, and we continually share stories embodying these values throughout the organization, by way of emailed videos, virtual and in-person town halls and leadership meetings. Our values inspire our good citizenship and how we conduct our business responsibly and sustainably while interacting with our communities, employees and the environment.

Compensation and Benefits

In order to To meet the needs of our LivaNova's patients and customers, we endeavor the Company strives to attract, retain, develop and reward exceptional talent. We have been successful in attracting LivaNova's proactive talent due, in large part, to our proactive recruitment acquisition strategies, competitive compensation and benefits, collaborative and rewarding work environment, leadership development programs, and professional training opportunities have been a significant driver of the Company's success. In addition to base pay, LivaNova's rewards, compensation, and development benefits programs for managers and employees, and health and wellness measures. Our packages may include, depending on jurisdiction, annual performance bonuses, stock awards, pensions, health benefits and health wellbeing programs, paid time off and parental leave, financial assistance for education-related purposes, flexible working schedules, hybrid and remote working, and employee stock purchase plans, and employee rewards programs, among others.

Culture

Maintaining a culture that embodies our values and mission is of the utmost importance. We aim LivaNova seeks to foster a culture where of continuous learning, is continuous, and where open and direct employee communication is valued. Accordingly, we LivaNova regularly conduct an anonymous conducts employee survey engagement surveys, called LivaNova4You, to help measure the overall employment engagement and satisfaction level of our team. The survey provides us and to provide the Company with actionable data which allows our senior leadership to understand and identify for potential opportunities for improvement.

Our Q4 2021 The 2023 LivaNova4You survey results demonstrated saw an increase in overall employee engagement since the last survey in 2021. With over 90% of employees completing the survey, the results indicate an increase in employee satisfaction and growth in collaboration, including employees showing high trust and respect for each other; an increased feeling of recognition on a job well done; empowerment and the feeling of being sufficiently challenged; and flexibility in coming up with new and innovative ways to work. Employees also acknowledged an improvement in the tools and opportunities for advancement, one of our highest improving scores as compared to the previous survey. motivation. In response to feedback from the survey results, we the executive leadership team has committed to address workload, clarify internal development processes, improving, among other things, the digitization of work systems and increase understanding around the Company's benefits as they relate branding.

Performance Management, Leadership Development and Professional Training

LivaNova's annual performance management process is designed to employees. Throughout 2022, we implemented 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 which 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 programs in these place to develop and enhance employees' career paths. The LivaNova Leadership Academy is a program that promotes development through three key areas in response, focusing on reducing workload with different learning forums, Manager Fundamentals, Emerging Leaders and Advanced Leadership, to accelerate the help of digitization and robotic process automation; career pathing, i.e., connecting performance, interests and potential with meaningful development and succession planning; readiness for employees chosen for the program.

LivaNova also supports the continuing education of its employees externally. In the US and developing and launching LivaNova's employee value proposition, i.e., how we market to prospective talent and retain in a competitive job market. Our next survey will be distributed in the spring of 2023.

Development and Training

We attract, develop and retain internationally, eligible employees who are aligned with our mission and values. In doing so, our talent strategy considers performance, values, accountability, transparency and differentiation, all of which are evaluated annually within the context of our performance management system. All employees undergo a robust onboarding program, and at any time, employees have can access to a large offering of training on ethics and integrity, quality, product and other key topics and functions in the organization. Meanwhile, newly hired operators are onboarded and trained per requirements and processes specific to their jurisdiction and the product that is manufactured in their locations. Thereafter, they receive ongoing technical training to ensure they maintain excellent standards financial aid through education reimbursement programs for production and

manufacturing. In 2022, we expanded our suite of trainings to include the LivaNova Business System Academy which aims to teach lean methodologies and practices, i.e., promoting the flow of value to the customer through continuous improvement and respect for people.

An important factor in the Company's future growth is our ability to develop and retain leaders. Our annual talent review process engages our employees to establish development plans and document their skills and capabilities, while managers assess employee potential, create succession plans, and identify possible career path opportunities. In 2022, we launched the LivaNova Commercial Academy, which focuses on the development of current and future leaders by way of a leadership bootcamp that covers real world scenarios, best practices and self-reflection modules over the course of fifteen working sessions. In addition, our own LivaNova University offers both mandatory and on-demand leadership, business strategy and functional skills approved courses and learning paths.

certifications completed independently. Additionally, the Company sponsors professional growth opportunities.
Finally, we offer LivaNova offers internships and apprenticeships across functions around the globe, in partnership with universities and institutions, which can, and do, regularly lead to full-time employment. We believe in continuing education and development regardless of nationality and origin, which is why we partner with organizations to find new talent with hopes of welcoming future, full-time employees. employment at the Company.

Diversity, Equity, and Inclusion

The success of LivaNova thrives on the diversity of perspective, thought, experience and background within our workforce. We recognize recognizes the value in fostering a diverse, equitable and inclusive work environment that is culturally diverse and inclusive and strive strives to provide a workplace free of harassment or discrimination. Accordingly, we the Company closely monitor our monitors its gender metrics at the Board, Executive and senior leadership level on a regular basis. As of December 31, 2022 December 31, 2023, we LivaNova had ten nine Directors on our its Board, of whom 40% three (33%) are female and 60% six (67%) are male. Similarly, the Executive Team The executive leadership team at the end of 2022 2023 consisted of 11 twelve individuals, approximately 27% of whom two (17%) are female and approximately 73% ten (83%) are male. Of our the Company's senior leadership team, which includes the executive team, vice presidents and directors, as of December 31, 2023, approximately 32% 30% are female and approximately 68% 70% are male. Finally, as of December 31, 2022 December 31, 2023, of our LivaNova's approximately 2,900 employees, approximately 52% 51% are female and approximately 48% 49% are male. Our

LivaNova's strategy for accelerating diversity begins with creating new ways to find extraordinary talent, and examples talent. Examples of our the Company's efforts include accurately mapping the talent market, targeting networking with historically black colleges and universities, creating posting job postings that attract highly qualified listings on diverse candidates, expanding the diversity within our sites, ensuring diversity-focused interview panels, and guiding training interviewers on how to conduct a fair, unbiased interview process.

In addition, we have a variety of LivaNova supports internal diversity affinity initiatives, that span including the globe, with a mission to empower an environment where conversations of diversity and inclusion develop a culture of belonging. In July 2022, we launched the "Global Global Women's Network", a group consisting Network which consists of female employees across the globe who convened that convene to discuss topics that unite and celebrate the strength of our diversity. In addition, diversity in the workplace. Similarly, the LivaNova Women's Women's Network, a mentorship program created by women and for women, facilitates pairings between mentors and mentees across all regions. in the US and Latin America. Topics range from career and financial advice to performance management and connection to the Company's strategy. These programs provide members with new perspectives, more personalized development, and an opportunity to network with other women across the organization, thereby contributing to a better corporate culture based on strong, collaborative relationships and continuous opportunities to grow and develop. organization.

In October 2022, we issued our Diversity and Inclusion statement: We embrace diverse perspectives, experiences and backgrounds, knowing they enrich our collaborative culture and drive our success as a company. Diversity and inclusion creates trust and a deeper sense of belonging to our LivaNova community, uniting us to make a meaningful difference in the lives of patients worldwide. The statement was distributed to all leadership teams in the company to increase awareness, create engagement, and induce discussions about the company's diversity and inclusion achievements and suggestions on where we can improve.
Health and Safety

We are committed to the safety and well-being of our employees. We rely on our environmental, health and safety management systems as well as our managers to oversee and ensure health and safety at their respective sites and foster a workplace culture to achieve that end. For onsite employees, we continue to follow safety measures including requesting that those with COVID-19 or exposure thereto, follow the Centers for Disease Control and Prevention ("CDC") or similar local recommendations prior to returning to work. For the remainder of our employees, we offer hybrid working patterns, allowing our employees across the globe – who can work from home – the flexibility to balance their personal and professional needs. We continue to actively monitor the COVID-19 pandemic and its variants and respond based on guidance from U.S. and global health organizations, relevant governmental guidance, and evolving practices.

Seasonality

The number of medical procedures incorporating our LivaNova's products is generally lower during the summer months, particularly in European countries, due to summer vacation schedules.

Available Information

Our LivaNova's executive headquarters are located at 20 Eastbourne Terrace, London, UK W2 6LG. Our The Company's website address is *www.livanova.com.* We make available free Free of charge on or through our its website, our LivaNova makes available its Proxy Statements on Schedule 14A, Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, and reports relating to beneficial ownership of our the Company's securities filed or furnished pursuant to Section 16 of the Exchange Act, as soon as reasonably practicable after electronically filing such material with the SEC. Our LivaNova's website also contains the charters for each standing committee of our its Board of Directors. Directors in addition to the Company's Corporate Governance Guidelines.

We LivaNova may from time to time provide important disclosures to investors by posting them in the Investor Relations section of our its website, as allowed by SEC rules. Information on our LivaNova's website is not incorporated into this Annual Report on Form 10-K. Report.

The SEC also maintains a website at *www.sec.gov* that contains reports, proxy statements and other information about SEC registrants, including LivaNova.

Item 1A. ***Risk Factors***

An investor should carefully consider the risks described below, as well as other information contained in this Annual Report on Form 10-K and in our LivaNova's other filings with the SEC. Based on the information currently known to us, we believe the following information identifies the most significant The Company's business, results of operations, cash flows and financial condition could be materially and adversely affected by any such risks affecting us, but the risks and uncertainties included below are not the only ones related to our businesses. or uncertainties. Additional risks and uncertainties not presently known to us the Company or that we the Company currently believe believes to be immaterial may also adversely affect our its business.

Risks Relating to the Company Company's Business and Operations

Reductions LivaNova is subject to the risks of conducting business internationally.

LivaNova designs, develops, manufactures, markets, and interruptions sells products 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 and under non-US laws, regulations and customs. 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 labor costs; fluctuating interest and exchange rates; evolving sanctions; increased exposure to cyber-attacks and supply chain challenges; changing energy prices; local product changes and compliance requirements; longer payments 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; trade protection measures and import and export licensing requirements; ensuring compliance with anti-bribery laws; different labor regulations and workforce instability; selling its products through distributors and agents; and political and economic instability.

Conflicts, for example, including those in Ukraine and the Middle East, have caused the Company to assess its ability to source materials, sell product, collect payment, and comply with international sanctions in the aforementioned markets. 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 have engaged in business dealings in countries subject to comprehensive sanctions, including Iran, Sudan and Syria in addition to increasing costs have, Russia and Belarus. 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 continue to, engage, and such a violation could adversely affect our its reputation, business, results of operations, cash flows and financial condition.

We purchase 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.

In many of the countries where LivaNova operates, employees are covered by various laws and/or collective bargaining agreements that endow them, through their local or national representatives, with the right to be consulted in relation to specific issues, including reorganizations and staff reductions. The laws and/or collective bargaining agreements that are applicable to these agreements could have an impact on LivaNova's flexibility, as they apply to programs to redefine and/or strategically reposition the Company's activities. LivaNova's ability to implement staff reduction programs or even temporary interruptions of employment relationships is predicated on the approval of government entities and the consent of labor unions. A negative response from a works council or union-organized work stoppages by employees could have a negative impact on LivaNova's business.

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

Cyber-attacks or other disruptions to LivaNova's information technology systems could lead to reduced revenue, increased costs, liability claims, fines, 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 working 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 is critical to LivaNova's operations. The quantity and complexity of the Company's products and information technology systems make such systems vulnerable to cyber-attacks, breakdown, interruptions, destruction, loss or compromise of data, obsolescence or incompatibility among systems or other significant disruptions. The Company has experienced, and is continually at risk of being subject to cyber-attacks and other disruptions. Programs 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. Unauthorized persons routinely attempt to access LivaNova's systems to disrupt, disable or degrade services, obtain proprietary or confidential information, make ransom demands, and/or remotely disrupt or access the systems of large health care providers by exploiting 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 withstand a cyber-attack or other security breach. LivaNova also cannot be certain that the Company will receive timely notification of such cyber-attacks or other security breaches. Cyber-attacks or other security breaches could remain undetected for an extended period, which could potentially result in significant harm to the Company's information technology systems, as well as unauthorized access to the information stored on and transmitted by the Company's information technology systems. In addition, to access LivaNova's products and services, its clients may use computers and other devices that are beyond the Company's security control safeguards.

Unauthorized 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, or cybersecurity, ransomware or malware attacks, or other intentional or unintentional acts, could expose 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 the Company's customers' businesses, or cause LivaNova to lose customers, resulting in significant financial exposure and legal liability. Similarly, unauthorized 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, members of organized crime groups or state-sponsored organizations, who continuously develop and deploy viruses, ransomware, malware or other malicious software programs or social engineering attacks, has 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. Even when a cyber-attack or other security incident is detected, the full extent of the incident may not be determined immediately. The costs to the Company to mitigate cyber-attacks and security incidents could be significant and, while the Company has implemented security measures to protect its information technology systems, its efforts to address these problems may not be successful.

LivaNova's cyber risk insurance may be insufficient to cover all losses, such as 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 has also become more difficult and 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 notified law enforcement. LivaNova continues to assess the full impact of the cybersecurity event on its business, and these impacts may materially affect its results of operations, cash flows and financial condition.

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

There is significant regulatory and enforcement focus on data protection in the US (at both the federal and state level) and abroad, and an actual or alleged failure to comply with applicable US or foreign data protection regulations or other data protection standards may expose LivaNova to litigation, including class action litigation, fines, sanctions or other penalties, 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 employee 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 data breaches, particularly given the increased risks associated with sensitive health information, LivaNova may suffer legal and regulatory consequences in addition to business consequences. As a result of its worldwide operations, the Company may be subject to various data protection and cyber-security laws and regulations in many jurisdictions, including HIPAA, the CCPA and similar state laws, and the GDPR. Other governments have enacted, amended, or are enacting similar data protection laws, including data localization laws that require data to stay within their borders and other technical and operational adaptions 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 regular operations of LivaNova's business. Moreover, LivaNova's insurance coverage may be insufficient to cover all losses. In addition, there is a trend of civil lawsuits and class actions relating to compromises of personal data or other cyber-attacks pursuant to laws such as the CCPA. While LivaNova has not been named in any such lawsuits, the Company could become a target of civil litigation or government enforcement actions as a result of a compromise to or loss of data.

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 our its products from numerous suppliers in various countries. In some cases, we purchase LivaNova 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. Any problem affecting a supplier (whether due to external or internal causes) could have a negative impact on us. LivaNova. Difficulties and delays in manufacturing, internally, externally or otherwise within the supply chain, may lead to voluntary or involuntary business interruptions or shutdowns, product shortages, withdrawals or suspensions of products from the market, and potential regulatory action.

Like many companies, we are experiencing supply chain delays and interruptions, labor shortages, inflationary pressures and logistical issues. While to date, our supply of raw materials and the production and distribution of finished products have not been materially affected, demand and low capacity worldwide have caused longer lead times and put price pressure on key raw materials. Freight and labor costs at our manufacturing facilities have increased substantially in the wake of inflation globally. Moreover, the demand from industrial sectors on semiconductors is causing price increases and shortages on such items, which in turn, has impacted manufacturing in our Munich and Houston sites. In addition, the Ukraine conflict has resulted in high energy costs which are impacting suppliers and putting pressure on prices of raw materials. While we work LivaNova works closely with our its suppliers to ensure supply continuity and minimize the instances in which we rely LivaNova relies on a sole supplier, and take other countermeasures - such as closely managing our inventory - to reduce our supply chain risk, we the Company cannot guarantee that our its efforts will always be successful, especially as a smaller company with lower bargaining power. successful. Moreover, due to strict standards and regulations governing the manufacture and marketing of our LivaNova's products, we the Company may not be able to locate new supply sources quickly or at all in response to a supply reduction or interruption, with resulting in negative effects on our its ability to manufacture our products effectively and timely. To date, the Company's supply of raw materials and the production and distribution of finished products have not been materially affected, but to the extent we are the Company is unsuccessful in managing our its supply chain, any such issues could have a material adverse effect on our business, results of operations, cash flows and financial condition.

We are subject to the risks of conducting business internationally.

We develop, manufacture, distribute and sell our products globally, and we intend to continue to pursue growth opportunities worldwide. Our international operations are subject to risks that are inherent in conducting business globally and under non-U.S. laws, regulations and customs. These risks include sanctions; greater exposure to inflation; rising interest rates; changes in energy prices; increased exposure to cyber-attacks and supply chain challenges; fluctuating exchange rates; local product changes and evolving requirements; longer-term receivables in local jurisdictions; difficulty enforcing agreements; greater exposure to creditworthiness of customers and local law enforcement of obligations; trade protection measures and import and export licensing requirements; failure to comply with anti-bribery laws; different labor regulations and workforce instability; higher danger of terrorist activity, war or civil unrest; selling our products through distributors and agents; and political and economic instability. As an example, Russia launched an invasion in Ukraine in 2022 which has negatively impacted our supply chain and operations in the region, caused the implementation of sanctions by the U.S. and other governments against Russia and Belarus and generated significant volatility and disruptions to the global markets. Any of the aforementioned risks could adversely affect our business, results of operations, cash flows and financial condition.

In addition to sanctions relating to Russia and Belarus, certain of our subsidiaries have engaged in business dealings in countries subject to comprehensive sanctions, including Iran, Sudan and Syria. These business dealings represent an insignificant amount of our consolidated revenues and income but expose us 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. We have established policies and procedures designed to assist with our compliance with such laws and regulations, but there can be no assurance that our policies and procedures will prevent us from violating these regulations in every transaction in which we may engage, and such a violation could adversely affect our reputation, LivaNova's business, results of operations, cash flows and financial condition.

Our functional currency is the U.S. dollar; however, a portion of the revenues earned, and expenses incurred by certain of our subsidiaries are denominated in currencies other than the U.S. dollar. We determine the functional currency of our 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. For transactions denominated in currencies other than our functional currencies, fluctuations in the exchange rate may impact our results of operations

and financial condition; for example in 2022, our net revenue and profitability were negatively affected by the unfavorable foreign currency exchange impact of the strengthened U.S. dollar against a number of currencies. Although in the future we may elect to hedge certain foreign currency exposure, we cannot be certain that the hedging activity will eliminate our currency risk.

In addition, in many of the countries where we operate, employees are covered by various laws and/or collective bargaining agreements that endow them, through their local or national representatives, with the right to be consulted in relation to specific issues, including the downsizing or closing of departments and staff reductions. The laws and/or collective bargaining agreements that are applicable to these agreements could have an impact on our flexibility, as they apply to programs to redefine and/or strategically reposition our activities. Our ability to implement staff downsizing programs or even temporary interruptions of employment relationships is predicated on the approval of government entities and the consent of labor unions. A negative response from a works council or union-organized work stoppages by employees could have a negative impact on our business.

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

We operate LivaNova operates in a highly competitive market characterized by increasingly complex products that are expensive and time consuming time-consuming to develop and manufacture. In the product lines in which we compete, we face 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 specialized products. Development by other companies of new or improved products, processes, or technologies may make our LivaNova's products or proposed products less competitive. In addition, we face LivaNova faces competition from providers of alternative medical therapies, such as pharmaceutical companies pharmaceuticals, and providers of cannabis derived products, surgical interventions, among others. Competitive factors include 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 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; and reimbursement approval. effectiveness of systems and processes. Difficulties in any of these areas may cause our have a material adverse effect on LivaNova's business, results of operations, cash flows and financial condition condition.

The rapid pace of technological development in the medical industry and the specialized expertise required in different areas of medicine make it difficult for one company alone to suffer. 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 will become obsolete over time, and its business and financial results would 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.

Our LivaNova expects to make investments where it believes that the Company can develop, or acquire, new technologies and products to further LivaNova's strategic objectives and strengthen LivaNova's existing businesses. 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 success and continuing development of LivaNova's products depend on maintaining strong relationships with physicians and healthcare professionals. 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 strong 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.

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

Our LivaNova's medical devices and technologies, as well as our its business activities, are subject to a complex set of regulations and rigorous enforcement, including by the FDA, U.S. US Department of Justice, Health and Human Services - Office of the Inspector General, HHS, and numerous other federal, state, and non-U.S. non-US governmental authorities. 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 us LivaNova to comply with laws and regulations governing the development, testing, manufacturing, labeling, reimbursement, marketing, and distribution of our LivaNova's products. As a part of the approval, marketing clearance approval or reimbursement process for new products and new indications for existing products, we LivaNova may conduct numerous clinical trials with a variety of study designs, patient populations and trial endpoints. studies. Unfavorable or inconsistent clinical data from existing or future clinical trials, or the markets', FDA's, the Centers for Medicare & Medicaid Services' ("CMS's") or non-U.S. governmental authorities' perception interpretation of such clinical data by customers and/or regulatory authorities, may adversely impact our LivaNova's ability to obtain product approvals and receive reimbursement. Currently,

LivaNova, for example, we are is currently conducting the RECOVER clinical study - studies, and any delays or news regarding unfavorable or inconsistent data could have a material adverse effect on our LivaNova's business. Success in pre-clinical testing and early clinical studies does not always ensure that later clinical studies will be successful, as we LivaNova experienced and announced, for instance, in connection with the VITARIA SYSTEM in stopping enrollment of the ANTHEM-HFrEF clinical trial, and we LivaNova cannot be sure that later studies will replicate the results of prior studies. Any delay or termination of our LivaNova's clinical studies will delay or preclude the filing of regulatory submissions or requests for coverage determinations and, ultimately, our LivaNova's ability to commercialize new products or product modifications and obtain reimbursement for our 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 profile, which could inhibit further marketing and development of such products.

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

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

Both before and after a product is commercially released, we have LivaNova has ongoing responsibilities under FDA and other applicable non-U.S. non-US government agency regulations. For instance, many of our LivaNova's facilities and procedures and those of our its suppliers are subject to periodic inspections by the FDA, which can result, and in the

past has resulted, in inspectional observations on the FDA's Form-483, warning letters, or other forms of enforcement. If the FDA were to conclude that we are LivaNova is not in compliance with applicable laws or regulations, or that any of our 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, or require certificates of non-U.S. governments for exports, and/or require us LivaNova to notify health professionals and others that the devices present unreasonable risks of substantial harm to the public health. For example, in 2015, we received a warning letter from the FDA alleging certain violations of FDA regulations, which resulted in certain devices that were manufactured in Munich, Germany, to be denied admission to the U.S. until resolution of the issues set forth Similar consequences could follow, such as audits by the FDA in the warning letter. See "Note 14. Commitments non-US regulators and Contingencies" in our consolidated financial statements included in this Annual Report on Form 10-K for related information. notified bodies.

While we work diligently to manage our ongoing responsibilities, the The FDA and other non-U.S. non-US government agencies could also assess civil or criminal penalties against us, our LivaNova, the Company's officers, or other employees and and/or impose operating restrictions on a company-wide basis. The FDA could also recommend prosecution to the U.S. US Department of Justice. An adverse regulatory action could restrict us LivaNova from effectively marketing and selling our its products, limit our its ability to obtain future pre-market clearances or PMAs, and result in a substantial modification to our 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 our LivaNova's business, results of operations, cash flows and financial condition.

In addition, in the U.S., device manufacturers are prohibited from promoting their products for uses and indications that are not set forth in the approved product labeling (so called "off-label uses"). Our VNS Therapy System, for example, is indicated in the U.S., as an adjunctive therapy in reducing the frequency of seizures in patients 4 years of age and older with partial onset seizures that are refractory to antiepileptic medications, yet a number of physicians elect to prescribe our device for certain patients suffering from conditions outside the indications of our products. While physicians may exercise their discretion in prescribing a device off-label, a device manufacturer's failure to comply with the related applicable regulations could subject us LivaNova to significant civil or criminal exposure, administrative obligations and costs, and/or other potential penalties from, and/or agreements with, the federal government. Similarly, penalties. The EU Reg MDR, for example, prohibits manufacturers from misleading users and patients by suggesting uses for the device other than those stated as part of the intended purpose for which the conformity assessment was carried out.

Governmental regulations outside the U.S. US have, and may continue to, become increasingly stringent and common. In common as well. For example, the EU for example, EU Reg MDR became effective in 2021, resulting has resulted in significant additional premarket and post-market requirements which requirements. Certifications to EU MDR must be in place achieved by May 2024 (though there is a proposal to extend December 2027 or December 2028, based on the compliance deadline). During this transition period, risk classification of the device. In the interim, the European Commission is allowing companies to use their Medical Device Directive ("MDD") MDD certifications. We are LivaNova is working to obtain all appropriate approvals in order to be fully compliant by the May 2024 deadline, as required, as penalties for regulatory non-compliance can be severe, including fines and revocation or suspension of a company's business license, mandatory price reductions and criminal sanctions. license. The development and implementation of future laws and regulations may also have a material adverse effect on us.

If our 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 we may initiate a recall of our products voluntarily.

The FDA and similar non-U.S. governmental authorities may require the recall of commercialized 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 health. Manufacturers, on their own initiative, may recall a product with a material deficiency, and we have initiated voluntary product recalls in the past. Any recall announcement could harm our reputation with customers and negatively affect our revenue. A recall could also impair our ability to produce our products in a cost-effective and timely manner. In the future, we may initiate voluntary withdrawal, removal or repair actions that we determine do not require notification as a recall. If a regulating authority were to disagree with our determinations, it could require us 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 we may decide, that we need to obtain new approvals or clearances for the device before we market or distribute the corrected device. Seeking such approvals or clearances may delay our ability to replace the recalled devices in a timely manner. Any corrective action, whether voluntary or involuntary, or litigation, will require the dedication of our time and capital, distract management from operating the business, and may harm our reputation and financial results. Moreover, if we do not adequately address problems associated with our devices, we may face additional regulatory enforcement action, including FDA warning letters, product seizure, injunctions, administrative penalties, or civil or criminal fines, any or all of which could have a material adverse effect on our business.

As a manufacturer of medical devices, we are exposed to product liability claims that could adversely affect our consolidated financial condition and tarnish our reputation.

We manufacture and sell medical devices, both equipment and implantables, 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 with respect to these or other products we manufacture, or sell could result in an unsafe condition, 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 our products. For example, as described in "Note 14. Commitments and Contingencies" in our consolidated financial statements included in this Annual Report on Form 10-K, we are involved in product liability litigation relating to our cardiopulmonary 3T Heater-Cooler product that may adversely affect our financial condition and may require us to devote significant resources to our defense of these claims. Although we are defending these matters vigorously, the outcome could have a material adverse effect on our business.

We have elected to self-insure with respect to a significant portion of our product liability risks and also hold global insurance policies to cover a portion of future potential losses. Product liability claims or product recalls in the future, regardless of their ultimate outcome, could have a material adverse effect on our business and reputation and on our ability to attract and retain customers for our products, and losses from product liability claims in the future could exceed our product liability insurance coverage and lead to a material adverse effect on our financial condition and liquidity. In addition, future unanticipated large liability claims may raise substantial doubt about our ability to continue as a going concern. LivaNova.

Global healthcare policy changes and reduction in reimbursement for products may have a material adverse effect on us. LivaNova.

In response to increases in healthcare costs, there have been and continue to be proposals by governments, regulators and third party third-party payers to control these costs. These proposals have resulted in efforts to enact healthcare system reforms that may lead to pricing restrictions, payback requirements, limits on the amounts of reimbursement available for our LivaNova's products and limits on the acceptance and use of our LivaNova's products. As previously disclosed, for For example, in 2015, the Italian Parliament introduced rules for entities that supply goods and services to the Italian National Healthcare System. This healthcare law impacts System, impacting the business and financial reporting of medical technology sector companies that sell devices in Italy. 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 we are LivaNova is appealing the imposition of the guidelines and requests for payment pursuant to the rule we as well as waiting on the Constitutional Court in Italy to determine the constitutionality of the rule, the Company may not be

successful. See “Note 14. 13. Commitments and Contingencies” in our LivaNova’s consolidated financial statements included in this Annual Report on Form 10-K for additional information.

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

Our failure 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 us LivaNova to penalties and limit patient access to our its devices, thereby adversely impacting our the Company’s reputation and business operations.

Our LivaNova’s devices and therapies are subject to regulation by various governmental agencies worldwide that are responsible for coverage, reimbursement and regulation of regulating healthcare goods and services, including laws and regulations related to kickbacks, false claims, self-referrals and healthcare fraud. Because our LivaNova’s marketing practices involve direct promotion to patients in certain jurisdictions, we are the Company is subject to additional laws and regulations intended to prevent misleading of patients and consumers through unethical promotional activities and related data collection practices. Any failure to comply with these laws and regulations could subject us the Company or our 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 the 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 harbors available under such laws, it is possible that some of our LivaNova’s business activities, including our the Company’s relationships with surgeons and other healthcare providers, some of whom recommend, purchase and/or prescribe our LivaNova’s devices, group purchasing organizations and our 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 our LivaNova’s reputation and/or business operations.

Furthermore, our LivaNova’s devices, products and therapies are purchased principally by hospitals or physicians that typically bill various third party third-party payers, such as governmental healthcare programs (e.g., Medicare, Medicaid and comparable non-U.S. non-US programs), private insurance plans and managed care plans for the healthcare services provided to their patients. The ability of our LivaNova’s customers to obtain appropriate reimbursement for products and services from third party third-party payers is critical because it affects which products customers purchase and the prices they are willing to pay. As a result, our LivaNova’s devices, products and therapies are subject to regulation regarding quality and cost by the U.S. Department of Health and Human Services, HHS, including CMS, as well as comparable state and non-U.S. non-US 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. US FDA-approved devices reimbursable by federal healthcare programs, we are LivaNova is subject to the Physician Payments Sunshine Act, which requires us the Company to annually report certain payments and other transfers of value we make LivaNova makes to U.S.-licensed US-licensed physicians, U.S. US teaching hospitals or other covered recipients. Any failure to comply with these laws and regulations could subject us the Company or our its officers and employees to criminal and civil financial penalties.

Finally, we are LivaNova is subject to risks relating to changes in government and private medical reimbursement programs and policies and changes in legal regulatory requirements in the U.S. US and around the world. Implementation of further legislative or administrative reforms to these reimbursement systems, or adverse decisions relating to coverage of or reimbursement for our LivaNova’s products by administrators of these systems, could have a material adverse impact on the acceptance of and demand for our the Company’s products and the prices that our LivaNova’s customers are willing to pay for them.

Cyber-attacks If LivaNova’s marketed medical devices are defective or other disruptions to our information technology systems otherwise pose safety risks, the FDA and similar non-US governmental authorities could lead to reduced revenue, increased costs, liability claims, fines, harm to our competitive position require their recall or initiate an enforcement action, or LivaNova may initiate a recall of the Company’s products voluntarily.

The FDA and loss similar non-US governmental authorities may require the recall of reputation.

We are increasingly dependent on our information technology systems and those of third parties to operate our business, and certain commercialized products of ours include integrated software and information technology. Such dependencies have been exacerbated by remote working practices. We rely on information technology systems to collect and process customer orders, manage product manufacturing and shipping and support regulatory compliance, and we routinely process, store and transmit large amounts of data, including sensitive personal information, patient health information and confidential business information. The secure processing, maintenance and transmission of this information is critical to our operations but the size and complexity of our products and the information technology systems on which we rely make them vulnerable to cyber-attacks, breakdown, interruptions, destruction, loss or compromise of data, obsolescence or incompatibility among systems or other significant disruptions. Unauthorized persons routinely attempt to access our products or systems in order to disrupt, disable or degrade services, to obtain proprietary or confidential information, to make ransom demands, or to remotely disrupt or access the systems of large health care providers by exploiting our systems. We maintain an information security risk insurance policy and continue to enhance our information security programs. While we have not fallen victim to any material cyber-attacks, such an incident or an incident at a third-party vendor could compromise our networks and our information could be accessed, publicly disclosed, lost or stolen. The negative publicity resulting from such disruptions could significantly impact our reputation and stock price, and the financial consequences could have a material effect on our business.

In addition, from time to time, we may acquire or divest businesses. As a result of acquisitions, we may face risks due to implementation, modification, or remediation of controls, procedures and policies relating to data privacy and cybersecurity at the acquired company. We continue to consolidate and over time integrate the number of systems we operate, and to upgrade and expand our information system capabilities for stable and secure business operations. There can be no assurance that our process of consolidating, protecting, upgrading and expanding our systems and capabilities, continuing to build security into the design of our products, and developing new systems to keep pace with continuing changes in information processing technology will be successful or that additional systems issues will not arise in the future. Similarly, we may divest and have divested portions event of our business, resulting material deficiencies or defects in design, software or manufacture, or in the migration of data and overlapping data obligations. As event that a result of such divestitures, we may face risks due to migration or modification of controls, procedures and policies relating product poses an unacceptable risk to data privacy and cybersecurity internally or enroute. Any significant breakdown, intrusion, interruption, corruption or destruction of these systems, as well as any data breaches, could have patients’ health. Manufacturers, on their own initiative, may recall a product with a material adverse effect on our business.

The costs of complying with the requirements of federal, state and foreign laws pertaining to the privacy and security of personal information, including health related information deficiency, and the potential liability associated with failure to do so, could materially adversely affect our business and results of operations.

There is significant regulatory and enforcement focus on data protection Company has initiated voluntary product recalls in the U.S. (at both the state and federal level) and abroad, and an actual or alleged failure to comply with applicable U.S. or foreign data protection regulations or other data protection standards may expose us to litigation (including, in some instances, class action litigation), fines, sanctions or other penalties, which past. Any recall announcement could harm our LivaNova's reputation with customers and adversely impact our negatively affect LivaNova's reputation, business, results of operations, cash flows and financial condition. We collect, store position. A recall could also impair LivaNova's ability to produce its products in a cost-effective and handle patient data, including sensitive health information, timely manner. In the future, LivaNova may initiate voluntary withdrawal, removal or repair actions that the Company determines do not require notification as a recall. If a regulating 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 this regulatory environment is increasingly challenging capital, distract management from operating the business, and may present material obligations harm LivaNova's reputation and risks to our business, including significantly expanded compliance burdens, costs and enforcement risks. If we are unable to ensure personal information is lawfully collected, stored, handled and secured with reliable information technology systems to prevent data breaches, particularly given the increased risks financial results. Moreover, if LivaNova does not adequately address problems associated with sensitive health information, we its devices, the Company may suffer legal and face additional regulatory consequences in addition to business consequences. Our worldwide operations mean that we are subject to various data protection and cyber-security laws and regulations in many jurisdictions, enforcement action, including but not limited to the HIPAA, CCPA, Brazilian General Data Protection Law, and GDPR. Other governments FDA warning letters, product seizure, injunctions, administrative penalties, or civil or criminal fines, any of which could have enacted, amended or are enacting similar data protection laws, including data localization laws that require data to stay within their borders and other technical and operational adaptions that may be required given the rapid changes in data protection regulation where we conduct a material adverse effect on LivaNova's business. Despite programs to comply with such laws and regulations and our purchase of a cyber insurance policy, there is no guarantee that we will avoid enforcement actions by governmental bodies or that we will continue to maintain a cyber insurance policy, as result of cost, availability or other considerations. Enforcement actions may be costly and interrupt regular operations of our business. In addition, there is a trend of civil lawsuits and class actions relating to breaches of consumer data or other cyber-attacks pursuant to laws such as CCPA. While we have not been named in any such lawsuits, if a breach or loss of data occurs, we could become a target of civil litigation or government enforcement actions.

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

Our 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 we do business, that the Company does business. These laws generally prohibit us LivaNova and our 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 the U.S., US, many of our LivaNova's customer relationships are potentially subject to such laws.

We are, LivaNova is, therefore, exposed to the risk that our 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 our LivaNova's Code of Conduct. We maintain LivaNova maintains policies and programs to educate our its employees and agents on these legal requirements, and to prevent and prohibit improper practices. However, existing safeguards and any future improvements may not always be effective, and our LivaNova's employees, consultants, sales agents, or distributors may engage in conduct for which we LivaNova could be held responsible. In addition, regulators could seek to hold us LivaNova liable for conduct committed by companies in which we invest LivaNova invests or that we acquire. acquires. The FCPA can pose unique challenges for manufacturers who operate in foreign cultures where conduct prohibited by the FCPA may not be viewed as illegal in local jurisdictions. It is not always possible to identify and deter misconduct by our LivaNova's employees and other third parties, and the precautions we take the Company takes to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us LivaNova from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance 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. We LivaNova cannot predict the nature, scope or effect of future regulatory requirements to which our 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 us LivaNova to government scrutiny, severe criminal or civil sanctions and other liabilities, including exclusion from government contracting or government healthcare programs, and could negatively affect our LivaNova's reputation, business, results of operations, cash flows and financial condition.

Quality concerns 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.

Quality is extremely 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 components will be harmed, its competitive advantage could be damaged, and LivaNova could lose customers and market share.

We LivaNova may not successfully execute or achieve the expected benefits of the Company's 2024 Restructuring Plan and other cost saving measures the Company may take in the future which may adversely affect the Company's business, financial condition and results of operations.

On January 5, 2024, LivaNova's Board of Directors approved the 2024 Restructuring Plan to enhance the Company's focus on its core Cardiopulmonary and Neuromodulation segments. As part of the 2024 Restructuring Plan, the Company will wind down the ACS segment, which is anticipated to be substantially complete by the end of 2024. The 2024 Restructuring Plan is based on the Company's current estimates, assumptions and forecasts, which are subject to known and unknown risks and uncertainties, including assumptions regarding cost savings, cash burn rate, and effectiveness of the Company's reduced spend. Additionally, LivaNovamay not fully achieve the expected cost savings, enhanced liquidity and other benefits anticipated from the 2024 Restructuring Plan. To the extent that the Company is unsuccessful in implementing the 2024 Restructuring Plan or other, future cost saving measures, such issues could have a material adverse effect on LivaNova's business, reputation, result of operations, cash flows, and financial condition. For additional information on the 2024 Restructuring Plan, please refer to "Note 6. Restructuring" in LivaNova's consolidated financial statements included in this Report.

Legal and Intellectual Property 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, both equipment and implantables, 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 13. Commitments and Contingencies" in LivaNova's consolidated financial statements included in this Report, the Company is involved in product liability litigation relating to its cardiopulmonary 3T Heater-Cooler product that may adversely affect LivaNova's financial condition and may require the Company to devote significant resources to its defense and/or settlement of these claims. Although the Company is defending these matters vigorously, the outcome could have a material adverse effect on LivaNova's business.

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. Product liability claims or product recalls in the future, regardless of their ultimate outcome, could have a material adverse effect on LivaNova's business and reputation and 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 environmental laws and regulations and the risk of environmental liabilities, violations, protest voting and litigation in multiple jurisdictions, any of which could have a material impact on our LivaNova's business, results of operations, cash flows, financial condition and liquidity.

Certain environmental laws assess liability on current, prior and/or related owners or operators of real property for the costs or of investigation, removal, or remediation of hazardous substances at on their properties or at properties on which they have disposed of hazardous substances. It is also possible that a governmental authority may seek to hold us liable for successor liability violations committed by any companies in which we invest or that we acquire. For example, our 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 we 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 addition, we are It is also possible that a governmental authority may seek to hold LivaNova liable for successor liability violations committed by any companies in which LivaNova invests or acquires. For example, LivaNova is currently in litigation with the government in Italy stemming from a civil action where the Court of Appeal in Milan ("Court of Appeal") declared LivaNova (formed through a merger with Sorin) liable for environmental liabilities incurred by SNIA's (a former parent company of Sorin) other subsidiaries. In November 2021, the Court of Appeal delivered the remainder of its decision, ordering LivaNova to pay damages of approximately €453.6 million (approximately $484.9 million as of December 31, 2022). LivaNova appealed both the liability and damages decisions, which will be decided together at the Italian Supreme Court. In February 2022, the Court of Appeal granted a stay on the demand for payment from the Public Administrations pending resolution of the Company's appeal on liability and damages. The stay was granted with the condition that the Company provide a first demand bank guarantee of €270.0 million (approximately $288.6 million as of December 31, 2022) within 30 calendar days, which was promptly delivered. See "Note 14. 13. Commitments and Contingencies" in our LivaNova's consolidated financial statements included in this Annual Report on Form 10-K for additional information regarding these two matters. Our LivaNova's business, results of operations, cash flows, financial condition and liquidity could be materially adversely affected by a negative decision in the case of SNIA and could be adversely affected by an increase in anticipated costs relating to transportation 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, our LivaNova's operations involve the use of substances regulated under environmental laws, including for purposes of sterilization. Regulations require sterilization of our LivaNova's products, and in 2021, we unveiled our new the Company operates a sterilization facility in

Colorado allowing the Company to sterilize certain of its products in-house. The U.S. US Environmental Protection Agency and certain states have begun scrutinizing the levels of community exposure to ethylene oxide ("EtO"). EtO, which is used in the sterilization 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 we LivaNova or our its contract sterilizers are unable to sterilize our LivaNova's products, whether due to regulatory, legislative, or other constraints, including on the use of EtO, we 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 our LivaNova's results of operations and financial condition.

Our inability to attract and retain highly skilled and experienced personnel could negatively impact our ability to effectively manage and expand our business.

We depend heavily on the contributions of the principal members of our business, such as senior management, manufacturing, sales, marketing, and R&D positions, many of whom would be difficult to replace. Each of these persons' individual and collective efforts LivaNova is critical to us as we continue to develop our products and expand our commercial activities and business operations. Our key personnel include our senior officers and executive management team, many of whom have very specialized scientific, medical or operational knowledge. The loss of any key personnel could negatively impact our results of operations, particularly if we experience difficulties in hiring qualified successors.

Furthermore, competition for experienced employees in the medical device industry, particularly for persons with specialized skills, can be intense. Our ability to recruit such talent will depend on a number of factors, including compensation and benefits, work location and work environment. If we cannot effectively recruit and retain qualified executives and employees, our business, results of operations, cash flows and financial condition could be adversely affected.

We cannot guarantee that our internal R&D efforts and those R&D efforts that rely on investments and investment collaborations will be successful.

Our strategy to provide a broad range of therapies to restore patients to fuller, healthier lives requires a wide variety of technologies, products and capabilities. The rapid pace of technological development in the medical industry and the specialized 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, we also rely on investments and investment collaborations to provide us access to new technologies.

If we fail to develop innovative new and enhanced products and services on a timely basis, our offerings will become obsolete over time and our business and financial results would be negatively impacted. Our success depends on several factors, including our ability to appropriately allocate our R&D funding to products and services with higher growth prospects, for example, further incorporation of software; hire and retain the necessary R&D talent; stimulate customer demand for and convince customers to adopt new technologies; innovate and develop new technologies and applications; and acquire or obtain third-party technologies that may have valuable applications in the markets that we serve.

We expect to make investments where we believe that we can stimulate the development of, or acquire, new technologies and products to further our strategic objectives and strengthen our existing businesses. Investments and investment collaborations in and with medical technology companies are inherently risky, and we cannot guarantee that any of

our previous or future acquisitions, investments or investment collaborations will be successful or will not materially adversely affect our business, results of operations, cash flows and financial condition.

Increasing attention on environmental, social and governance ("ESG") matters may have a material impact on our reputation and business operations, impose additional costs on us, and expose us to additional risks.

There is a heightened focus from stakeholders, including regulators and shareholders, on issues relating to ESG matters, including environmental stewardship, social responsibility, diversity and inclusion, and corporate governance matters. In addition, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters. Unfavorable ESG ratings may lead to negative investor sentiment toward the Company, which could have a negative impact on our stock price and our access to and costs of capital. Increasing attention on ESG issues related to our business requires the continuous monitoring of various and evolving laws, regulations, standards and expectations and the associated reporting requirements. A failure to adequately meet stakeholder expectations may result in noncompliance, reputational impacts, the loss of business and a diluted market valuation. In addition, our adoption of certain standards or mandated compliance to certain requirements could necessitate additional investments that could impact our profitability.

If our ESG initiatives fail to satisfy investors, customers, or other stakeholders, our reputation, our ability to sell products and services to customers, and our attractiveness as an investment, business partner or acquirer could be negatively impacted. Similarly, our failure to fulfill our ESG goals, targets and objectives or to satisfy various reporting standards could also have similar negative impacts on our reputation, business and result of operations.

The impact of pending or existing climate change resulting from increased concentrations of carbon dioxide and other greenhouse gases in the atmosphere could present major risks to our future operations.

The physical impacts of natural disasters and extreme weather conditions, such as hurricanes, tornadoes, earthquakes, winter storms, wildfires or flooding could pose physical risks to our facilities, temporarily reduce demand, disrupt our supply chain operations and our suppliers' operations, and negatively impact operational costs. Additionally, the impacts of climate change on global water resources may result in water scarcity, which could impact our ability to access sufficient quantities of water in manufacturing locations and result in increased costs. As new legal and regulatory requirements designed to mitigate the effects of climate change on the environment are increasing, they may impose obligations which may increase our compliance burdens and costs to meet these obligations. Individually or in the aggregate, such risks could materially negatively impact our future operations.

Quality concerns with our processes, goods, and services could harm our reputation for producing high-quality products and erode our competitive advantage, sales, and market share.

Quality is extremely important to us and our customers due to the serious and costly consequences of product failure. Our quality certifications are critical to the marketing success of our goods and services. If we fail to meet these standards, our reputation could be damaged, we could lose customers, and our revenue and results of operations could decline. Aside from specific customer standards, our success depends generally on our ability to manufacture precision-engineered components, sub-assemblies, and finished products to exact tolerances and from multiple materials. If our components fail to meet these standards or fail to adapt to evolving standards, our reputation as a manufacturer of high-quality components will be harmed, our competitive advantage could be damaged, and we could lose customers and market share.

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

We rely LivaNova relies on a combination of patents, trade secrets, and non-disclosure and non-competition agreements to protect our the Company's proprietary intellectual property, and we LivaNova will continue to do so. While we intend LivaNova intends to defend against any threats to our the Company's intellectual property, any litigation to counter the infringement, misappropriation, or unauthorized use of our LivaNova's intellectual property may require the expenditure of significant financial and managerial resources, which may adversely affect our LivaNova's business, results of operations, cash flows and financial condition. Additionally, our 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 our the Company's technology. Further, pending patent applications may not result in patents being issued to us. LivaNova. Patents issued to or licensed by us 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 our the Company's technology, and may limit our LivaNova's competitive advantage. Third parties could obtain patents that may require us LivaNova to negotiate licenses to conduct our business, and the required licenses may not be available on reasonable terms or at all.

We LivaNova also rely 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. We LivaNova cannot be certain that these agreements will not be breached, that we 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 our LivaNova's trade secrets or proprietary knowledge. Further, new proposed regulations in the U.S. US would prohibit certain competition agreements, and if final regulations are adopted as proposed and enforced, we LivaNova may not be able to rely on such agreements with certain of our the Company's employees or other parties.

We operate LivaNova operates in an industry characterized by extensive patent litigation and are has been, and is, subject to patent claims from time to time. While we intend 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 our LivaNova's manufacture and sale of affected products or require us 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 we market LivaNova markets some of our its products do not protect our the Company's intellectual property rights to the same extent as in the U.S., US, which may impact our its market position in those countries. We LivaNova could also face competition in countries where we have the Company has not invested in an intellectual property portfolio, or where we have the Company has not invested in the same protection as in the U.S. US. If we are the Company is unable to protect our LivaNova's intellectual property in those countries, it could have a material adverse effect on our LivaNova's reputation, business, results of operations, cash flows and financial condition.

COVID-19 has had, and may continue to have, an adverse effect on our business, results of operations, cash flows and financial condition, the nature and extent of which are uncertain and unpredictable.

While we have seen improvement in demand for our products and resumption of our clinical trials as the strength of COVID-19 and its variants have waned, the pandemic and its effects on the economy, employment, patient behaviors and supply chain, among others, has had an adverse effect on, and may continue to impact our business. Please refer to the

section entitled "*Reductions and interruptions in supply chain in addition to increasing costs have, and may continue to, adversely affect our business, results of operations, cash flows and financial condition*" above.

The Company continues to respond to such challenges, and while we have business continuity plans in place, the impact of the ongoing challenges we are experiencing, along with their potential escalation, may adversely affect our business. The future impact of pandemic-related developments remains uncertain, and we continue to monitor relevant conditions as there can be no assurances that there will not be delays or closures of clinical sites, variable demand for products or material impacts on our supply chain should COVID-19 or its reverberating impacts on the economy strengthen or reemerge.

Our inability to integrate recently acquired businesses or to successfully complete and integrate future acquisitions could limit our future growth or otherwise be disruptive to our ongoing business.

From time to time, we acquire businesses and may pursue acquisitions in support of our strategic goals. There can be no assurance that acquisition opportunities will be available on acceptable terms or at all, or that we will be able to obtain necessary financing or regulatory approvals to complete potential acquisitions. The success of any acquisition, investment or alliance may be affected by a number of factors, including our ability to properly assess and value the potential business opportunity or to successfully integrate any businesses we may acquire into our existing business. The integration of the operations of acquired businesses requires significant efforts, including the coordination of information technologies, human resources, R&D, sales and marketing, operations, manufacturing, legal, compliance and finance. These efforts result in additional expenses and involve significant amounts of management's time that cannot then be dedicated to other projects. Failure to manage and coordinate the growth of the combined company successfully could also have an adverse impact on our business. In addition, we cannot be certain that our investments, alliances and acquired businesses will become profitable or remain so. If our investments, alliances or acquisitions are not successful, we may incur costs in excess of what we anticipate.

We may incur impairments of intangible assets and goodwill that may adversely affect our financial results.

We review, when circumstances warrant, the carrying amounts of our intangible assets to determine whether those carrying amounts continue to be recoverable in accordance with U.S. Generally Accepted Accounting Principles. Significant negative industry or economic trends, disruptions to our businesses, significant unexpected or planned changes in the use of assets, divestitures and market capitalization declines, among other events, may result in impairments to goodwill and other intangible assets. Recent impairments have significantly affected our financial results, and future impairments could significantly affect reported financial results.

As of December 31, 2022, the carrying value of our net intangible assets and goodwill totaled $1.1 billion, which represented 49.6% of our total assets. During the quarter ended September 30, 2022, we determined the goodwill associated with our ACS reporting unit was impaired, and as a result, recorded an impairment of $129.4 million. During the year ended December 31, 2020, we entered into a Purchase Agreement for the divestiture of certain of LivaNova's subsidiaries as well as certain other assets and liabilities relating to the Company's Heart Valve business that resulted in an impairment of the Heart Valves disposal group of $180.2 million and a $21.3 million goodwill impairment. For additional information, please refer to "Note 5. Divestiture of Heart Valve Business" in our consolidated financial statements and accompanying notes, beginning on page F-1 of this Annual Report on Form 10-K.

The success and continuing development of our products depend on maintaining strong relationships with physicians and healthcare professionals.

If we fail to maintain our working relationships with physicians and other healthcare professionals, our products may not be developed and marketed in line with the needs and expectations of the professionals who use and support our products. Physicians assist us as researchers, marketing consultants, product consultants, inventors and public speakers, and we rely on these professionals to provide us with considerable knowledge and experience. If we are unable to maintain these strong relationships, the development and marketing of our products could suffer, which could have a material adverse effect on our business, results of operations, cash flows and financial condition.

Inadequate funding for U.S. US federal government agencies and government shutdowns could negatively affect our 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 budget and funding levels, the ability to hire and retain key personnel, government shutdowns, and statutory, regulatory and policy changes. In addition, a portion of our LivaNova's revenue is dependent on U.S. US federal government healthcare program reimbursement. Any disruption in U.S. US federal government operations, including government shutdowns, could have a material adverse effect on our LivaNova's business, results of operations, cash flows and financial condition.

Risks Related to our LivaNova's Indebtedness

Paying amounts due in cash in with respect of our to LivaNova's outstanding Notes on interest payment dates, at maturity and upon exchange thereof will require a cash payment. We LivaNova may not have sufficient cash flow from our its business operations to pay when due or be able to raise the funds necessary to pay when due, amounts owed in with respect of to the Notes and/or any amounts owed under our the Company's revolving credit facility and term facilities, which could adversely affect our LivaNova's business and results of operations.

On June 17, 2020, our LivaNova's wholly-owned subsidiary, LivaNova USA, Inc., issued $287.5 million aggregate principal amount of 3.00% 2020 Cash Exchangeable Senior Notes (the "Notes") due in 2025. the Notes. The ability to make scheduled payments of interest on, and principal of, to satisfy exchanges for cash in respect of, and/or to refinance our LivaNova's outstanding Notes or other indebtedness (including any indebtedness under our LivaNova's revolving credit facility or term facilities) depends on our the Company's future performance, which is subject to economic, financial, competitive and other factors beyond our its control. (For For further information on our LivaNova's term facilities, please refer to "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Annual Report on Form 10-K under the section entitled "*Liquidity and Capital Resources"). Resources."* If we are LivaNova is unable to generate enough cash flow to make payments on the Notes or other indebtedness when due, we 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. Our LivaNova's ability to refinance the Notes or other indebtedness, which we the Company may need to do in order to satisfy our its obligations thereunder, will depend on the capital markets and our LivaNova's financial condition at such time. We LivaNova may not be able to engage in any of these activities or engage in these activities on desirable terms or at all, which could result in a default on the Notes and/or our LivaNova's revolving credit facility or and term facilities.

The holders of the Notes have the right to require us LivaNova to repurchase their Notes upon the occurrence of a fundamental change (as defined in the indenture governing the Notes (the "Indenture")) Indenture) at a repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest, if any. Upon repurchase of the Notes, we LivaNova will be required to make cash payments as required by the Indenture. We LivaNova may not have enough available cash or be able to obtain financing at the time we are the Company is required to make repurchases of, or exchange of, the Notes for cash. Our LivaNova's failure to repurchase the Notes or exchange the Notes for cash at a time when the repurchase or exchange is required by the Indenture governing the Notes would constitute a default under such Indenture.

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

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

Any of these factors could harm our LivaNova's business, results of operations, cash flows and financial condition. In addition, if we incur LivaNova incurs additional indebtedness under the revolving credit facility or term facilities, the risks related to our LivaNova's business and our its ability to repay our the Company's indebtedness, including under the Notes, would increase. For additional information, please refer to "Note 11. 10. Financing Arrangements" in the LivaNova's consolidated financial statements included in this Annual report on Form 10-K. Report.

The conditional exchange features of the Notes, if triggered, may adversely affect our LivaNova's liquidity and operating results.

If the conditional exchange feature of the Notes is triggered, holders of the Notes are entitled to exchange the Notes at any time during specified periods, at their option. Holders of the Notes for example, are entitled to exchange the Notes during any the current calendar quarter if the last reported sale closing price of LivaNova's ordinary shares with a nominal value of £1.00 per share for at least 20 trading days (whether or not consecutive) during a period of the last 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the exchange price – the exchange price being $60.98 per share and the "conversion trigger" (subject to other conditions per the Indenture) being $79.27 per share – on each applicable trading day. The exchange condition was not satisfied on December 31, 2022 December 31, 2023, and therefore, exchangeability is not an option from January 1, 2023 January 1, 2024, through March 31, 2023 March 31, 2024. If holders elect to exchange their Notes during future periods following the satisfaction of an exchange condition as laid out in the Indenture, we LivaNova would be required to settle our its exchange obligation through the payment of cash, which could adversely affect our the Company's liquidity.

Our

LivaNova's debt instruments require us LivaNova to comply with affirmative covenants and specified financial covenants and ratios and other obligations.

Certain restrictions and covenants in our LivaNova's debt instruments, including our the Company's revolving credit facility or term facilities, could affect our its ability to operate and may limit our its ability to react to market conditions or to take advantage of potential business opportunities as they arise. For example, such restrictions could adversely affect our LivaNova's ability to finance our its operations, make strategic investments, alliances or acquisitions, investments or alliances, restructure our its organization or finance capital needs. Additionally, our LivaNova's ability to comply with these covenants and restrictions may be affected by events beyond our its control, such as prevailing economic, financial, regulatory and industry conditions. If any of these restrictions or covenants is are breached, we LivaNova could be in default under one or more of our its debt instruments, which, if not cured or waived, could result in acceleration of the indebtedness under such agreements and cross defaults cross-defaults under our its other debt instruments. (For For more information on these debt instruments, please refer to "Note 11. 10. Financing Arrangements.")

Arrangements" in LivaNova's consolidated financial statements included in this Report.

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

We LivaNova will settle exchanges of the Notes entirely in cash. Accordingly, the exchange feature that is part of the 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 feature, which was bifurcated from the debt component of the Notes, resulting in an original issue discount. The original issue discount is amortized and recognized as a component of interest expense over the term of the Notes, which results in an effective interest rate reported in our LivaNova's consolidated statements of operations in excess of the stated interest rate of the Notes. Although this accounting treatment does not affect the amount of cash interest paid to holders of the Notes or our LivaNova's cash flows, it reduces our the Company's earnings and could adversely affect the price at which our its ordinary shares trade.

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

The arbitrage or hedging strategy by purchasers of the Notes and Option Counterparties in connection with our LivaNova's capped call transactions may affect the value of our LivaNova's ordinary shares.

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

In connection with the pricing of the Notes, we LivaNova entered into privately negotiated capped call transactions with certain financial institutions (the "Option Counterparties"). institutions. The capped call transactions are expected generally to offset cash payments due upon exchange of the Notes in excess of the principal amount thereof in the event that the market value price per ordinary share of the Company is at the time of exchange of the Notes is greater than the strike price under the capped call transactions, with such offset subject to a cap based on the cap price. We understand It is LivaNova's understanding that the Option Counterparties, or their respective affiliates, in connection with establishing their initial hedges of the capped call transactions, purchased our LivaNova's ordinary shares and/or entered into various derivative transactions with respect to our the Company's ordinary shares concurrently with or shortly after the pricing of the Notes. The Option Counterparties or their respective affiliates may modify these initial hedge positions by entering into or unwinding various derivatives with respect to our LivaNova's ordinary shares and/or purchasing or selling our its ordinary shares or other securities of ours LivaNova's securities in secondary market transactions prior to the maturity of the Notes (and are likely to do so during any observation period related to an

exchange of the Notes or upon a repurchase or redemption of the Notes). This activity could cause or avoid an increase or decrease in the market price of our LivaNova's ordinary shares at that time.

We are

LivaNova is subject to counterparty risk with respect to the capped call transactions.

The Option Counterparties are financial institutions, and we are LivaNova is subject to the risk that they might default under the capped call transactions. Our 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, we LivaNova will become an unsecured creditor in those proceedings, with a claim equal to our the Company's exposure at that time under the capped call transactions with that Option Counterparty. Our LivaNova's exposure will depend on many factors but generally an increase in our the Company's exposure will be correlated to an increase in the market price and in the volatility of our its ordinary shares. In addition, upon a default by an Option Counterparty, we LivaNova may suffer adverse tax consequences and may, on a net basis, have to pay more cash to settle exchanges of the Notes. We LivaNova can provide no assurances as to the financial stability or viability of the Option Counterparties.

Risks Relating to Tax and Our LivaNova's Jurisdiction of Incorporation

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

Being that we are LivaNova is a public limited company incorporated under the laws of England and Wales, our 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 United States. US. It may be difficult to enforce any court judgments obtained in the U.S. against us in the U.K. US and based on the civil liability provisions of U.S. US federal or state securities laws. laws against LivaNova in the UK. In addition, there is also some uncertainty as to whether the UK courts of U.K. would recognize or enforce judgements judgments of U.S. US courts obtained against us LivaNova or any of our its directors or officers.

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

We are LivaNova is subject to income taxes as well as non-income-based taxes in the U.S., US, the UK, the EU and various other jurisdictions. No assurances can be given as Any material change in tax laws, regulations or policies, or their interpretation and enforcement, including with respect to what our worldwide the OECD's Pillar Two global minimum tax rules applicable to multinational groups with global revenue over €750 million, could result in a higher effective corporate 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 December 31, 2023. Draft UK legislation has also been published for an undertaxed profits rule to be introduced, although not before accounting periods beginning on or after December 31, 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 is assessing the full implication on 2024 financial results and 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 because of, among other things, uncertainty regarding the tax regulations and laws, enactment and enforceability thereof and policies of the jurisdictions where we operate. Our impacted cannot be determined at this time.

LivaNova's actual effective tax rate may vary from our its expectations or from historical trends and that variance may be material. Our 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. We are LivaNova is also subject to ongoing tax audits in various non-U.S. non-US jurisdictions. Tax authorities may disagree with certain positions we have LivaNova has taken and assess additional taxes. We believe LivaNova believes that our its accruals reflect the probable outcome of known contingencies. However, there can be no assurance that we LivaNova will accurately predict the outcomes of ongoing audits, and the actual outcomes of these audits could have a material impact on our LivaNova's consolidated statements of income (loss) or financial condition.

The IRS may not agree with the conclusion that we should be treated as As a foreign corporation for U.S. federal tax purposes, and we may be required to pay substantial U.S. federal income taxes.

Based on our management and organizational structure, we believe that we should be regarded as a resident exclusively in the UK for tax purposes and that we are appropriately treated as a foreign corporation for U.S. federal tax purposes. Although we are incorporated in the UK, the U.S. Internal Revenue Service (the "IRS") may assert that we should be treated as a U.S. corporation (and, therefore, a U.S. tax resident) for U.S. federal tax purposes. If we were to be treated as a U.S. corporation for U.S. federal income tax purposes, we could be subject to substantially greater U.S. tax liability than currently contemplated as a non-U.S. corporation.

The IRS may limit Cyberonics' and its U.S. affiliates' ability to utilize their U.S. tax attributes as a result of the merger of Cyberonics and Sorin.

The merger of Cyberonics and Sorin is considered an inversion for tax purposes. The U.S. Internal Revenue Code ("IRC") and regulations under the IRC impose a minimum level of tax on any "inversion gain" of a U.S. corporation (and any U.S. person related to the U.S. corporation) depending on the resulting percentage ownership by U.S. persons of the merged company. The effect of this provision in the IRC is to deny the use of certain U.S. tax attributes (including net operating losses and certain tax credits) to offset U.S. tax liability, if any, attributable to such inversion gain. In our case, we believe that the former stockholders of Cyberonics own less than the IRC's stated percentage of the Company. However, it cannot be assured that the IRS will agree with our position.

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

We are LivaNova is a public limited company incorporated under the laws of England and Wales. Under English law, our LivaNova's Board of Directors may only allot shares with the prior authorization of shareholders. English law also generally provides shareholders with preemptive rights when new shares are issued for cash, which rights may be excluded 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, our LivaNova's shareholders must approve these authorities at an annual general meeting of shareholders. If we do LivaNova does not receive shareholder approval of these matters, we the Company may not be able to raise any required additional capital in a timely manner or at all, if, and as needed, to fund our operations. all. In addition, we LivaNova may not be able to continue to grant equity awards to its directors, officers and employees under the relevant incentive plan.

Transfers of our LivaNova's shares, other than ones those effected by means of the transfer of book-entry interests in the Depository Trust Company ("DTC"), DTC, may be subject to UK Stamp Duty or UK Stamp Duty Reserve Tax ("SDRT"). SDRT.

Transfers of our 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 our LivaNova's shares directly rather than through DTC, any transfer of shares could be subject to UK stamp duty or SDRT at a rate of 0.5% of the consideration paid for the transfer and transfer. In addition, certain issues or transfers of shares to depositories or into clearance services are charged 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. The potential for UK stamp duty or SDRT could adversely affect the trading price of our LivaNova's shares.

If DTC determines at any time that our LivaNova's shares are not eligible for continued deposit and clearance within its facilities, then we believe LivaNova believes that our its shares would not be eligible for continued listing on a U.S. US securities exchange and trading in our the Company's shares would be disrupted. While we 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 our LivaNova's shares.

General Risk Factors

LivaNova's success depends on its ability to attract and retain key personnel needed to successfully operate its business and to plan for future executive transitions.

LivaNova's ability to compete effectively depends on its ability to attract and retain key employees and maintain robust succession planning for key positions. LivaNova'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.

Increasing attention on sustainability matters, including environmental, social, and governance matters, may have a material impact on LivaNova's reputation and business operations and consume additional financial and management resources.

There is a heightened focus from stakeholders, including regulators and shareholders, on issues relating to sustainability, including environmental stewardship, social responsibility, diversity and inclusion, and corporate governance matters. Increasing attention on sustainability issues related to LivaNova's business requires the continuous monitoring of various and evolving laws, regulations, standards and expectations and the associated reporting requirements. A failure to adequately meet stakeholder expectations may result in noncompliance, reputational harm, the loss of business and access to capital, negative impact to the stock price and a diluted market valuation. In addition, the Company's adoption of certain standards or mandated compliance with certain requirements could necessitate additional investments that could impact LivaNova's profitability.

In addition, 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 fulfill 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. Furthermore, environmental regulations are continuing 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.

The impact of pending or existing climate change resulting from increased concentrations of carbon dioxide and other greenhouse gases in the atmosphere could present major risks 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 pose physical risks to LivaNova's facilities, 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 behaviors 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 they may impose obligations that may increase LivaNova's compliance burden and cost to meet these obligations. Individually or in aggregate, such risks could materially negatively impact LivaNova's future operations.

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. The COVID-19 pandemic caused significant disruption to the business and financial markets. 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 stabilized, LivaNova 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.

If LivaNova's business development and restructuring activities are unsuccessful, the Company may not realize 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 also 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 will wind down the ACS segment, which is anticipated to be substantially complete by the end of 2024. 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 enroute 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 US GAAP. Significant negative industry or economic trends, disruptions to LivaNova's businesses, significant unexpected or unplanned changes in the use of assets, divestitures and market capitalization 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.

Item 1B. ***Unresolved Staff Comments***

None.

Item 1C. ***Cybersecurity***

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 CRO provides the framework to identify and reduce risks that may materially impact the Company's business. As part of the CRO's enterprise risk management process, regular inquiries and discussions are held with the CISO, Chief Information Officer, Chief Privacy Officer, and their respective teams to review the cybersecurity risk landscape.

LivaNova's CISO has a Master of Science in Accountancy with a specialization in risk management, in addition to over 15 years of experience in the IT Risk Advisory sector. 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 to the CRO in their regular discussions. The CISO also manages the Company's ISMS program. Guided by the principles of various industry-leading standards, such as the NIST cybersecurity framework and ISO 27001, the objective of the ISMS program is to continue to strengthen LivaNova's cyber resiliency in connection with its information 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 cyber incident response program 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 defense 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.

In addition, LivaNova routinely engages with third-party service providers to conduct evaluations of its security controls, whether through penetration testing 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 centers, 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 program 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 reported, 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 consultants and coordinated with law enforcement. The Company continues to assess what information was impacted and to implement remediation measures to mitigate the impact of the incident.. While the Company has taken and will continue to take actions to enhance its information security framework, LivaNova cannot determine at this time the extent of the impact from this event on its business, results of operations, cash flows, or financial condition. For further information, please refer to "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of this 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 "Item 9A. Controls and Procedures."

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 program 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 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 establishes year-over-year goals, security objectives, and priorities for the information security program.

On an annual basis, the CISO reviews the information security program achievements and reports to 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 information security policy and the allocation of budget and resources to information security program initiatives, performs the annual management review of the security program, and reviews corrective action to improve the program.

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, security incidents, user training statistics, and evaluations of user readiness to address cyber 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, see Item 1A. "Risk Factors – Risks Relating to the Company's Business and Operations."

Item 2. ***Properties***

Our LivaNova's principal executive office is located in the UK and is leased by us. Our the Company. LivaNova's business segments have headquarters located are headquartered in the U.S. US for Neuromodulation and Advanced Circulatory Support historically, ACS, and in Italy for Cardiopulmonary. We have LivaNova has manufacturing and research facilities located in Brazil, the US, Italy, Germany, Italy, Australia, and the U.S. Our Brazil. The Company's manufacturing and research facilities are approximately 1.0 million square feet. The manufacturing and research facilities located in the U.S., US, Italy and Brazil are substantially owned by us. LivaNova. Approximately 46% 45% of our the Company's manufacturing and research facilities by square feet are located within the U.S. US. Approximately 57% 59% of our LivaNova's manufacturing and research facilities by square feet are owned by us the Company and the balance is leased.

We LivaNova also maintain 25 maintains 31 primary administrative offices in 18 21 countries. Most of these locations are leased. We are LivaNova is using substantially all of our the Company's currently available productive space to develop, manufacture and market our LivaNova's products. We believe LivaNova believes that all of our its facilities are in good operating condition, suitable for their respective uses and adequate for current needs.

Item 3. *Legal Proceedings*

Information pertaining to certain material pending legal and regulatory proceedings and settlements is incorporated herein by reference to "Note 14. 13. Commitments and Contingencies" in our LivaNova's consolidated financial statements and accompanying notes, beginning on page F-1 of this Annual Report, on Form 10-K and should be considered an integral part of "Item 3 of Part I" of this Annual Report on Form 10-K. Report.

Item 4. *Mine Safety Disclosures*

Not applicable.

PART II

Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*

Our LivaNova's ordinary shares are quoted on the Nasdaq Global Stock Market LLC under the symbol "LIVN."

As of February 17, 2023 February 23, 2024, according to data provided by our LivaNova's transfer agent, there were 20 stockholders of record. A substantially greater number of holders of our LivaNova's ordinary shares are "street name" or beneficial holders, whose shares of record are held by banks, brokers and other financial institutions.

Dividend Policy

We LivaNova currently have has no intention to declare and pay dividends.

Issuer Purchases of Securities

None.

Stock Performance Graph

The following graph compares our LivaNova's five-year cumulative total return with the five-year cumulative total return of the companies on the Standard & Poor's ("S&P's") &P 500 Index and the companies on the S&P Health Care Equipment Index. This graph assumes the investment of $100 on December 31, 2017 December 31, 2018 and the reinvestment of all dividends since that date.

The information under the caption "Stock Performance Graph" above is not deemed to be "filed" as part of the Annual Report on Form 10-K and is not subject to the liability provisions of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Act. Such information will not be deemed incorporated by reference into any filing we make LivaNova makes under the Securities Act, of 1933, as amended, unless we LivaNova explicitly incorporate incorporates it into such filing at such time.

Item 6. [Reserved]

Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

The following discussion and analysis should be read in conjunction with the consolidated financial statements and the corresponding notes included elsewhere in this Annual Report on Form 10-K. Report. Certain percentages presented in this discussion and analysis are calculated from the underlying whole-dollar amounts and therefore may not be tie to percentages recalculated from the rounded numbers used for disclosure purposes. The following discussion, analysis and comparisons generally focus on the operating results for the years ended December 31, 2022 ("2022"), December 31, 2021 ("2021") 2023, 2022 and December 31, 2020 ("2020"). 2021.

We have LivaNova has elected to omit certain discussions on the earliest of the three years covered in this Annual Report on Form 10-K. Report. Refer to Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations located in our LivaNova's Annual Report on Form 10-K for the year ended December 31, 2021 December 31, 2022, filed on March 1, 2022 February 27, 2023, for reference to discussion of the fiscal year ended December 31, 2020, 2021, the earliest of the three fiscal years presented.

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 innovative medical technologies that deliver life-changing improvements. LivaNova is a public limited company organized 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."

Macroeconomic Environment

The current macroeconomic environment, including foreign exchange volatility, inflationary pressures, geopolitical instability, and supply chain challenges, rising inflation, and geopolitical instability, has impacted and may continue to impact our business. In 2022, our net revenue LivaNova's business and profitability were negatively affected by the unfavorable foreign currency exchange impact of the strengthened United States ("U.S.") dollar against a number of currencies. profitability. Furthermore, we continue LivaNova continues to experience supply chain delays and interruptions, labor shortages, inflationary pressures and logistical issues in the wake of COVID-19. Though, and capacity constraints, though, to date, our the Company's supply of raw materials and the production and distribution of finished products have not been materially affected, demand and low capacity worldwide have caused longer lead times and put price pressure on key raw materials. affected. Moreover, freight and labor costs at our LivaNova's manufacturing facilities have increased substantially due to COVID-related disruptions and in the wake of inflation globally. The Company continues to respond to such challenges, and while we have LivaNova has business continuity plans in place, the impact of the ongoing challenges we are experiencing, the Company is navigating, along with their potential escalation, may adversely affect our its business. The future impact of pandemic-related developments remains uncertain.

In February 2022, Russia launched an invasion in Ukraine which caused us to assess our ability to sell in the market due to international sanctions, to consider the potential impact of raw material sourced from the region, and to determine whether we are able to transact in a compliant fashion. Although the region represented only 1.0% of our total net revenue for 2022, the Russian invasion of Ukraine has increased economic uncertainties, and a significant escalation or continuation of the conflict could have a material, global impact on our operating results. In addition, our Russian employees and local subsidiary are subject to evolving laws and regulations imposed by the Russian authorities in response to international sanctions. For further discussion on these macroeconomic pressures and potential implications, refer to "Item 1A. Risk Factors" of this Annual Report on Form 10-K. Report.

Description Cybersecurity Incident

As previously disclosed, in November 2023, LivaNova detected a cybersecurity incident that resulted in a disruption of portions of the Business 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. LivaNova took action to remediate the issue by, for example, taking certain systems offline. As a result of these and other measures, the Company believes it has contained the cybersecurity threat, though its investigation and mitigation efforts are ongoing. At this time, all of LivaNova's manufacturing sites worldwide are operating at normal levels. The Company continues to assess the full impact of the cybersecurity event on its business, results of operations, cash flows and financial condition.

We are LivaNova incurred direct costs of approximately $2.6 million during the three and twelve months ended December 31, 2023, in connection with this incident. These costs primarily included external cybersecurity experts, legal counsel, and system restoration costs. These costs do not include business interruption or other non-direct costs, and the Company expects to incur additional costs related to this incident in the future. LivaNova maintains insurance, including cyber insurance, which is subject to certain retentions and policy limitations that may serve to limit the amount that the insurers may pay the Company when the Company makes a public limited company organized under claim. LivaNova plans to file for reimbursement of covered costs related to this incident, but the laws of England Company's insurance coverage may be insufficient to cover all costs and Wales expenses related to this cybersecurity incident, and headquartered in London, England. We are a global medical device company. We design, develop, manufacture the insurance carrier may not cover all submitted costs and sell products and therapies that are consistent with our mission expenses related to provide hope for patients and their families through innovative medical technologies, delivering life-changing improvements for both the Head and Heart.

Background

We were organized under the laws of England and Wales on February 20, 2015 for the purpose of facilitating the business combination of Cyberonics, Inc., a Delaware corporation, and Sorin S.p.A. ("Sorin"), a joint stock company organized under the laws of Italy. The business combination became effective in October 2015. LivaNova's ordinary shares are listed for trading on the Nasdaq Global Market under the symbol "LIVN." this cybersecurity incident.

Business Segments

For the periods presented herein, LivaNova is was comprised of three reportable segments: Cardiopulmonary, Neuromodulation and Advanced Circulatory Support, corresponding to our primary business units. Other ACS. "Other" includes non-allocated corporate shared service expenses for finance, legal, human resources, information technology the years ended December 31, 2022 and corporate business development. 2023. For the years ended December 31, 2021 and 2020, Other, "Other" also includes the results of our LivaNova's Heart Valve business, which was divested on June 1, 2021.

Cardiopulmonary

Our LivaNova's Cardiopulmonary segment is engaged in the design, development, production manufacture, marketing and sale selling of cardiopulmonary products, including heart-lung machines ("HLM"), HLMs, oxygenators, autotransfusion systems, perfusion tubing systems, cannulae and other related accessories. It includes the development 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.

In March 2023, LivaNova announced it had received FDA 510(k) clearance for its Essenz HLM, which enabled the commercial launch of Essenz in the US. In the same month, LivaNova also initiated a broad commercial release of Essenz in Europe following a successful limited commercial release that supported more than 200 adult, pediatric and neonatal patients in that region. Approvals in various other countries have followed.

In August 2023, LivaNova announced it had received FDA 510(k) clearance and CE Mark for its Essenz ILBM, which provides continuous measurement of essential blood parameters to perfusionists throughout CPB procedures. The ILBM is integrated into the Essenz Perfusion System, our next-generation HLM which enables perfusionists to access and a patient monitor that delivers a patient-tailored approach, supporting data-driven decisions during cardiopulmonary bypass procedures. In manage reliable blood parameters without the fourth quarter of 2022, we completed the first clinical cases using Essenz in two major centers in Europe. need for additional monitors or holders.

Information on Cardiopulmonary that could potentially impact our LivaNova's consolidated financial statements and related disclosures is incorporated by reference to "Note 14. 13. Commitments and Contingencies: FDA Warning Letter" and "Note 14. 13. Commitments and Contingencies: Product Liability Litigation" in the LivaNova's consolidated financial statements included in this Annual Report on Form 10-K. Report.

Neuromodulation

Our LivaNova's Neuromodulation segment is engaged in the design, development, manufacture, marketing and marketing selling of devices that deliver neuromodulation therapy for treating drug-resistant epilepsy ("DRE") DRE and difficult-to-treat depression ("DTD"). DTD. It is also encompasses engaged in the development and management of clinical testing of our LivaNova's aura6000 System for treating obstructive sleep apnea ("OSA") and, until recently, our VITARIA System OSA. LivaNova's Neuromodulation segment also includes costs associated with the Company's former Heart Failure program, which was intended to treat heart failure. the Company began winding down during the first quarter of 2023.

Epilepsy

We continue LivaNova continues to make significant investments in R&D focused on improving the Vagus Nerve Stimulation VNS Therapy ("VNS Therapy") System with an enhanced pulse generator, lead and programming software, and we are LivaNova is developing new products that provide additional features and functionality. We LivaNova also support supports studies for our the Company's product development efforts and to build clinical evidence for the VNS Therapy System.

Peer reviewed evidence published in 2021 and 2022 continues to confirm the safety, efficacy and cost effectiveness of VNS Therapy in both the adult and pediatric patient population. In January 2022, the Journal of Neurology published a meta-analysis and systematic review that demonstrated benefits of VNS Therapy in adults with DRE that demonstrates that seizure frequency improves without an increase in the rate of serious adverse events or discontinuations. These data further support consideration of VNS Therapy for people who are not responding to anti-seizure medications ("ASMs") ASMs and those unsuitable or unwilling to undergo surgery.

Depression and Obstructive Sleep Apnea and Heart Failure

A discussion of LivaNova's strategic portfolio initiatives, including Depression and Obstructive Sleep Apnea and Heart Failure, are incorporated by reference to the sections titled "Depression," "Depression" and "Obstructive Sleep Apnea" and "Heart Failure, Apnea," respectively, included within "Part I., Item 1. Business" in this Annual Report on Form 10-K. Report.

Advanced Circulatory Support

Our Advanced Circulatory Support ("ACS") For the periods presented herein, LivaNova's ACS segment is was engaged in the design, development, production manufacture, marketing and sale selling of leading-edge temporary life support products. Our ACS ACS's products, which comprise the LifeSPARC platform and Hemolung systems, and standalone cannulae and accessories, including ProtekDuo cannula, and transseptal (TandemHeart) cannulae, simplify temporary extracorporeal cardiopulmonary life support solutions for critically ill patients.

On January 5, 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 LifeSPARC platform includes a common compact console main component of this plan is to wind down the ACS segment, which the Company anticipates will be substantially complete by the end of 2024. LivaNova recognized restructuring expense under the 2024 Restructuring Plan of $0.1 million in other operating expenses, and pump $12.6 million for inventory obsolescence in cost of sales on its consolidated statements of income (loss) during the year ended December 31, 2023. Additionally, the Company determined that provides temporary support for emergent rescue patients in a variety of settings. Designed for ease of use, it was more likely than not that the system offers power and versatility for multi-disciplinary programs to support more patients in more places. The platform is accompanied by four specialized and ready-to-deploy kits, each designed to support diverse cannulation strategies. In November 2022, carrying amounts associated with the FDA approved our LifeSPARC platform for extracorporeal membrane oxygenation ("ECMO"). ACS segment, including the long-lived assets (asset group), may not be recoverable. This approval allows for our LifeSPARC platform was determined to be used for ECMO beyond six hours for patients in acute respiratory failure or acute cardiopulmonary failure, including but not limited to those receiving treatment for COVID-19. a triggering event

We 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 ACS segment. As such, LivaNova recorded impairments of the following long-lived assets during the year ended December 31, 2023, included within impairment of long-lived assets on its consolidated statements of income (loss) (in thousands):

	2023
Intangible assets:	
Developed technology	$ 78,067
Trade names	7,117
Property, plant and equipment	3,894
Operating lease assets	896
Total impairment of long-lived assets	$ 89,974

In connection with the 2024 Restructuring Plan, LivaNova expects to incur pre-tax restructuring charges in the range of approximately $15 million to $20 million. The anticipated charges are comprised of approximately $10 million to $12 million in severance expenses and retention bonuses and approximately $5 million to $8 million in other expenses, including lease termination, facilities remediation, and asset disposal expenses. LivaNova expects the majority of the severance expenses to be incurred in the first half of 2024. Retention bonuses will be earned over the period of service, which is expected to be over the full year of 2024. All future cash payments related to these restructuring charges are expected to be paid out during 2024. These estimates are subject to change.

During the first quarter of 2024, the Company reorganized its operating and reporting structure upon initiating the 2024 Restructuring Plan and transitioned 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, will be discontinued by the end of 2024.

LivaNova previously owned a 3% equity interest in ALung, Technologies, Inc. ("ALung"), a privately-held medical device company focused on creating advanced medical devices for treating respiratory failure. In May 2022, we LivaNova acquired the remaining 97% of equity interests for a purchase price of up to $110.0 million, consisting of $10.0 million paid at closing, subject to customary adjustments, and contingent considerations of up to $100.0 million payable upon achievement of certain sales-based milestones beginning in 2023 and ending in 2027. Due to synergies anticipated between ALung and our LivaNova's existing ACS business, the assets acquired, including goodwill, are were recognized in our the Company's ACS segment. The goodwill for the ACS reporting unit was fully impaired during the third quarter of 2022. The fair value of the contingent consideration liability as of May 2, 2022, the acquisition date, and December 31, 2022 December 31, 2023 was $16.8 million $16.8 million and $15.9 million $13.8 million, respectively. Goodwill recorded in the ACS reporting unit was fully impaired during the third quarter of 2022 in connection with a revised estimate of the reporting unit's fair value.

For additional information, please refer to "Note 4. Business Combinations" Combinations," "Note 6. Restructuring" and "Note 8. 7. Goodwill and Intangible Assets" in our LivaNova's consolidated financial statements and accompanying notes beginning on page F-1 of included in this Annual Report on Form 10-K. As a result of the ALung transaction, our ACS segment also includes the Hemolung Respiratory Assist System ("Hemolung RAS"), which is the only FDA-cleared platform designed specifically for low-flow extracorporeal carbon dioxide removal for acute respiratory failure.

In August 2022, the Centers for Medicare & Medicaid Services ("CMS") approved a New Technology Add-on Payment ("NTAP") for our Hemolung RAS for in-patient care. The NTAP designation is awarded to novel medical technologies and services supported by clinical evidence that are expected to substantially improve the diagnosis or treatment of Medicare beneficiaries.

Divestiture of Heart Valve Business

On December 2, 2020, LivaNova entered into a Purchase Agreement with Mitral Holdco S.à r.l. ("Mitral"), a company incorporated under the laws of Luxembourg and wholly-owned and controlled by funds advised by Gyrus Capital S.A., a Swiss private equity firm. The Purchase Agreement provided for the divestiture of certain of LivaNova's subsidiaries as well as certain other assets and liabilities relating to the Company's Heart Valve business and site management operations conducted by the Company's subsidiary LSM at the Company's Saluggia campus for $64.1 million. On April 9, 2021, LivaNova and the Purchaser entered into an Amended & Restated Purchase Agreement to, among other things, defer the closing of the sale and purchase of LSM by up to two years and include or amend certain additional terms relating to such deferral, including certain amendments relating to the potential hazardous substances liabilities of LSM and the related expense reimbursement provisions.

The sale of the Heart Valve business closed on June 1, 2021. We received $45.5 million in 2021 and the remaining deferred purchase price of $9.5 million in 2022. Also, in 2022, we made a $4.8 million payment to Mitral upon finalizing the trade working capital and net indebtedness adjustments. During the year ended December 31, 2021, we recognized a loss from the sale of the Heart Valve business of $1.9 million, which is included within other operating expenses on the consolidated statements of income (loss). Report.

Results of Operations

The following table summarizes our LivaNova's consolidated results for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 (in thousands):

		2022	2021	2020
Net revenue	Net revenue	$ 1,021,805	$ 1,035,365	$ 934,241
Net revenue				
Net revenue				
Cost of sales				
Cost of sales				
Cost of sales	Cost of sales	314,577	329,371	339,478
Gross profit	Gross profit	707,228	705,994	594,763
Gross profit				
Gross profit				
Operating expenses:				
Operating expenses:				
Operating expenses:	Operating expenses:			
Selling, general and administrative	Selling, general and administrative	469,243	471,904	446,561
Selling, general and administrative				
Selling, general and administrative				
Research and development	Research and development	155,805	183,414	152,902
Impairment of disposal group		—	—	180,160
Research and development				
Research and development				
Impairment of goodwill	Impairment of goodwill	129,396	—	21,269
Impairment of goodwill				
Impairment of goodwill				
Impairment of long-lived assets				
Impairment of long-lived assets				
Impairment of long-lived assets				
Other operating expenses	Other operating expenses	29,536	51,460	67,770
Operating loss from continuing operations		(76,752)	(784)	(273,899)
Other operating expenses				
Other operating expenses				
Operating loss				
Operating loss				
Operating loss				
Interest expense				
Interest expense				
Interest expense	Interest expense	(48,250)	(50,151)	(40,837)
Loss on debt extinguishment	Loss on debt extinguishment	—	(60,238)	(1,407)
Loss on debt extinguishment				
Loss on debt extinguishment				
Foreign exchange and other income/(expense)	Foreign exchange and other income/(expense)	49,860	(13,299)	(31,879)
Loss from continuing operations before tax		(75,142)	(124,472)	(348,022)

Income tax expense (benefit)	11,051	11,198	(960)
Foreign exchange and other income/(expense)			
Foreign exchange and other income/(expense)			
Loss before tax			
Loss before tax			
Loss before tax			
Income tax (benefit) expense			
Income tax (benefit) expense			
Income tax (benefit) expense			
Losses from equity method investments	Losses from equity method investments	(53)	(148)	(264)
Net loss from continuing operations		(86,246)	(135,818)	(347,326)
Net loss from discontinued operations, net of tax		—	—	(1,493)
Net loss		$ (86,246)	$ (135,818)	$ (348,819)
Losses from equity method investments				
Losses from equity method investments				
Net income (loss)				
Net income (loss)				
Net income (loss)				

Net Revenue by Segment and Geographic Area:

The following table presents net revenue by operating segment and geographic region for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 (in thousands, except for percentages):

					% Change											
					2022 vs	2021 vs										
		2022	2021	2020	2021	2020										
					% Change											
	2023															2023
Cardiopulmonary	**Cardiopulmonary**															
United States																
United States																
United States	United States	$ 159,489	$ 154,073	$132,543	3.5 %	16.2 %		$188,299		$		$	159,489			
Europe (1)	Europe (1)	127,064	134,562	122,062	(5.6)%	10.2 %	Europe (1)	156,606		127,064						127
Rest of World	Rest of World	213,761	194,344	192,127	10.0 %	1.2 %	Rest of World	244,072		213,761						213
		500,314	482,979	446,732	3.6 %	8.1 %										
	588,977												588,977			
Neuromodulation	**Neuromodulation**															
United States																
United States																
United States	United States	374,542	358,476	282,509	4.5 %	26.9 %		407,493		374,542			374,542			
Europe (1)	Europe (1)	50,291	51,435	39,019	(2.2)%	31.8 %	Europe (1)	57,435		50,291						50
Rest of World	Rest of World	52,160	46,261	32,916	12.8 %	40.5 %	Rest of World	54,782		52,160						52
		476,993	456,172	354,444	4.6 %	28.7 %										
	519,710												519,710			

Advanced Circulatory Support	**Advanced Circulatory Support**													
United States														
United States														
United States	United States	37,527	53,821	41,094	(30.3)%	31.0 %		39,252		37,527		37,527		
Europe (1)	Europe (1)	1,447	1,120	1,027	29.2 %	9.1 %		Europe (1)	751		1,447			1
Rest of World	Rest of World	327	518	200	(36.9)%	159.0 %		Rest of World	319		327			
		39,301	55,459	42,321	(29.1)%	31.0 %								
Other (2)														
		40,322										40,322		
								Other Revenue (2)	4,536					5,1
Other Revenue (2)														
Totals														
United States	United States	—	4,929	12,488	(100.0)%	(60.5)%								
Europe (1)		—	14,407	31,259	(100.0)%	(53.9)%								
Rest of World		5,197	21,419	46,997	(75.7)%	(54.4)%								
		5,197	40,755	90,744	(87.2)%	(55.1)%								
Totals														
United States														
United States	United States	571,558	571,299	468,634	— %	21.9 %		635,044		571,558		571,558		
Europe (1)	Europe (1)	178,802	201,524	193,367	(11.3)%	4.2 %		Europe (1)	214,792		178,802			178
Rest of World	Rest of World	271,445	262,542	272,240	3.4 %	(3.6)%		Rest of World	303,709		271,445			271
Total	Total	$1,021,805	$1,035,365	$934,241	(1.3)%	10.8 %		Total	$1,153,545		$			$1,021,8

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

(2) Other revenue primarily includes rental income not allocated to segments. For the years year ended December 31, 2021 and 2020, Other primarily, other revenue also includes the net revenue of the Company's Heart Valve business, which was divested on June 1, 2021.

The following table presents segment (loss) income from continuing operations for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 (in thousands):

					% Change									
		2022	2021	2020	2022 vs 2021	2021 vs 2020								
		% Change												
		2023								2023			2022	
Cardiopulmonary	Cardiopulmonary	$ 11,247	$ (6,429)	$ 35,735	(274.9)%	(118.0)%		Cardiopulmonary	$ 20,004	$	$ 11,247	$	$ (6,429)	
Neuromodulation	Neuromodulation	172,775	169,499	109,273	1.9 %	55.1 %		Neuromodulation	153,384	172,775	172,775	169,499		169,4
Advanced Circulatory Support	Advanced Circulatory Support	(142,590)	2,195	(575)	(6596.1)%	(481.7)%		Advanced Circulatory Support	(117,418)	(142,590)	(142,590)	2,195		2,1
Other (1) (2)		(85,249)	(129,082)	(365,116)	(34.0)%	(64.6)%								
Total reportable segment (loss) income from continuing operations (3)		$ (43,817)	$ 36,183	$(220,683)	(221.1)%	(116.4)%								
Segment income (1)														
Segment income (1)														
Segment income (1)									$ 55,970		$ 41,432		$ 165,265	

(1) Other includes corporate shared service expenses for finance, legal, human resources, information technology and corporate business development. For the years ended December 31, 2021 and 2020, Other also includes the results of the Company's Heart Valve business, which was divested on June 1, 2021.

(2) Results for the year ended December 31, 2020 include $180.2 million and $21.3 million in impairments of the Heart Valves disposal group and allocated goodwill, respectively. Additionally, the results for the year ended December 31, 2020 include a $42.2 million decommissioning provision at our Saluggia site. Refer to "Note 5. Divestiture of Heart Valve Business" and "Note 14. Commitments and Contingencies," respectively, in our consolidated financial statements and accompanying notes, beginning on page F-1 of this Annual Report on Form 10-K for additional information.

(3) For a reconciliation of segment (loss) income from continuing operations to our consolidated loss from continuing operations before tax, refer to "Note 20. 19. Geographic and Segment Information" in our LivaNova's consolidated financial statements and accompanying notes, beginning on page F-1 of included in this Annual Report on Form 10-K. Report.

NM Indicates that variance as a percentage is not meaningful.

Cardiopulmonary

Cardiopulmonary net revenue for the year ended December 31, 2022, December 31, 2023 increased 3.6% 17.7% to $500.3 $589.0 million compared to the year ended December 31, 2021, primarily due to December 31, 2022 with growth in the U.S. and Rest of World regions. This growth was primarily across all regions, driven by oxygenators due to an increase in cardiac surgery procedures increased HLM sales, including from Essenz Perfusion System installations, and strength in heart-lung machine placements in the Rest of World region. These increases were partially offset by unfavorable foreign currency fluctuations of approximately $33.5 million. strong oxygenator demand.

Cardiopulmonary segment income for the year ended December 31, 2022, December 31, 2023 was $11.2 $20.0 million, compared to segment loss income of $6.4 $11.2 million for the year ended December 31, 2021 December 31, 2022. The increase in segment income was primarily due to a decrease in the litigation provision and legal costs related to our 3T Heater-Cooler device totaling $16.8 million, as well as an increase in net revenue, as discussed described above, partially offset by an increase in SG&A expenses. sales and marketing expense associated with the launch of Essenz, as well as a $12.7 million increase in the litigation provision related to LivaNova's 3T Heater-Cooler device.

Cardiopulmonary
Neuromodulation

Neuromodulation net revenue for the year ended December 31, 2021, December 31, 2023 increased 9.0% to $519.7 million compared to the year ended December 31, 2020, increased 8.1% to $483.0 million primarily due to December 31, 2022 with growth in oxygenator sales resulting from an increase in procedure volumes, across all regions, growth in HLM sales including new and replacement implants in the U.S. region, as well as the favorable impact of foreign currency fluctuations, partially offset by a reduction in capital equipment purchases in the Rest of World US region.

Cardiopulmonary segment loss for the year ended December 31, 2021, was $6.4 million compared to Neuromodulation segment income for the year ended December 31, 2020, of $35.7 million. December 31, 2023 was $153.4 million compared to $172.8 million for the year ended December 31, 2022. The decrease in segment income was primarily due to an increase in the litigation provision related to our 3T Heater-Cooler device and related legal costs of $37.8 million, as well as an increase in sales and marketing expenses due to lower 2020 commercial related variable and discretionary spending as a result of COVID-19 during the year ended December 31, 2020 and an increase in R&D expenses due to the upcoming launch of our next-generation HLM. These increases in expenses were partially offset by an increase in $29.0 million net revenue, as discussed above.

Neuromodulation

Neuromodulation net revenue for the year ended December 31, 2022, increased 4.6% to $477.0 million compared to the year ended December 31, 2021, primarily due to growth across all regions driven by replacement implants as well as improving market dynamics, partially offset by unfavorable foreign currency fluctuations of approximately $9.7 million.

Neuromodulation segment income for the year ended December 31, 2022, was $172.8 million compared to $169.5 million for the year ended December 31, 2021. The increase in segment income was primarily due to an increase in net revenue, as discussed above, as well as the net favorable impact of the change in fair value of the sales-based and milestone-based contingent consideration arrangement associated with the acquisition of ImThera, of $13.8 million. The increase in segment income was partially offset by increases in R&D expenses for the year ended December 31, 2022 compared to the year ended December 31, 2021 totaling $13.8 million associated with the Company's RECOVER study and ANTHEM-HFrEF and Obstructive Sleep Apnea using Targeted Hypoglossal Neurostimulation ("OSPREY") clinical trials, as well as an increase in SG&A expenses.

Neuromodulation net revenue for the year ended December 31, 2021, compared to the year ended December 31, 2020, increased 28.7% to $456.2 expense of $16.3 million primarily due to improving market dynamics across all regions resulting from increased hospital access and patient willingness to return to clinics.

Neuromodulation segment income increased 55.1% for the year ended December 31, 2021, compared to the year ended December 31, 2020, primarily from an increase in net revenue, as discussed above. This increase was partially offset driven by the net impact of the change in fair value of the sales-based and milestone-based contingent consideration arrangement associated with the acquisition of ImThera of $21.5 million, as well as an increase in sales and marketing expenses due to lower 2020 commercial related variable and discretionary spending as a result of COVID-19 during the year ended December 31, 2020 expense, and an increase in R&D expenses due to our DTD expense of $12.5 million primarily associated with the Company's RECOVER clinical study and heart failure OSPREY clinical trials.

trial. These increases in expense were partially offset by the increase in net revenue, as described above.

Advanced Circulatory Support

ACS net revenue for the year ended December 31, 2022, decreased 29.1% December 31, 2023 increased 2.6% to $39.3 $40.3 million compared to the year ended December 31, 2021, primarily due to a reduction December 31, 2022 driven by an increase in patients treated with ECMO related to fewer severe COVID-19 cases, product mix and hospital-related challenges, partially offset by growth in non-COVID-19 cases. case volumes.

ACS segment loss for the year ended December 31, 2022, December 31, 2023 was $142.6 $117.4 million compared to segment income of $2.2 $142.6 million for the year ended December 31, 2021 December 31, 2022. Segment The decrease in segment loss was predominantly attributed primarily due to the goodwill impairment of the goodwill associated with our ACS segment of $129.4 million. For additional information, please refer to "Note 8. Goodwill and Intangible Assets" recorded in the consolidated financial statements year ended December 31, 2022 in this Annual Report on Form 10-K. Segment loss was also negatively impacted by connection with a revised estimate of the declines in net revenue, as discussed above. These negative impacts were segment's fair value, partially offset by the net favorable impact impairment of long-lived assets of $90.0 million and the inventory obsolescence adjustment of $12.6 million recorded in the year ended December 31, 2023 associated with the wind down of the ACS segment, along with the favorable change in fair value of a regulatory milestone-based contingent consideration arrangement associated with the TandemLife acquisition of $14.3 $11.6 million.

ACS net revenue for the year ended December 31, 2021, compared For additional information, please refer to the year ended December 31, 2020, increased 31.0% to $55.5 million, resulting from continued adoption "Note 6. Restructuring," "Note 7. Goodwill and utilization of LifeSPARC Intangible Assets" and "Note 9. Fair Value Measurements" in the U.S. and an increase LivaNova's consolidated financial statements included in procedure volumes. this Report.

ACS segment income increased 481.7% for the year ended December 31, 2021, compared to the year ended December 31, 2020, primarily from an increase in sales, as discussed above. This increase was partially offset by an increase in sales and marketing expenses due to lower commercial related variable and discretionary spending as a result of COVID-19 during the year ended December 31, 2020.

Costs and Expenses

The following table presents costs and expenses as a percentage of net revenue for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020: 2021:

		2022		2021		2020	
		2023					
		2023					
		2023					
Cost of sales							
Cost of sales							
Cost of sales	Cost of sales	30.8	%	31.8	%	36.3	%
Selling, general and administrative	Selling, general and administrative	45.9	%	45.6	%	47.8	%
Selling, general and administrative							
Selling, general and administrative							
Research and development	Research and development	15.2	%	17.7	%	16.4	%
Impairment of disposal group		—	%	—	%	19.3	%
Research and development							
Research and development							
Impairment of goodwill	Impairment of goodwill	12.7	%	—	%	2.3	%
Impairment of goodwill							
Impairment of goodwill							
Impairment of long-lived assets							
Impairment of long-lived assets							
Impairment of long-lived assets							
Other operating expenses	Other operating expenses	2.9	%	5.0	%	7.3	%
Other operating expenses							
Other operating expenses							

Cost of Sales

Cost of sales consisted consists primarily of direct labor, allocated manufacturing overhead, and the acquisition cost of raw materials, and components.

Cost of sales as a percentage of net revenue was 30.8% 33.1% for the year ended December 31, 2022 December 31, 2023, a decrease an increase of 1.0% 2.3 percentage points compared to the year ended December 31, 2021 December 31, 2022. The decrease increase was primarily due to favorable product mix, partially resulting from the sale of the Company's Heart Valve business during the second quarter of 2021, as well as the net impact of the change in fair value of sales-based contingent consideration arrangements. These decreases in cost arrangements totaling $14.2 million as well as an inventory obsolescence adjustment of sales were partially offset by increased costs driven by supply chain delays and interruptions, labor shortages, inflationary pressures and logistical issues in the wake of COVID-19.

Cost of sales as a percentage of net revenue was 31.8% for the year ended December 31, 2021, a decrease of 4.5% compared to the year ended December 31, 2020. The decrease was primarily due to favorable product mix, partially due to the sale of the Heart Valve business during the second quarter of 2021, unfavorable manufacturing variances $12.6 million during the year ended December 31, 2020, as well as a decline in product remediation expenses December 31, 2023 associated with our 3T Heater-Cooler device the wind down of $7.0 million. These decreases were partially offset by the net impact of the change in fair value of a sales-based contingent consideration arrangement of $4.5 million for the year ended December 31, 2021 compared to the year ended December 31, 2020. LivaNova's ACS segment.

Selling, General and Administrative ("SG&A") Expenses &A

SG&A expenses are comprised of sales, marketing, general and administrative activities.

SG&A expenses as a percentage of net revenue was 45.9% 44.9% for the year ended December 31, 2022 December 31, 2023, an increase a decrease of 0.3% 1.0 percentage points compared to the year ended December 31, 2021 December 31, 2022, primarily due to increased lower stock-based compensation expense of $6.2 million in 2023, driven by the forfeiture of share-based awards associated with the departure of the Company's former CEO, as well as recovery of legal costs resulting from inflationary pressures associated with the Caisson litigation of $3.0 million in 2023. For additional information, please refer to "Note 13. Commitments and logistical issues, Contingencies" in LivaNova's consolidated financial statements included in this Report. These decreases were partially offset by foreign currency fluctuations. the $2.6 million increase in costs associated with the previously mentioned November 2023 cybersecurity incident.

SG&A expenses as a percentage of net revenue decreased for the year ended December 31, 2021, compared to the year ended December 31, 2020, primarily due to an increase in sales which resulted in favorable operating leverage, partially offset by an increase in sales and marketing expenses due to lower commercial related variable and discretionary spending as a result of COVID-19 during the year ended December 31, 2020.

Research and Development R&D Expenses

R&D expenses consist of product design and development efforts, clinical study programs and regulatory activities, which are essential to our strategic portfolio initiatives, including DTD, OSA and, until recently, heart failure. activities.

R&D expenses as a percentage of net revenue was 15.2% 16.8% for the year ended December 31, 2022 December 31, 2023, a decrease an increase of 2.5% 1.6 percentage points compared to the year ended December 31, 2021 December 31, 2022. The decrease increase was primarily due to a decrease in R&D expense resulting from the net impact of changes unfavorable change in the fair value of milestone-based contingent consideration arrangements of $28.5 million. The aforementioned decrease in R&D expense was partially offset by increases totaling $27.8 million, as well as increased expenses associated with the Company's RECOVER clinical study and ANTHEM-HFrEF and OSPREY clinical trials trial totaling $13.8 $12.4 million.

R&D expenses as a percentage of net revenue increased for the year ended December 31, 2021, compared to the year ended December 31, 2020, primarily due to an increase in R&D expense resulting from the net impact of changes in fair value of milestone-based contingent consideration arrangements of $16.6 million as well as an increase in R&D expenses due to the upcoming launch of our next-generation HLM and due to our DTD and heart failure clinical trials.

Impairments of Disposal Group Goodwill and Goodwill Long-Lived Assets

We test LivaNova tests goodwill for impairment on an annual basis on October 1, or when events or changes in circumstances indicate that a potential impairment exists.

On January 5, 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 this plan is to wind down the ACS segment, which the Company anticipates will be substantially complete by the end of 2024. The Company determined that it was more likely than not that the carrying amounts associated with the 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 ACS segment. As such, LivaNova recorded impairments of the following long-lived assets during the year ended December 31, 2023 (in thousands):

	2023
Intangible assets:	
Developed technology	$ 78,067
Trade names	7,117
Property, plant and equipment	3,894
Operating lease assets	896
Total impairment of long-lived assets	$ 89,974

In addition, as part of our LivaNova's third-quarter 2022 assessment, we the Company considered that revenue for our its ACS reporting unit during the nine months ended September 30, 2022, had declined by approximately 29% compared to the prior year period, primarily as a result of a reduction in severe COVID-19 cases, hospital-related challenges and product mix. Furthermore, As a result, the Company lowered its future revenue projections were reduced. for the ACS reporting unit. Based on these circumstances, we LivaNova concluded it was more likely than not that the goodwill of our LivaNova's ACS reporting unit was impaired and we performed a quantitative assessment of the goodwill as of September 30, 2022, using management's then current estimate of future cash flows. Based on the valuation performed, we LivaNova determined that the fair value of the ACS reporting unit was less than the carrying value and recognized a goodwill impairment of $129.4 million.

During the year ended December 31, 2020, we recognized an impairment of $180.2 million to record the Heart Valves disposal group at fair value less estimated cost to sell. Additionally, during the year ended December 31, 2020, we recorded a $21.3 million impairment to the goodwill allocated to the Heart Valves disposal group based upon the relative fair values of the businesses. For further information refer to "Note 5. Divestiture of Heart Valve Business" in our consolidated financial statements and accompanying notes, beginning on page F-1 of this Annual Report on Form 10-K.

Other Operating Expenses

Other operating expenses primarily consists primarily of the provision for litigation involving our LivaNova's 3T Heater-Cooler device, the Saluggia site remediation provision, for the decommissioning of hazardous substances at our site in Saluggia, Italy, restructuring expense, and merger and integration expense, restructuring expense, and the loss on the on sale of our Heart Valve business. expense.

Other operating expenses as a percentage of net revenue was 2.9% 3.3% for the year ended December 31, 2022 December 31, 2023, a decrease an increase of 2.1% 0.4 percentage points compared to the year ended December 31, 2021 December 31, 2022. The decrease increase was primarily due to a decrease in the litigation provision related to our 3T Heater-Cooler device of $16.3 million.

Other operating expenses as a percentage of net revenue for the year ended December 31, 2021, compared to the year ended December 31, 2020, decreased primarily due to a $42.2 million provision recognized in 2020 for our obligation to clean and dismantle contaminated buildings and equipment at our Saluggia, Italy campus as well as to deliver hazardous substances to a national repository. For further information, refer to "Note 14. Commitments and Contingencies" in our consolidated financial statements and accompanying notes, beginning on page F-1 of this Annual Report on Form 10-K. This decrease was partially offset by an increase in the litigation provision related to our LivaNova's 3T Heater-Cooler device of $34.2 $12.7 million, partially offset by a reduction in restructuring expense of $5.7 million. For additional information, please refer to "Note 13. Commitments and Contingencies" and "Note 6. Restructuring" in LivaNova's consolidated financial statements included in this Report.

Interest Expense

We LivaNova incurred interest expense of $48.3 $58.9 million for the year ended December 31, 2022 December 31, 2023, compared to $50.2 million and $40.8 million for the years ended December 31, 2021 and 2020, respectively. The decrease $48.3 million for the year ended December 31, 2022, compared to the year ended December 31, 2021, . The increase was primarily due to the repayment of the Company's 2020 senior secured term loan during the third quarter of 2021, an increase in interest rates and average borrowings, partially offset by interest expense associated with the February 2022 Bridge Loan

Facility and the Initial Term Facility. The increase for the year ended December 31, 2021, compared to the year ended December 31, 2020 was primarily due to $10.5 million in increased interest expense in 2021 from the 2020 Cash Exchangeable Senior Notes (the "Notes") that were entered into in June 2020. reduced amortization of debt issuance costs. For further information on our the Company's debt refer to "Note 11. 10. Financing Arrangements" in our LivaNova's consolidated financial statements and accompanying notes, beginning on page F-1 of included in this Annual Report on Form 10-K. Report.

Loss on Debt Extinguishment

Loss on debt extinguishment for the year ended December 31, 2021, resulted from the early repayment and termination of the Company's 2020 senior secured term loan and revolving credit facility with ACF FINCO I LP totaling $60.2 million. For further details on the loss on debt extinguishment, refer to "Note 11. Financing Arrangements" in our consolidated financial statements and accompanying notes, beginning on page F-1 of this Annual Report on Form 10-K.

Foreign Exchange and Other Income/(Expense)

Foreign exchange and other income/(expense) consist consists primarily of gains and losses arising from transactions denominated in a currency different from an entity's functional currency, foreign currency exchange rate FX derivative gains and losses, and changes in the fair value of embedded and capped call derivatives.

Foreign exchange and other income/(expense) was income of $46.1 million and $49.9 million for the year years ended December 31, 2022, compared to losses of $13.3 million December 31, 2023 and $31.9 million for 2021 and 2020, 2022, respectively. For further details, refer to "Note 21. 20. Supplemental Financial Information" in our LivaNova's consolidated financial statements and accompanying notes, beginning on page F-1 of included in this Annual Report on Form 10-K. Report.

Income Taxes

LivaNova PLC is resident in the UK. Our 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, and the income tax rates imposed in the tax jurisdictions in which our subsidiaries conduct operations vary. countries. As a result of the changes in the overall level of our the Company's taxable income, the earnings mix of taxable income in various jurisdictions, changes in tax valuation allowances, and the changes in tax laws, our LivaNova's consolidated effective income tax rate may vary substantially from one reporting period to another.

Our LivaNova's effective income tax rate from continuing operations was (14.7% (121.7%), (9.0)% and 0.3% 14.7% for the years ended December 31, 2022, 2021 December 31, 2023 and 2020, 2022, respectively.

Compared with the year ended December 31, 2021 December 31, 2022, the decrease in the effective tax rate benefit for 2022 2023 was primarily attributable to the release of a $110.8 million UK valuation allowance, and changes in other valuation allowances, partially offset by other discrete items including the goodwill impairment of the ACS reporting unit.

Compared with the year ended December 31, 2020, the decrease long-lived assets. For additional information, please refer to "Note 17. Income Taxes" in the effective tax rate for 2021 was primarily attributable to changes LivaNova's consolidated financial statements included in valuation allowances, the tax impact of the sale of the Heart Valve business and the early repayment and termination of the Company's 2020 senior secured term loan. Comparatively, the effective tax rate for 2020 included the tax benefits related to the Coronavirus Aid, Relief and Economic Security ("CARES") Act, the release of the uncertain tax positions upon the settlement of tax litigation in Italy and other items, offset by an increase to the valuation allowance of the UK and other jurisdictions. this Report.

Critical Accounting Estimates

We have LivaNova has adopted various accounting policies to prepare the consolidated financial statements in accordance with accounting principles generally accepted in the U.S. ("U.S. GAAP"). Our US GAAP. The Company's most significant accounting policies are disclosed in "Note 2. Basis of Presentation, Use of Accounting Estimates and Significant Accounting Policies" and "Note 3. Revenue Recognition" in our LivaNova's consolidated financial statements and accompanying notes, beginning on page F-1 of included in this Annual Report on Form 10-K. Report.

To prepare our LivaNova's consolidated financial statements in conformity with U.S. US GAAP, management makes estimates and assumptions that may affect the reported amounts of our the Company's assets and liabilities, the disclosure of contingent liabilities as of the date of our its consolidated financial statements and the reported amounts of our its revenue and expenses during the reporting period. Our LivaNova's actual results may differ from these estimates. We consider LivaNova considers estimates to be critical if we are the Company is required to make assumptions about material matters that are uncertain at the time of estimation, or if materially different estimates could have been made or it is reasonably likely that the accounting estimate will may change from period to period. The following are areas requiring management's judgment that we consider LivaNova considers critical:

Goodwill and Long-Lived Assets

We allocate LivaNova allocates the purchase price consideration for of an acquisition to the assets we acquire acquired and liabilities we assume 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 goodwill. We allocate LivaNova allocates any excess purchase price over the fair value of the net tangible and identifiable intangible assets acquired to goodwill. We base LivaNova bases the fair value of identifiable intangible assets acquired in a business combination, including IPR&D, on 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.

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, trade names and customer relationships. Customer relationships consist of relationships with hospitals and surgeons in the countries where we operate. LivaNova operates. Indefinite-lived intangible assets other than goodwill are composed of IPR&D assets acquired in acquisitions.

Each reporting period, we review LivaNova reviews if there are circumstances that warrant an evaluation of the carrying amounts of our LivaNova's property and equipment and our its finite-lived intangible assets to determine whether such carrying amounts continue to be recoverable. Such changes in circumstance may include, among other items, an expectation of a sale or disposal of a long-lived asset or asset group, adverse changes in market or competitive conditions, an adverse change in legal factors or business climate in the markets in which we operate LivaNova operates and operating or cash flow losses. Long-lived assets held and used are assessed for possible impairment by comparing their carrying values with their associated undiscounted, future cash flows. In

order to calculate the impairment charge, we LivaNova generally measure measures fair value by considering sale prices for similar assets, discounted estimated future cash flows using an appropriate discount rate and/or estimated replacement cost.

We estimate LivaNova estimates the useful lives of our its finite-lived intangible assets, which requires significant management judgment. We evaluate our judgment, and evaluates its intangible assets each reporting period to determine whether events and circumstances indicate a different useful life.

We evaluate LivaNova evaluates the goodwill and indefinite-lived intangible assets for impairment annually on October 1st and whenever other facts and circumstances indicate that the carrying amounts of goodwill and other indefinite-lived intangible assets may not be recoverable. Estimating the fair value of goodwill and indefinite-lived intangible assets requires various assumptions, including revenue growth rates and discount rates. We LivaNova performed a quantitative impairment assessment for its Cardiopulmonary and Neuromodulation reporting units as of October 1, 2023. The assessment was performed using management's current estimate of future cash flows. LivaNova concluded that the fair value of its Cardiopulmonary and Neuromodulation reporting units exceeded their carrying value by 23% and 528%, respectively. Therefore, LivaNova concluded that its Cardiopulmonary and Neuromodulation reporting units' goodwill and indefinite-lived intangible assets were not impaired on the October 1, 2023 test date. LivaNova also performed a sensitivity analysis of the revenue growth rate for our the Company's Cardiopulmonary and Neuromodulation reporting units as of October 1, 2022 October 1, 2023, and determined that a 0.5% decrease of 0.5% in the expected revenue Cardiopulmonary or Neuromodulation growth rate would not result in an impairment of goodwill. Estimating goodwill for the fair value of respective reporting units or indefinite-lived intangible assets requires various assumptions, including revenue growth rates, timing and probability of commercialization, and discount rates. We assets. Similarly, LivaNova performed a sensitivity analysis of the discount rate for the same reporting units as of October 1, 2022, for each of these assumptions October 1, 2023 and determined that an a 0.5% increase of 0.5% in the discount rate, Cardiopulmonary or a decrease of 0.5% in the expected revenue growth Neuromodulation discount rate would not result in an impairment of our goodwill for the respective reporting units or indefinite-lived intangible asset. assets.

As part of our LivaNova's third-quarter 2022 assessment, we the Company considered that revenue for our its ACS reporting unit during the nine months ended September 30, 2022, had declined by approximately 29% compared to the prior year period, primarily as a result of a reduction in severe COVID-19 cases, hospital-related challenges and product mix. Furthermore, As a result, the Company lowered its future revenue projections were reduced. for the ACS reporting unit. Based on these circumstances, we LivaNova concluded it was more likely than not that the goodwill of our the Company's ACS reporting unit was impaired, and we performed a quantitative assessment of the goodwill as of September 30, 2022, using management's then current estimate of future cash flows. Based on the valuation performed, we LivaNova determined that the fair value of the ACS reporting unit was less than the carrying value and recognized a goodwill impairment of $129.4 million. For additional information, please refer to "Note 4. Business Combinations" and "Note 8. 7. Goodwill and Intangible Assets" in the LivaNova's consolidated financial statements included in this Annual report on Form 10-K. Report.

Income Taxes

We are LivaNova is a UK corporation, and we operate operates through our the Company's various subsidiaries in a number of countries throughout the world. Our LivaNova's provision for income taxes is based on the tax laws and rates applicable in the jurisdictions in which we operate the Company operates and earn earns income. We use LivaNova uses significant judgment and estimates in accounting for our the Company's income taxes. We recognize The Company recognizes deferred tax assets and liabilities for the anticipated future tax effects of temporary differences between the financial statements basis and the tax basis of our LivaNova's assets and liabilities, which are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

We file LivaNova files federal and local tax returns in many jurisdictions throughout the world and are is subject to income tax examinations for our its fiscal year 2015 2018 and subsequent years, with certain exceptions. While we believe LivaNova believes that our its tax return positions are fully supported, tax authorities may disagree with certain positions we have the Company has taken and assess additional taxes, and, as a result, we LivaNova may establish reserves for uncertain tax positions, which require a significant degree of management judgment. We LivaNova regularly assess assesses the likely outcomes of our its tax positions in order to determine the appropriateness of our the Company's reserves; however, the actual outcome of an audit can be significantly different than our LivaNova's expectations, which could have a material impact on our the Company's tax provision. The total amount of unrecognized tax benefit, as of December 31, 2022 December 31, 2023, if recognized, would reduce our LivaNova's income tax expense by approximately $1.6 million $5.4 million.

We LivaNova periodically assess assesses the recoverability of our its deferred tax assets by considering whether it is more-likely-than-not that some or all of the actual benefit of those assets will be realized. To the extent that realization does not meet the "more-likely-than-not" criterion, we establish the Company establishes a valuation allowance. We LivaNova periodically review reviews the adequacy and necessity of the valuation allowance by considering significant positive and negative evidence relative to our its ability to recover deferred tax assets and to determine the timing and amount of valuation allowance that should be released. This evidence includes: profitability in the most recent quarters; internal profitability forecasts for the current and next two future years; size the amount 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 our LivaNova's net operating losses due to ownership changes, pursuant to Internal Revenue Code ("IRC") IRC Section 382; and the implementation of prudent and feasible tax planning strategies, if any.

For additional information, please refer to "Note 18. 17. Income Taxes" in the LivaNova's consolidated financial statements included in this Annual report on Form 10-K. Report.

Legal and Other Contingencies

Provisions for legal contingencies are recognized when the Company determines it is probable that a loss has been incurred and the amount is reasonably estimable, the determination of which requires significant judgment. 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 additional information, please refer to "Note 14. 13. Commitments and Contingencies" in the LivaNova's consolidated financial statements included in this Annual report on Form 10-K. Report.

Contingent Consideration Liabilities

Contingent consideration liabilities are result from arrangements resulting from acquisitions acquisition agreements that involve include potential future payment of consideration that is contingent upon the achievement of performance milestones and and/or sales-based earn-outs. Contingent consideration liabilities are measured at fair value each reporting period, the determination of which requires significant judgments and estimates. The fair value of contingent consideration is determined based on the consideration expected to be transferred and based on estimated as the probability of future cash flows of the acquired business, discounted to present value in accordance with accepted valuation methodologies. For additional information, please refer to "Note 10. 9. Fair Value Measurements" in the LivaNova's consolidated financial statements included in this Annual report on Form 10-K. Report.

Embedded Exchange Feature and Capped Call Derivatives

In June 2020, the Company issued cash exchangeable senior notes the Notes and entered into related capped call transactions. The cash exchangeable senior notes Notes include an embedded exchange feature that is bifurcated from the cash exchangeable senior notes. Notes. The embedded exchange feature derivative is measured at fair value using a binomial lattice model and estimated discounted cash flows that utilize observable and unobservable market data. The capped call derivative is measured at fair value using the Black-Scholes model utilizing 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 10. 9. Fair Value Measurements" and "Note 11. 10. Financing Arrangements" in the LivaNova's consolidated financial statements included in this Annual report on Form 10-K. Report.

New Accounting Pronouncements

For a discussion of new accounting standards and disclosure requirements, please refer to “Note 21. New Accounting Pronouncements” in LivaNova’s consolidated financial statements included in this Report.

Liquidity and Capital Resources

Based on our LivaNova’s current business plan, we believe the Company believes that our its sources of liquidity, which primarily consist of cash and cash equivalents, future cash generated from operations, and available borrowings under our current debt facilities, its revolving credit facility, will be sufficient to fund our its uses of liquidity, primarily consisting of purchase obligations for expected day-to-day operating expenses, working capital, capital expenditures, acquisition earn-outs and debt service requirements over the twelve-month period beginning from the issuance date of this Annual Report on Form 10-K. Report. From time to time, we LivaNova may decide to access debt and/or equity markets to optimize our its capital structure, raise additional capital, or increase liquidity as necessary. Our LivaNova’s liquidity could be adversely affected by the factors affecting future operating results, including those referred to in “Item 1A. Risk Factors” above and by the contingencies referred to in “Note 14. 13. Commitments and Contingencies” in the LivaNova’s consolidated financial statements included in this Annual report on Form 10-K. Report.

Our 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 payments of operating leases, as well as contingent consideration arrangements resulting from acquisitions, and obligations associated with legal and other accruals.

The following table presents selected financial information related to our LivaNova’s liquidity as of December 31, 2022 December 31, 2023 and 2021 2022 (in thousands):

		2022	2021
Short-term Liquidity			
2023			**2023**	**2022**
Available Short-term Liquidity			
Cash and cash equivalents			
Cash and cash equivalents			
Cash and cash equivalents	Cash and cash equivalents	$ 214,172	$207,992
Availability under the 2021 First Lien Credit Agreement	Availability under the 2021 First Lien Credit Agreement	125,000	125,000
Availability under the Delayed Draw Term Facility		50,000	—
		$ 389,172	$332,992
Availability under the Delayed Draw Term Facility (1)		$	
Working Capital	**Working Capital**		
Working Capital			
Working Capital			
Current assets			
Current assets			
Current assets	Current assets	$ 886,136	$679,181
Current liabilities	Current liabilities	297,398	696,970
		$ 588,738	$ (17,789)
		$	

Debt Obligations	Debt Obligations		
Debt Obligations			
Debt Obligations			
Current portion of long-term debt			
Current portion of long-term debt			
Current portion of long-term debt	Current portion of long-term debt	$ 20,892	$226,946
Short-term unsecured borrowing arrangements	Short-term unsecured borrowing arrangements	2,542	2,727
Current debt obligations	Current debt obligations	23,434	229,673
Long-term debt obligations	Long-term debt obligations	518,067	9,849
Total debt obligations	Total debt obligations	$ 541,501	$239,522

(1) On April 6, 2023, LivaNova drew the full $50 million under the Delayed Draw Term Facility to be used for general corporate purposes.

Debt and Capital

Our LivaNova's capital structure consists of debt and equity. As of December 31, 2023, LivaNova's total debt of $586.7 million was 45.9% of its total equity of $1,277.6 million. As of December 31, 2022, our LivaNova's total debt of $541.5 million was 44.8% of its total equity of $1,207.6 million. As

During the year ended December 31, 2023, LivaNova received $50.0 million in proceeds from the issuance of December 31, 2021, our total long-term debt of $239.5 and repaid $21.6 million was 18.5% of total equity of $1,294.6 million. in long-term debt.

During the year ended December 31, 2022, we LivaNova received $507.5 million in proceeds from the issuance of long-term debt and repaid $223.5 million in long-term debt.

During the year ended December 31, 2021, we repaid $452.3 million in long-term debt and paid $35.6 million for the make-whole premium associated with the early retirement of long-term debt. We received $322.6 million in net proceeds from the issuance of ordinary shares. Additionally, we reduced our short-term unsecured revolving credit agreements and other agreements with various banks by $2.0 million.

On June 17, 2020, our LivaNova's wholly-owned subsidiary, LivaNova USA, issued $287.5 million in aggregate principal amount of the 2020 Cash Exchangeable Senior Notes (the "Notes"). Notes. Holders of the Notes are entitled to exchange the Notes at any time during specified periods, at their option. This includes the right to exchange the Notes during any calendar quarter, if the last reported sale price of LivaNova's ordinary shares, with a nominal value of £1.00 per share, 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 exchange condition was not satisfied on December 31, 2022 December 31, 2023. As a result, we have LivaNova has included our its obligations from the Notes and the associated embedded exchange feature derivative as a long-term liability on the consolidated balance sheet sheets as of December 31, 2022 December 31, 2023. The 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 Notes is 16.3980 ordinary shares per $1,000 principal amount of Notes (equivalent to an initial exchange price of approximately $60.98 per share). The exchange rate is subject to adjustment in certain circumstances, as set forth in the indenture governing the Notes. If holders elect to exchange their Notes during any future periods in the event an exchange condition is met, we LivaNova would be required to settle our its exchange obligation through the payment of cash, which could adversely affect our the Company's liquidity.

The Company has also entered into privately negotiated capped call transactions with terms substantially similar to those applicable to the Notes. The capped call transactions cover, subject to anti-dilution adjustments substantially similar to those applicable to the Notes, the number of LivaNova's ordinary shares underlying the Notes and are expected generally to offset any cash payments the Company is required to make upon exchange of the Notes in excess of the principal amount thereof in the event that the market value per ordinary share, as measured under the capped call transactions, is greater than the strike price of the capped call transactions, with such offset being subject to an initial cap price of $100.00 per share. If the Company's share price exceeds the cap price, the proceeds under the capped call transactions would not fully offset the excess principal amount due to the holders of the Notes. The capped call transactions expire on December 15, 2025 and must be settled in cash. If the capped call transactions are converted or redeemed early, settlement occurs at their termination value, which is equal to their fair value at the time of the conversion or redemption. The capped call transactions are included at their estimated fair value as of December 31, 2022 December 31, 2023 within long-term derivative assets on the consolidated balance sheet. sheets.

On August 6, 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 approximately $322.6 million, after deducting underwriting discounts, commissions and offering expenses. Proceeds from the offering were used to repay the Company's $450 million 2020 senior secured term loan.

On August 13, 2021, LivaNova PLC and its wholly-owned subsidiary, LivaNova USA (the "Borrower"), the Borrower entered into a First Lien Credit Agreement with the lenders and issuing banks party thereto and Goldman Sachs Bank USA, as First Lien Administrative Agent and First Lien Collateral Agent, relating to a $125 million senior secured multi-

currency revolving credit facility to be made available to the Borrower (the "2021 First Lien Credit Agreement"). Borrower. The 2021 First Lien Credit Agreement is available for working capital and other general corporate purposes and, if drawn, can be repaid at any time without premium or penalty. There were no outstanding borrowings under the 2021 First Lien Credit Agreement as of December 31, 2022 December 31, 2023.

On February 21, 2022, the Court of Appeal in Milan ("Court of Appeal") notified the Company that it granted the Company a suspension with respect to the payment of damages in the amount of €453.6 million (approximately $484.9 million $502.0 million at December 31, 2022 December 31, 2023) in the SNIA litigation until a decision has been reached on our LivaNova's appeal to the Italian Supreme Court. This suspension was subject to LivaNova providing a first demand bank guarantee of €270.0 million (approximately $288.6 million $298.8 million at December 31, 2022) (the "SNIA Litigation Guarantee" December 31, 2023) within 30 calendar days.

On February 24, 2022, LivaNova PLC and its wholly-owned subsidiary, LivaNova USA, the Borrower entered into an Incremental Facility Amendment No. 1 to the 2021 First Lien Credit Agreement, relating to a €200 million bridge loan facility (the "Bridge Loan Facility"). facility. On March 16, 2022, LivaNova entered into Amendment No. 2 to the 2021 First Lien Credit Agreement, which converted the available borrowings under the Bridge Loan Facility from €200 million to $220.0 $220 million and converted the EURIBOR rate in the 2021 First Lien Credit Agreement to SOFR. LivaNova delivered a borrowing notice for $220.0 $220 million in connection with the Bridge Loan Facility, which was funded on March 17, 2022. LivaNova used the proceeds of the Bridge Loan Facility to post a portion of the cash collateral supporting the SNIA Litigation Guarantee.

On March 18, 2022, LivaNova PLC, acting through its Italian branch, entered into an Indemnity Letter and an Account Pledge Agreement with Barclays, further to which Barclays issued the €270.0 million 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. At December 31, 2022 On December 31, 2023, the cash collateral classified as restricted cash on the consolidated balance sheet sheets was $301.4 million $311.4 million.

On March 21, 2022, LivaNova delivered the SNIA Litigation Guarantee as required by the Court of Appeal, thereby satisfying the condition to obtain the suspension for the payment of damages in connection with the SNIA litigation until review of such judgment by the Italian Supreme Court.

On July 6, 2022, LivaNova and its wholly-owned subsidiary, LivaNova USA, the Borrower entered into a new incremental facility amendment to its 2021 First Lien Credit Agreement. The Incremental Facility Amendment No. 2, which provides for LivaNova USA the Borrower 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) an initial term loan facility in the Initial Term Facility with an aggregate principal amount of $300 million (the "Initial Term Facility") and (ii) a delayed draw term loan facility in the Delayed Draw Term Facility with an additional aggregate principal amount of $50 million, which are available in one single drawing on or after July 6 until the date that is nine months after such date (the "Delayed Draw Term Facility" and, together with the Initial Term Facility, the "Term Facilities"). As of December 31, 2022 million. On April 6, 2023, availability LivaNova drew $50 million under the Delayed Draw Term Facility was $50 million. for general corporate purposes.

Proceeds of from the Initial Term Facility were used to repay in full the Bridge Loan Facility on July 6, 2022, with the remainder to be 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 December 15, 2025, the maturity date of the Notes, unless by that date LivaNova USA will have either redeemed or refinanced the Notes, or set aside an amount of cash equal to the then-outstanding principal amount of the Notes.

For additional information on our LivaNova's debt and debt transactions, please refer to "Note 11. 10. Financing Arrangements" in the LivaNova's consolidated financial statements included in this Annual report on Form 10-K. Report.

Cash Flows

The following table presents net cash and cash equivalents provided by (used in) operating, investing and financing activities and the net increase (decrease) in the balance of cash and cash equivalents for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 (in thousands):

		2022	2021	2020			
		2023			2023	2022	2021
Operating activities	Operating activities	$ 69,921	$102,544	$ (79,422)			
Investing activities	Investing activities	(38,414)	36,904	(41,844)			
Financing activities	Financing activities	280,130	(181,483)	310,756			
Effect of exchange rate changes on cash and cash equivalents	Effect of exchange rate changes on cash and cash equivalents	(4,011)	(2,805)	2,205			
Net increase (decrease)	Net increase (decrease)	$ 307,626	$ (44,840)	$191,695			

Operating Activities

Cash provided by operating activities for the year ended December 31, 2022 decreased $32.6 million December 31, 2023 increased $5.0 million compared to the prior year. The decrease was year primarily due to the net change resulting from improvements in working capital largely associated with an increase in inventory to mitigate supply chain risk and increased payments under the Company's short-term incentive plan. These decreases were partially offset by an increase in net income adjusted for non-cash items, of $28.3 million, primarily driven partially offset by an increase in Neuromodulation and Cardiopulmonary net revenue.

Cash provided by operating activities for the year ended December 31, 2021 increased $182.0 million compared to the prior year. The increase was primarily due to a decrease in 3T Heater-Cooler litigation settlement payments of $103.4 million, the receipt of a CARES Act tax refund of $24.5 million during the year ended December 31, 2021, and an

increase in net revenue. $24.8 million.

Investing Activities

Cash provided by used in investing activities during the year ended December 31, 2022 decreased $75.3 million December 31, 2023 increased $1.9 million compared to the prior year largely due to proceeds received increases in purchases of property, plant and equipment and investments of $8.5 million and $3.6 million, respectively, partially offset by $8.9 million paid during the year ended December 31, 2021, including $42.9 million from December 31, 2022 associated with the sale acquisition of the Company's Heart Valve business as well as proceeds from the sale of LivaNova's investment in and loan to Respicardia totaling $23.1 million.

Cash provided by investing activities during the year ended December 31, 2021 increased $78.7 million compared to the prior year. The increase was primarily due to proceeds from the sale of Heart Valves of $42.9 million, proceeds from the sale of our investment in and loan to Respicardia totaling $23.1 million, as well as a decrease in purchases in property, plant and equipment of $9.5 million. ALung.

Financing Activities

Cash provided by financing activities during the year ended December 31, 2022 increased $461.6 million December 31, 2023 decreased $258.6 million compared to the prior year. The increase was primarily due to net borrowings during the year ended December 31, 2022 of $280.2 million compared to net repayments of borrowings of $456.7 million, as well as a payment of $35.6 million for the make-whole premium on long-term debt obligations, during the year ended December 31, 2021. These increases were partially offset by net proceeds from the issuance of ordinary shares of $322.6 million during the year ended December 31, 2021.

Cash used in financing activities during the year ended December 31, 2021 increased $492.2 million compared to the same prior year period. The increase decrease was primarily due to a net repayment of borrowings during the year ended December 31, 2021 of $456.7 million compared to net reduction in proceeds from net long and short-term debt borrowings and repayments of $382.4 million in the prior year, as well as a payment of $35.6 million for the make-whole premium on long-term debt obligations made during the year ended December 31, 2021. These increases were partially offset by the net proceeds from the issuance of ordinary shares of $322.6 million during the year ended December 31, 2021, as well as the purchase of a capped call associated with our Notes of $43.1 million and a closing adjustment payment for the sale of our former Cardiac Rhythm Management ("CRM") business of $14.9 million made during the year ended December 31, 2020 $257.5 million.

Market Risk

We are LivaNova is exposed to certain market risks as part of our its ongoing business operations, including risks from foreign currency exchange rates, interest rate risks and concentration of procurement suppliers, that could adversely affect our LivaNova's consolidated financial position, results of operations or cash flows.

We manage LivaNova 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 our LivaNova's operations, we are the Company is exposed to foreign currency exchange rate FX fluctuations. Historically, we have LivaNova has maintained a foreign currency exchange rate risk management strategy that utilizes cash flow hedges and freestanding foreign currency derivatives to reduce our the Company's exposure to unanticipated fluctuations in forecasted revenue and costs, inter-company debt, bank deposits, accounts receivable, and accounts receivable payable caused by changes in foreign currency exchange rates. Upon the settlement of our LivaNova's foreign currency cash flow hedges in the fourth quarter of 2022 and following an in-depth analysis of the utility of our the Company's cash flow hedging program, we LivaNova discontinued our its foreign currency cash flow hedging program. We continue 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.

We mitigate our LivaNova mitigates its credit risk relating to counterparties of our its derivatives through a variety of techniques, including transacting with multiple, high-quality financial institutions, thereby limiting our the Company's exposure to individual counterparties and by entering into International Swaps and Derivatives Association, Inc. ("ISDA") ISDA Master Agreements, which include provisions for a legally enforceable master netting agreement, with almost all of our 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.

Interest Rate Risk

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

If interest rates associated with LivaNova's variable-rate financing arrangements were to increase / increase/(decrease) by 100 basis points, the effect on interest expense within our LivaNova's consolidated statement of income (loss) would be an increase / increase/(decrease) of approximately $3 million, $3.5 million, respectively. Conversely, if the interest rate associated with LivaNova's variable-rate depository account were to increase/(decrease) by 100 basis points, the effect on foreign exchange and other income/(expense) within LivaNova's consolidated statements of income (loss) would be an increase/(decrease) of approximately $3.5 million, respectively.

Concentration of Credit Risk

Our LivaNova's trade accounts receivable 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 our LivaNova's efforts to control our its exposure to credit risk by monitoring our its receivables and the use of credit approvals and credit limits. In addition, we have LivaNova has historically had strong collections and minimal write-offs. While we believe LivaNova believes that our its reserves for credit losses are adequate, essentially all of our the Company's trade receivables are concentrated in the hospital and healthcare sectors worldwide, and accordingly, we are LivaNova is exposed to their respective business, economic and country-specific variables. Although we do 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.

Factors Affecting Future Operating Results and Share Price

The material factors affecting our LivaNova's future operating results and share prices are disclosed in "Item 1A. Risk Factors" of this Annual Report on Form 10-K. Report.

Item 7A. ***Quantitative and Qualitative Disclosures About Market Risk***

The information required under 7A. has been incorporated by reference to the information contained in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Annual Report on Form 10-K under the section entitled "*Market Risk.*"

Item 8. ***Financial Statements and Supplementary Data***

Our LivaNova's audited consolidated financial statements and notes thereto included in "Item 15. Exhibits, Financial Statement Schedules" of this Annual Report, on Form 10-K, beginning on page F-1 of this Annual Report, on Form 10-K, are incorporated herein by reference.

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

None.

Item 9A. ***Controls and Procedures***

Disclosure Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

We maintain LivaNova maintains a system of disclosure controls and procedures, as defined in Rule 13a-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed in our the Company's reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information is accumulated and communicated to management, including our Chief Executive Officer ("CEO") LivaNova's CEO and Chief Financial Officer ("CFO"), CFO, as appropriate, to allow timely decisions regarding required disclosure. Our LivaNova's management, under the supervision and with the participation of our the Company's CEO and CFO, evaluated the effectiveness of the design and operation of our LivaNova's disclosure controls and procedures as of the end of the period covered by this Annual Report on Form 10-K. Report. Based on that evaluation, our LivaNova's CEO and CFO concluded that our LivaNova's disclosure controls and procedures were effective as of December 31, 2022 December 31, 2023.

(b) Management's Report on Internal Control Over Financial Reporting

Our LivaNova's management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of our LivaNova's internal control over financial reporting as of December 31, 2022 December 31, 2023 using the criteria set forth in the *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, we LivaNova concluded that the Company's internal control over financial reporting was effective as of December 31, 2022 December 31, 2023.

The effectiveness of our LivaNova's internal control over financial reporting as of December 31, 2022 December 31, 2023 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm. Their report is included after "Item 16. Form 10-K Summary" in this Annual Report on Form 10-K. Report.

(c) Changes in Internal Control Over Financial Reporting

During the fourth quarter of 2022, 2023, there were no changes to our LivaNova's internal control over financial reporting (as defined in Rules 13a-15(f) under the Exchange Act) that have materially affected, or that are reasonably likely to materially affect, our the Company's internal control over financial reporting.

Item 9B. ***Other Information***

None. During the three months ended December 31, 2023, none of the Company's directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934) adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act).

Item 9C. ***Disclosure Regarding Foreign Jurisdictions that Prevent Inspections***

Not applicable.

PART III

Item 10. ***Directors, Executive Officers and Corporate Governance***

The information required for this Item 10 is incorporated by reference from our definitive LivaNova's 2024 Proxy Statement, for which the annual meeting Company anticipates filing within 120 days of stockholders to be held on June 12, 2023 (the "2023 Proxy Statement") December 31, 2023.

We have LivaNova has adopted a Code of Business Conduct and Ethics (the "Code of Conduct") that applies to all employees, officers and directors of the Company. A copy of the Code of Conduct is publicly available on our the Company's website, *www.livanova.com.* We intend LivaNova intends to post any amendments to the Code of Conduct or any grant of a waiver from a provision of the Code of Conduct requiring disclosure under applicable SEC rules on our the Company's website.

Item 11. ***Executive Compensation***

The information required for this Item 11 is incorporated by reference from our 2023 LivaNova's 2024 Proxy Statement except as to information required pursuant to Item 402(v) of the SEC Regulation S-K relating to pay versus performance. The Company anticipates filing LivaNova's 2024 Proxy Statement within 120 days of December 31, 2023.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

The information required for this Item 12 is incorporated by reference from our 2023 LivaNova's 2024 Proxy Statement. Statement, which the Company anticipates filing within 120 days of December 31, 2023.

Item 13. ***Certain Relationships and Related Transactions, and Director Independence***

The information required for this Item 13 is incorporated by reference from our 2023 LivaNova's 2024 Proxy Statement. Statement, which the Company anticipates filing within 120 days of December 31, 2023.

Item 14. *Principal Accounting Fees and Services*

The information required for this Item 14 is incorporated by reference from our 2023 LivaNova's 2024 Proxy Statement. Statement, which the Company anticipates filing within 120 days of December 31, 2023.

PART IV

Item 15. *Exhibits and Financial Statement Schedules*

(1) Financial Statements

The Consolidated Financial Statements of LivaNova PLC and its subsidiaries and the Report of Independent Registered Public Accounting Firms are included in this Annual Report on Form 10-K beginning on page F-1:

(2) Financial Statement Schedules

All schedules required by Regulation S-X have been omitted as not applicable or not required, or the information required has been included in the notes to the consolidated financial statements.

(3) Index to Exhibits

The exhibits marked with the asterisk symbol (*) are filed or furnished (in the case of Exhibit 32.1) with this Form 10-K. The exhibits marked with the cross symbol (†) are management contracts or compensatory plans or arrangements filed pursuant to Item 601(b)(10)(iii) of Regulation S-K.

Exhibit Number	Document Description
2.1	Share and Asset Purchase Agreement, dated as of December 2, 2020, by and between LivaNova PLC and Mitral Holdco S.à.r.l., incorporated by reference to Exhibit 2.1 of the Company's Company's Current Report on Form 8-K, filed on December 3, 2020
2.2	Amended and Restated Share and Asset Purchase Agreement, dated as of April 9, 2021, by and between LivaNova PLC and Mitral Holdco S.à.r.l., incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K, filed on April 15, 2021
3.1	Amended Articles of Association, incorporated by reference to Exhibit 3.1 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020
4.1*	Description of Securities Registered Under Section 12 of the Securities Exchange Act of 1934, as amended
4.2	Indenture, dated as of June 17, 2020, among LivaNova USA, Inc., as Issuer, LivaNova PLC, as Guarantor, and Citibank, N.A., as Trustee, incorporated by reference to Exhibit 4.1 of the Company's Company's current Report on Form 8-K, filed on June 17, 2020
4.3	Form of 3.00% Cash Exchangeable Senior Notes due 2025 (included in Exhibit 4.1 of the Company's Company's current Report on Form 8-K, filed on June 17, 2020)
10.1†	Form of Deed of Indemnification (Directors), each effective October 19, 2015, incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K, filed on October 19, 2015
10.2†	Form of Deed of Indemnification (Officers), each effective October 19, 2015, incorporated by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K, filed on October 19, 2015
10.3†	2015 Incentive Award Plan and related Sub-Plan for U.K. UK Participants, adopted on October 16, 2015, incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed on October 19, 2015
10.4†	Cyberonics, Inc. 2009 Stock Plan, as amended, incorporated by reference to Appendix A to Cyberonics, Inc.'s Proxy Statement on Schedule 14A, filed on August 2, 2012
10.5†	Amended and Restated Cyberonics, Inc. New Employee Equity Inducement Plan, as amended, incorporated by reference to Exhibit 10.3 of Cyberonics, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended October 24, 2008

10.6*†	10.6†	Form of Stock Option Award Notification and Agreement under the Cyberonics, Inc. 2009 Stock Plan, as amended, incorporated by reference to Exhibit 10.6 of the Company's Annual Report on Form 10-K for the year ended December 31, 2022
10.7†		CEO Employment Agreement effective January 1, 2017 between the Company and Damien McDonald, incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K, filed on February 28, 2017
10.8†		Side Letter dated January 1, 2017 between the Company and Damien McDonald, incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K, filed on February 28, 2017

10.9†		Service Damien McDonald Settlement Agreement, effective May 24, 2017 dated April 14, 2023, between the Company and Keyna Skeffington, incorporated by reference to Exhibit 10.6 10.1 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017 June 30, 2023
10.10†		Non-Employee Director Compensation Policy, adopted December 2017, incorporated by reference to Exhibit 10.74 of the Company's Annual Report on Form 10-K for the year ended December 31, 2017
10.11†		Description of 2018 Long Term Incentive Plan, incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed on March 16, 2018
10.12†	10.11†	Form of 2018 Long Term Incentive Plan SAR Award Agreement, incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K, filed on March 16, 2018
10.13†		Form of 2018 Long Term Incentive Plan PSU Award Agreement (rTSR condition), incorporated by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K, filed on March 16, 2018
10.14†	10.12†	General Provisions of the Company's Global Employee Share Purchase Plan dated 12 June 2018, incorporated by reference to Exhibit 10.4 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018
10.15†	10.13†	Description of 2019 Long Term Incentive Plan approved March 29, 2019, incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed on April 1, 2019
10.16†	10.14†	Form of the Company's 2019 Long Term Incentive Plan RSU Award Agreement, incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K, filed on April 1, 2019
10.17†	10.15†	Form of the Company's 2019 Long Term Incentive Plan SAR Award Agreement, incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K, filed on April 1, 2019
10.18†	10.16†	Form of the Company's 2019 Long Term Incentive Plan PSU Award Agreement (rTSR condition), incorporated by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K, filed on April 1, 2019
10.19†	10.17†	Form of the Company's 2019 Long Term Incentive Plan PSU Award Agreement (FCF condition), incorporated by reference to Exhibit 10.5 of the Company's Current Report on Form 8-K, filed on April 1, 2019
10.20†	10.18†	Service Agreement, dated January 2, 2019, between Trui Hebbelinck and LivaNova PLC, incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019
10.21	10.19	Form of Capped Call Confirmation incorporated by reference to Exhibit 10.1 of the Company's Company's Current Report on Form 8-K, filed on June 17, 2020
10.22†	10.20†	Amendment to Outstanding 2019 and 2020 Restricted Stock Unit Awards under the LivaNova PLC 2015 Incentive Award Plan, dated June 15, 2020, incorporated by reference to Exhibit 10.10 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020
10.23†	10.21†	Amendment to Outstanding 2018 Restricted Stock Unit Awards under the LivaNova PLC 2015 Incentive Award Plan dated June 15, 2020, incorporated by reference to Exhibit 10.11 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020
10.24†	10.22†	Amendment to Outstanding 2018, 2019 and 2020 Performance Stock Unit Awards under the LivaNova PLC 2015 Incentive Award Plan, dated June 15, 2020, incorporated by reference to Exhibit 10.12 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020
10.25†	10.23†	Form of Long Term Incentive Plan Restricted Stock Unit Award Agreement, incorporated by reference to Exhibit 10.1 of the Company's Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020
10.26†	10.24†	Form of Long Term Incentive Plan Performance Stock Unit Award Agreement, incorporated by reference to Exhibit 10.2 of the Company's Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020
10.27†	10.25†	Form of Long Term Incentive Plan Stock Appreciation Right Award Agreement, incorporated by reference to Exhibit 10.3 of the Company's Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020
10.28†	10.26†	Form of Director Restricted Stock Unit Award Grant Notice, dated June 2020 and Director Restricted Stock Unit Award Agreement under the Company's 2015 Incentive Award Plan (Non-Employee Directors), incorporated by reference to Exhibit 10.42 of the Company's Annual Report on Form 10-K for the year ended December 31, 2020
10.29†	10.27†	Form of Non-Executive Director Appointment Letter incorporated by reference to Exhibit 10.43 of the Company's Annual Report on Form 10-K for the year ended December 31, 2020
10.30†	10.28†	Alex Shvartsburg offer of employment in the role of Vice President Strategy and Innovation, dated 21 September 2017 incorporated by reference to Exhibit 10.44 of the Company's Annual Report on Form 10-K for the year ended December 31, 2020
10.31†	10.29†	Alex Shvartsburg letter, dated January 2019, regarding compensation increase incorporated by reference to Exhibit 10.45 of the Company's Annual Report on Form 10-K for the year ended December 31, 2020
10.32†	10.30†	Alex Shvartsburg letter, dated October 2020, regarding additive compensation package for interim CFO position incorporated by reference to Exhibit 10.46 of the Company's Annual Report on Form 10-K for the year ended December 31, 2020
10.33†	10.31†	Service Agreement, effective August 1, 2021, between the Company and Alex Shvartsburg, incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021
10.34†	10.32†	Letter, dated December 14, 2022, to Alex Shvartsburg regarding an increase in gross annual base salary, effective January 1, 2023, incorporated by reference to Exhibit 10.50 of the Company's Annual Report on Form 10-K for the year ended December 31, 2022
10.33†		Marco Dolci Confirmation Letter, effective January 1, 2020, as SVP Global Operations & Global Research and Development, incorporated by reference to Exhibit 10.2 of the Company Quarterly Report on Form 10-Q for the quarter ended June 30, 2020

10.35†	10.34†	Executive Employment Contract between Sorin Group Italia S.r.l. and Marco Dolci, effective April 20, 2017, incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021
10.36	10.35†	Amended and Restated Share and Asset PurchaseMarco Dolci Retirement Agreement, dated as of April 9, 2021, by and between LivaNova PLC and Mitral Holdco S.à.r.l., September 18, 2023 incorporated by reference to Exhibit 2.1 10.1 of the Company's Current Quarterly Report on Form 8-K, filed on April 15, 2021 10-Q for the quarter ended September 30, 2023
10.37	10.36	First Lien Credit Agreement dated as of August 13, 2021 among LivaNova PLC, LivaNova USA, Inc., the lenders and issuing banks party thereto and Goldman Sachs Bank USA as First Lien Administrative Agent and First Lien Collateral Agent, incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed on August 16, 2021
10.38	10.37	Incremental Facility Amendment No. 1 to Credit Agreement, dated as of February 24, 2022, by and among LivaNova Plc, LivaNova USA, Inc., the lenders and issuing banks party thereto and Goldman Sachs Bank USA as First Lien Administrative Agent, incorporated by reference to Exhibit 10.51 of the Company's Annual Report on Form 10-K filed on March 1, 2022 for the year ended December 31, 2021
10.39	10.38	Letter of indemnity in respect of the issuance of Trade Finance guarantee by Barclays Bank Ireland PLC, Italy Branch dated March 18, 2022, by and among LivaNova PLC Italian Branch and Barclays Bank Ireland PLC, Italy Branch, incorporated by reference to Exhibit 10.1 of the Company's Company's Current Report on Form 8-K, filed on March 21, 2022
10.40	10.39	Pledge Agreement dated as of March 18, 2022, among LivaNova PLC Italian Branch and Barclays Bank Ireland PLC, Italy Branch, incorporated by reference to Exhibit 10.2 of the Company's Company's Current Report on Form 8-K, filed on March 21, 2022
10.41	10.40	Amendment 2 to the Credit Agreement, dated as of March 16, 2022, by and among LivaNova PLC, LivaNova USA, Inc., the Lenders and Goldman Sachs Bank USA as First Lien Administrative Agent, incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q, filed on May 4, 2022
10.42	10.41	Incremental Facility Amendment No. 2 to Credit Agreement, dated as of July 6, 2022, by and among LivaNova Plc, LivaNova USA, Inc., the Second Incremental Term Lenders, Delayed Draw Incremental Leaders, Goldman Sachs Bank USA, the Revolving Lenders and Issuing Banks, and for purposes of Sections 8 and 10 only, the other Loan Parties as of the date hereof., incorporated by reference to Exhibit 10.1 of the Company's Company's Current Report on Form 8-K, filed on July 6, 2022
10.43†	10.42†	Amendment to the LivaNova Plc 2015 Incentive Award Plan, dated 13 June 2022, incorporated by reference to Exhibit 10.1 of the Company's Company's Quarterly Report on Form 10-Q, filed on August 3, 2022
10.44†		Retirement Agreement, dated 13 June 2022, between LivaNova Plc and Keyna Skeffington, incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q, filed on August 3, 2022
10.45†	10.43†	Form of LivaNova Plc 2022 Incentive Award Plan Stock Appreciation Right Grant Notice and Agreement, incorporated by reference to Exhibit 10.3 of the Company's Company's Quarterly Report on Form 10-Q, filed on August 3, 2022
10.46†	10.44†	Form of LivaNova Plc 2022 Incentive Award Plan Restricted Stock Unit Award Grant Notice and Agreement, incorporated by reference to Exhibit 10.4 of the Company's Company's Quarterly Report on Form 10-Q, filed on August 3, 2022
10.47†	10.45†	Form of LivaNova Plc 2022 Incentive Award Plan Performance Stock Unit Award Grant Notice and Agreement, incorporated by reference to Exhibit 10.5 of the Company's Company's Quarterly Report on Form 10-Q, filed on August 3, 2022
10.48†	10.46†	Amendment to Outstanding 2021 and 2022 Performance Stock Unit Awards under the LivaNova PLC 2015 Incentive Award Plan, incorporated by reference to Exhibit 10.7 of the Company's Company's Quarterly Report on Form 10-Q, filed on August 3, 2022
10.49†	10.47†	Amendment to relevant 2020, 2021, and 2022 Restricted Stock Unit Awards under the LivaNova PLC 2015 Incentive Award Plan, incorporated by reference to Exhibit 10.8 of the Company's Company's Quarterly Report on Form 10-Q, filed on August 3, 2022
10.50*†	10.48†	Letter, dated December 14, 2022, Form of LivaNova PLC 2022 Incentive Award Plan Stock Appreciation Right Grant Notice and Agreement, effective February 2023, incorporated by reference to Alex Shvartsburg regarding an increase in gross annual base salary, effective January 1, 2023 Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023
10.51*†	10.49†	Form of LivaNova PLC 2022 Incentive Award Plan Restricted Stock Unit Award Grant Notice and Agreement, effective February 2023, incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023

10.50†	Form of LivaNova PLC 2022 Incentive Award Plan Performance Stock Unit Award Grant Notice and Agreement, effective February 2023, incorporated by reference to Exhibit 10.3 of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023
10.51†	Amendment to Form of LivaNova Plc 2022 Incentive Award Plan Stock Appreciation Right Grant Notice and Agreement, incorporated by reference to Exhibit 10.51 of the Company's Annual Report on Form 10-K for the year ended December 31, 2022
10.52*† 10.52†	Amendment to Form of LivaNova Plc 2022 Incentive Award Plan Restricted Stock Unit Award Grant Notice and Agreement, incorporated by reference to Exhibit 10.52 of the Company's Annual Report on Form 10-K for the year ended December 31, 2022
10.53*† 10.53†	Amendment to Form of LivaNova Plc 2022 Incentive Award Plan Performance Stock Unit Award Grant Notice and Agreement, incorporated by reference to Exhibit 10.53 of the Company's Annual Report on Form 10-K for the year ended December 31, 2022
10.54†	Amended and Restated LivaNova PLC 2022 Incentive Award Plan, incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed on June 16, 2023
10.55*†	Michael Hutchinson Employment Agreement, dated November 2, 2022
10.56†	William Kozy Offer Letter, dated April 19, 2023, incorporated by reference to Exhibit 10.26 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023
21.1*	List of Subsidiaries of LivaNova PLC
23.1*	Consent of PricewaterhouseCoopers LLP
31.1*	Certification of the Chief Executive Officer of LivaNova PLC pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of the Chief Financial Officer of LivaNova PLC pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of the Chief Executive Officer and of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97.1*	LivaNova Incentive Clawback Policy, dated July 19, 2023
101*	Interactive Data Files Pursuant to Rule 405 of Regulation S-T formatted in Inline XBRL: (i) the Consolidated Statements of Income (Loss) for the years ended December 31, 2022 December 31, 2023, December 31, 2021 December 31, 2022 and December 31, 2020 December 31, 2021, (ii) the Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2022 December 31, 2023, December 31, 2021 December 31, 2022 and December 31, 2020 December 31, 2021, (iii) the Consolidated Balance Sheets as of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, (iv) the Consolidated Statements of Stockholders' Equity for the years ended December 31, 2022 December 31, 2023, December 31, 2021 December 31, 2022 and December 31, 2020 December 31, 2021, (v) the Consolidated Statements of Cash Flows for the years ended December 31, 2022 December 31, 2023, December 31, 2021 December 31, 2022 and December 31, 2020 December 31, 2021, and (vi) the Notes to the Consolidated Financial Statements.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by the Company in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs at the date they were made or at any other time.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LIVANOVA PLC

By: /s/ DAMIEN MCDONALD WILLIAM A. KOZY

Damien McDonald William A. Kozy

Interim Chief Executive Officer and Chair of the Board of Directors

(Principal Executive Officer)

LIVANOVA PLC

By: /s/ ALEX SHVARTSBURG
Alex Shvartsburg
Chief Financial Officer
(Principal Accounting and Financial Officer)

Date: February 27, 2023 February 29, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ WILLIAM A. KOZY William A. Kozy	Interim Chief Executive Officer and Chair of the Board of Directors *(Principal Executive Officer)*	February 27, 2023 29, 2024
/s/ DAMIEN MCDONALD Damien McDonald	Director, Chief Executive Officer *(Principal Executive Officer)*	February 27, 2023
/s/ ALEX SHVARTSBURG Alex Shvartsburg	Chief Financial Officer *(Principal Accounting and Financial Officer)*	February 27, 2023 29, 2024
/s/ J. CHRISTOPHER BARRY J. Christopher Barry	Director	February 29, 2024
/s/ FRANCESCO BIANCHI Francesco Bianchi	Director	February 27, 2023 29, 2024
/s/ STACY ENXING SENG Stacy Enxing Seng	Director	February 27, 2023 29, 2024
/s/ DANIEL J. MOORE Daniel J. Moore	Director	February 27, 2023 29, 2024
/s/ SHARON O'KANE O'KANE Sharon O'Kane, O'Kane, Ph.D.	Director	February 27, 2023 29, 2024
/s/ ANDREA L. SAIA Andrea L. Saia	Director	February 27, 2023
/s/ TODD C. SCHERMERHORN Todd C. Schermerhorn	Director	February 27, 2023 29, 2024
/s/ BROOKE STORY Brooke Story	Director	February 27, 2023 29, 2024
/s/ PETER M. WILVER Peter M. Wilver	Director	February 27, 2023 29, 2024

Item 16. Form 10-K Summary

None.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of LivaNova PLC

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of LivaNova PLC and its subsidiaries(the (the "Company") as of December 31, 2022December 31, 2023 and 20212022, and the related consolidated statements of income (loss), of comprehensive income (loss), of stockholders' equity and of cash flows for each of the three years in the period ended December 31, 2022December 31, 2023, including the related notes (collectively referred to as the "consolidated financial statements").We also have audited the Company's internal control over financial reporting as of December 31, 2022December 31, 2023, based on criteria established in *Internal Control - Integrated Framework*(2013)issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidatedfinancial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022December 31, 2023 and 2021,2022, and the results of itsoperations and itscash flows for each of the three years in the period ended December 31, 2022December 31, 2023 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022 December 31, 2023, based on criteria established in *Internal Control - Integrated Framework*(2013)issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included inManagement's Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidatedfinancial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidatedfinancial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to theconsolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidatedfinancial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill Impairment Assessment – Cardiopulmonary (CP) Reporting Unit

As described in Notes2and8 7 to the consolidated financial statements, the Company's consolidated goodwill balance was $768.8 million $782.9 million as of December 31, 2022 December 31, 2023, and the amount of goodwill associated with the CP reporting unit was $370.0 million $384.2 million. Management conducts impairment testing of goodwill on October 1st each year. Management tests If management determines that goodwill for impairment between annual tests if an event occurs or circumstances change that would is more-likely-than-not reduce impaired, management compares the fair value of a the reporting unit below to its carrying amount. amount, including goodwill. Fair value refers to the price that would be received if management were to sell the unit as a whole in an orderly transaction. An impairment loss is recognized when the carrying amount of the reporting unit's net assets exceeds the estimated fair value of the reporting unit, up to and including the carrying amount of the goodwill. Fair value is estimated using a discounted cash flow model and requires various assumptions, including revenue growth rates and discount rates.

The principal considerations for our determination that performing procedures relating to the goodwill impairment assessment of the CP reporting unit is a critical audit matter are (i) the significant judgment by management when developing the fair value estimate of the CP reporting unit; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumption assumptions relating to revenue growth rates for CP; and the discount rate; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment assessment.assessment, including controls over the valuation of the CP reporting unit. These procedures alsoincluded, among others (i) testing management's process for developing the fair value estimate of the CP reporting unit; (ii) evaluating the appropriateness of the discounted cash flow model; (iii) testing the completeness and accuracy of underlying data used in the discounted cash flow model; and (iv) evaluating the reasonableness of the significant assumption assumptions used by management related to the revenue growth rates for CP. and the discount rate. Evaluating management's assumption assumptions related to the revenue growth rates involved evaluating whether the assumption assumptions used by management was were reasonable considering (i) the current and past performance of the reporting unit; (ii) the consistency with external market and industry data; and (iii) whether this assumption was these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation evaluating (i) the appropriateness of the Company's discounted cash flow model.model and (ii) the reasonableness of the discount rate assumption.

/s/ PricewaterhouseCoopers LLP

Houston, Texas

February 27, 2023

29, 2024

We have served as the Company's auditor since 2018.

LIVANOVA PLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME (LOSS)

(In thousands, except per share amounts)

	Year Ended December 31,		
	2022	**2021**	**2020**
Net revenue	$ 1,021,805	$ 1,035,365	$ 934,241
Cost of sales	314,577	329,371	339,478
Gross profit	707,228	705,994	594,763
Operating expenses:			
Selling, general & administrative	469,243	471,904	446,561
Research and development	155,805	183,414	152,902
Impairment of disposal group	—	—	180,160
Impairment of goodwill	129,396	—	21,269
Other operating expenses	29,536	51,460	67,770
Operating loss from continuing operations	(76,752)	(784)	(273,899)
Interest expense	(48,250)	(50,151)	(40,837)
Loss on debt extinguishment	—	(60,238)	(1,407)
Foreign exchange and other income/(expense)	49,860	(13,299)	(31,879)
Loss from continuing operations before tax	(75,142)	(124,472)	(348,022)
Income tax expense (benefit)	11,051	11,198	(960)
Losses from equity method investments	(53)	(148)	(264)
Net loss from continuing operations	(86,246)	(135,818)	(347,326)
Net loss from discontinued operations, net of tax	—	—	(1,493)
Net loss	$ (86,246)	$ (135,818)	$ (348,819)
Basic net loss per share:			

Continuing operations	$ (1.61)	$ (2.68)	$ (7.15)
Discontinued operations	—	—	(0.03)
	$ (1.61)	$ (2.68)	$ (7.18)
Diluted net loss per share:			
Continuing operations	$ (1.61)	$ (2.68)	$ (7.15)
Discontinued operations	—	—	(0.03)
	$ (1.61)	$ (2.68)	$ (7.18)
Weighted average shares used in computing net loss per share:			
Basic	53,472	50,633	48,592
Diluted	53,472	50,633	48,592

	Year Ended December 31,		
	2023	2022	2021
Net revenue	$ 1,153,545	$ 1,021,805	$ 1,035,365
Cost of sales	382,295	314,577	329,371
Gross profit	771,250	707,228	705,994
Operating expenses:			
Selling, general and administrative	518,129	469,243	471,904
Research and development	193,817	155,805	183,414
Impairment of goodwill	—	129,396	—
Impairment of long-lived assets	89,974	—	—
Other operating expenses	37,828	29,536	51,460
Operating loss	(68,498)	(76,752)	(784)
Interest expense	(58,853)	(48,250)	(50,151)
Loss on debt extinguishment	—	—	(60,238)
Foreign exchange and other income/(expense)	46,125	49,860	(13,299)
Loss before tax	(81,226)	(75,142)	(124,472)
Income tax (benefit) expense	(98,876)	11,051	11,198
Losses from equity method investments	(104)	(53)	(148)
Net income (loss)	$ 17,546	$ (86,246)	$ (135,818)
Basic income (loss) per share	$ 0.33	$ (1.61)	$ (2.68)
Diluted income (loss) per share	$ 0.32	$ (1.61)	$ (2.68)
Shares used in computing basic income (loss) per share	53,939	53,472	50,633
Shares used in computing diluted income (loss) per share	54,212	53,472	50,633

See accompanying notes to the consolidated financial statements

LIVANOVA PLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(In thousands)

	Year Ended December 31,

	2022	2021	2020
Net loss	$ (86,246)	$(135,818)	$(348,819)
Other comprehensive (loss) income:			

	Year Ended December 31,		
	2023	2022	2021
Net income (loss)			
Other comprehensive income (loss):			
Net change in unrealized (loss) gain on derivatives			
Net change in unrealized (loss) gain on derivatives			
Net change in unrealized (loss) gain on derivatives	Net change in unrealized (loss) gain on derivatives	1,911	(3,997)	2,379
Tax effect	Tax effect	—	733	(573)
Net of tax	Net of tax	1,911	(3,264)	1,806
Foreign currency translation adjustment, net of tax	Foreign currency translation adjustment, net of tax	(42,853)	(31,722)	45,395
Total other comprehensive (loss) income		(40,942)	(34,986)	47,201
Total comprehensive loss		$ (127,188)	$(170,804)	$(301,618)
Total other comprehensive income (loss)				
Total comprehensive income (loss)				

See accompanying notes to the consolidated financial statements

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LIVANOVA PLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2022 2023 and 2021 2022
(In thousands, except share data)

ASSETS	ASSETS	2022	2021	ASSETS	2023	2022
Current Assets:	*Current Assets:*					
Cash and cash equivalents	Cash and cash equivalents	$ 214,172	$ 207,992			
Cash and cash equivalents						
Cash and cash equivalents						

Restricted cash	Restricted cash	301,446	—
Accounts receivable, net of allowance of $11,862 at December 31, 2022 and $13,512 at December 31, 2021		183,110	185,354
Accounts receivable, net of allowance of $12,019 at December 31, 2023 and $11,862 at December 31, 2022			
Inventories	Inventories	129,379	105,840
Prepaid and refundable taxes	Prepaid and refundable taxes	31,708	37,621
Current derivative assets		1,333	106,629
Prepaid expenses and other current assets			
Prepaid expenses and other current assets			
Prepaid expenses and other current assets	Prepaid expenses and other current assets	24,988	35,745
Total Current Assets	Total Current Assets	886,136	679,181
Property, plant and equipment, net	Property, plant and equipment, net	147,187	150,066
Goodwill	Goodwill	768,787	899,525
Intangible assets, net	Intangible assets, net	368,559	399,682
Operating lease assets	Operating lease assets	35,830	40,600
Investments	Investments	16,266	16,598
Deferred tax assets	Deferred tax assets	1,384	2,197
Long-term derivative assets	Long-term derivative assets	54,393	—
Other assets	Other assets	16,231	13,102
Total Assets	Total Assets	$2,294,773	$2,200,951
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities:	*Current Liabilities:*		
Current Liabilities:			
Current Liabilities:			
Current debt obligations			
Current debt obligations			
Current debt obligations	Current debt obligations	$ 23,434	$ 229,673

Accounts payable	Accounts payable	74,310	68,000
Accrued liabilities and other	Accrued liabilities and other	75,595	88,937
Current derivative liabilities		5,886	183,109
Current litigation provision liability			
Current litigation provision liability			
Current litigation provision liability	Current litigation provision liability	29,481	32,845
Taxes payable	Taxes payable	16,505	15,140
Accrued employee compensation and related benefits	Accrued employee compensation and related benefits	72,187	79,266
Total Current Liabilities			
Total Current Liabilities			
Total Current Liabilities	Total Current Liabilities	297,398	696,970
Long-term debt obligations	Long-term debt obligations	518,067	9,849
Contingent consideration	Contingent consideration	85,292	86,830
Deferred tax liabilities	Deferred tax liabilities	8,516	7,728
Long-term operating lease liabilities	Long-term operating lease liabilities	29,548	35,919
Long-term employee compensation and related benefits	Long-term employee compensation and related benefits	16,804	19,105
Long-term derivative liabilities	Long-term derivative liabilities	85,675	—
Other long-term liabilities	Other long-term liabilities	45,849	49,905
Total Liabilities	Total Liabilities	1,087,149	906,306
Commitments and contingencies (Note 14)			
Commitments and contingencies (Note 13)			Commitments and contingencies (Note 13)
Stockholders' Equity:	*Stockholders' Equity:*		
Ordinary Shares, £1.00 par value: unlimited shares authorized; 53,851,979 shares issued and 53,564,664 shares outstanding at December 31, 2022; 53,761,510 shares issued and 53,263,297 shares outstanding at December 31, 2021		82,424	82,295

Ordinary Shares, £1.00 par value: unlimited shares authorized; 53,942,151 shares issued and 53,918,222 shares outstanding at December 31, 2023; 53,851,979 shares issued and 53,564,664 shares outstanding at December 31, 2022

Ordinary Shares, £1.00 par value: unlimited shares authorized; 53,942,151 shares issued and 53,918,222 shares outstanding at December 31, 2023; 53,851,979 shares issued and 53,564,664 shares outstanding at December 31, 2022

Ordinary Shares, £1.00 par value: unlimited shares authorized; 53,942,151 shares issued and 53,918,222 shares outstanding at December 31, 2023; 53,851,979 shares issued and 53,564,664 shares outstanding at December 31, 2022

Additional paid-in capital	Additional paid-in capital	2,157,724	2,117,961
Accumulated other comprehensive (loss) income		(48,119)	(7,177)
Accumulated other comprehensive loss			
Accumulated deficit	Accumulated deficit	(984,030)	(897,784)
Treasury stock at cost, 287,315 ordinary shares at December 31, 2022, 498,213 ordinary shares at December 31, 2021		(375)	(650)
Treasury stock at cost, 23,929 ordinary shares at December 31, 2023, 287,315 ordinary shares at December 31, 2022			
Total Stockholders' Equity	Total Stockholders' Equity	1,207,624	1,294,645
Total Liabilities and Stockholders' Equity	Total Liabilities and Stockholders' Equity	$2,294,773	$2,200,951

See accompanying notes to the consolidated financial statements

LIVANOVA PLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)

	Ordinary Shares	Ordinary Shares - Amount	Additional Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive (Loss) Income	Accumulated Deficit	Total Stockholders' Equity
December 31, 2019	49,411	$76,257	$1,734,870	$(1,263)	$ (19,392)	$(412,508)	$1,377,964
Adoption of ASU No. 2016-13	—	—	—	—	—	(639)	(639)
Stock-based compensation plans	109	140	33,189	229	—	—	33,558
Cancellation of shares	(73)	(97)	97	—	—	—	—

Net loss		—	—	—	—	—	(348,819)	(348,819)
Other comprehensive income		—	—	—	—	47,201	—	47,201

		Ordinary Shares	Ordinary Shares - Amount	Additional Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	
December 31, 2020	December 31, 2020	49,447	76,300	1,768,156	(1,034)	27,809	(761,966)	1,109,265
Issuance of shares	Issuance of shares	4,182	5,808	316,733	—	—	—	322,541
Stock-based compensation plans	Stock-based compensation plans	133	187	33,072	384	—	—	33,643
Net loss	Net loss	—	—	—	—	—	(135,818)	(135,818)
Other comprehensive loss	Other comprehensive loss	—	—	—	—	(34,986)	—	(34,986)
December 31, 2021	December 31, 2021	53,762	82,295	2,117,961	(650)	(7,177)	(897,784)	1,294,645
Stock-based compensation plans	Stock-based compensation plans	90	129	39,763	275	—	—	40,167
Net loss	Net loss	—	—	—	—	—	(86,246)	(86,246)
Other comprehensive loss	Other comprehensive loss	—	—	—	—	(40,942)	—	(40,942)
December 31, 2022	December 31, 2022	53,852	$82,424	$2,157,724	$ (375)	$ (48,119)	$(984,030)	$1,207,624
Stock-based compensation plans								
Net income								
Other comprehensive income								
December 31, 2023								

See accompanying notes to the consolidated financial statements

LIVANOVA PLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

		Year Ended December 31,						
		Year Ended December 31,						Year Ended December 31,
Operating Activities:	**Operating Activities:**	**2022**	**2021**	**2020**	**Operating Activities:**	**2023**	**2022**	**2021**
Net loss		$ (86,246)	$(135,818)	$(348,819)				
Non-cash items included in net loss:								
Impairment of goodwill		129,396	—	21,269				
Net income (loss)								

Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Deferred tax expense				
Deferred tax expense				
Deferred tax expense				
Impairment of long-lived assets				
Stock-based compensation	Stock-based compensation	44,809	40,564	35,089
Remeasurement of derivative instruments		(38,656)	17,618	22,085
Remeasurement of contingent consideration to fair value		(29,881)	564	(20,463)
Amortization	Amortization	25,198	26,517	38,312
Depreciation	Depreciation	22,373	24,536	29,031
Remeasurement of derivative instruments				
Amortization of debt issuance costs	Amortization of debt issuance costs	21,334	16,657	9,710
ACS inventory obsolescence adjustment				
Amortization of operating lease assets	Amortization of operating lease assets	10,225	16,935	13,977
Deferred tax expense		1,409	2,852	37,068
Remeasurement of contingent consideration to fair value				
Impairment of goodwill				
Loss on debt extinguishment	Loss on debt extinguishment	—	60,238	1,407
Impairment of long-lived assets		—	—	6,762
Impairment of disposal group and loss on sale	Impairment of disposal group and loss on sale	—	1,942	180,160
Other	Other	1,653	717	2,000
Changes in operating assets and liabilities:	**Changes in operating assets and liabilities:**			
Accounts receivable, net				
Accounts receivable, net				
Accounts receivable, net	Accounts receivable, net	(4,810)	(15,745)	58,796
Inventories	Inventories	(25,679)	4,484	5,438

Other current and non-current assets	Other current and non-current assets	7,486	24,127	(39,645)
Accounts payable and accrued current and non-current liabilities	Accounts payable and accrued current and non-current liabilities	(3,510)	12,993	(923)
Taxes payable	Taxes payable	1,378	103	3,596
Litigation provision liability	Litigation provision liability	(6,558)	3,260	(134,272)
Net cash provided by (used in) operating activities		**69,921**	**102,544**	**(79,422)**
Net cash provided by operating activities				
Investing Activities:	**Investing Activities:**			
Purchases of property, plant and equipment	Purchases of property, plant and equipment	(26,517)	(25,478)	(35,024)
Purchases of property, plant and equipment				
Purchases of property, plant and equipment				
Purchase of investments				
Acquisitions, net of cash acquired	Acquisitions, net of cash acquired	(8,857)	(1,694)	(1,719)
Purchase of investments		(2,952)	(3,653)	(3,184)
Proceeds from sale of Heart Valves, net of cash disposed	Proceeds from sale of Heart Valves, net of cash disposed	—	42,945	—
Proceeds from sale of Respicardia investment and loan	Proceeds from sale of Respicardia investment and loan	—	23,057	—
Other	Other	(88)	1,727	(1,917)
Net cash (used in) provided by investing activities	**Net cash (used in) provided by investing activities**	**(38,414)**	**36,904**	**(41,844)**
Financing Activities:	**Financing Activities:**			
Proceeds from long-term debt obligations	Proceeds from long-term debt obligations	507,547	—	886,899
Proceeds from long-term debt obligations				
Proceeds from long-term debt obligations				

Repayment of long-term debt obligations	Repayment of long-term debt obligations	(223,541)	(452,256)	(482,065)
Shares repurchased from employees for minimum tax withholding	Shares repurchased from employees for minimum tax withholding	(8,671)	(12,942)	(5,601)
Repayments of short-term borrowings (maturities greater than 90 days)				
Proceeds from deferred consideration from sale of Heart Valves, net of working capital adjustments	Proceeds from deferred consideration from sale of Heart Valves, net of working capital adjustments	4,596	—	—
Debt issuance costs	Debt issuance costs	(3,292)	(2,450)	(23,736)
Proceeds from issuance of ordinary shares, net	Proceeds from issuance of ordinary shares, net	—	322,557	—
Payment of make-whole premium on long-term debt obligations	Payment of make-whole premium on long-term debt obligations	—	(35,594)	—
Payment of contingent consideration	Payment of contingent consideration	—	(5,249)	(12,018)
Proceeds from short term borrowings (maturities greater than 90 days)		—	—	47,053
Repayments of short term borrowings (maturities greater than 90 days)		—	—	(44,838)
Purchase of capped call		—	—	(43,096)
Closing adjustment payment for sale of CRM business		—	—	(14,891)
Other	Other	3,491	4,451	3,049
Net cash provided by (used in) financing activities	**Net cash provided by (used in) financing activities**	**280,130**	**(181,483)**	**310,756**
Effect of exchange rate changes on cash, cash equivalents and restricted cash	Effect of exchange rate changes on cash, cash equivalents and restricted cash	(4,011)	(2,805)	2,205

Net increase (decrease) in cash, cash equivalents and restricted cash	**Net increase (decrease) in cash, cash equivalents and restricted cash**	**307,626**	**(44,840)**	**191,695**
Cash, cash equivalents and restricted cash at beginning of period	Cash, cash equivalents and restricted cash at beginning of period	207,992	252,832	61,137
Cash, cash equivalents and restricted cash at end of period	**Cash, cash equivalents and restricted cash at end of period**	**$515,618**	**$ 207,992**	**$ 252,832**

Supplementary Disclosures of Cash Flow Information:	**Supplementary Disclosures of Cash Flow Information:**						
Supplementary Disclosures of Cash Flow Information:							
Supplementary Disclosures of Cash Flow Information:							
Cash paid for interest							
Cash paid for interest							
Cash paid for interest	Cash paid for interest	$	19,044	$	32,569	$	28,573
Cash paid for income taxes, net	Cash paid for income taxes, net		1,221		(13,583)		7,493

See accompanying notes to the consolidated financial statements

LIVANOVA PLC AND SUBSIDIARIES'

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

Note 1. Nature of Operations

Description of the Business

LivaNova PLC headquartered in London, (collectively with its subsidiaries, the "Company," "LivaNova," "we" or "our") is a market-leading global medical device technology company. We design, develop, manufacture The Company designs, develops, manufactures, markets and sell sells products and therapies that are consistent with our LivaNova's mission to provide hope for patients and their families through innovative medical technologies delivering that deliver life-changing improvements for both the Head and Heart. We are improvements. LivaNova is a public limited company organized 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."

Business Segments

For the periods presented herein, LivaNova is was comprised of three reportable segments: Cardiopulmonary, Neuromodulation and Advanced Circulatory Support, corresponding ACS. For additional information, please refer to our primary business units. "Note 22. Subsequent Event."

Macroeconomic Environment

The current macroeconomic environment, including foreign exchange volatility, inflationary pressures, geopolitical instability, and supply chain challenges, rising inflation, and geopolitical instability, has impacted and may continue to impact our business. In 2022, our net revenue LivaNova's business and profitability were negatively affected by the unfavorable foreign currency exchange impact of the strengthened United States ("U.S.") dollar against a number of currencies. profitability. Furthermore, we continue LivaNova continues to experience supply chain delays and interruptions, labor shortages, inflationary pressures and logistical issues in the wake of COVID-19. Though, and capacity constraints, though, to date, our the Company's supply of raw materials and the production and distribution of finished products have not been materially affected, demand and low capacity worldwide have caused longer lead times and put price pressure on key raw materials. affected. Moreover, freight and labor costs at our LivaNova's manufacturing facilities have increased substantially due to COVID-related disruptions and in the wake of inflation globally. The Company continues to respond to such challenges, and while we have LivaNova has business continuity plans in place, the impact of the ongoing challenges we are experiencing, the Company is navigating, along with their potential escalation, may adversely affect our its business.

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. LivaNova took action to remediate the issue by, for example, taking certain systems offline. As a result of these and other measures, the Company believes it has contained the cybersecurity threat, though its investigation and mitigation efforts are ongoing. At this time, all of LivaNova's manufacturing sites worldwide are operating at normal levels. The future Company continues to assess the full impact of pandemic-related developments remains uncertain. the cybersecurity event on its business, results of operations, cash flows and financial condition.

In February 2022, Russia launched an invasion LivaNova incurred direct costs of approximately $2.6 million during the three and twelve months ended December 31, 2023, in Ukraine which caused us connection with this incident. These costs primarily included external cybersecurity experts, legal counsel, and system restoration costs. These costs do not include business interruption or other non-direct costs, and the Company expects to assess our ability incur additional costs related to sell this incident in the market due to international sanctions, to consider the potential impact of raw material sourced from the region, and to determine whether we are able to transact in a compliant fashion. Although the region represented only 1.0% of our total net revenue for 2022, the Russian invasion of Ukraine has increased economic uncertainties, and a significant escalation or continuation of the conflict could have a material, global impact on our operating results. In addition, our Russian employees and local subsidiary are future. LivaNova maintains insurance, including cyber insurance, which is subject to evolving laws certain retentions and regulations imposed by policy limitations that may serve to limit the Russian authorities in response amount that the insurers may pay the Company when the Company makes a claim. LivaNova plans to international sanctions. file for reimbursement of covered costs related to this incident, but the Company's insurance coverage may be insufficient to cover all costs and expenses related to this cybersecurity incident, and the insurance carrier may not cover all submitted costs and expenses related to this cybersecurity incident.

Note 2. Basis of Presentation, Use of Accounting Estimates and Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements of LivaNova have been prepared in accordance with accounting principles generally accepted in the U.S. ("U.S. GAAP"). US GAAP.

Consolidation

The accompanying consolidated financial statements for LivaNova include LivaNova's wholly owned subsidiaries and the LivaNova PLC Employee Benefit Trust ("the Trust"). Trust. All intercompany accounts and transactions have been eliminated.

Use of Estimates

The preparation of our LivaNova's consolidated financial statements in conformity with U.S. US GAAP requires management to make estimates and assumptions that affect the amounts reported in such financial statements and accompanying notes. These estimates are based on management's best knowledge of current events and actions we that LivaNova may undertake in the future. Estimates are used in accounting for, among other items, valuation and amortization of intangible assets, goodwill, other long-lived assets (asset group), measurement of deferred tax assets and liabilities, uncertain income tax positions, contingent consideration arrangements, legal and other contingencies, stock-based compensation, obsolete and slow-moving inventories, models, such as an impairment analysis, and in general, allocations to provisions and the fair value of assets and liabilities recorded in a business combination. Actual results could differ materially from those estimates.

Reclassifications

We have The Company has reclassified certain prior period amounts on the consolidated statements of income (loss) and the consolidated statements of cash flows balance sheets for comparative purposes. These reclassifications did not have a material effect had no impact on our LivaNova's financial condition, results of operations or cash flows. condition.

Cash and Cash Equivalents

We consider 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 sheets at cost, which approximates 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. sheets. As of December 31, 2022 December 31, 2023, our LivaNova's restricted cash balance totaled $301.4 million $311.4 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 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. For additional information regarding the SNIA litigation, please refer to "Note 14. 13. Commitments and Contingencies."

Accounts Receivable

Our accounts Accounts receivable consisted consists of trade receivables from direct customers and distributors. We maintain The Company maintains an allowance for doubtful accounts for potential credit losses based on our its estimates of the ability of customers to make required payments, historical credit experience, existing economic conditions and expected future trends. We write LivaNova writes off uncollectible accounts against the allowance when all reasonable collection efforts have been exhausted.

Inventories

We state our LivaNova states its inventories at the lower of cost, using the first-in first-out ("FIFO") FIFO method, or net realizable value. Our The Company's calculation of cost includes the acquisition cost of raw materials and components, direct labor and overhead, including depreciation of manufacturing related assets. We reduce LivaNova reduces 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.

Property, Plant and Equipment ("PP&E") &E

PP&E is carried at cost, less accumulated depreciation. Maintenance, repairs and minor replacements are charged to expense as incurred, while significant renewals and improvements are capitalized. We compute LivaNova computes depreciation using the straight-line method over estimated useful lives. Leasehold improvements are depreciated over the shorter of the following terms: the useful life of the asset or a term that includes required lease periods and renewals that are deemed to be reasonably assured at the date

the leasehold improvements are purchased. 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.

Goodwill

We allocate LivaNova allocates the amounts we pay the Company pays for an acquisition to the assets we acquire acquired and liabilities we assume 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 goodwill. We base The Company bases the fair value of identifiable intangible assets acquired in a business combination, including IPR&D, on 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. We allocate 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 in selling, general and administrative SG&A on the consolidated statements of income (loss). We recognize LivaNova recognizes adjustments to the provisional amounts identified during the measurement period with a corresponding adjustment to goodwill in the reporting period in which the adjustment amounts are determined. The effect on earnings of changes in depreciation, amortization or other income effects, if any, as a result of the change to the provisional amounts are recorded in the same period'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 we operate. LivaNova operates. Indefinite-lived intangible assets other than goodwill are composed of IPR&D assets acquired in acquisitions. We estimate the useful lives of our intangible assets, which requires significant management judgment. We amortize our LivaNova amortizes 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 judgment.

Amortization expense is included on our LivaNova's consolidated statements of income (loss) within cost of sales or selling, general and administrative ("SG&A") &A based on the nature of the underlying intangible asset. We evaluate our LivaNova evaluates its intangible assets each reporting period to determine whether events and circumstances indicate either a different useful life or impairment. If we change our LivaNova changes its estimate of the useful life of an asset, we amortize the Company amortizes the carrying amount over the revised remaining useful life.

Impairments of Long-lived Assets and Goodwill

Long-lived Assets Impairment

Assets Held and Used

We evaluate LivaNova evaluates the carrying value of our its long-lived assets and investments for impairment when events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. Such changes in circumstance may include, among other items, (i) an expectation of a sale, discontinuation or disposal of a long-lived asset or asset group, (ii) adverse changes in market or competitive conditions, (iii) an adverse change in legal factors or business climate in the markets in which we operate LivaNova operates and (iv) operating or cash flow losses.

For PP&E and intangible assets used in our LivaNova's operations, recoverability generally is determined by comparing the carrying value of an asset or group of assets to their expected undiscounted future cash flows. If the carrying value of an asset, (asset group) or group of assets is not recoverable, the amount of impairment loss is measured as the difference between the carrying value of the asset (asset group) or group of assets and its estimated fair value. The asset grouping as well as the determination of expected undiscounted cash flow amounts requires significant judgments, estimates, and assumptions, including with regard to cash flows generated upon disposition. We measure LivaNova measures fair value as the price that would be received if we the Company were to sell the assets in an orderly transaction. Assets to be disposed of are carried at the lower of their financial statement carrying amount or fair value less costs to sell.

We conduct LivaNova conducts impairment testing of our its indefinite-lived intangible assets on October 1st each year. We test LivaNova 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 recognized when the asset's asset's carrying value exceeds its fair value.

Assets Held for Sale

We classify long-lived assets as held for sale in the period in which we commit to a plan to sell the asset, the asset is available for immediate sale, the asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value and the sale of the asset is probable within the next twelve months and when actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. A long-lived asset classified as held for sale is measured at the lower of its carrying amount or fair value less cost to sell and depreciation is discontinued. We recognize an impairment for any excess of carrying value over the fair value less cost to sell.

When an impairment of a disposal group is deemed necessary and the amount of the impairment exceeds the carrying value of the long-lived assets, we record the impairment to the disposal group rather than long-lived assets.We also allocate goodwill of the associated reporting unit to the disposal group based upon the relative fair value of the businesses within the reporting unit.The goodwill allocated to the disposal group is then tested for impairment.

Goodwill Impairment

We conduct LivaNova conducts impairment testing of our its goodwill on October 1st each year. Testing is performed at the reporting unit level, which is defined as an operating segment or a component of an operating segment that constitutes a business for which financial information is available and is regularly viewed by management. Our LivaNova's operating segments are deemed to be our its reporting units for purposes of goodwill impairment testing. We test LivaNova tests goodwill for impairment between annual tests if an event occurs or circumstances change that would more-likely-than-not reduce the fair value of a reporting unit below its carrying amount.

If we determine LivaNova determines that goodwill is more-likely-than-not impaired, we compare the Company compares the fair value of the reporting unit to its carrying amount, including goodwill. Fair value refers to the price that would be received if we LivaNova were to sell the unit as a whole in an orderly transaction. Fair value is estimated using a discounted cash flow model and requires various assumptions, including revenue growth rates and discount rates. If the carrying amount of our the Company's reporting unit is greater than zero and its fair value exceeds its carrying amount, goodwill of the reporting unit is considered not impaired. An

impairment loss is recognized when the carrying amount of the reporting unit's net assets exceeds the estimated fair value of the reporting unit, up to and including the carrying amount of the goodwill.

If the aggregate fair value of our LivaNova's reporting units exceeds our its market capitalization, we evaluate the Company evaluates the reasonableness of the implied control premium which includes a comparison to implied control premiums from recent market transactions within our its industry or other relevant benchmark data.

Goodwill impairment evaluations are highly subjective. In most instances, they involve expectations of future cash flows that reflect our LivaNova's judgments and assumptions regarding future industry conditions and operations. The estimates, judgments and assumptions used in the application of our LivaNova's goodwill impairment policies reflect both historical experience and an assessment of current operational, industry, market, economic and political environments. The use of different estimates, judgments, assumptions and expectations regarding future industry and market conditions and operations would likely could result in materially different asset carrying values and operating results.

Quantitative factors used to determine the fair value of the reporting units reflect our LivaNova's best estimates, and we believe the Company believes they are reasonable. Future declines in the reporting units' operating performance or our LivaNova's anticipated business outlook may reduce the estimated fair value of our the Company's reporting units and result in an impairment. impairment in the future. Factors that could have a negative impact on the fair value of the reporting units include, but are not limited to:

- decreases in revenue as a result of the inability of our LivaNova's sales force to effectively market and promote our the Company's products;
- increased competition, patent expirations or new technologies or treatments; treatments commercialized 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 Weighted Average Cost of Capital ("WACC"). WACC.

Derivatives and Risk Management

U.S. US GAAP requires companies to recognize all derivatives as assets and liabilities on the balance sheet and to measure the instruments at fair value through earnings unless the derivative qualifies for hedge accounting. If the derivative qualifies for hedge accounting, depending on the nature of the hedge and hedge effectiveness, changes in the fair value of the derivative will either be recognized immediately in earnings or recorded in other comprehensive income ("OCI") OCI until the hedged item is recognized in earnings. The changes in the fair value of the derivative are intended to offset the change in fair value of the hedged asset, liability or probable commitment. We evaluate LivaNova evaluates hedge effectiveness at inception. Cash flows from derivative contracts are reported as operating activities on the consolidated statements of cash flows.

We use LivaNova uses currency exchange rate derivative contracts to manage the impact of currency exchange on earnings and cash flows. Forward currency exchange rate contracts are designed to hedge anticipated foreign currency transactions and changes in the value of specific assets and liabilities. At inception of the forward contract, the derivative is designated as either a freestanding derivative or a cash flow hedge. We do LivaNova does not enter into derivative contracts for speculative purposes. All derivative instruments are recorded at fair value on the consolidated balance sheets, as assets or liabilities (current or non-current) depending upon the gain or loss position of the contract and contract maturity date.

Forward contracts designated as cash flow hedges are designed to hedge the variability of cash flows associated with forecasted transactions denominated in a foreign currency that will take place in the future. For derivative instruments that are designated and qualify as a cash flow hedge, the gain or loss on the derivative instrument is reported as a component of accumulated other comprehensive income ("AOCI") AOCI and reclassified into earnings to offset exchange differences originated by the hedged item or the current earnings effect of the hedged item.

Upon the settlement of our LivaNova's foreign currency cash flow hedges in the fourth quarter of 2022 and following an in-depth analysis of the utility of our the Company's cash flow hedging program, we LivaNova discontinued our its foreign currency cash flow hedging program. We continue 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. These derivatives are not designated as hedges, and therefore changes in the value of these forward contracts are recognized in earnings, thereby offsetting the current earnings effect of the related change in value of foreign currency denominated assets and liabilities.

We currently use 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, we agree LivaNova agrees to exchange, at specified intervals, the difference between fixed and floating interest amounts calculated by reference to agreed-upon notional principal amounts. The These interest rate swaps are structured to mirror the payment terms of the underlying loan. The fair value of the interest rate swaps is reported on the consolidated balance sheets as assets or liabilities (current or non-current) depending upon the gain or loss position of the contract and the maturity of the future cash flows of each contract. The gain or loss on these derivatives is reported as a component of AOCI and reclassified to interest expense during the period of the respective interest payment. The Company's interest rate swaps expired on April 6, 2023. LivaNova elected not to renew the interest rate swaps as interest expense associated with the Initial Term Facility is principally offset by holding a significant portion of the Initial Term Facility in a depository account, which earns a floating rate of interest.

Fair Value Measurements

We follow 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 maximizes the use of observable inputs and minimizes 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 us. LivaNova. Unobservable inputs are inputs that reflect our 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 categorization 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. 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.

Our LivaNova's financial assets and liabilities classified as Level 2 include derivative instruments, primarily forward and option currency contracts and interest rate swap contracts, which are valued using standard calculations and models that use readily observable market data as their basis.

Our LivaNova's financial assets and liabilities classified as Level 3 include contingent consideration liability arrangements, derivative and embedded derivative instruments and convertible notes receivable.

Contingent consideration liabilities are result from arrangements resulting from acquisitions acquisition agreements that involve include potential future payment of consideration that is contingent upon the achievement of performance milestones and and/or sales-based earn-outs. Contingent consideration is recognized 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 determined at the time of measurement. Contingent consideration is remeasured each reporting period with the change in fair value, including accretion for the passage of time, recorded in earnings. 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. Contingent consideration payments made soon after the acquisition date are classified as an investing activity. Contingent consideration payments that are not made soon after the acquisition date are classified as a financing activity up to the amount of the contingent consideration liability recognized at the acquisition date, with any excess classified as an operating activity. For further information on our LivaNova's Level 3 contingent consideration liability arrangements, please refer to "Note 10. 9. Fair Value Measurements." For further information on our LivaNova's Level 3 derivative and embedded derivative instruments, please refer to "Note 11. 10. Financing Arrangements" and "Note 10. 9. Fair Value Measurements." For further information on our LivaNova's Level 3 convertible notes receivable, please refer to "Note 9. 8. Investments."

Investments in Equity Securities

Our LivaNova's investments in equity securities, and related loans, are comprise investments in affiliates that are not publicly traded and are in varied various stages of development and not publicly traded. Our development. The Company's equity investments are reported in investments, and related loans are reported in other assets, on the consolidated balance sheets.

We elect LivaNova elects to measure investments that do not have readily determinable fair values, at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for an identical or a similar investment of the same issuer.

Our
LivaNova's investments in affiliates in which we have the Company has significant influence but not control are accounted for using the equity method. Our LivaNova's share of net income or loss is reflected as one line item on our the Company's consolidated statements of income (loss) under losses from losses from equity-method investments and will increase or decrease, as applicable, the carrying value of our the Company's equity method investments reported under investments on the consolidated balance sheets. We LivaNova regularly review our reviews its investments for changes in circumstance or the occurrence of events that suggest our investment its investments may not be recoverable, and if an impairment is considered to be other-than-temporary, the loss is recognized on the consolidated statements of income (loss) in the period the determination is made and reported as losses from equity-method investments.

Warranty Obligation

We offer LivaNova offers a warranty on various products. We estimate The Company estimates the costs that may be incurred under warranties and record 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 estimated net costs to repair or otherwise satisfy the claim. We include LivaNova includes the warranty obligation in accrued liabilities and other on the consolidated balance sheets. Warranty expense is recorded to cost of goods sold on our LivaNova's consolidated statements of income (loss).

Retirement Benefit Plan Assumptions

We sponsor LivaNova 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. US employees and employees outside the U.S. US. Pension benefit costs include assumptions for the discount rate, retirement age, compensation rate increases and the expected return on plan assets.

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.

Revenue Recognition

Refer to "Note 3. Revenue Recognition."

Research and Development

All R&D costs are expensed as incurred. R&D includes costs of basic research activities as well as engineering and technical effort required to develop a new product or make significant improvements to an existing product or manufacturing process. R&D costs also include regulatory and clinical study expenses, including post-market clinical studies.

Leases

We determine LivaNova determines if an arrangement is or contains a lease at its inception. For operating leases with a term greater than 12 months, we recognize LivaNova recognizes operating lease assets and operating lease liabilities based on the present value of the future minimum lease payments over the lease term at the latter of our the Company's lease standard adoption date of January 1, 2019, or the lease commencement date. We do LivaNova does not record an operating lease asset and corresponding liability for leases with terms of 12 months or less. We recognize The Company recognizes the lease payments for such short-term leases within profit and loss on a straight-line basis over the lease term. Variable lease payments, such as common area rent, maintenance charges, and rent escalations 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. The operating Operating lease asset assets also includes any lease payments made in advance and excludes lease incentives. Our LivaNova's lease terms may include options to extend or terminate the a lease when it is reasonably certain that we the Company will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

As most of our LivaNova's leases do not provide a readily determinable implicit rate, we use our incremental borrowing rate ("IBR") LivaNova uses its IBR based on the information available at the lease commencement date in determining the present value of future payments. Our LivaNova's IBR represents an estimate of the interest rate we the Company would incur at lease commencement to borrow an amount equal to the lease payments on a collateralized basis over the lease term within a particular currency environment. We LivaNova used the IBR available nearest to our the Company's adoption date for leases that commenced prior to that date.

Additionally, we monitor LivaNova monitors for events or changes in circumstances that may require a reassessment of our the Company's leases and to determine if a remeasurement is required. For additional information, refer to "Note 13. 12. Leases."

Stock-Based Compensation

Stock-Based Awards

We LivaNova may grant stock-based awards to directors, officers and key employees. We measure The Company 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. We recognize LivaNova recognizes equity-based compensation expense ratably over the period that an employee is required to provide service services are provided in exchange for the entire award (all vesting periods). We issue LivaNova issues treasury shares for vesting of RSUs and the exercise of SARs and new shares upon stock option exercises, otherwise issuance of stock for vesting of restricted stock units or exercises of stock appreciation rights are issued from treasury shares. We have exercises. The Company has the right to elect to pay the cash value of vested restricted stock units in lieu of the issuance of new shares.

Stock Appreciation Rights ("SARs") SARs

A SAR confers LivaNova may grant SARs that confer upon an employee 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 an the award's grant date to the exercise date. SARs may be exercised at the employee's grantee's discretion during the exercise period and do not give the employee grantee an ownership right in the underlying stock. SARs do not involve payment of an exercise price. We use 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. We determine The Company determines the expected volatility of the awards based on historical volatility. Calculation of compensation for SAR stock awards requires estimation of the Company to estimate historical volatility employee turnover and forfeiture rates.

Restricted Stock Units ("RSUs") RSUs

We LivaNova may grant service-based RSUs at no purchase cost to the grantee. The grantees of unvested RSUs units 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 service period. Calculation of compensation for RSU stock awards requires estimation of employee turnover and the Company to estimate forfeiture rates.

Market Performance-Based RSU's

We LivaNova may grant market performance-based RSUs at no purchase cost to the grantee. The grantees of the unvested units have no voting rights or rights to dividends. Sale 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 total shareholder return relative to a peer group. The fair market value of market performance-based RSUs is determined utilizing 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 estimation of employee turnover, the Company to estimate historical volatility and forfeiture rates.

Operating Performance-Based Awards RSU's

We LivaNova may grant operating performance-based RSUs at no purchase cost to the grantee. The grantees of the unvested units have no voting rights or rights to dividends. Sale 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 percent achievement of certain thresholds targets for cumulative adjusted free cash flow and adjusted return on invested capital. 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 percent achievement of cumulative adjusted free cash flow. Calculation of compensation expense for operating performance-based stock awards requires estimation of employee turnover, adjusted free cash flow adjusted and return on invested capital and forfeiture rates. as compared to target.

Income Taxes

We are LivaNova is a UK corporation and we operate operates through our the Company's various subsidiaries in a number of countries throughout the world. Our LivaNova's provision for income taxes is based on the tax laws and rates applicable in the jurisdictions in which we operate the Company operates and earn earns income. We use LivaNova uses significant judgment and estimates in accounting for our its income taxes. We recognize The Company recognizes deferred tax assets and liabilities for the anticipated future tax effects of temporary differences between the financial statements statement basis and the tax basis of our LivaNova's assets and liabilities, which are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

We LivaNova periodically assess assesses the recoverability of our its deferred tax assets by considering whether it is more-likely-than-not that some or all of the actual benefit of those assets will be realized. To the extent that realization does not meet the "more-likely-than-not" criterion, we establish the Company establishes a valuation allowance. We LivaNova periodically review reviews the adequacy and necessity of the valuation allowance by considering significant positive and negative evidence relative to our its ability to recover deferred tax assets and to determine the timing and amount of valuation allowance that should be released. This evidence includes: profitability in the most recent quarters; internal profitability forecasts for the current and next two future years; size the amount 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 our LivaNova's net operating losses due to ownership changes, pursuant to Internal Revenue Code ("IRC") IRC Section 382; and the implementation of prudent and feasible tax planning strategies, if any.

We file LivaNova files federal and local tax returns in many jurisdictions throughout the world and are is subject to income tax examinations for our its fiscal year 2015 2018 and subsequent years, with certain exceptions. While we believe LivaNova believes that our its tax return positions are fully supported, tax authorities may disagree with certain positions we have the Company has taken and assess additional taxes, and as a result, we LivaNova may establish reserves for uncertain tax positions, which require a significant degree of management judgment. We LivaNova regularly assess assesses the likely outcomes of our its tax positions in order to determine the appropriateness of our the Company's reserves; however, the actual outcome of an audit can be significantly different than our LivaNova's expectations, which could have a material impact on our the Company's tax provision. Our LivaNova's tax positions are evaluated for recognition using a more-likely-than-not threshold. Uncertain tax positions requiring recognition are measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon effective settlement with a taxing authority that has full knowledge of all relevant information. Some of the reasons a reserve for an uncertain tax benefit may be reversed are: completion of a tax audit; a change in applicable tax law including a tax case or legislative guidance; or an expiration of the statute of limitations. We recognize LivaNova recognizes interest and penalties associated with unrecognized tax benefits and record records interest in interest expense, and penalties in selling, general and administrative expense, SG&A, on our LivaNova's consolidated statements of income (loss).

Foreign Currency

Our functional LivaNova's reporting currency is the U.S. dollar; USD; however, a portion of the revenues earned and expenses incurred by certain of our LivaNova's subsidiaries are denominated in currencies other than the U.S. dollar. We determine USD. LivaNova determines the functional currency of our 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. Our LivaNova's significant foreign subsidiaries are located in Europe and the U.S. US. The functional currency of our LivaNova's significant European subsidiaries is the Euro, and the functional currency of our LivaNova's significant U.S. US subsidiaries is the U.S. dollar. USD.

Assets and liabilities of subsidiaries whose functional currency is not the U.S. dollar USD are translated into U.S. dollars USD based on a combination of both current and historical exchange rates, while their revenues earned and expenses incurred are translated into U.S. dollars USD at average period exchange rates. Translation adjustments are included as in AOCI on the 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 foreign exchange and other income/(expense) on our LivaNova's consolidated statements of income (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.

Contingencies

We are LivaNova is subject to product liability claims, environmental obligations, 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 SG&A on our LivaNova's consolidated statements of income (loss). Contingent liabilities are recorded when we determine LivaNova determines that a loss is both probable and reasonably estimable. Due to the fact that legal proceedings and other contingencies are inherently unpredictable, our LivaNova's assessments involve significant judgment regarding future events.

Note 3. Revenue Recognition

We generate our LivaNova generates revenue through contracts with customers that consisting primarily consist of hospitals, healthcare institutions distributors and other organizations. distributors. Revenue is measured based on consideration specified in a contract with a customer contracts and excludes amounts collected on behalf of third parties. We measure The Company measures the consideration based upon the estimated amount to be received. The amount of consideration we LivaNova ultimately receive receives varies depending upon the return terms, sales rebates, discounts, and other incentives that we the Company may offer, which are accounted for as variable consideration when estimating the amount of revenue to recognize. The estimate of variable consideration requires significant judgment.

We have LivaNova has historically experienced a low rate of product returns, and the total dollar value of product returns has not been significant to our the Company's consolidated financial statements.

We recognize LivaNova recognizes revenue when a performance obligation is satisfied by transferring the control of a product or providing service to a customer. Some of our LivaNova's contracts include the purchase of multiple products and/or services. In such cases, we allocate LivaNova allocates the transaction price based upon the relative estimated stand-alone price of each product and/or service sold. We record

LivaNova records state and local sales taxes net; that is, we exclude the Company excludes sales tax from revenue. Typically, our LivaNova's contracts do not have a significant financing component.

We incur LivaNova incurs incremental commission fees paid to the sales force associated with the sale of products. We apply LivaNova applies the practical expedient within ASC 606-10-50-22 and have has elected to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset the entity would otherwise recognize is one year or less. As a result, no commissions have been capitalized as contract costs since adoption of ASC 606. The following is a description of the principal activities (separated by reportable segments) from which we generate our LivaNova generates its revenue. For more detailed information about our LivaNova's reportable segments including disaggregated revenue results by major product line and primary geographic markets, see "Note 20. 19. Geographic and Segment 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, we allocate LivaNova allocates a portion of the sales prices to installation obligations and recognize recognizes that revenue when the service is provided. We recognize LivaNova recognizes revenue for equipment and accessory product sales when control of the equipment or product passes to the customer.

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 recognized as revenue when the performance obligation is satisfied. Technical services are not a significant component of Cardiopulmonary revenue and have been presented with the related equipment and accessories revenue.

Neuromodulation Products

Neuromodulation products are comprised of neuromodulation therapy systems for the treatment of drug-resistant epilepsy ("DRE") DRE and difficult-to-treat depression ("DTD"). Our DTD. LivaNova's Neuromodulation product line includes the Vagus Nerve Stimulation VNS Therapy ("VNS Therapy") System, which consists of an implantable pulse generator, a lead that connects the generator to the vagus nerve, and other accessories. We recognize LivaNova recognizes revenue for Neuromodulation product sales when control passes to the customer.

Advanced Circulatory Support Products

Advanced Circulatory Support ("ACS") LivaNova's ACS segment was engaged in the design, development, manufacture, marketing and selling of temporary life support products. ACS's products, which comprise the LifeSPARC and Hemolung systems, and standalone cannulae and accessories, including ProtekDuo and transseptal (TandemHeart) cannulae, simplify temporary extracorporeal cardiopulmonary life support solutions for critically ill patients.

ACS products are comprised of temporary life support products, including the LifeSPARC platform, ProtekDuo cannula cannulae kits and the Hemolung Respiratory Assist System ("Hemolung RAS"). The LifeSPARC platform includes a common compact console and pump that provides temporary support for emergent rescue patients in a variety of settings. The platform is accompanied by four specialized ProtekDuo cannula kits designed to support diverse cannulation strategies. The Hemolung RAS, which was acquired in May 2022 as part of the acquisition of ALung, is the only FDA-cleared platform designed specifically for low-flow extracorporeal carbon dioxide removal for acute respiratory failure. Advanced Circulatory Support RAS. ACS revenue is recognized when control passes to the customer, usually at the point of shipment.

During the first quarter of 2024, LivaNova transitioned all ACS standalone cannulae and accessories, including ProtekDuo and transseptal (TandemHeart) cannulae, into its Cardiopulmonary segment. Further sales of the LifeSPARC and Hemolung Systems were discontinued during the first quarter of 2024.

Contract Balances

Due to the nature of our 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 prepaid expenses and other current assets on the consolidated balance sheets and were insignificant as of December 31, 2022 December 31, 2023 and 2021. 2022. As of December 31, 2022 December 31, 2023 and 2021, 2022, contract liabilities of $14.1 $15.3 million and $9.8 million $14.1 million, respectively, were included within accrued liabilities and other and other long-term liabilities on the LivaNova's consolidated balance sheets.

Note 4. Business Combinations

As of December 31, 2021, LivaNova owned a 3% equity interest investment in ALung, Technologies, Inc. ("ALung"), a privately held medical device company focused on creating advanced medical devices for treating respiratory failure. In May 2022, we On May 2, 2022, LivaNova acquired the remaining 97% of equity interests in ALung for a purchase price of up to $110.0 million, consisting of $10.0 million paid at closing, subject to customary adjustments, and contingent consideration of up to $100.0 million payable upon achievement of certain sales-based milestones beginning in 2023 and ending in 2027. Total consideration included approximately $5.5 million of non-cash consideration.

The following table presents the acquisition date fair value of the consideration transferred and the fair value of our LivaNova's interest in ALung prior to the acquisition, including certain measurement period adjustments (in thousands):

	Initial Fair Value of Consideration	Measurement Period Adjustments (1)	Adjusted Fair Value of Consideration
Cash and other considerations	$ 15,586	$ —	$ 15,586
Contingent consideration	26,369	(9,578)	16,791
Fair value of consideration transferred	$ 41,955	$ (9,578)	$ 32,377

(1) During the third quarter of 2022, measurement period adjustments were recorded based on information obtained about facts and circumstances that existed as of the acquisition date.

The following table presents the preliminary purchase price allocation at fair value for the ALung acquisition including was finalized during the second quarter of 2023 and is presented in the following table, which includes certain measurement period adjustments (in thousands):

	Initial Purchase Price Allocation	Measurement Period Adjustments (1)	Adjusted Purchase Price Allocation
Developed technology - 15-year life	$ 13,950	$ (11,050)	$ 2,900
Goodwill	25,893	977	26,870
Other assets and liabilities, net	2,112	495	2,607
Net assets acquired	$ 41,955	$ (9,578)	$ 32,377

(1) During the third quarter of 2022, measurement period adjustments were recorded based on information obtained about facts and circumstances that existed as of the acquisition date.

Goodwill arising from the ALung acquisition, which is not deductible for tax purposes, primarily represents the anticipated synergies anticipated between ALung and our LivaNova's ACS business. The assets acquired, including goodwill, are recognized in our LivaNova's ACS segment. The goodwill for the ACS reporting unit was fully impaired during the third quarter of 2022. Please refer to "Note 8. 7. Goodwill and Intangible Assets" for further details.

We LivaNova recognized ALung acquisition-related expenses of approximately $5.1 million during the year ended December 31, 2022, within "Selling, general and administrative" expenses SG&A on our the Company's consolidated statement statements of income (loss).

The Company's consolidated financial statements include the operating results of ALung from the acquisition date. Separate post-acquisition operating results and pro forma financial information for this acquisition have not been presented as the effect was not material for disclosure purposes. material.

The ALung contingent consideration payments are triggered upon the achievement of thresholds associated with sales of products covered by the purchase agreement and are estimated to occur during the years reflected in the table below. The sales-based earnout was valued using projected sales from our LivaNova's internal strategic plan and is a Level 3 fair value measurement, which includes the following significant unobservable inputs (in thousands):

ALung Acquisition	Fair value at May 2, 2022	Valuation Technique	Unobservable Input	Ranges
Sales-based earnout	$ 16,791	Monte Carlo simulation	Risk-adjusted discount rate	7.0% - 8.4%
			Credit risk discount rate	6.4% - 8.0%
			Revenue volatility	25.7%
			Projected years of earnout	2023 - 2027

The ALung contingent consideration arrangement states that, in the event that LivaNova ceases the operations of ALung, LivaNova would be subject to a one-time phase-out payment of $13.8 million. In January 2024, LivaNova announced the wind down of ACS, including ALung, as part of the 2024 Restructuring Plan. As a result, the ALung contingent consideration arrangement liability was adjusted to the phase-out payment amount of $13.8 million as of December 31, 2023. For a reconciliation of the beginning and ending balance of contingent consideration liabilities, refer to "Note 10. 9. Fair Value Measurements."

Note 5. Divestiture of Heart Valve Business

On December 2, 2020, LivaNova entered into a Purchase Agreement with Mitral, Holdco S.à r.l. ("Mitral"), a company incorporated under the laws of Luxembourg and wholly-owned and controlled by funds advised by Gyrus Capital S.A., a Swiss private equity firm. The Purchase Agreement provided for the divestiture of certain of LivaNova's subsidiaries, as

well as certain other assets and liabilities relating to the Company's Heart Valve business and site management operations conducted by the Company's subsidiary LSM at the Company's Saluggia campus for $64.1 million.

On April 9, 2021, LivaNova and the Purchaser Mitral entered into an Amended & Restated Purchase Agreement to, among other things, defer the closing of the sale and purchase of LSM by up to two years and include or amend certain additional terms relating to such deferral, including certain amendments relating to the potential hazardous substances liabilities provision of LSM and the related expense reimbursement provisions.

As a result On April 7, 2023, Mitral provided notice to LivaNova, consistent with the terms of entering into the Amended & Restated Purchase Agreement, during the fourth quarter of 2020 the Company concluded that the assets and liabilities of the Heart Valve business being sold met the criteria they would not exercise their right to be classified as held for sale. As a result, we recognized an impairment of $180.2 million during the fourth quarter of 2020 to record the Heart Valves disposal group at fair value less estimated cost to sell. Additionally, we recorded a $21.3 million impairment to the goodwill allocated to the Heart Valves disposal group based upon the relative fair values of the businesses within Other. purchase LSM.

The sale of the Heart Valve business closed on June 1, 2021. We LivaNova received $45.5 million in 2021, and the remaining deferred purchase price of $9.5 million in 2022. Also, in 2022, we LivaNova made a $4.8 million payment to Mitral upon finalizing the trade working capital and net indebtedness adjustments. During the year ended December 31, 2021, we LivaNova recognized a loss from the sale of the Heart Valve business of $1.9 million, which is included within other operating expenses on the consolidated statements of income (loss).

In conjunction with the sale, we LivaNova entered into a transition services agreement to provide certain support services generally for up to twelve months from the closing date of the sale. These services include, among others, accounting, information technology, human resources, quality assurance, regulatory affairs, supply chain, clinical affairs and customer support. During the year ended December 31, 2021, we LivaNova recognized income of $1.9 million, for providing these services. Income recognized related to the transition services agreements is recorded as a reduction to the related expenses in the associated expense line items in the consolidated statements of income (loss).

Note 6. Restructuring

We initiate LivaNova initiates restructuring plans to leverage economies of scale, streamline distribution and logistics, and strengthen operational and administrative effectiveness in order to reduce overall costs.

During the fourth quarter of 2020, we LivaNova initiated a reorganization plan (the "2020 Plan") to reduce our the Company's cost structure. We LivaNova incurred restructuring expenses expense under the 2020 Restructuring Plan of $5.3 million during the year ended December 31, 2020 primarily associated with severance costs for 54 employees, and $9.7 million during 2021, primarily associated with severance costs for 27 additional employees terminated during 2021 under the 2020 Plan and lease abandonment costs. The 2020 Plan reorganization plan was completed during 2022.

During the second quarter of 2022, management committed to implement a cost-optimization and cost reduction program to adapt to current economic conditions, which includes included a workforce reduction to be completed by mid-2023. We LivaNova recognized restructuring expense under the 2022 Restructuring Plan of $0.9 million and $6.6 million during the year years ended December 31, 2022. December 31, 2023 and 2022, respectively. The total estimated restructuring costs associated with the plan are were approximately $10.0 million including employee termination benefits, consulting fees and contract termination costs.

On January 5, 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 this plan is to wind down the ACS segment, which the Company anticipates will be substantially complete by the end of 2024. LivaNova recognized 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 statements of income (loss) during the year ended December 31, 2023. Additionally, the Company determined that it was more likely than not that the carrying amounts associated with the 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 ACS segment. As such, LivaNova recorded impairments of the following long-lived assets during the year ended December 31, 2023, included within impairment of long-lived assets on its consolidated statements of income (loss) (in thousands):

	2023
Intangible assets:	
Developed technology	$ 78,067
Trade names	7,117
Property, plant and equipment	3,894
Operating lease assets	896
Total impairment of long-lived assets	$ 89,974

In connection with the 2024 Restructuring Plan, LivaNova expects to incur pre-tax restructuring charges in the range of approximately $15 million to $20 million. The anticipated charges are comprised of approximately $10 million to $12 million in severance expenses and retention bonuses and approximately $5 million to $8 million in other expenses, including lease termination, facilities remediation, and asset disposal expenses. LivaNova expects the majority of the severance expenses to be incurred in the first half of 2024. Retention bonuses will be earned over the period of service, which is expected to be over the full year of 2024. All future cash payments related to these restructuring charges are expected to be paid out during 2024. These estimates are subject to change.

The following table presents a reconciliation of the beginning and ending balance of the accruals and other reserves recorded in connection with our LivaNova's restructuring plans included within accrued liabilities and other long-term liabilities on the consolidated balance sheet sheets for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 (in thousands):

	Employee Severance and Termination Costs	Employee Severance and Termination Costs

	Employee Severance and Termination Costs
As of December 31, 2020	
As of December 31, 2020	
As of December 31, 2020	
Charges	
Charges	
Charges	
Cash payments	
Cash payments	
Cash payments	
As of December 31, 2021	
As of December 31, 2021	
As of December 31, 2021	
Charges	
Charges	
Charges	
Cash payments	
Cash payments	
Cash payments	
As of December 31, 2022	
As of December 31, 2022	
As of December 31, 2022	
Charges	
Charges	
Charges	
Cash payments	
Cash payments	
Cash payments	
As of December 31, 2023 (1)	
As of December 31, 2023 (1)	
As of December 31, 2023 (1)	

	Employee Severance and Other Termination Costs	Other	Total
As of December 31, 2019	$ 4,097	$ 1,400	$ 5,497
Charges	7,571	—	7,571
Cash payments	(5,919)	(854)	(6,773)
As of December 31, 2020	5,749	546	6,295
Charges	7,963	1,750	9,713
Cash payments	(12,876)	(2,296)	(15,172)
As of December 31, 2021	836	—	836
Charges	6,611	—	6,611
Cash payments	(5,402)	—	(5,402)
As of December 31, 2022 (1)	$ 2,045	$ —	$ 2,045

(1) Cumulative restructuring expense, inclusive of discontinued operations, since the merger of Cyberonics Inc. and Sorin S.p.A. ("Sorin") in October 2015 totaled $135.4 million $136.4 million as of December 31, 2022 December 31, 2023.

The following table presents restructuring expense by reportable segment for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 (in thousands):

		2022	2021	2020
2023				2023	2022	2021
Cardiopulmonary	Cardiopulmonary	$ 697	$2,844	$1,040
Neuromodulation	Neuromodulation	2,651	1,531	3,223

Advanced Circulatory Support	Advanced Circulatory Support	1,999	—	—
Other		1,264	5,338	3,308
Total (1)		$ 6,611	$9,713	$7,571
Other (1)				
Total (2)				

(1) Other primarily includes restructuring expense not allocated to segments.

(2) Restructuring expense is included within other operating expenses on the consolidated statements of income (loss).

Note 7. Product Remediation Liability

On December 29, 2015, we received an FDA Warning Letter (the "Warning Letter") alleging certain violations of FDA regulations applicable to medical device manufacturing at our Munich, Germany and Arvada, Colorado facilities. On October 13, 2016, the CDC and FDA separately released safety notifications regarding 3T Heater-Cooler devices in response to which we issued a Field Safety Notice Update for U.S. users of our 3T Heater-Cooler devices to proactively and voluntarily contact facilities to facilitate implementation of the CDC and FDA recommendations.

On December 31, 2016, we recognized a liability for a product remediation plan related to our 3T device. The remediation plan consisted primarily of a modification of the 3T device design to include internal sealing and the addition of a vacuum system to new and existing devices to address regulatory actions and to reduce further the risk of possible dispersion of aerosols from 3T devices in the operating room. We concluded that it was probable that a liability had been incurred upon management's approval of the plan and the commitments made by management to various regulatory authorities globally in November and December 2016, and furthermore, the cost associated with the plan was reasonably estimable.

In April 2017, we obtained CE Mark in Europe for the design change of the 3T device, and in October 2018, the FDA concluded that we could commence the vacuum canister and internal sealing upgrade program in the U.S. On February 25, 2020, LivaNova received clearance for K191402, a 510(k) for the 3T devices that addressed issues contained in the 2015 Warning Letter along with design changes that further mitigate the potential risk of aerosolization. Concurrent with this clearance, (1) 3T devices manufactured in accordance with K191402 will not be subjected to the import alert and (2) LivaNova initiated a correction to distribute the updated Operating Instructions cleared under K191402. In December 2022, we received a close-out letter from the FDA for the Warning Letter the Company received on December 29, 2015. Closure of the 2015 Warning Letter represents the culmination of LivaNova's corrective actions implemented at its Munich manufacturing facility and to the 3T Heater-Cooler device design.

The following table presents the changes in the product remediation liability for the years ended December 31, 2022, 2021 and 2020 (in thousands):

As of December 31, 2019	$ 3,251
Adjustments	3,199
Remediation activity	(5,743)
Effect of changes in foreign currency exchange rates	349
As of December 31, 2020	1,056
Adjustments	712
Remediation activity	(880)
Effect of changes in foreign currency exchange rates	(81)
As of December 31, 2021	807
Remediation activity	(15)
Effect of changes in foreign currency exchange rates	(47)
As of December 31, 2022	$ 745

We recognized product remediation expenses during the years ended December 31, 2022, 2021 and 2020 of nil, $0.8 million and $7.9 million, respectively. In addition to changes to the estimated product remediation liability, product remediation expenses include internal labor costs, costs to remediate certain inspectional observations made by the FDA at our Munich facility and costs associated with the incorporation of the modification of the 3T device design into the next generation 3T device. These costs and related legal costs are expensed as incurred and are not included within the product remediation liability presented above. As of December 31, 2022, the liability related to the litigation involving the 3T device was $32.5 million. Our related legal costs are expensed as incurred. For further information, please refer to "Note 14. Commitments and Contingencies."

Note 8. Goodwill and Intangible Assets

The following table presents our LivaNova's finite-lived and indefinite-lived intangible assets as of December 31, 2022 December 31, 2023 and 2021 2022 (in thousands):

		2022	2021			
		2023		2023		2022
Finite-lived intangible assets:	Finite-lived intangible assets:					
Customer relationships						
Customer relationships						

Customer relationships	Customer relationships	$ 184,397	$ 192,800
Developed technology	Developed technology	217,205	219,706
Trade names	Trade names	24,368	25,154
Other intangible assets	Other intangible assets	756	616
Total gross finite-lived intangible assets	Total gross finite-lived intangible assets	426,726	438,276
Accumulated amortization - Customer relationships	Accumulated amortization - Customer relationships	72,820	65,106
Accumulated amortization - Developed technology	Accumulated amortization - Developed technology	80,219	68,488
Accumulated amortization - Trade names	Accumulated amortization - Trade names	16,483	16,500
Accumulated amortization - Other intangible assets	Accumulated amortization - Other intangible assets	651	506
Total accumulated amortization	Total accumulated amortization	170,173	150,600
Net finite-lived intangible assets	Net finite-lived intangible assets	$ 256,553	$ 287,676
Indefinite-lived intangible assets:	Indefinite-lived intangible assets:		
IPR&D	IPR&D	$ 112,006	$ 112,006
IPR&D			
IPR&D			
Goodwill	Goodwill	768,787	899,525
Total indefinite-lived intangible assets	Total indefinite-lived intangible assets	$ 880,793	$1,011,531

The following table presents the amortization periods for our LivaNova's finite-lived intangible assets as of December 31, 2022 December 31, 2023:

		Minimum Life in years	Maximum Life in years					Minimum Life in years	Maximum Life in years
		Minimum Life in years							
Customer relationships	Customer relationships	8	18	Customer relationships	8			18	
Developed technology	Developed technology	14	17	Developed technology	14			17	

Trade names	15	15

The following table presents the estimated future amortization expense based on our LivaNova's finite-lived intangible assets as of December 31, 2022 December 31, 2023 (in thousands):

2023		$ 25,372
2024	2024	25,372
2025	2025	25,372
2026	2026	25,372
2027	2027	24,957
2028		
Thereafter	Thereafter	130,108
Total	Total	$ 256,553

In connection with the 2024 Restructuring Plan, as previously discussed in "Note 6. Restructuring," LivaNova recorded impairments of the ACS developed technology and trade names intangible assets of $78.1 million and $7.1 million, respectively, during the year ended December 31, 2023, which is included within impairment of long-lived assets on the consolidated statements of income (loss).

Goodwill

The following table presents the changes in the carrying amount of goodwill by reportable segment for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 (in thousands):

	Cardiopulmonary	Neuromodulation	Advanced Circulatory Support	Other (1)	Total
As of December 31, 2019	$ 394,735	$ 398,754	$ 102,526	$ 19,779	$ 915,794
Impairment (2)	—	—	—	(21,269)	(21,269)
Foreign currency adjustments	26,303	—	—	1,490	27,793
	Cardiopulmonary				
	Cardiopulmonary				
	Cardiopulmonary				
As of December 31, 2020					
As of December 31, 2020					
As of December 31, 2020 As of December 31, 2020	421,038	398,754	102,526	—	922,318
Foreign currency adjustments Foreign currency adjustments	(22,793)	—	—	—	(22,793)
Foreign currency adjustments					
Foreign currency adjustments					
As of December 31, 2021 As of December 31, 2021	398,245	398,754	102,526	—	899,525
Goodwill as a result of acquisition (3)	—	—	25,893	—	25,893
As of December 31, 2021					
As of December 31, 2021					
Goodwill as a result of acquisition (1)					
Goodwill as a result of acquisition (1)					
Goodwill as a result of acquisition (1)					
Measurement period adjustments Measurement period adjustments	—	—	977	—	977
Impairment (4)	—	—	(129,396)	—	(129,396)
Measurement period adjustments					
Measurement period adjustments					
Impairment					
Impairment					
Impairment					
Foreign currency adjustments					
Foreign currency adjustments					

Foreign currency adjustments	Foreign currency adjustments	(28,212)	—	—	—	(28,212)
As of December 31, 2022	As of December 31, 2022	$ 370,033	$ 398,754	$ —	$ —	$ 768,787
As of December 31, 2022						
As of December 31, 2022						
Foreign currency adjustments						
Foreign currency adjustments						
Foreign currency adjustments						
As of December 31, 2023						
As of December 31, 2023						
As of December 31, 2023						

(1) Other includes goodwill associated the Company's Heart Valve business, which was divested on June 1, 2021.

(2) During the year ended December 31, 2020, the Company recognized a $21.3 million impairment of goodwill allocated to Heart Valves. Refer to "Note 5. Divestiture of Heart Valve Business" for additional information.

(3) Refer to "Note 4. Business Combinations" for additional information.

(4) During the year ended December 31, 2022, the Company recognized a $129.4 million impairment of goodwill associated with the Company's ACS business.

On December 2, 2020, LivaNova entered into a Purchase Agreement for the divestiture of certain of LivaNova's subsidiaries as well as certain other assets and liabilities relating to the Company's Heart Valve business. We performed a quantitative assessment as of December 2, 2020 of the goodwill associated with the previously reported Cardiovascular reporting unit and concluded that the goodwill was not impaired. We then allocated $21.3 million of the previously reported Cardiovascular goodwill to the Heart Valves disposal group based on the relative fair values of the businesses within the previously reported Cardiovascular reporting unit and recognized a $21.3 million impairment to the allocated goodwill. For additional information refer to "Note 5. Divestiture of Heart Valve Business."

As part of our LivaNova's third-quarter 2022 goodwill impairment assessment, we the Company considered that revenue for our its ACS reporting unit during the nine months ended September 30, 2022, had declined by approximately 29% compared to the prior year period,

primarily as a result of a reduction in severe COVID-19 cases, hospital-related challenges and product mix. Furthermore, As a result, the Company lowered its future revenue projections were reduced. for the ACS reporting unit. Based on these circumstances, we LivaNova concluded it was more likely than not that the goodwill of our LivaNova's ACS reporting unit was impaired and we performed a quantitative assessment of the goodwill as of September 30, 2022, using management's then current estimate of future cash flows. Based on the valuation performed, we LivaNova determined that the fair value of the ACS reporting unit was less than the carrying value and recognized a goodwill impairment of $129.4 million in our LivaNova's consolidated statements statement of income (loss) during the year ended December 31, 2022.

We LivaNova performed a quantitative assessment for our its Cardiopulmonary and Neuromodulation reporting units as of October 1, 2022 October 1, 2023. The quantitative impairment assessment was performed using management's current estimate of future cash flows. We LivaNova concluded that the fair value of our its Cardiopulmonary and Neuromodulation reporting units exceeded the carrying value of the respective reporting units by 32% 23% and 467% 528%, respectively. Therefore, we LivaNova concluded that our its Cardiopulmonary and Neuromodulation reporting units' goodwill was were not impaired on the October 1, 2022 October 1, 2023 test date.

Cumulative goodwill impairments from continuing operations since the merger of Cyberonics Inc. and Sorin in October 2015 totaled $193.1 million as of December 31, 2022 December 31, 2023.

Note 9. 8. Investments

The following table presents the carrying value of our LivaNova's investments in equity securities of non-consolidated affiliates without readily determinable fair values and an investment accounted for under the equity method. Investments, excluding the equity method investment, are reported at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar investment of the same issuer. These The below equity investments are included in investments on the consolidated balance sheets as of December 31, 2022 December 31, 2023 and 2021 2022 (in thousands):

		2022	2021
		2023	
		2023	
		2023	
ShiraTronics, Inc.	ShiraTronics, Inc.	$ 5,000	$ 3,331
ShiraTronics, Inc.			
ShiraTronics, Inc.			
Cadence Neuroscience, Inc. (1)			
Cadence Neuroscience, Inc. (1)			
Cadence Neuroscience, Inc. (1)			
Noctrix Health, Inc.			
Noctrix Health, Inc.			
Noctrix Health, Inc.	Noctrix Health, Inc.	3,159	3,159
Ceribell, Inc.	Ceribell, Inc.	3,000	3,000

MD Start II (1)		1,069	1,135
Ceribell, Inc.			
Ceribell, Inc.			
Rainbow Medical Ltd.			
Rainbow Medical Ltd.			
Rainbow Medical Ltd.	Rainbow Medical Ltd.	1,047	1,111
Highlife S.A.S.	Highlife S.A.S.	1,013	1,075
ALung Technologies, Inc. (2)		—	3,000
		14,288	15,811
Equity method investment (3)		1,978	787
		$ 16,266	$ 16,598
Highlife S.A.S.			
Highlife S.A.S.			
MD Start II			
MD Start II			
MD Start II			
		19,907	
		19,907	
		19,907	
Equity method investment (2)			
Equity method investment (2)			
Equity method investment (2)			
		$	
		$	
		$	

(1) During the second first quarter of 2021 2023, LivaNova invested in Cadence Neuroscience, Inc., a privately held medical device company focusing on advancements in neuromodulation to detect specific signals from the Company received a cash dividend from its investment in MD Start II brain and deliver electrical stimulation to modify the activity of $3.1 million, which is included in “Foreign exchange and other income/(expense)” on the consolidated statements of income (loss) for the year ended December 31, 2022. neural circuits.

(2) As of December 31, 2021, December 31, 2023 and 2022, LivaNova owned a 3% equity interest in ALung with a carrying value of $3.0 million, as well as held a note receivable due from ALung with a carrying value of $2.5 million. On May 2, 2022, we acquired the remaining 97% of equity interests in ALung. Please refer to “Note 4. Business Combinations” for further details.

(3) As of December 31, 2022, we are required had commitments to fund follow-on investments up to approximately €3.0 million €1.9 million and €3.0 million (approximately $2.0 million and $3.2 million as of December 31, 2022) December 31, 2023 and 2022, respectively) based on cash calls.

Note 10. 9. Fair Value Measurements

We review the LivaNova reviews its 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. There were no transfers between Level 1, Level 2 or Level 3 during the years ended December 31, 2022 December 31, 2023, 2021 2022 or 2020.

2021.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following tables present provide information by level for assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2022 December 31, 2023 and 2021 2022 (in thousands):

		Fair Value Measurements Using Inputs Considered as:		
	2022	Level 1	Level 2	Level 3
Assets				
Derivative assets - designated as cash flow hedges (interest rate swaps)	$ 1,333	$ —	$ 1,333	$ —
Derivative assets - capped call derivatives	54,393	—	—	54,393
Convertible notes receivable	285	—	—	285
	$ 56,011	$ —	$ 1,333	$ 54,678
Liabilities				
Derivative liabilities - freestanding instruments (foreign currency exchange rate “FX”)	$ 5,886	$ —	$ 5,886	$ —

Derivative liabilities - embedded exchange feature	85,675	—	—	85,675
Contingent consideration arrangements	85,292	—	—	85,292
	$ 176,853	$ —	$ 5,886	$ 170,967

		Fair Value Measurements Using Inputs Considered as:		
	2023	Level 1	Level 2	Level 3
Assets				
Derivative assets - designated as cash flow hedges (FX)	$ 243	$ —	$ 243	$ —
Derivative assets - freestanding instruments (FX)	61	—	61	—
Derivative assets - capped call derivatives				
Derivative assets - capped call derivatives	106,629	—	—	106,629
Convertible notes receivable	2,767	—	—	2,767
	$ 109,700	$ —	$ 304	$109,396
	$			
Liabilities				
Derivative liabilities - designated as cash flow hedges (FX)	$ 1,286	$ —	$1,286	$ —
Liabilities				
Derivative liabilities - freestanding instruments (FX)				
Derivative liabilities - freestanding instruments (FX)	427	—	427	—
Derivative liabilities - embedded exchange feature	181,700	—	—	181,700
Contingent consideration arrangements	98,382	—	—	98,382
	$ 281,795	$ —	$1,713	$280,082
	$			

		Fair Value Measurements Using Inputs Considered as:		
	2021	Level 1	Level 2	Level 3
Assets				
Derivative assets - designated as cash flow hedges (FX)	$ 243	$ —	$ 243	$ —
Derivative assets - freestanding instruments (FX)	61	—	61	—
Derivative assets - capped call derivatives				
Derivative assets - capped call derivatives	106,629	—	—	106,629
Convertible notes receivable	2,767	—	—	2,767
	$ 109,700	$ —	$ 304	$109,396
	$			
Liabilities				
Derivative liabilities - designated as cash flow hedges (FX)	$ 1,286	$ —	$1,286	$ —
Liabilities				
Derivative liabilities - freestanding instruments (FX)				
Derivative liabilities - freestanding instruments (FX)	427	—	427	—
Derivative liabilities - embedded exchange feature	181,700	—	—	181,700
Contingent consideration arrangements	98,382	—	—	98,382
	$ 281,795	$ —	$1,713	$280,082
	$			

	2022	Fair Value Measurements Using Inputs Considered as: Level 1	Level 2	Level 3
Assets				
Derivative assets - designated as cash flow hedges (interest rate swaps)	$ 1,333	$ —	$ 1,333	$ —
Derivative assets - capped call derivatives	54,393	—	—	54,393
Convertible notes receivable	285	—	—	285
	$ 56,011	$ —	$ 1,333	$ 54,678
Liabilities				
Derivative liabilities - freestanding instruments (FX)	$ 5,886	$ —	$ 5,886	$ —
Derivative liabilities - embedded exchange feature	85,675	—	—	85,675
Contingent consideration arrangements	85,292	—	—	85,292
	$ 176,853	$ —	$ 5,886	$ 170,967

The following table presents provides a reconciliation of the beginning and ending balances of our LivaNova's recurring fair value measurements, using significant unobservable inputs (Level 3) for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 (in thousands):

	Capped Call Derivative Asset	Convertible Notes Receivable	Embedded Exchange Feature Derivative Liability	Other Derivative Liabilities	Contingent Consideration Liability Arrangements
As of December 31, 2020	$ 72,302	$ 2,775	$ 121,756	$ 4,290	$ 103,818
Payments (1)	—	—	—	—	(6,000)
Changes in fair value (2) (3)	34,327	(8)	59,944	(4,290)	564
As of December 31, 2021	106,629	2,767	181,700	—	98,382
Additions	—	—	—	—	26,369
Utilized as business combination consideration	—	(2,495)	—	—	—
Measurement period adjustments (4)	—	—	—	—	(9,578)
Changes in fair value (2) (3) (5)	(52,236)	13	(96,025)	—	(29,881)
As of December 31, 2022 - long-term	$ 54,393	$ 285	$ 85,675	$ —	$ 85,292

	Capped Call Derivative Asset	Convertible Notes Receivable	Embedded Exchange Feature Derivative Liability	Contingent Consideration Liability Arrangements
As of December 31, 2021	$ 106,629	$ 2,767	$ 181,700	$ 98,382
Additions	—	—	—	26,369
Utilized as business combination consideration	—	(2,495)	—	—
Measurement period adjustments (1)	—	—	—	(9,578)
Changes in fair value (2) (3) (4)	(52,236)	13	(96,025)	(29,881)
As of December 31, 2022	54,393	285	85,675	85,292
Changes in fair value (2) (3)	(15,897)	(10)	(40,106)	9,360
As of December 31, 2023	38,496	275	45,569	94,652
Less current portion at December 31, 2023	—	—	—	13,750
Long-term portion at December 31, 2023	$ 38,496	$ 275	$ 45,569	$ 80,902

(1) For further details refer to "Note 4. Business Combinations."

(2) During the year ended December 31, 2021 December 31, 2023, we paid $6.0 million under the contingent consideration arrangement for the acquisition change in fair value resulted in an increase of Miami Instruments, LLC. $3.8 million recorded to cost of sales and an increase of $5.6 million recorded to (2) R&D . During the year ended December 31, 2022, the contingent consideration change in fair value resulted in a decrease of $10.5 million recorded to cost of sales and a decrease of $19.4 million recorded to R&D. During the year ended December 31, 2021, the contingent consideration change in fair value resulted in a decrease of $8.5 million recorded to cost of sales and an increase of $9.1 million recorded to R&D.

(3) Changes in the fair value of the embedded exchange feature derivative liability and capped call derivatives and other derivative liabilities asset are recognized in foreign exchange and other income/(expense) in the consolidated statements of income (loss). See the below section titled "*Embedded Exchange Feature and Capped Call Derivatives"* for further information on the changes in fair value as it relates to the embedded exchange feature and capped call derivatives.

(4) For further details refer to "Note 4. Business Combinations."

(5) The decrease in fair value associated with contingent consideration arrangements during the year ended December 31, 2022 was primarily related to the change in (i) the discount rates due to increasing interest rates, (ii) the probability of the regulatory milestone-based payment associated with the acquisition of TandemLife and (iii) the timing of projected achievement of a certain regulatory milestone and timing of sales-based earnout payments associated with the acquisition of ImThera.

Embedded Exchange Feature and Capped Call Derivatives

In June 2020, the Company issued $287.5 million in cash exchangeable senior notes Notes and entered into related capped call transactions. The cash exchangeable senior notes Notes include an embedded exchange feature that is bifurcated from the cash exchangeable senior notes. Notes. Please refer to "Note 11. 10. Financing Arrangements" for further details. The embedded exchange feature derivative is measured at fair value using a binomial lattice model and estimated discounted cash flows that utilize observable and unobservable market data. The capped call derivative is measured at fair value using the Black-Scholes model utilizing observable and unobservable market data, including stock price, remaining contractual term, expected volatility, risk-free interest rate and expected dividend yield, as applicable.

The embedded exchange feature and capped call derivatives are classified as Level 3 as because 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. In general, an increase in our LivaNova's stock price or stock price volatility would increase the fair value of the embedded exchange feature and capped call derivatives which would result in an increase in expense. As the remaining time to the expiration of the derivatives decreases, the fair value of the derivatives would decrease. 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 exchange feature derivative and capped call derivatives are recognized in foreign exchange and other income/(expense) in the consolidated statements of income (loss).

The fair value of the embedded exchange feature derivative liability and the capped call derivative assets were was $85.7 45.6 million and $54.4 38.5 million, respectively, as of December 31, 2022 December 31, 2023, and the stock price volatility was 43% 38%. As of December 31, 2022 December 31, 2023, a 10% lower volatility, holding other inputs constant, would result in approximate reduce the fair value for the embedded exchange feature derivative of $70.6 million liability by $13.4 million, and a 10% higher volatility, holding other inputs constant, would result in approximate increase the fair value of $100.3 million by $13.3 million. As of December 31, 2022 December 31, 2023, a 10% lower volatility, holding other inputs constant, would result in approximate

decrease the fair value for of the capped call derivatives of $52.1 million by $9.1 million, and a 10% higher volatility, holding other inputs constant, would result in approximate increase the fair value of $53.7 million by $4.8 million.

Contingent Consideration Arrangements

The following table presents the fair value of our LivaNova's Level 3 contingent consideration arrangements by acquisition as of December 31, 2022 December 31, 2023 and 2021 2022 (in thousands):

		2022	2021
2023			2023	2022
ImThera	ImThera	$ 69,389	$86,830
ALung	ALung	15,903	—
TandemLife		—	11,552
		$ 85,292	$98,382
		$	
		$	
		$	

The ImThera business combination involved contingent consideration arrangements composed 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 earnout is earnouts are valued using projected sales from our LivaNova's internal strategic plan. These arrangements are Level 3 fair value measurements and include the following significant unobservable inputs as of December 31, 2022 December 31, 2023:

ImThera Acquisition	Valuation Technique	Unobservable Input	Inputs
Regulatory milestone-based payment	Discounted cash flow	Discount rate	10.5% 7.2%
		Probability of payment	85%
		Projected payment year	2025 2026
Sales-based earnout	Monte Carlo simulation	Risk-adjusted discount rate	14.3% 13.6% - 14.6% 14.0%
		Credit risk discount rate	10.8% 7.4% - 11.4% 7.9%
		Revenue volatility	32.5% 30.8%
		Probability of payment	85%
		Projected years of earnout	2026 - 2029

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 arrangement is states that, in the event that LivaNova ceases the operations of ALung, LivaNova would be subject to a Level 3 fair value measurement and includes one-time phase-out payment of $13.8 million. In January 2024, LivaNova announced the following significant unobservable inputs wind down of ACS, including ALung, as part of the 2024 Restructuring Plan. As a result, the ALung contingent consideration arrangement liability was adjusted to the phase-out payment amount of $13.8 million as of December 31, 2022:

ALung Acquisition	Valuation Technique	Unobservable Input	Inputs
Sales-based earnout	Monte Carlo simulation	Risk-adjusted discount rate	9.7% - 10.3%
		Credit risk discount rate	10.0% - 11.1%
		Revenue volatility	28.9%
		Projected years of earnout	2023 - 2027

December 31, 2023.

The TandemLife business combination involved a contingent consideration arrangement composed of potential cash payments upon the achievement of certain regulatory milestones. The probability of payment for the final regulatory milestone was reduced to 0% during the year ended December 31, 2022.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Our LivaNova's investments in equity securities of non-consolidated affiliates without readily determinable fair values are reported at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar investment of the same issuer. Our LivaNova's investments in non-financial assets such as goodwill, intangible assets, and PP&E are measured at fair value if there is an indication of impairment and recorded at fair value only when an impairment is recognized. We classify LivaNova classifies the measurement input for these assets as Level 3 inputs within the fair value hierarchy.

Other

The carrying values of our 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.

The carrying value of our LivaNova's long-term debt including the current portion as of December 31, 2022, December 31, 2023 and 2022 was $539.0 million. $586.0 million and $539.0 million, respectively. The fair value of our 2020 Cash Exchangeable Senior the Notes (the "Notes") as of December 31, 2022, December 31, 2023 and 2021 2022 was $328.1 million

$314.4 million and $465.7 million $328.1 million, respectively. For all other long-term debt obligations, we believe LivaNova believes the carrying value approximates fair value.

Note 11. 10. Financing Arrangements

The following table presents the remaining outstanding principal amounts of our LivaNova's long-term debt facilities as of December 31, 2022 December 31, 2023 and 2021 2022 (in thousands, except interest rates):

		2022	2021	Maturity	Interest Rate		2023		2022		Maturity	
Term Facilities	Term Facilities	$ 289,294	$ —	July 2027	7.21%	Term Facilities	$328,459	$	$ 289,294	July 2027	July 2027	9.02%
2020 Cash Exchangeable Senior Notes	2020 Cash Exchangeable Senior Notes	239,568	225,140	December 2025	3.00%	2020 Cash Exchangeable Senior Notes	255,500	239,568	239,568	December 2025	December 2025	3.00%
						Bank of America, US	1,500		1,500		January 2025	8.09%
Bank of America Merrill Lynch Banco Múltiplo S.A.	Bank of America Merrill Lynch Banco Múltiplo S.A.	6,462	6,113	July 2023	16.20%	Bank of America Merrill Lynch Banco Múltiplo S.A.	—	6,462	6,462	N/A		N/A
Mediocredito Italiano	Mediocredito Italiano	1,601	3,379	December 2023	0.50% - 3.47%	Mediocredito Italiano	—	1,601	1,601	N/A	N/A	N/A
Bank of America, U.S.		1,500	1,500	January 2023	5.45%							
Other	Other	534	663									
Total long-term facilities	Total long-term facilities	538,959	236,795									
Total long-term facilities												
Total long-term facilities												

Less current portion of long-term debt			
Less current portion of long-term debt			
Less current portion of long-term debt	Less current portion of long-term debt	20,892	226,946
Total long-term debt obligations	Total long-term debt obligations	$ 518,067	$ 9,849
Total long-term debt obligations			
Total long-term debt obligations			

The following table presents the contractual annual principal maturities of our LivaNova's long-term debt facilities as of December 31, 2022 December 31, 2023 (in thousands):

2023		$ 20,914
2024	2024	15,092
2025	2025	306,301
2026	2026	26,310
2027	2027	226,875
2028		
Thereafter	Thereafter	252
Total payments	Total payments	595,744
Less: Debt issuance costs	Less: Debt issuance costs	(56,785)
Total long-term facilities	Total long-term facilities	$ 538,959

Revolving Credit

The outstanding principal amount of our LivaNova's short-term unsecured revolving credit agreements and other agreements with various banks was $2.5 $0.6 million and $2.7 $2.5 million as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively, with an average interest rates ranging from 4.24% to 16.35% rate of 4.94% and loan terms ranging from overnight to 365 days. 364 days as of December 31, 2023.

On August 13, 2021, LivaNova PLC and its wholly-owned subsidiary, the Borrower, LivaNova USA as borrower, entered into a First Lien Credit Agreement with the lenders and issuing banks party thereto and Goldman Sachs Bank USA, as First Lien Administrative Agent and First Lien Collateral Agent, relating to a $125 million senior secured multi-currency revolving credit facility to be made available to the borrower, referred to as the 2021 First Lien Credit Agreement. The 2021 First Lien Credit Agreement, as amended from time to time, expires on August 13, 2026, and bears interest at a rate equal to, for U.S. dollar-denominated USD-denominated loans, an adjusted Secured Overnight Financing Rate ("SOFR") SOFR with a floor of 0.00%, or a Base Rate, plus, in each case, a variable margin based on the Company's Total Net Leverage Ratio. Ratio, as defined in the agreement. Interest is paid monthly or quarterly, as selected by the Borrower, borrower, with any outstanding principal due at maturity. The 2021 First Lien Credit Agreement also contemplates the payment of commitment fees on the unused portion of the commitments, at a variable percentage based on the Company's Total Net Leverage Ratio. As of December 31, 2022 each of December 31, 2023 and 2021, 2022, the applicable commitment fee percentage was 0.5% and 0.25% per annum, respectively. annum. The 2021 First Lien Credit Agreement is available for working capital and other general corporate purposes and, if drawn, can be repaid at any time without premium or penalty. As of December 31, 2022 December 31, 2023, we were the Company was in compliance with the financial covenants contained in our its 2021 First Lien Credit Agreement.

There were no outstanding borrowings under the 2021 First Lien Credit Agreement's $125 million revolving credit facility as of December 31, 2022. December 31, 2023 and 2022.

On August 12, 2021, the Company terminated its previous $50.0 million revolving credit facility agreement with ACF FINCO I LP, which was undrawn, resulting in a loss on debt extinguishment of $1.6 million recognized during the year ended December 31, 2021 primarily associated with the write-off of unamortized debt issuance costs, and is included within loss on debt extinguishment on the consolidated statements of income (loss).

Bridge Loan Facility

On February 24, 2022, LivaNova PLC and its wholly-owned subsidiary LivaNova USA entered into an Incremental Facility Amendment No. 1 to the 2021 First Lien Credit Agreement, relating to the €200 million Bridge Loan Facility. On March 16, 2022, LivaNova entered into Amendment No. 2 to the 2021 First Lien Credit Agreement, which converted the available borrowings under the Bridge Loan Facility from €200 million to $220 million and converted the EURIBOR rate in the 2021 First Lien Credit Agreement to SOFR. LivaNova delivered a borrowing notice for $220 million in connection with the Bridge Loan Facility, which was funded on March 17, 2022.

On March 18, 2022, LivaNova PLC, acting through its Italian branch, entered into an Indemnity Letter and an Account Pledge Agreement with Barclays, further to which Barclays issued 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 proceeds of the Bridge Loan Facility were used by LivaNova to post a portion of the cash collateral supporting the SNIA Litigation Guarantee. Cash collateral classified as restricted cash on the consolidated balance sheet sheets as of December 31, 2022 December 31, 2023 and 2022 was $301.4 million. $311.4 million and $301.4 million, respectively. For additional information regarding the SNIA litigation, please refer to "Note 14. 13. Commitments and Contingencies."

Debt discounts and issuance costs related to the Bridge Loan Facility were approximately $4.5 million. Amortization of debt discount and issuance costs for the Bridge Loan Facility was $4.5 million for the year ended December 31, 2022 and is included in interest expense on the consolidated statement statements of income (loss).

The Bridge Loan Facility was repaid in full on July 6, 2022.

Term Facilities

On July 6, 2022, LivaNova and its wholly-owned subsidiary, LivaNova USA, entered into the Incremental Facility Amendment No. 2, to its 2021 First Lien Credit Agreement. The Incremental 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, which is available in one single drawing on or after July 6, 2022 until the date that is nine months after such date and, together with the Initial Term Facility, the Term Facilities. As of December 31, 2022 million. On April 6, 2023, availability LivaNova drew $50 million under the Delayed Draw Term Facility was $50 million. for general corporate purposes.

Proceeds from the Initial Term Facility were used to repay in full the Bridge Loan Facility on July 6, 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 December 15, 2025, the maturity date of the 2020 Cash Exchangeable Senior Notes, unless by that date LivaNova USA will have either redeemed or refinanced the Notes, or set aside an amount of cash equal to the then-outstanding principal amount of the 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. total net leverage ratio. As of December 31, 2022 December 31, 2023, the applicable margin over Adjusted adjusted term SOFR was equal to 3.5% per annum. The Term Facilities are subject to an original issue discount of 1.5% of their principal amount. The Delayed Draw Term Facility also contemplates the payment of commitment fees at a variable percentage based on the Company's Total Net Leverage Ratio. As of December 31, 2022, the applicable commitment fee percentage was equal to 0.5% per annum. The Term Facilities are subject to quarterly principal repayment, based on the following amortization schedule: (i) during the first year from the initial funding date: 1.9%; (ii) year two: 5.0%; (ii) 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 Initial Term Facility as of December 31, 2022 Facilities at December 31, 2023 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, 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, of not more than 3.50 to 1.00 and an Interest Coverage Ratio, 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, of not less than 3.00 to 1.00. As of December 31, 2022 December 31, 2023, we were the Company was in compliance with the financial covenants contained in our the 2021 First Lien Credit Agreement.

Debt discounts and issuance costs related to the Initial Term Facility were approximately $9.6 million. Amortization of debt discount and issuance costs for the Initial Term Facility was $2.0 million and $0.8 million for the year years ended December 31, 2022, December 31, 2023 and 2022, respectively, and is included in interest expense on the consolidated statement statements of income (loss). The unamortized discount and issuance costs related to the Initial Term Facility as of December 31, 2022 December 31, 2023 and 2022 was $10.7 million. $6.8 million and $8.7 million, respectively. Issuance costs related to the Delayed Draw Term Facility were approximately $1.6 million. Amortization of issuance costs for the Delayed Draw Term Facility was $0.5 million and $1.1 million for the year years ended December 31, 2022, December 31, 2023 and 2022, respectively, and is included in interest expense on the consolidated statement statements of income (loss). The

issuance costs related to the Delayed Draw Term Facility were fully amortized as of December 31, 2023. The unamortized issuance cost related to the Delayed Draw Term Facility as of December 31, 2022 was $0.5 million, and is included within prepaid expenses and other current assets on the consolidated balance sheet. sheets.

2020 Cash Exchangeable Senior Notes

On June 17, 2020, our LivaNova's wholly-owned subsidiary, LivaNova USA, issued $287.5 million aggregate principal amount of 3.00% Notes by private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended. Act. The sale of the Notes resulted in approximately $278.0 million in net proceeds to the Company after deducting issuance costs. Interest is payable semiannually in arrears on June 15 and December 15 of each year. The effective interest rate of the Notes as of December 31, 2022 at December 31, 2023 was 9.95%. The Notes mature on December 15, 2025 unless earlier exchanged, repurchased, or redeemed.

Debt discounts and issuance costs related to the Notes were approximately $82.0 million and included $75.0 million of discount attributable to the embedded exchange feature, discussed below, and $7.0 million of allocated issuance costs to the Notes related to legal, bank and accounting fees. Amortization of debt discount and issuance costs for the Notes was $14.4 million $15.9 million, $13.1 $14.4 million and $6.6 $13.1 million for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively, and is included in interest expense on the consolidated statement statements of income (loss). The unamortized discount related to the Notes as of December 31, 2022 December 31, 2023 and 2021 2022 was $47.9 $32.0 million and $62.4 $47.9 million, respectively.

Holders of the Notes are entitled to exchange the Notes at any time during specified periods, at their option. This includes the right to exchange the Notes during any calendar quarter, if the last reported sale price of LivaNova's ordinary shares, with a nominal value of £1.00 per share, 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 exchange condition was not satisfied on December 31, 2022 December 31, 2023. As a result, we have the Company has included our its obligations from the Notes and the associated embedded exchange feature derivative as a long-term liability on the consolidated balance sheet sheets as of December 31, 2022 December 31, 2023. The 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 Notes is 16.3980 ordinary shares per $1,000 principal amount of Notes (equivalent to an initial exchange price of approximately $60.98 per share). The exchange rate is subject to adjustment in certain circumstances, as set forth in the indenture governing the Notes.

The Company may redeem the Notes at its option on or after June 20, 2023 and prior to the 51st scheduled trading day immediately preceding the maturity date, in whole or in part, if the last reported sale price per ordinary share has been at least 130% of the exchange price then in effect for at least 20 trading days (whether or not consecutive), including the trading day immediately preceding the date on which the Company provides notice of redemption, during any 30 consecutive trading day

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 Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. Additionally, the Company may redeem the Notes at its option, prior to their stated maturity, in whole but not in part, in connection with certain tax-related events.

Embedded Exchange Feature

The embedded exchange feature of the Notes requires bifurcation from the Notes and is accounted for as a derivative liability. The fair value of the Notes' embedded exchange feature derivative at the time of issuance was $75.0 million and was recorded as debt discount on the Notes. This discount is amortized as interest expense using the effective interest method over the term of the Notes. The Notes' embedded exchange feature derivative is carried on the consolidated balance sheets at its estimated fair value and is adjusted at the end of each reporting period, with the unrealized gain or loss reflected within foreign exchange and other income/(expense) on in the consolidated statements of income (loss). The fair value of the embedded exchange feature derivative liability was $85.7 million $45.6 million and $181.7 $85.7 million as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively.

Capped Call Transactions

In connection with the pricing of the Notes, the Company entered into privately negotiated capped call transactions with certain of the initial purchasers of the Notes or their respective affiliates. The capped call transactions cover, subject to anti-dilution adjustments substantially similar to those applicable to the Notes, the number of LivaNova's ordinary shares underlying the Notes and are expected generally expected to offset any cash payments the Company is required to make upon exchange of the Notes in excess of the principal amount thereof in the event that the market value per ordinary share, as measured under the capped call transactions, is greater than the strike price of the capped call transactions, with such offset being subject to an initial cap price of $100.00 per share. If the Company's share price exceeds the cap price, the proceeds under the capped call transactions would not fully offset the excess principal amount due to the holders of the Notes. The capped call transactions expire on December 15, 2025 and must be settled in cash. If the capped call transactions are converted or redeemed early, settlement occurs at their termination value, which is equal to their fair value at the time of the conversion or redemption. 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 unrealized gain or loss reflected within foreign exchange and other income/(expense) in the consolidated statements of income (loss). The fair value of the capped call derivative assets was $54.4 $38.5 million and $106.6 $54.4 million as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively. As of December 31, 2022 December 31, 2023, the capped call derivative assets were classified as long-term.

2020 Senior Secured Term Loan

The Company used the net proceeds from the 2020 senior secured term loan, together with a portion of the net proceeds of the Notes, after fees, discounts, commissions and other expenses, to repay outstanding indebtedness under the Company's 2017 European Investment Bank loan, 2014 European Investment Bank loan, Banca Nazionale del Lavoro S.p.A loan, and 2019 Debt Facility and related expenses. The Company repaid approximately $528.0 million in aggregate outstanding principal, accrued interest and associated fees, including breakage fees and legal fees. The Company recognized a loss on debt extinguishment of $1.4 million during the year ended December 31, 2020. The loss on debt extinguishment was recognized in foreign exchange and other income/(expense) in the consolidated statements of income (loss). The remainder of the proceeds from the concurrent financing transactions were used to pay the cost of capped call transactions and for general corporate purposes.

On August 12, 2021, the Company repaid in full and terminated its previously outstanding $450 million 2020 senior secured term loan, resulting in a loss on debt extinguishment of $58.6 million recognized during the year ended December 31, 2021, which is comprised of a $35.6 million make-whole premium and $23.0 million associated with the write-off of unamortized debt issuance costs, and is included within loss on debt extinguishment on the consolidated statements of income (loss). For additional information, please refer to "Note 15. Stockholders' Equity."

Note 12. 11. Derivatives and Risk Management

Due to the global nature of our LivaNova's operations, we are the Company is exposed to foreign currency exchange rate FX fluctuations. Historically, we have LivaNova has entered into FX derivative contracts and interest rate swap contracts to reduce the impact of foreign currency exchange rate FX and interest rate fluctuations, respectively, on earnings and cash flow.

We are LivaNova is also exposed to equity price risk in connection with our its Notes, including exchange and settlement provisions based on the price of our its ordinary shares at exchange or maturity of the Notes. In addition, the The capped call transactions associated with the Notes also include settlement provisions that are based on the price of our LivaNova's ordinary shares, subject to a capped price per share. We do LivaNova does not enter into derivative contracts for speculative purposes.

We measure LivaNova measures all outstanding derivatives each period end at fair value and report 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 recognized in earnings upon settlement/termination. FX derivative gains and losses in AOCI are reclassified to our LivaNova's consolidated statements of income (loss) as shown in the tables below, and interest rate swap gains and losses in

AOCI are reclassified to interest expense on our LivaNova's consolidated statements of income (loss). We evaluate LivaNova evaluates hedge effectiveness at inception. Cash flows from derivative contracts are reported as operating activities on our consolidated statements of cash flows.

Freestanding FX Derivative Contracts

The gross notional amount of FX derivative contracts not designated as hedging instruments outstanding as of December 31, 2022 December 31, 2023 and 2021 2022 was $154.5 $223.4 million and $136.7 million $154.5 million, respectively. These derivative contracts are designed to offset the FX effects in earnings of various intercompany loans and trade receivables. We LivaNova recorded a net gains (losses) loss for these freestanding derivatives of $4.5 $1.3 million $10.9 million for the year ended December 31, 2023 and $(16.6) million net gains of $4.5 million and $10.9 million for the years ended December 31, 2022, and 2021, and 2020, respectively. These gains and (losses) losses are included in foreign exchange and other income/(expense) on our LivaNova's consolidated statements of income (loss).

Counterparty Credit Risk

We are LivaNova is exposed to credit risk in the event of non-performance by the counterparties to our the Company's derivatives.

The two counterparties to the capped call transactions are financial institutions. To limit our LivaNova's credit risk, we the Company selected financial institutions with a minimum long-term investment grade credit rating. Our LivaNova's exposure to the credit risk of the counterparties is not secured by any collateral. If a counterparty becomes subject to insolvency proceedings, we LivaNova will become an unsecured creditor in those proceedings, with a claim equal to our the Company's exposure at that time under the capped call transactions with that counterparty.

To manage credit risk with respect to our 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 the 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

Foreign Currency Risk

Historically, we have LivaNova utilized FX derivative contracts, designed as cash flow hedges, to hedge the variability of cash flows associated with our LivaNova's 12-month U.S. dollar USD forecasts of revenues and costs denominated in British Pound, Japanese Yen and the Euro. We transfer LivaNova transfers to earnings from AOCI the gain or loss realized on the FX derivative contracts at the time of invoicing. Upon the settlement of our LivaNova's foreign currency cash flow hedges in the fourth quarter of 2022 and following an in-depth analysis of the utility of our the Company's cash flow hedging program, we LivaNova discontinued our its foreign currency cash flow hedging program.

Interest Rate Risk

We Historically, LivaNova entered into interest rate swaps associated with the Initial Term Facility, which qualify qualified for and are were designated as cash flow hedges, for a notional amount covering 70% of hedges. The Company's outstanding interest rate swaps expired on April 6, 2023. LivaNova elected not to renew the interest rate swaps as interest expense associated with the Initial Term Facility's outstanding principal through April 2023, in order to minimize the impact of changes in interest rates Facility is principally offset by swapping holding a significant portion of the Initial Term Facility's floating-rate interest payments for fixed-rate interest payments. The Initial Term Facility matures in July 2027. a depository account, which earns a floating rate of interest.

The following table presents the gross notional amounts of open derivative contracts designated as cash flow hedges as of December 31, 2022 December 31, 2023 and 2021 2022 were as follows (in thousands):

Description of Derivative Contract	2022	2021
FX derivative contracts to be exchanged for British Pounds	$ —	$ 11,160
FX derivative contracts to be exchanged for Japanese Yen	—	6,648
FX derivative contracts to be exchanged for Euros	—	58,224
Interest rate swap contracts	210,000	—
	$ 210,000	$ 76,032

Description of Derivative Contract	2023	2022
Interest rate swap contracts	$ —	$ 210,000

The following table presents the after-tax net (loss) gain associated with derivatives designated as cash flow hedges recorded in the ending balance of AOCI and the amount expected to be reclassified to earnings in the next 12 months as of December 31, 2022 (in thousands):

Description of Derivative Contract	After-tax Net Gain in AOCI	After-tax Net Gain Expected to be Reclassified to Earnings in Next 12 Months
Interest rate swap contracts	$ 966	$ 966

The following tables present the pre-tax gains (losses) for derivative contracts designated as cash flow hedges recognized in OCI and the amount reclassified to earnings from AOCI for the years ended December 31, 2022 December 31, 2023, 2022 and 2021 and 2020 were as follows (in thousands):

Description of Derivative Contract	Location in Earnings of Reclassified Gain or Loss	2023 (Loss) Gain Recognized in OCI	2023 Loss Reclassified from AOCI to Earnings
FX derivative contracts	Foreign exchange and other income/(expense)	$ (4,602)	$ (382)
FX derivative contracts	SG&A	—	(5,165)

Description of Derivative Contract	Location in Earnings of Reclassified Gain or Loss	2022 (Loss) Gain Recognized in OCI	2022 Loss Reclassified from AOCI to Earnings
FX derivative contracts	Foreign exchange and other income/(expense)	$ (4,602)	$ (382)
FX derivative contracts	SG&A	—	(5,165)

Interest rate swap contracts	Interest rate swap contracts	Interest expense	914	(52)
			$ (3,688)	$ (5,599)

Interest rate swap contracts	
Interest rate swap contracts	

		2022	
Description of Derivative Contract	**Location in Earnings of Reclassified Gain or Loss**	**(Loss) Gain Recognized in OCI**	**Loss Reclassified from AOCI to Earnings**
FX derivative contracts	Foreign exchange and other income/(expense)	$ (4,602)	$ (382)
FX derivative contracts	SG&A	—	(5,165)
Interest rate swap contracts	Interest expense	914	(52)
		$ (3,688)	$ (5,599)

		2021	
Description of Derivative Contract	**Location in Earnings of Reclassified Gain or Loss**	**Loss Recognized in OCI**	**(Loss) Gain Reclassified from AOCI to Earnings**
FX derivative contracts	Foreign exchange and other income/(expense)	$ (3,922)	$ (2,333)
FX derivative contracts	SG&A	—	2,408
		$ (3,922)	$ 75

		2020	
Description of Derivative Contract	**Location in Earnings of Reclassified Gain or Loss**	**Gain Recognized in OCI**	**(Loss) Gain Reclassified from AOCI to Earnings**
FX derivative contracts	Foreign exchange and other income/(expense)	$ 1,724	$ (1,522)
FX derivative contracts	SG&A	—	980
Interest rate swap contracts	Interest expense	—	(113)
		$ 1,724	$ (655)

We offset LivaNova offsets fair value amounts associated with our its derivative instruments on our consolidated balance sheets that are executed with the same counterparty under master netting arrangements. Our 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.

The following tables present the fair value and the location of derivative contracts reported on the consolidated balance sheets as of December 31, 2022 December 31, 2023 and 2021 2022 (in thousands):

2022	**Asset Derivatives**		**Liability Derivatives**	
Derivatives Designated as Hedging Instruments	**Balance Sheet Location**	**Fair Value (1)**	**Balance Sheet Location**	**Fair Value (1)**
Interest rate swap contracts	Current derivative assets	$ 1,333		
Total derivatives designated as hedging instruments		1,333		

2023	**2023**	**Asset Derivatives**	**Liability Derivatives**

Derivatives Not Designated as Hedging Instruments	Derivatives Not Designated as Hedging Instruments					Derivatives Not Designated as Hedging Instruments	Balance Sheet Location	Fair Value (1)	Balance Sheet Location	Fair Value (1)
Capped call derivatives										
FX derivative contracts	FX derivative contracts			Current derivative liabilities	$ 5,886					
Capped call derivatives		Long-term derivative assets	54,393							
FX derivative contracts										
FX derivative contracts										
Embedded exchange feature	Embedded exchange feature			Long-term derivative liabilities	85,675					
Total derivatives not designated as hedging instruments	Total derivatives not designated as hedging instruments		54,393		91,561					
Total derivatives	Total derivatives		$55,726		$91,561					

2021		Asset Derivatives		Liability Derivatives		2022	Asset Derivatives		Liability Derivatives	
Derivatives Designated as Hedging Instruments	Derivatives Designated as Hedging Instruments	Balance Sheet Location	Fair Value (1)	Balance Sheet Location	Fair Value (1)	Derivatives Designated as Hedging Instruments	Balance Sheet Location	Fair Value (1)	Balance Sheet Location	Fair Value (1)
FX derivative	contracts	Current derivative liabilities	$ 243	Current derivative liabilities	$ 1,286					
Interest rate swap contracts										
Total derivatives designated as hedging instruments										
Total derivatives designated as hedging instruments										
Total derivatives designated as hedging instruments	Total derivatives designated as hedging instruments		243		1,286					
Derivatives Not Designated as Hedging Instruments	Derivatives Not Designated as Hedging Instruments									

Derivatives Not Designated as Hedging Instruments					
Derivatives Not Designated as Hedging Instruments					
Capped call derivatives					
Capped call derivatives					
Capped call derivatives					
FX derivative contracts	FX derivative contracts	Current derivative liabilities	61	Current derivative liabilities	427
Capped call derivatives		Current derivative assets	106,629		
FX derivative contracts					
FX derivative contracts					
Embedded exchange feature	Embedded exchange feature			Current derivative liabilities	181,700
Total derivatives not designated as hedging instruments	Total derivatives not designated as hedging instruments		106,690		182,127
Total derivatives	Total derivatives		$106,933		$183,413

(1) For the classification of inputs used to evaluate the fair value of our LivaNova's derivatives, refer to "Note 10. 9. Fair Value Measurements."

Note 13. 12. Leases

We have LivaNova has operating leases primarily for (i) office space, (ii) manufacturing, warehouse and R&D facilities and (iii) vehicles. Our LivaNova's leases have remaining lease terms up to 12 15 years, some of which include options to extend the leases, and some of which include options to terminate the leases at our the Company's sole discretion. The following table presents the components of operating lease assets and liabilities as of December 31, 2022 December 31, 2023 and 2021 2022 (in thousands):

		2022	**2021**				
	2023				**2023**		**2022**
Assets	**Assets**						
Operating lease right-of-use assets							
Operating lease right-of-use assets							
Operating lease right-of-use assets	Operating lease right-of-use assets	$	35,830	$40,600			
Liabilities	**Liabilities**						
Accrued liabilities and other	Accrued liabilities and other	$	9,379	$11,261			
Accrued liabilities and other							
Accrued liabilities and other							

Long-term operating lease liabilities	Long-term operating lease liabilities	29,548	35,919
Total lease liabilities	Total lease liabilities	$ 38,927	$47,180

The following table presents the components of operating lease cost for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 (in thousands):

		2022	2021	2020
		2023	2023	2022	2021
Operating lease cost	Operating lease cost	$ 10,408	$18,070	$14,156
Variable lease cost	Variable lease cost	580	1,200	1,097
Short-term lease cost	Short-term lease cost	468	1,084	415
Total lease cost	Total lease cost	$ 11,456	$20,354	$15,668

The following table presents the contractual maturities of our LivaNova's lease liabilities as of December 31, 2022 December 31, 2023 (in thousands):

2023		$ 10,520
2024	2024	8,095
2025	2025	5,372
2026	2026	3,998
2027	2027	3,570
2028		
Thereafter	Thereafter	12,747
Total lease payments	Total lease payments	44,302
Less: Amount representing interest	Less: Amount representing interest	5,375
Present value of lease liabilities	Present value of lease liabilities	$ 38,927

The following table presents the weighted average remaining lease term and discount rate as of December 31, 2022 December 31, 2023 and 2021: 2022:

		2022	2021		2023	2022
		2023				
Weighted Average Remaining Lease Term	Weighted Average Remaining Lease Term	6.5 years	5.8 years	Weighted Average Remaining Lease Term	9.6 years	6.5 years
Weighted Average Discount Rate	Weighted Average Discount Rate	3.9%	3.2%	Weighted Average Discount Rate	5.7%	3.9%

The following table presents the supplemental lease information for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 (in thousands):

		2022	2021	2020
		2023	2023	2022	2021
Cash paid for amounts included in the measurement of lease liabilities:	Cash paid for amounts included in the measurement of lease liabilities:			

Operating cash flows for operating leases	Operating cash flows for operating leases	$ 12,468	$13,650	$14,601
Operating cash flows for operating leases				
Operating cash flows for operating leases				
Operating lease assets obtained in exchange for lease liabilities	Operating lease assets obtained in exchange for lease liabilities	$ 7,820	$ 9,037	$ 8,547

Note 14. 13. Commitments and Contingencies

FDA Warning Letter

On December 29, 2015, the FDA issued a Warning Letter alleging certain violations of FDA regulations applicable to medical device manufacturers at our Munich, Germany and Arvada, Colorado facilities. We took actions to remediate the alleged violations and related inspectional observations, and on December 12, 2022, the Company received a close-out letter from the FDA, dated November 28, 2022, indicating that the FDA considers the Warning Letter closed. See “Item 1A. Risk Factors” in this Form 10-K for additional information.

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 center, later turned nuclear medicine business, between the 1960s and the late 1990s. Pursuant to authorization from the Italian government, LSM has, and continues to, perform ordinary maintenance, secure the facilities, monitor air and water quality and file applicable reports with the competent environmental authorities.

In 2020, LSM received correspondence from ISIN (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 substances to a national repository. This 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. In January 2021, a list of 67 potential sites for the national repository was published.

Although there is no legal obligation to begin any work or deliver the 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. Accordingly, in the fourth quarter of 2020, we LivaNova recognized a $42.2 million provision for this matter, which is included within other operating expenses on the consolidated statements of income (loss). The estimated liability as of December 31, 2022 December 31, 2023 was $36.6 €35.8 million ($39.7 million), which represented the low end of the estimated range of loss of $36.6 €35.8 million ($39.7 million) to $46.6 million. €45.6 million ($50.5 million) as of December 31, 2023. The estimated liability as of December 31, 2021 December 31, 2022 was $39.3 million. €34.2 million ($36.6 million). The decrease increase in the liability Saluggia site remediation provision from December 31, 2021 December 31, 2022 was primarily due to the effects of foreign currency changes during the year ended December 31, 2022. adjustments associated with expected disposal costs.

SNIA Environmental Liability

Sorin was created as a result of a spin-off (the “Sorin spin-off”) from SNIA in 2004, and in 2015, Sorin was merged into LivaNova. SNIA subsequently became insolvent, and the Italian Ministry of the Environment and other Italian government agencies (the “Public Administrations”) Public Administrations sought compensation from SNIA in an aggregate amount of approximately $3.7 $3.8 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 we are 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 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, 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 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 approximately €292,000 (approximately $312,000 $323,000 as of December 31, 2022 December 31, 2023) for legal fees. The Public Administrations appealed the 2016 Decision to the Court of Appeal in Milan (“Court of Appeal”). Appeal. On March 5, 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 Sorin spin-off, an estimated €572.1 million (approximately $611.6 $633.1 million as of December 31, 2022 December 31, 2023). We LivaNova appealed the partial decision on liability to the Italian Supreme Court in August 2019.

In November 2021, the Court of Appeal delivered the remainder of its decision, ordering LivaNova to pay damages of approximately €453.6 million (approximately $484.9 $502.0 million as of December 31, 2022 December 31, 2023). We LivaNova appealed the decision on damages in December 2021. On February 21, 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 our LivaNova providing a first demand bank guarantee of €270.0 million (approximately $288.6 $298.8 million as of December 31, 2022 December 31, 2023) within 30 calendar days, and on March 21, 2022, LivaNova delivered the guarantee, thereby satisfying the condition. Refer to "Note 11. 10. Financing Arrangements" for information on the financing of the guarantee.

In November 2022, in response to one of a number of appeals asserted by LivaNova, the Supreme Court issued an ordinance, a procedural document, whereby the Supreme Court referred a question on interpretation of a European directive on demergers to the European Court of Justice ("ECJ"). ECJ. Specifically, the ordinance asks 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 materialized after the demerger which are derived from actions performed prior to the demerger. Following receipt of the binding decision from the ECJ, which is expected in 2024, the Supreme Court is expected to incorporate and issue a decision in response to all of the appeals of LivaNova and counter-appeals submitted by the Public Administrations. While the timing of the decisions by the ECJ and, subsequently, the Supreme Court are uncertain, the Company believes that the effect of final decision from the ordinance will result in a delay of any final decision Supreme Court is not expected until at least 2024. 2025.

In 2011, Caffaro, a SNIA subsidiary, sold its Brescia chemical business to Caffaro Brescia, a third party belonging to the Todisco group, and as part of the acquisition, Caffaro Brescia agreed to secure hydraulic barriers at the site and maintain existing environmental security measures. In 2020, Caffaro Brescia declared it was withdrawing from its agreement to maintain the environmental measures. In 2021, we LivaNova (in addition to Caffaro Brescia, and other non-LivaNova entities) received an administrative order ("Order") from the Italian Ministry of the Environment requiring us the Company to ensure the maintenance of the environmental measures and to guarantee that such works remain fully operational, the annual management and maintenance for which is estimated at approximately €1 million per year. LivaNova's The receipt of the Order appears to be based on the aforementioned Court of Appeal decision regarding our LivaNova's alleged joint liability with SNIA for SNIA's environmental liabilities. Our LivaNova's response, dated February 16, 2021, disputes the grounds upon which the Order is based. We LivaNova also appealed the Order in the Administrative Court in Brescia.

We have LivaNova has not recognized a liability in connection with these related matters because any potential loss is not currently probable.

Product Liability Litigation

The Company is currently continues to be involved in litigation involving our LivaNova's 3T device. The litigation includes federal multi-district litigation the cases remaining in the U.S. District Court for the Middle District of Pennsylvania, MDL, various U.S. US state court cases, and cases in jurisdictions outside the U.S. On March 29, 2019, we announced a settlement framework that provides for a comprehensive resolution of the personal injury cases pending in the multi-district litigation in U.S. federal court, the related class action in federal court, as well as certain cases in state courts across the United States. The agreement, which makes no admission of liability, is subject to certain conditions, including acceptance of the settlement by individual claimants and provides for a total payment of up to $225 million to resolve the claims covered by the settlement. Per the agreed upon terms, the second and final payment of $90 million was paid into a qualified settlement fund in January 2020.

Cases in state courts in the U.S. and in jurisdictions outside the U.S. continue to progress. US. As of February 27, 2023 February 29, 2024, including the cases encompassed in the settlement framework described above that have not yet been dismissed, we were Company was aware of approximately 85 70 filed and unfiled claims worldwide, with the majority of the claims in various federal or state courts throughout the United States. This number includes two cases that have settled but have not yet been dismissed. 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 December 31, 2022 December 31, 2023, 2022 and 2021 and 2020 we LivaNova recorded an additional liability of $22.3 million $34.5 million, $38.1 $22.3 million and $3.9 $38.1 million, respectively, due to new information received about the nature of certain claims. As of December 31, 2022 December 31, 2023, the provision for these matters was $32.5 million $13.9 million. While the amount accrued represents our LivaNova's best estimate for those filed and unfiled claims that we believe LivaNova believes are both probable and estimable at this time, and which are a subset of the filed and unfiled claims worldwide of which we are the Company is currently aware, the actual liability for resolution of these matters may vary from our estimate. the Company's provision. The remaining claims for which a provision has not been recorded are remote or the potential loss is not estimable at this time.

The following table presents the changes in the carrying amount of the litigation provision liability for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 (in thousands):

As of December 31, 2019 December 31, 2020	$	170,404 36,490
Payments		(138,178) (34,808)
Adjustments (1)		3,906 38,068
FX and other		358 (280)
As of December 31, 2020 December 31, 2021		36,490 39,470
Payments		(34,808) (28,867)
Adjustments (1)		38,068 22,309
FX and other		(280) (425)
As of December 31, 2021 December 31, 2022		39,470 32,487
Payments		(28,867) (53,652)
Adjustments (1)		22,309 34,521
FX and other		(425) 504
As of December 31, 2022 December 31, 2023		32,487 13,860
Less current portion as of December 31, 2022 December 31, 2023		29,481 10,756
Long-term portion as of December 31, 2022 December 31, 2023 (2)	$	3,006 3,104

(1) Adjustments to the litigation provision are included within other operating expenses on the consolidated statements of income (loss).

(2) Included within other long-term liabilities on the consolidated balance sheet. sheets.

Caisson Contract Litigation

On November 25, 2019, LivaNova received notice of a lawsuit initiated by former members of Caisson, a subsidiary of the Company acquired in 2017. The lawsuit, Todd J. Mortier, as Member Representative of the former Members of Caisson Interventional, LLC v. LivaNova USA, Inc., was filed in the United States District Court for the District of Minnesota. The complaint alleged (i) breach of contract, (ii) breach of the covenant of good faith and fair dealing and (iii) unjust enrichment in connection with the Company's operation of Caisson's TMVR transcatheter mitral valve replacement program and the Company's November 20, 2019 announcement that it was ending the TMVR program at the end of 2019. The lawsuit sought damages arising out of the 2017 acquisition agreement, including various regulatory milestone payments. In May 2022, the District Court granted LivaNova's motion for summary judgment; judgment, and in response, Caisson filed an appeal to June 2023, the Eighth Circuit Court of Appeal. We intend to vigorously defend this claim. Appeals affirmed the decision. The Company has not recognized a liability related now considers Caisson's claim against LivaNova to this matter because any potential loss is not currently probable or reasonably estimable. be closed.

Mitral Demand Letter

On July 29, 2022, we LivaNova received a demand letter from Mitral for approximately €20.8 million ($22.2 23.0 million as of December 31, 2022 December 31, 2023) for breach of warranty claims under the A&R Purchase Agreement. Specifically, the claims allege failure to disclose certain information relating to a supplier, thereby allegedly impacting the profitability of Mitral's business in China and Japan. We do not believe that Mitral's claims will be sustained or that On March 22, 2023, Mitral served a formal claim on LivaNova is responsible for any alleged breach in the High Court of warranty. Subject to certain exceptions, warranty claims Justice Commercial Court (King's Bench Division) alleging damages flowing from the aforementioned asserted breaches of this type are capped at €8 million, warranties in the A&R Purchase Agreement, and the amount Company filed its Defense on May 17, 2023. In November 2023, the Company entered into a settlement agreement with Mitral regarding the aforementioned matter pursuant to which the Company paid to Mitral less than €1.0 million ($1.1 million as of any such loss. December 31, 2023), including costs. The Company has not recognized a liability related to now considers this matter because any potential loss is not currently probable. closed.

Italian MedTech Payback Measure

As previously disclosed, 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 the intervening years since the rules were first issued, there has been considerable uncertainty about how the law will operate and what the exact timeline is for finalization. In August 2022, a decree was published which provided guidance and timetables for the rule, and in January 2023, the Italian government approved a decree whereby a company's obligation to execute payback payments is suspended until April 30, 2023. We 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 MedTech Payback Guidelines, and we are preparing Guidelines. 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 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 is compliant with the Italian Constitution and pending the decision by the Constitutional Court, all cases brought by medical device companies in this matter are suspended. The Company has accrued for the "payback" law since 2015 based on market and product information. As of December 31, 2023 and December 31, 2022, the total amount reserved for this matter was $6.4 million, $8.2 million and $6.4 million, respectively; however, the actual liability could vary from this amount. vary.

Other Matters

Additionally, we are LivaNova is the subject of various pending or threatened legal actions and proceedings that arise in the ordinary course of our 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 our LivaNova's consolidated net income, financial position or liquidity.

Note 15. 14. Stockholders' Equity

On August 6, 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 approximately $322.6 million, after deducting underwriting discounts, commissions and offering expenses. Proceeds from the offering were used to repay the Company's $450 million 2020 senior secured term loan. For additional information, please refer to "Note 11. 10. Financing Arrangements."

Accumulated other comprehensive income (loss)

The following table presents the change in each component of AOCI, net of tax and the reclassifications out of AOCI into net loss income (loss) for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 (in thousands):

	Change in Unrealized Gain (Loss) on Cash Flow Hedges	Foreign Currency Translation Adjustments (1)	Total
As of December 31, 2019	**$ 513**	**$ (19,905)**	**$(19,392)**
Other comprehensive income before reclassifications, before tax	1,724	45,395	47,119
Tax expense	(415)	—	(415)
Other comprehensive income before reclassifications, net of tax	1,309	45,395	46,704
Reclassification of loss from accumulated other comprehensive income (loss), before tax	655	—	655
Reclassification of tax benefit	(158)	—	(158)
Reclassification of loss from accumulated other comprehensive income (loss), after tax	497	—	497
Net current-period other comprehensive income, net of tax	1,806	45,395	47,201

		Change in Unrealized Gain (Loss) on Cash Flow Hedges		Change in Unrealized Gain (Loss) on Cash Flow Hedges	Foreign Currency Translation Adjustments (1)	Total
As of December 31, 2020	As of December 31, 2020	**2,319**	**25,490**	**27,809**		
Other comprehensive loss before reclassifications, before tax	Other comprehensive loss before reclassifications, before tax	(3,922)	(31,722)	(35,644)		
Tax benefit	Tax benefit	719	—	719		
Other comprehensive loss before reclassifications, net of tax	Other comprehensive loss before reclassifications, net of tax	(3,203)	(31,722)	(34,925)		
Reclassification of gain from accumulated other comprehensive income, before tax						
Reclassification of tax expense						

Reclassification of gain from accumulated other comprehensive income, after tax	
Net current-period other comprehensive loss, net of tax	
As of December 31, 2021	
Other comprehensive loss before reclassifications, before tax	
Tax expense	
Other comprehensive loss before reclassifications, net of tax	
Reclassification of loss from accumulated other comprehensive loss, before tax	
Reclassification of tax expense	
Reclassification of loss from accumulated other comprehensive loss, after tax	
Net current-period other comprehensive income (loss), net of tax	
As of December 31, 2022	
Other comprehensive (loss) income before reclassifications, before tax	
Tax expense	
Other comprehensive (loss) income before reclassifications, net of tax	

Reclassification of gain from accumulated other comprehensive income (loss), before tax	Reclassification of gain from accumulated other comprehensive income (loss), before tax	(75)	—	(75)
Reclassification of tax expense	Reclassification of tax expense	14	—	14
Reclassification of gain from accumulated other comprehensive income (loss), after tax	Reclassification of gain from accumulated other comprehensive income (loss), after tax	(61)	—	(61)
Net current-period other comprehensive loss, net of tax		(3,264)	(31,722)	(34,986)
As of December 31, 2021		**(945)**	**(6,232)**	**(7,177)**
Other comprehensive income before reclassifications, before tax		(3,688)	(42,853)	(46,541)
Tax benefit		—	—	—
Other comprehensive income before reclassifications, net of tax		(3,688)	(42,853)	(46,541)
Reclassification of gain from accumulated other comprehensive income (loss), before tax		5,599	—	5,599
Reclassification of tax expense		—	—	—
Reclassification of gain from accumulated other comprehensive income (loss), after tax		5,599	—	5,599
Net current-period other comprehensive income (loss), net of tax		1,911	(42,853)	(40,942)
As of December 31, 2022		**$ 966**	**$ (49,085)**	**$(48,119)**
Net current-period other comprehensive (loss) income, net of tax				
As of December 31, 2023				

(1) Taxes were not provided for foreign currency translation adjustments as translation adjustments are related to earnings that are intended to be reinvested in the countries where earned.

Note 16. 15. Stock-Based Incentive Plans

Stock-Based Plans

Stock-based awards may be granted under the 2015 Incentive Award Plan (the "2015 Plan") and the 2022 Incentive Award Plan (the "2022 Plan") in the form of stock options, SARs, RSUs and other stock-based and cash-based awards. As of December 31, 2022 December 31, 2023, there were approximately 317,200 12,098 shares available for future grants to our Non-Executive Directors LivaNova's non-executive directors under the 2015 Plan and 1,900,000 1,422,656 shares pursuant to Options or Stock Appreciation Rights and 1,137,785 902,967 shares pursuant to other types of awards available for future grants to our LivaNova's non-executive directors and employees under the 2022 Plan. In June 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.

During the year ended December 31, 2022 December 31, 2023, we LivaNova issued stock-based compensatory awards with terms approved by the Compensation Committee of our LivaNova's Board of Directors. The awards with service conditions generally vest ratably from two to 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 our LivaNova's total shareholder return for the three-year period ending December 31, 2024 December 31, 2025 relative to the total shareholder returns for a peer group of companies. The adjusted free cash flow and adjusted return on

invested capital operating performance-based awards that were issued, cliff vest after three years subject to the achievement of certain thresholds of cumulative results for those metrics for the three-year period ending December 31, 2024 December 31, 2025.

The Company also provides a Global Employee Share Purchase Plan ("ESPP"). an ESPP. Compensation expense related to the ESPP for the years ended December 31, 2022 December 31, 2023, 2022 and 2021 and 2020 was $1.2 million $1.1 million, $1.5 $1.2 million and $1.2 $1.5 million, respectively.

Stock-Based Compensation

The following table presents the amounts of stock-based compensation recognized on our LivaNova's consolidated statements of income (loss), by expense category for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 (in thousands):

		2022	2021	2020
2023				2023 2022 2021
Cost of goods sold	Cost of goods sold	$ 1,455	$ 2,451	$ 1,898
Selling, general and administrative	Selling, general and administrative	35,638	29,449	29,661
Research and development	Research and development	7,716	8,664	3,530
Total stock-based compensation expense	Total stock-based compensation expense	44,809	40,564	35,089
Income tax benefit	Income tax benefit	706	588	992
Total expense, net of income tax benefit	Total expense, net of income tax benefit	$ 44,103	$39,976	$34,097

The following table presents the amounts of stock-based compensation expense recognized on our LivaNova's consolidated statements of income (loss) by type of arrangement for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 (in thousands):

	2022	2021	2020
Service-based restricted stock units	$ 21,563	$19,614	$18,320
Service-based stock appreciation rights	14,065	12,489	12,715
2023			2023 2022 2021
RSUs			
SARs			
Market performance-based restricted stock units	4,651	3,522	3,200
Operating performance-based restricted stock units	3,338	3,434	(370)
Employee stock purchase plan	1,192	1,505	1,224
Employee share purchase plan			
Total stock-based compensation expense	$ 44,809	$40,564	$35,089

Unrecognized Stock-Based Compensation

The following table presents the amounts of stock-based compensation cost not yet recognized related to non-vested awards, including awards assumed or issued as of December 31, 2022 December 31, 2023 (in thousands):

		Unrecognized Compensation Cost	Weighted Average Remaining Vesting Period (in years)		Unrecognized Compensation Cost		Weighted Average Remaining Vesting Period (in years)
Service-based stock appreciation rights	Service-based stock appreciation rights	$ 25,886	2.61	Service-based stock appreciation rights	$ 23,633	2.61	2.61
Service-based restricted stock unit awards	Service-based restricted stock unit awards	33,823	2.49	Service-based restricted stock unit awards	27,802	2.52	2.52
Performance-based restricted stock unit awards	Performance-based restricted stock unit awards	9,922	1.74	Performance-based restricted stock unit awards	4,473	1.78	1.78
Total stock-based compensation cost unrecognized	Total stock-based compensation cost unrecognized	$ 69,631	2.28	Total stock-based compensation cost unrecognized	$ 55,908	2.30	2.30

Stock Appreciation Rights and Stock Options

We use LivaNova uses the Black-Scholes option pricing methodology to calculate the grant date fair market value of SARs. The following table lists the assumptions we LivaNova utilized as inputs to the Black-Scholes model for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020: 2021:

		2022	2021	2020		2023		2022		2021
Dividend yield (1)	Dividend yield (1)	—	—	—	Dividend yield (1)				—	
Risk-free interest rate (2)	Risk-free interest rate (2)	2.5%	1.0%	0.4%	Risk-free interest rate (2)	3.7%		2.5%		1.0%
Expected option term - in years (3)	Expected option term - in years (3)	5.3	5.6	5.4	Expected option term - in years (3)		5.3		5.6	
Expected volatility at grant date (4)	Expected volatility at grant date (4)	42.2%	42.1%	39.5%	Expected volatility at grant date (4)	45.1%		42.2%		42.1%

(1) We have LivaNova has not paid dividends, and no future dividends have been approved.

(2) We use LivaNova uses yield rates on U.S. US Treasury securities for a period that approximates the expected term of the awards granted to estimate the risk-free interest rate.

(3) We LivaNova 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.

(4) We determine LivaNova determines the expected volatility of the awards based on historical volatility.

The following tables present the activity for service-based SARs and stock option awards:

SARs and Stock Options	SARs and Stock Options	Number of Optioned Shares	Wtd. Avg. Exercise Price per Share	Wtd. Avg. Remaining Contractual Term (years)	Aggregate Intrinsic Value (in thousands) (1)	SARs and Stock Options	Number of Optioned Shares	Wtd. Avg. Exercise Price per Share	Wtd. Avg. Remaining Contractual Term (years)	Aggregate Intrinsic Value (in thousands) (1)

Outstanding — as of December 31, 2021		2,634,373	$ 65.94			
Outstanding — as of December 31, 2022						
Granted	Granted	553,050	$ 82.04			
Exercised	Exercised	(93,191)	$ 48.86			
Forfeited	Forfeited	(150,881)	$ 67.46			
Expired	Expired	(136,515)	$ 89.41			
Outstanding — as of December 31, 2022		2,806,836	$ 68.46	6.67	$	10,070
Outstanding — as of December 31, 2023						
Fully vested and exercisable — end of year	Fully vested and exercisable — end of year	1,460,162	$ 67.43	5.24	$	5,494
Fully vested and expected to vest — end of year (2)	Fully vested and expected to vest — end of year (2)	2,756,467	$ 68.35	6.64	$	9,979

Outstanding — as of December 31, 2022		2,806,836	$	68.46
Granted	Granted	974,204	$	$ 42.71
Exercised	Exercised	(232,980)	$	$ 44.24
Forfeited	Forfeited	(297,831)	$	$ 56.67
Expired	Expired	(295,927)	$	$ 75.12

(1) The aggregate intrinsic value of SARs and options is based on the difference between the fair market value of the underlying stock at December 31, 2022 December 31, 2023, using the market closing stock price, and exercise price for in-the-money awards. awards where the market closing stock price exceeds the exercise price.

(2) Includes the impact of expected future forfeitures.

	Year Ended December 31,		
	2022	2021	2020
Weighted average grant date fair value of SARs granted during the year (per share)	$ 34.13	$ 29.22	$15.73
Aggregate intrinsic value of SARs and stock options exercised during the year (in thousands)	$ 2,143	$12,223	$ 773

	Year Ended December 31,		
	2023	2022	2021
Weighted average grant date fair value of SARs granted during the year (per share)	$ 34.13	$ 29.22	$15.73
Aggregate intrinsic value of SARs and stock options exercised during the year (in thousands)	$ 2,143	$12,223	$ 773

Restricted Stock Units Awards

The following tables present the activity for service-based RSU awards:

RSUs	RSUs	Number of Shares	Wtd. Avg. Grant Date Fair Value	RSUs	Number of Shares	Wtd. Avg. Grant Date Fair Value
Non-vested shares as of December 31, 2021		791,157	$64.53			
Non-vested shares as of December 31, 2022						
Granted	Granted	328,980	$76.35			
Vested	Vested	(298,865)	$68.11			
Forfeited	Forfeited	(79,380)	$64.85			
Non-vested shares as of December 31, 2022		741,892	$68.02			
Non-vested shares as of December 31, 2023						

		Year Ended December 31,		
		2022	2021	2020
Weighted average grant date fair value of service-based RSUs issued during the year (per share)	Weighted average grant date fair value of service-based RSUs issued during the year (per share)	$ 76.35	$ 74.17	$ 44.28
Aggregate fair value of RSUs that vested during the year (in thousands)	Aggregate fair value of RSUs that vested during the year (in thousands)	$ 22,793	$21,501	$13,674

		Year Ended December 31,		
		2023	2022	2021
Weighted average grant date fair value of service-based RSUs issued during the year (per share)	Weighted average grant date fair value of service-based RSUs issued during the year (per share)	$ 76.35	$ 74.17	$ 44.28
Aggregate fair value of RSUs that vested during the year (in thousands)	Aggregate fair value of RSUs that vested during the year (in thousands)	$ 22,793	$21,501	$13,674

The following tables present the activity for performance-based RSU awards:

Performance-based RSUs	Performance-based RSUs	Number of Shares	Wtd. Avg. Grant Date Fair Value	Performance-based RSUs	Number of Shares	Wtd. Avg. Grant Date Fair Value

Non-vested shares as of December 31, 2021		345,944	$68.36
Non-vested shares as of December 31, 2022			
Granted	Granted	88,354	$92.53
Vested	Vested	(11,340)	$95.13
Forfeited	Forfeited	(11,474)	$41.70
Performance adjustments (1)	Performance adjustments (1)	(80,950)	$91.58
Non-vested shares as of December 31, 2022		330,534	$70.45
Non-vested shares as of December 31, 2023			

(1) Represents the difference between the target units granted and the actual units awarded based upon the attainment of performance goals for the Company.

		Year Ended December 31,		
		2022	2021	2020
Weighted average grant date fair value of performance-based restricted share units granted during the year (per share)	Weighted average grant date fair value of performance-based restricted share units granted during the year (per share)	$ 92.53	$89.29	$41.70
Aggregate fair value of performance-based restricted share units that vested during the year (in thousands)	Aggregate fair value of performance-based restricted share units that vested during the year (in thousands)	$ 877	$8,268	$4,106

		Year Ended December 31,		
		2023	2022	2021
Weighted average grant date fair value of performance-based restricted share units granted during the year (per share)	Weighted average grant date fair value of performance-based restricted share units granted during the year (per share)	$ 92.53	$89.29	$41.70
Aggregate fair value of performance-based restricted share units that vested during the year (in thousands)	Aggregate fair value of performance-based restricted share units that vested during the year (in thousands)	$ 877	$8,268	$4,106

Note 17. 16. Employee Retirement Plans

Defined Benefit Plans

We sponsor LivaNova sponsors several defined benefit pension plans, which include plans in the U.S., US, Italy, Germany, Japan and France. We maintain The Company maintains a frozen cash balance retirement plan in the U.S. US that is a contributory, defined benefit plan designed to provide the benefit in terms of a stated account balance dependent on the employer's employer's promised interest-crediting rate. In Italy and France, we maintain LivaNova 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, we sponsor LivaNova sponsors non-contributory, defined benefit plans designated to provide a guaranteed minimum retirement benefits to eligible employees.

Risks Related to Defined Benefit Plans

The defined benefit plans expose LivaNova to various demographic and economic risks such as longevity risk, investment risks, currency and interest rate risks and in some cases inflation risk. 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 in some cases by matching the interest rate risk of liabilities in whole or in part.

The Company has an active de-risking strategy in which it consistently 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 following table presents the change in benefit obligations and funded status of our U.S. LivaNova's US pension benefits for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 (in thousands):

		U.S. Pension Benefits		
		2022	2021	2020
		US Pension Benefits		US Pension Benefits
		2023	2023	2022 2021
Accumulated benefit obligations at year end	Accumulated benefit obligations at year end	$ 9,790	$12,578	$13,085
Change in projected benefit obligation:	Change in projected benefit obligation:			
Projected benefit obligation at beginning of year				
Projected benefit obligation at beginning of year				
Projected benefit obligation at beginning of year	Projected benefit obligation at beginning of year	$ 12,578	$13,085	$11,232
Interest cost	Interest cost	254	224	290
Plan settlement	Plan settlement	(1,369)	(972)	(384)
Actuarial (gain)/loss	Actuarial (gain)/loss	(1,361)	527	2,225
Benefits paid	Benefits paid	(312)	(286)	(278)
Projected benefit obligation at end of year	Projected benefit obligation at end of year	$ 9,790	$12,578	$13,085
Change in plan assets:	Change in plan assets:			
Fair value of plan assets at beginning of year	Fair value of plan assets at beginning of year	$ 8,020	$ 8,688	$ 7,574
Fair value of plan assets at beginning of year				
Fair value of plan assets at beginning of year				
Actual return on plan assets	Actual return on plan assets	(1,189)	189	646
Employer contributions	Employer contributions	367	401	1,130
Plan settlement	Plan settlement	(1,369)	(972)	(384)
Benefits paid	Benefits paid	(313)	(286)	(278)

Fair value of plan assets at end of year	Fair value of plan assets at end of year	$ 5,516	$ 8,020	$ 8,688
Funded status at end of year:	Funded status at end of year:			
Fair value of plan assets	Fair value of plan assets	$ 5,516	$ 8,020	$ 8,688
Fair value of plan assets				
Fair value of plan assets				
Projected benefit obligations	Projected benefit obligations	9,790	12,578	13,085
Underfunded status of the plans		4,274	4,558	4,397
Underfunded status of the plan				
Recognized liability	Recognized liability	$ 4,274	$ 4,558	$ 4,397
Amounts recognized on the consolidated balance sheets consist of:	Amounts recognized on the consolidated balance sheets consist of:			
Non-current liabilities	Non-current liabilities	$ 4,274	$ 4,558	$ 4,397
Non-current liabilities				
Non-current liabilities				
Recognized liability	Recognized liability	$ 4,274	$ 4,558	$ 4,397

The following table presents the change in benefit obligations and funded status of our non-U.S. LivaNova's non-US pension benefits for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 (in thousands):

		Non-U.S. Pension Benefits		
		2022	2021	2020
	Non-US Pension Benefits			Non-US Pension Benefits
	2023	2023	2022	2021
Accumulated benefit obligations at year end	Accumulated benefit obligations at year end	$ 8,248	$10,522	$12,091
Change in projected benefit obligation:	Change in projected benefit obligation:			
Projected benefit obligation at beginning of year				
Projected benefit obligation at beginning of year				

Projected benefit obligation at beginning of year	Projected benefit obligation at beginning of year	$ 10,817	$13,039	$18,087
Service cost	Service cost	259	354	691
Interest cost	Interest cost	83	56	121
Actuarial gain	Actuarial gain	(831)	(1,372)	(208)
Benefits paid	Benefits paid	(1,060)	(294)	(1,245)
Reclassified to liabilities held for sale [1]		—	—	(6,012)
Foreign currency exchange rate changes and other	Foreign currency exchange rate changes and other	(736)	(966)	1,605
Projected benefit obligation at end of year	Projected benefit obligation at end of year	$ 8,532	$10,817	$13,039
Change in plan assets:	Change in plan assets:			
Fair value of plan assets at beginning of year	Fair value of plan assets at beginning of year	$ 3,142	$ 2,816	$ 3,423
Fair value of plan assets at beginning of year				
Fair value of plan assets at beginning of year				
Actual return on plan assets	Actual return on plan assets	(80)	61	52
Employer contributions	Employer contributions	265	302	454
Benefits paid	Benefits paid	(37)	(78)	(290)
Reclassified to liabilities held for sale [1]		—	—	(1,018)
Foreign currency exchange rate changes and other	Foreign currency exchange rate changes and other	(58)	41	195
Fair value of plan assets at end of year	Fair value of plan assets at end of year	$ 3,232	$ 3,142	$ 2,816
Funded status at end of year:	Funded status at end of year:			
Fair value of plan assets	Fair value of plan assets	$ 3,232	$ 3,142	$ 2,816
Fair value of plan assets				
Fair value of plan assets				

Projected benefit obligations	Projected benefit obligations	8,532	10,817	13,039
Underfunded status of the plans (2)		5,300	7,675	10,223
Underfunded status of the plans (1)				
Recognized liability	Recognized liability	$ 5,300	$ 7,675	$10,223
Amounts recognized on the consolidated balance sheets consist of:	Amounts recognized on the consolidated balance sheets consist of:			
Non-current liabilities	Non-current liabilities	$ 5,300	$ 7,675	$10,223
Non-current liabilities				
Non-current liabilities				
Recognized liability	Recognized liability	$ 5,300	$ 7,675	$10,223

(1) Refer to “Note 5. Divestiture of Heart Valve Business.”

(2) In certain non-U.S. non-US countries, fully funding pension plans is not a common practice. Consequently, certain pension plans have been partially funded.

The following tables present U.S. US and non-U.S. non-US net periodic benefit cost of the LivaNova’s defined benefit pension plans by component for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 (in thousands):

		U.S. Pension Benefits		
		2022	2021	2020
		US Pension Benefits		US Pension Benefits
		2023	2023	2022 2021
Interest cost	Interest cost	$ 254	$224	$290
Expected return on plan assets	Expected return on plan assets	(298)	(358)	(318)
Settlement and curtailment loss	Settlement and curtailment loss	731	471	180
Amortization of net actuarial loss	Amortization of net actuarial loss	262	264	182
Net periodic benefit cost	Net periodic benefit cost	$ 949	$601	$334

		Non-U.S. Pension Benefits		
		2022	2021	2020
		Non-US Pension Benefits		Non-US Pension Benefits
		2023	2023	2022 2021
Service cost	Service cost	$ 259	$ 354	$691
Interest cost	Interest cost	83	56	121

Expected return on plan assets	Expected return on plan assets	80	(61)	(52)
Amortization of net actuarial loss (gain)	Amortization of net actuarial loss (gain)	(831)	(1,372)	(208)
Net periodic benefit cost	Net periodic benefit cost	$ (409)	$(1,023)	$552

The following tables present the major actuarial assumptions used in determining the benefit obligations and net periodic benefit costs for LivaNova's significant US and non-US defined benefit plans as of December 31, 2023, 2022 and 2021:

	US Pension Benefits		
	2023	2022	2021
Weighted-average assumptions used to determine benefit obligation:			
Discount rate	4.93%	5.10%	2.41%
Weighted-average assumptions used to determine net periodic benefit cost:			
Discount rate	5.10%	2.41%	1.91%
Expected return on plan assets	5.00%	5.00%	5.00%

	Non-US Pension Benefits		
	2023	2022	2021
Weighted-average assumptions used to determine benefit obligation:			
Discount rate	0.96% - 3.20%	0.45% - 3.70%	0.15% - 1.00%
Rate of compensation increase	2.50% - 3.50%	2.50% - 3.50%	2.50% - 3.00%
Weighted-average assumptions used to determine net periodic benefit cost:			
Discount rate	0.96% - 3.20%	0.45% - 3.70%	0.15% - 1.00%
Rate of compensation increase	3.38% - 3.50%	2.50% - 3.50%	2.50% - 3.00%

To determine the discount rate for our U.S. LivaNova's US benefit plan, we the Company used the FTSE Above Median Pension Discount Curve. For the discount rate used for the other non-U.S. non-US benefit plans, we consider LivaNova considers local market expectations of long-term returns, primarily utilizing 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 our U.S. LivaNova's US defined benefit plan was derived from a study conducted by our the Company's investment managers. The study includes a review of the anticipated future long-term performance of individual asset classes and consideration of considers the appropriate asset allocation strategy, given the anticipated funding requirements of the plan, to determine the average rate of earnings expected on the funds invested to provide for the pension plan benefits.

The following table presents the major actuarial assumptions used in determining the benefit obligations and net periodic benefit cost for our significant U.S. benefit plans as of December 31, 2022, 2021 and 2020:

	U.S. Pension Benefits		
	2022	2021	2020
Weighted-average assumptions used to determine benefit obligation:			
Discount rate	5.10%	2.41%	1.91%
Weighted-average assumptions used to determine net periodic benefit cost:			
Discount rate	2.41%	1.91%	2.88%
Expected return on plan assets	5.00%	5.00%	5.00%

The following table presents the major actuarial assumptions used in determining the benefit obligations and net periodic benefit cost for our significant non-U.S. benefit plans as of December 31, 2022, 2021 and 2020:

	Non-U.S. Pension Benefits		
	2022	2021	2020
Weighted-average assumptions used to determine benefit obligation:			
Discount rate	0.45% - 3.70%	0.15% - 1.00%	0.23% - 0.35%
Rate of compensation increase	2.50% - 3.50%	2.50% - 3.00%	2.50% - 3.00%

Weighted-average assumptions used to determine net periodic benefit cost:									
Discount rate	0.45%	-	3.70%	0.15%	-	1.00%	0.23%	-	0.35%
Rate of compensation increase	2.50%	-	3.50%	2.50%	-	3.00%	2.50%	-	3.00%

invested.

Retirement Benefit Plan Investment Strategy

In the U.S., we have US, LivaNova has an account that holds the defined benefit frozen balance pension plan assets. The Qualified Plan Committee (the "Plan Committee") sets investment guidelines for U.S. the US pension plans. The plan plan. Plan assets in the U.S. US are invested in accordance with sound investment practices that emphasize long-term fundamentals. The investment objectives objective for the plan assets in the U.S. are US is to achieve a positive rate of return that would be expected to close the current funding deficit and so enable us LivaNova to terminate the frozen pension plan at a reasonable cost. The Plan Committee also oversees the investment allocation process, selects the investment managers, and monitors asset performance. The investment portfolio contains plan investments consist of a diversified portfolio of fixed income and equity index funds. Securities are also diversified in terms of domestic investment location (domestic and international securities, short- international) tenor (short- and long-term securities, growth securities), investment objective (growth and value styles, large cap value), and small cap stocks.

size of market.

Outside the U.S., US, pension plan assets are typically managed by decentralized fiduciary committees. There is a significant variation in policy asset allocation policy from country to country. Local regulations, local funding rules, and local financial and tax considerations are part of influence the funding and investment allocation process in each country.

The following table presents our U.S. LivaNova's US and Non-US pension plan target allocations by asset category as of December 31, 2022: December 31, 2023 and 2022:

Equity securities	29%
Debt securities	70%
Other	1%

	US Pension Benefits		Non-US Pension Benefits	
	2023	2022	2023	2022
Equity securities	29%	29%	1%	1%
Debt securities	70%	70%	79%	84%
Other	1%	1%	20%	15%

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 mutual funds 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.

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 mutual funds 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 present information by level for the US retirement benefit plan assets that are measured at fair value on a recurring basis as of December 31, 2022 December 31, 2023 and 2021 2022 (in thousands):

		Fair Value Measurement Using Inputs Considered as:		
	2022	Level 1	Level 2	Level 3
Equity mutual funds	Equity mutual funds	$ 1,591	$ —	$1,591	$—
Fixed income mutual funds	Fixed income mutual funds	3,843	—	3,843	—

		Fair Value Measurement Using Inputs Considered as:		
	2023	Level 1	Level 2	Level 3
Equity mutual funds	Equity mutual funds	$ 1,591	$ —	$1,591	$—
Fixed income mutual funds	Fixed income mutual funds	3,843	—	3,843	—

Money market funds and cash	Money market funds and cash	68	68	—	—
		$ 5,502	$ 68	$5,434	$—
		$			

	2021	Fair Value Measurement Using Inputs Considered as: Level 1	Level 2	Level 3
	2022	Level 1	2022	Fair Value Measurement Using Inputs Considered as: Level 1	Level 2	Level 3
Equity mutual funds	Equity mutual funds	$ 2,341	$ —	$2,341	$—
Fixed income mutual funds	Fixed income mutual funds	5,587	—	5,587	—
Money market funds	Money market funds	82	82	—	—
		$ 8,010	$ 82	$7,928	$—
		$			

The following tables present information by level for the Non-US retirement benefit plan assets that are measured at fair value on a recurring basis as of December 31, 2023 and 2022 (in thousands):

		Fair Value Measurement Using Inputs Considered as:		
	2023	Level 1	Level 2	Level 3
Equity mutual funds	$ (23)	$ —	$ (23)	$ —
Fixed income mutual funds	(1,530)	—	(1,530)	—
Money market funds and cash	(378)	(378)	—	—
	$ (1,931)	$ (378)	$ (1,553)	$ —

		Fair Value Measurement Using Inputs Considered as:		
	2022	Level 1	Level 2	Level 3
Equity mutual funds	$ 42	$ —	$ 42	$ —
Fixed income mutual funds	2,742	—	2,742	—
Money market funds	448	448	—	—
	$ 3,232	$ 448	$ 2,784	$ —

Refer to “Note 2. Basis of Presentation, Use of Accounting Estimates and Significant Accounting Policies” for discussion of the fair value measurement terms of Levels 1, 2, and 3.

Defined Benefit Retirement Funding

We make LivaNova makes the minimum required contribution to fund the U.S. US pension plan as determined by MAP - 21 and the Highway and Transportation Funding Act of 2014. We The Company contributed $0.6 million $1.4 million, $0.7 million $0.6 million and $1.6 million $0.7 million to the pension plans (U.S. (US and non-U.S.) non-US) during the years ended December 31, 2022 December 31, 2023, 2022 and 2021, and 2020, respectively. We anticipate that we LivaNova anticipates the Company will make contributions to the U.S. US pension plan of approximately $0.5 million $0.2 million during the year ended December 31, 2023 December 31, 2024.

The following table presents benefit payments expected to be paid, including amounts to be paid from our LivaNova’s assets, and reflecting expected future service, as of December 31, 2022 December 31, 2023 (in thousands):

	U.S. Plans	Non-U.S. Plans
2023	3,820	740

	US Plans	US Plans	Non-US Plans
2024	2024	688	589
2025	2025	853	675
2026	2026	908	634
2027	2027	673	730
2028 - 2032		2,196	3,769
2028 - 2033			

Defined Contribution Plans

We sponsor LivaNova sponsors defined contribution plans in the U.S. US including the Cyberonics Inc. Employee Retirement Savings Plan, which qualifies under Section 401(k) of the IRC covering U.S. US employees and the Cyberonics Inc. Non-Qualified Deferred Compensation Plan, covering certain U.S. US middle and senior management. In addition, we sponsor LivaNova sponsors the Belgium Defined Contribution Pension Plan for Cyberonics' Belgium employees. We LivaNova incurred expenses for our the Company's defined contribution plans of $9.0 million $11.1 million, $10.2 million $9.0 million and $11.8 million $10.2 million for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020. 2021, respectively.

Note 18. 17. Income Taxes

Earnings Before Income Taxes and Components of Income Tax Provision

The following table presents the U.S. US and non-U.S. non-US components of income (loss) from continuing operations before income taxes and our LivaNova's income tax expense (benefit) from continuing operations for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 (in thousands):

	2022	2021	2020
Income (loss) from continuing operations before income taxes:			
Non-U.S.	$ 22,570	$ 22,094	$ (262,501)
U.S.	(97,712)	(146,566)	(85,521)
	$ (75,142)	$ (124,472)	$ (348,022)
Total income tax expense (benefit) from continuing operations consisted of the following:			
Current:			
Non-U.S.	$ 4,782	$ 4,296	$ 2,899
U.S.	4,860	4,050	(41,010)
	9,642	8,346	(38,111)
Deferred:			
Non-U.S.	1,409	2,852	37,151
Total income tax expense (benefit) from continuing operations	$ 11,051	$ 11,198	$ (960)

	2023	2022	2021
Income (loss) before income taxes:			
UK and Non-US	$ 60,799	$ 22,570	$ 22,094
US	(142,025)	(97,712)	(146,566)
	$ (81,226)	$ (75,142)	$ (124,472)
Total income tax expense (benefit) consisted of the following:			
Current:			
UK and Non-US	$ 10,954	$ 4,782	$ 4,296
US	4,598	4,860	4,050
	$ 15,552	$ 9,642	$ 8,346
Deferred:			
UK and Non-US	$ (114,428)	$ 1,409	$ 2,852
Total income tax (benefit) expense	$ (98,876)	$ 11,051	$ 11,198

Effective Income Tax Rate Reconciliation

LivaNova PLC is resident in the UK for tax purposes. Our 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 our LivaNova's subsidiaries conduct operations vary. As a result of the changes in the overall level of our the Company's income, the earnings mix in various jurisdictions and the changes in tax laws, our 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 US, 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 December 31, 2023. Draft UK legislation has also been published for an undertaxed profits rule to be introduced, although not before accounting periods beginning on or after December 31, 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 is assessing the full implications on 2024 financial results and 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 our LivaNova's effective income tax rate expressed as a percentage of income from continuing operations loss before income taxes tax for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020: 2021:

	2022	2021	2020
Statutory tax rate at UK Rate	19.0 %	19.0 %	19.0 %
Deferred tax valuation allowance	(18.8)	(47.7)	(34.9)
Foreign tax rate differential	10.6	7.1	6.6
U.S. state and local tax expense, net of federal benefit	(1.4)	(0.3)	1.5
Effect of changes in tax rate	6.2	18.9	2.2
Write-off/impairment of investments	(27.6)	(1.8)	1.8
Reserve for uncertain tax positions	—	—	0.8
Research and development tax credits	1.2	0.3	0.9
Base erosion anti-abuse tax	(2.9)	(3.1)	(0.7)
Foreign tax withholding and credits	—	(0.2)	(0.2)
CARES Act rate differential	—	—	2.8
Disallowable professional fees	(0.4)	(1.5)	—
Other, net	(0.6)	0.3	0.5
Effective tax rate	(14.7)%	(9.0)%	0.3 %

Inflation Reduction Act of 2022

On August 16, 2022, the Inflation Reduction Act of 2022 (the "IRA") was enacted in the U.S. The IRA is effective for tax years beginning after December 31, 2022 and introduces a 15% alternative minimum tax on corporations with an average annual adjusted financial statement income greater than $1 billion and a 1% excise tax on the net fair market value of stock repurchases. While we do not anticipate a significant tax impact from the IRA, we will continue to evaluate as additional guidance becomes available.

	2023	2022	2021
Statutory tax rate at UK Rate	23.5 %	19.0 %	19.0 %
Deferred tax valuation allowance	100.5	(18.8)	(47.7)
Foreign tax rate differential	5.2	10.6	7.1
US state and local tax expense, net of federal benefit	(3.5)	(1.4)	(0.3)
Effect of changes in tax rate	1.2	6.2	18.9
Write-off/impairment of investments	(3.1)	(27.6)	(1.8)
Research and development tax credits	0.3	1.2	0.3
Base erosion anti-abuse tax	—	(2.9)	(3.1)
Disallowable professional fees	(2.6)	(0.4)	(1.5)
Compensation related items	1.4	(0.1)	(0.1)
Other, net	(1.2)	(0.5)	0.2
Effective tax rate	121.7 %	(14.7)%	(9.0)%

Deferred Income Tax Assets and Liabilities

The following table presents the significant components of our LivaNova's deferred tax assets and liabilities as of December 31, 2022 December 31, 2023 and 2021 2022 (in thousands):

		2022	2021		
		2023		2023	2022
Deferred tax assets:	**Deferred tax assets:**				

Net operating loss carryforwards			
Net operating loss carryforwards			
Net operating loss carryforwards	Net operating loss carryforwards	$ 142,456	$152,491
Tax credit carryforwards	Tax credit carryforwards	41,918	40,931
Interest expense carryforward	Interest expense carryforward	65,497	65,141
Accruals and reserves	Accruals and reserves	35,132	36,796
Deferred compensation	Deferred compensation	16,081	13,262
Inventories	Inventories	9,073	8,844
Deferred R&D		29,796	—
Capitalized/Deferred R&D			
Other	Other	6,898	19,119
Gross deferred tax assets	Gross deferred tax assets	346,851	336,584
Valuation allowance	Valuation allowance	(264,754)	(244,978)
Net deferred tax assets	Net deferred tax assets	82,097	91,606
Deferred tax liabilities:	**Deferred tax liabilities:**		
Property, equipment & intangible assets	Property, equipment & intangible assets	(76,419)	(70,573)
Property, equipment & intangible assets			
Property, equipment & intangible assets			
Gain on sale of intellectual property	Gain on sale of intellectual property	(12,810)	(26,564)
Other			
Other			
Other			
Gross deferred tax liabilities:	Gross deferred tax liabilities:	(89,229)	(97,137)
Net deferred tax liabilities		$ (7,132)	$ (5,531)
Reported on the consolidated balance sheet as (after valuation allowance and jurisdictional netting):			
Net deferred tax assets (liabilities)			

Reported on the consolidated balance sheets as (after valuation allowance and jurisdictional netting):			
Net deferred tax assets			
Net deferred tax assets			
Net deferred tax assets	Net deferred tax assets	$ 1,384	$ 2,197
Net deferred tax liabilities	Net deferred tax liabilities	(8,516)	(7,728)
Net deferred tax liabilities		$ (7,132)	$ (5,531)
Net deferred tax assets (liabilities)			

The following table presents NOL and tax credit carryforwards as of December 31, 2022, which can be used to reduce our income tax payable in future years (in thousands):

Region	Gross Amount	Tax Benefit	Amount with No Expiration	Amount with Expiration	Carryforward Period
Europe NOL	$ 429,156	$ 104,075	$ 104,075	$ —	Unlimited
U.S. Federal NOL	112,259	23,574	8,474	15,100	2023 - 2038
U.S. State NOL	180,411	11,076	2,349	8,727	2023 - 2042
S. America & other regions NOL	11,183	3,664	3,410	254	2029 - 2038
Far East NOL	426	79	27	52	2025 - 2032
U.S. foreign tax credits	—	15,850	—	15,850	2025 - 2030
U.S. R&D tax credits	—	17,690	—	17,690	2023 - 2042
U.S. State research & development tax credits	—	7,108	1,280	5,828	2030 - 2042
Other non-U.S. tax credits	—	1,271	275	996	2023 - 2034
	$ 733,435	$ 184,387	$ 119,890	$ 64,497	

We review LivaNova reviews the realizability of our its deferred tax assets by jurisdiction regularly. jurisdictions at each balance sheet date by weighing the positive and negative evidence including cumulative losses and impacts of transactions or other events. As of December 31, 2022 December 31, 2023 and 2021, we 2022, LivaNova had valuation allowances against deferred tax assets of $264.8 million $182.5 million and $245.0 $264.8 million, respectively. These valuation allowances were primarily related to continuing operations and are a result of significant negative evidence in the form of cumulative losses in certain jurisdictions. The decrease in valuation allowance in 2023 primarily relates to the release of valuation allowances in the UK of $110.8 million and other jurisdictions, including partially offset by continued valuation allowance accruals in the extended impact US and Brazil. Any changes to the realizability of COVID-19 globally. the deferred tax assets due to transactions and other events in 2024 will be accounted for during the quarter in which they occur.

The following table provides a reconciliation of the beginning and ending balances of LivaNova's deferred tax asset valuation allowances for the years ended December 31, 2023, 2022 and 2021 (in thousands):

	2023	2022	2021
Balance at beginning of year	$ 264,754	$ 244,978	$ 189,864
Additions	38,278	24,896	67,814
Deductions	(120,568)	(5,120)	(12,700)
Balance at end of year	$ 182,464	$ 264,754	$ 244,978

The following table presents NOL and tax credit carryforwards as of December 31, 2023, which can be used to reduce LivaNova's income tax payable in future years (in thousands):

Region	Gross Amount	Tax Benefit	Amount with No Expiration	Amount with Expiration	Carryforward Period
UK NOL	$ 375,044	$ 93,760	$ 93,760	$ —	Unlimited
Europe, excluding UK, NOL	67,160	11,048	11,048	—	Unlimited
US Federal NOL	32,100	6,741	35	6,706	2028 - 2034
US State NOL	182,335	10,842	2,349	8,493	2023 - 2042
S. America & other regions NOL	21,802	7,318	7,229	89	2028 - 2042
Far East NOL	1,404	388	349	39	2025 - 2032
US foreign tax credits	—	15,850	—	15,850	2025 - 2030

US tax credits	—	15,857	—	15,857	2023 - 2043
US State research & development tax credits	—	6,780	5,416	1,364	2030 - 2042
Other non-US tax credits	—	1,245	243	1,002	2024 - 2034
	$ 679,845	$ 169,829	$ 120,429	$ 49,400	

No provision has been made for income taxes on undistributed earnings of foreign subsidiaries as of December 31, 2022 December 31, 2023 because it is our LivaNova's intention to indefinitely reinvest undistributed earnings of our its 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, we LivaNova may be liable for income taxes and withholding taxes. As of December 31, 2022 December 31, 2023, it was not practicable to determine the exact amount of the deferred tax liability related to those investments.

Uncertain Income Tax Positions

The following table presents a reconciliation of our LivaNova's total gross unrecognized tax benefit for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 (in thousands):

	2022	2021	2020
2023			
Balance at beginning of year	$ 1,741	$3,433	$15,995
Decreases:			
Tax positions related to prior years for settlement with tax authorities	—	(1,434)	(13,989)
Tax positions related to prior years for settlement with tax authorities			
Tax positions related to prior years for settlement with tax authorities			
Tax positions related to prior years for lapses of statute of limitations			
Impact of foreign currency exchange rates	(101)	(258)	1,427
Balance at end of year	$ 1,640	$1,741	$ 3,433
Balance at end of year [1]			

2023	2022	2021
Balance at beginning of year		
Decreases:		
Tax positions related to prior years for settlement with tax authorities		
Tax positions related to prior years for settlement with tax authorities		
Tax positions related to prior years for settlement with tax authorities		
Tax positions related to prior years for lapses of statute of limitations		
Impact of foreign currency exchange rates		
Balance at end of year		
Balance at end of year [1]		

(1) The unrecognized tax benefit balance as of December 31, 2023 includes $4.9 million, which is presented on the consolidated balance sheets as a reduction to the related deferred tax assets for net operating loss carryforwards.

Accrued interest and penalties totaled $0.3 million $0.7 million, $0.2 $0.3 million and $0.4 $0.2 million as of December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively, and were included in other long-term liabilities on our LivaNova's consolidated balance sheets. LivaNova records accrued interest and penalties related to unrecognized tax benefits in interest expense and foreign exchange and other income/(expense), respectively, on LivaNova's consolidated statements of income (loss).

We operate LivaNova operates in multiple jurisdictions with complex legal and tax regulatory environments, and our the Company's tax returns are periodically audited or subjected to review by tax authorities. We monitor LivaNova monitors tax law changes and the potential impact to our on its results of operations. Tax authorities may disagree with certain

positions we have LivaNova has taken and assess additional taxes. We LivaNova regularly assess assesses the likely outcomes of our the Company's tax positions in order to determine the appropriateness of our its reserves for uncertain tax positions. However, there can be no assurance that we LivaNova will accurately predict the outcome of these audits, and the actual outcome of an audit could have a material impact on our LivaNova's consolidated results of income, financial position or cash flows. If all of our LivaNova's unrecognized tax benefits as of December 31, 2022 December 31, 2023 were recognized, $1.6 million $0.5 million would impact our the Company's effective tax rate. We believe it rate and $4.9 million would be in the form of a net operating loss carryforward, which is reasonably possible that, within expected to require a full valuation allowance based on present circumstances. LivaNova does not anticipate the balance in unrecognized tax benefits will change significantly during the next twelve months due to the as a results of settlement of uncertain tax positions with various tax authorities and or the expiration of statutes of limitations, unrecognized tax benefits should decrease by up to approximately $1.0 million.

We record accrued interest and penalties related to unrecognized tax benefits in interest expense and foreign exchange and other income/(expense), respectively, on our consolidated statements of income (loss). or limitations.

The major jurisdictions where we are LivaNova is subject to income tax examinations are as follows:

Jurisdiction	Earliest Year Open
U.S. US - federal and state	2020
Italy	2018
Germany	2019
England and Wales	2019
Canada	2019

Note 19. 18. Earnings Per Share

The following table presents the basic and diluted weighted-average shares outstanding used in the computation of basic and diluted net income per share for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 (in thousands of shares):

	2022	2021	2020
Basic and diluted weighted average shares outstanding (1)	53,472	50,633	48,592

	2023	2022	2021
Basic weighted average shares outstanding	53,939	53,472	50,633
Add effects of stock-based compensation instruments (1)	273	—	—
Diluted weighted average shares outstanding	54,212	53,472	50,633

(1) Excluded from the computation of diluted earnings per share for the years ended December 31, 2022 December 31, 2023, 2022 and 2021 and 2020 were shares for stock options, SARs and RSUs totaling 3.9 million 3.0 million, 3.9 million and 4.1 million 3.9 million because to include them would have been anti-dilutive under the treasury stock method.

Note 20. 19. Geographic and Segment Information

Segment Information

We identify LivaNova identifies operating segments based on the way we manage, evaluate how it manages, evaluates and internally report our reports its business activities for purposes of allocating to allocate resources, developing develop and executing our execute its strategy and assessing assess performance. We have For the periods presented herein, LivaNova had three reportable segments: Cardiopulmonary, Neuromodulation and Advanced Circulatory Support. ACS. Net revenue of the Company's reportable segments includes revenues from the sale of products that each reportable segment develops and manufactures or distributes.

Our LivaNova's Cardiopulmonary segment is engaged in the design, development, production manufacture, marketing and sale selling of cardiopulmonary products, including heart-lung machines, oxygenators, autotransfusion systems, perfusion tubing systems, cannulae and other related accessories.

Our LivaNova's Neuromodulation segment is engaged in the design, development, manufacture, marketing and marketing selling of devices that deliver neuromodulation therapy for treating DRE and DTD. Neuromodulation products include the LivaNova 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 our LivaNova's aura6000 System for treating obstructive sleep apnea. Our LivaNova's Neuromodulation segment also includes the VITARIA System which was intended to treat costs associated with LivaNova's former heart failure by stimulating program, which, as previously disclosed, the right vagus nerve. Company began to wind down during the first quarter of 2023.

Our Advanced Circulatory Support ("ACS") LivaNova's ACS segment is was engaged in the design, development, production manufacture, marketing and sale selling of leading-edge temporary life support products. Our ACS ACS's products, which comprise the LifeSPARC platform and Hemolung systems, and standalone cannulae and accessories, including ProtekDuo cannula, and transseptal (TandemHeart) cannulae, simplify temporary extracorporeal cardiopulmonary life support solutions for critically ill patients. The LifeSPARC platform includes a common compact console and pump that provides temporary support for emergent rescue patients in a variety of settings. Our ACS segment also includes the Hemolung RAS, which was acquired in May 2022 as part of the acquisition of ALung.

"Other" includes corporate shared service expenses for finance, legal, human resources, For additional information, technology and corporate business development. For the years ended December 31, 2021 and 2020, Other also includes the results of our Heart Valve business, which was divested on June 1, 2021.

Net revenue of our reportable segments includes revenues from the sale of products that each reportable segment develops and manufactures or distributes. We define segment income as operating income before merger and integration, restructuring and amortization of intangibles. please refer to "Note 22. Subsequent Event."

We operate LivaNova operates under three geographic regions: U.S., US, Europe, and Rest of World. The following table below presents net revenue by operating segment and geographic region for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 (in thousands):

		2022	2021	2020			
2023					2023	2022	2021
Cardiopulmonary	**Cardiopulmonary**						
United States							
United States							
United States	United States	$ 159,489	$ 154,073	$132,543			
Europe (1)	Europe (1)	127,064	134,562	122,062			
Rest of World	Rest of World	213,761	194,344	192,127			
		500,314	482,979	446,732			
	588,977						
Neuromodulation	**Neuromodulation**						
United States							
United States							
United States	United States	374,542	358,476	282,509			
Europe (1)	Europe (1)	50,291	51,435	39,019			
Rest of World	Rest of World	52,160	46,261	32,916			
		476,993	456,172	354,444			
	519,710						
Advanced Circulatory Support	**Advanced Circulatory Support**						
United States							
United States							
United States	United States	37,527	53,821	41,094			
Europe (1)	Europe (1)	1,447	1,120	1,027			
Rest of World	Rest of World	327	518	200			
		39,301	55,459	42,321			
Other (2)							
	40,322						
Other Revenue (2)							
Totals							
United States	United States	—	4,929	12,488			
Europe (1)		—	14,407	31,259			
Rest of World		5,197	21,419	46,997			
		5,197	40,755	90,744			
Totals							
United States							
United States	United States	571,558	571,299	468,634			
Europe (1)	Europe (1)	178,802	201,524	193,367			
Rest of World	Rest of World	271,445	262,542	272,240			
Total net revenue (3) (4)	Total net revenue (3) (4)	$1,021,805	$1,035,365	$934,241			

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

(2) Other revenue primarily includes rental income not allocated to segments. For the years year ended December 31, 2021 and 2020, , other primarily revenue also includes the net revenue of the Company's Heart Valve business, which was divested on June 1, 2021.

(3) Net revenue to external customers includes $41.5 million, $32.3 million, $35.8 million and $29.7 million $35.8 million in the United Kingdom, our UK, LivaNova's country of domicile, for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively.

(4) No single customer represented over 10% of our the Company's consolidated net revenue. No country's net revenue exceeded 10% of our the Company's consolidated sales, revenue except for the U.S. US.

The following table presents a reconciliation of segment (loss) income from continuing operations to consolidated loss from continuing operations before tax for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 (in thousands):

	2022	2021	2020
	2023	2023	2022	2021
Cardiopulmonary (1)	Cardiopulmonary (1)	$ 11,247	$ (6,429)	$ 35,735
Neuromodulation	Neuromodulation	172,775	169,499	109,273
Advanced Circulatory Support (2)	Advanced Circulatory Support (2)	(142,590)	2,195	(575)
Other (3) (4)		(85,249)	(129,082)	(365,116)
Total reportable segment (loss) income from continuing operations		(43,817)	36,183	(220,683)
Other expenses (5)		32,935	36,967	53,216
Operating loss from continuing operations		(76,752)	(784)	(273,899)
Segment income				
Other income/(expense) (3)				
Operating loss				
Operating loss				
Operating loss				
Interest expense	Interest expense	(48,250)	(50,151)	(40,837)
Loss on debt extinguishment	Loss on debt extinguishment	—	(60,238)	(1,407)
Foreign exchange and other income/(expense)	Foreign exchange and other income/(expense)	49,860	(13,299)	(31,879)
Loss from continuing operations before tax		$ (75,142)	$(124,472)	$(348,022)
Loss before tax				

(1) Results The Cardiopulmonary results for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 include a Litigation an increase in the litigation provision, net related to LivaNova's 3T Heater-Cooler device of $34.5 million, $21.7 million $38.1 million and $3.9 million $38.1 million, respectively. Refer to "Note 14. 13. Commitments and Contingencies" for additional information.

(2) Results The ACS results for the year ended December 31, 2023 include an impairment of long-lived assets of $90.0 million, and an inventory obsolescence adjustment of $12.6 million. Refer to "Note 6. Restructuring" for additional information. The ACS results for the year ended December 31, 2022 include a goodwill impairment of $129.4 million. Refer to "Note 8. 7. Goodwill and Intangible Assets" for additional information.

(3) Other income/(expense) primarily includes rental income, non-allocated corporate shared service expenses, for finance, legal, human resources, information technology and corporate business development. amortization of intangible assets. For the years year ended December 31, 2021 and 2020, Other, other income/(expense) also includes the results of our the Company's Heart Valve business, which was divested on June 1, 2021.

(4) Results for the year ended December 31, 2020 include $180.2 million and $21.3 million in impairments of the Heart Valves disposal group and allocated goodwill, respectively. Additionally, the results for the year ended December 31, 2020 include a $42.2 million decommissioning provision at our Saluggia site. Refer to "Note 5. Divestiture of Heart Valve Business" and "Note 14. Commitments and Contingencies", respectively, for additional information.

(5) Other expenses consists of merger and integration expense, restructuring expense and amortization of intangible assets.

The following table presents assets by reportable segment as of December 31, 2022 December 31, 2023 and 2021 2022 (in thousands):

	2022	2021
Cardiopulmonary	$ 874,143	$ 921,481
Neuromodulation	646,633	646,394
Advanced Circulatory Support	121,454	231,846
Other	652,543	401,230
Total assets	$ 2,294,773	$ 2,200,951

	2023	2022

Cardiopulmonary	$ 961,976	$ 874,143
Neuromodulation	647,391	646,633
Advanced Circulatory Support (1)	9,886	121,454
Other assets (2)	810,310	652,543
Total	$ 2,429,563	$ 2,294,773

(1) During the year ended December 31, 2023, LivaNova recorded an impairment of the ACS reportable segment's long-lived assets (asset group) of $90.0 million, and an inventory obsolescence adjustment of $12.6 million. Refer to "Note 6. Restructuring" for additional information.

(2) Other assets primarily include corporate assets not allocated to segments.

The following table presents capital expenditures by segment for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 (in thousands):

	2022	2021	2020
2023			2023 2022 2021
Cardiopulmonary Cardiopulmonary	$ 13,828	$14,824	$20,975
Neuromodulation Neuromodulation	369	179	7,318
Advanced Circulatory Support Advanced Circulatory Support	1,773	1,326	733
Other (1)	10,622	5,984	6,890
Total capital expenditures	$ 26,592	$22,313	$35,916
Other capital expenditures (1)			
Total			

(1) Other includes capital expenditures primarily include corporate capital expenditures. expenditures not allocated to segments. For the years year ended December 31, 2021 and 2020, Other , other capital expenditures also includes capital expenditures of our the Company's Heart Valve business, which was divested on June 1, 2021.

Geographic Information

The following table presents property, plant and equipment, net by geographic region as of December 31, 2022 December 31, 2023 and 2021 2022 (in thousands):

	2022	2021
2023	2023	2022
United States United States	$ 63,458	$ 60,852
Europe Europe	79,654	85,313
Rest of World Rest of World	4,075	3,901
Total property, plant and equipment, net	$ 147,187	$150,066
Total		

Note 21. 20. Supplemental Financial Information

The following table presents the components of inventories as of December 31, 2022 December 31, 2023 and 2021 2022 (in thousands):

	2022	2021
2023	2023	2022
Raw materials Raw materials	$ 70,027	$ 43,958
Work-in-process Work-in-process	15,508	14,161
Finished goods Finished goods	43,844	47,721
Total inventories Total inventories	$ 129,379	$105,840

Inventories included includes adjustments totaling $8.2 million $24.4 million and $8.9 million $8.2 million as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively, to record balances at lower of cost or net realizable value.

The following table presents the components of property, plant and equipment, net as of December 31, 2022 December 31, 2023 and 2021 2022 (in thousands):

		2022	2021	Lives in Years
Land	Land	$ 14,637	$ 15,099	
Building and building improvements	Building and building improvements	80,611	79,475	5 to 36
Equipment, software, furniture and fixtures	Equipment, software, furniture and fixtures	206,892	195,919	2 to 10
Other	Other	8,861	9,246	5 to 7
Capital investment in process	Capital investment in process	11,307	12,112	
Total gross property, plant and equipment	Total gross property, plant and equipment	322,308	311,851	
Accumulated depreciation	Accumulated depreciation	(175,121)	(161,785)	
Total Property, plant and equipment, net		$ 147,187	$150,066	

2023			2023	2022	Lives in Years
Building and building improvements		84,543	80,611	80,611	5 to 36
Equipment, software, furniture and fixtures	Equipment, software, furniture and fixtures	233,337	206,892	206,892	2 to 20
Other	Other	6,690	8,861	8,861	5 to 10
Total gross property, plant and equipment	Total gross property, plant and equipment				
Accumulated depreciation	Accumulated depreciation				
Total property, plant and equipment, net	Total property, plant and equipment, net				

The following table presents the components of accrued liabilities and other as of December 31, 2022 December 31, 2023 and 2021 2022 (in thousands):

	2022	2021
Contract liabilities	$ 10,226	$ 8,419
Operating lease liabilities (1)	9,379	11,261
Legal and other administrative costs	8,653	11,832
Research and development costs	7,020	5,329
Italian medical device payback law	6,414	5,533
Royalty accrual	3,950	3,611
Restructuring liabilities (2)	2,045	836
Provisions for agents, returns and other	1,678	2,535
Contingent consideration (3)	—	11,552
Amount payable to Gyrus Capital S.A.	—	11,418

Other accrued expenses	26,230	16,611
Total accrued liabilities and other	$ 75,595	$ 88,937

	2023	2022
Legal and professional costs	$ 17,794	$ 8,653
Contingent consideration	13,750	—
Contract liabilities	10,725	10,226
Operating lease liabilities (1)	8,362	9,379
Italian medical device payback law	8,223	6,414
Interest payable	7,840	(76)
Royalty accrual	4,441	3,950
Current derivative liabilities	3,883	5,886
Provisions for agents, returns and other	4,464	1,678
Research and development costs	2,462	7,020
Restructuring liabilities (2)	911	2,045
Other accrued expenses	24,446	26,306
Total accrued liabilities and other	$ 107,301	$ 81,481

(1) Refer to “Note 13. 12. Leases.”

(2) Refer to “Note 6. Restructuring.”

(3) Refer to “Note 10. Fair Value Measurements.”

The following table presents the items included within foreign exchange and other income/(expense) on the consolidated statements of income (loss) for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 (in thousands):

		2022	2021	2020
		2023	2023	2022	2021
Notes fair value adjustment (1)	Notes fair value adjustment (1)	$ 96,025	$(59,944)	$(46,805)
Capped call fair value adjustment (1)	Capped call fair value adjustment (1)	(52,236)	34,327	29,206
Interest income	Interest income	4,697	435	131
Foreign exchange rate fluctuations	Foreign exchange rate fluctuations	378	(1,243)	(4,851)
Dividend income (2)		305	3,415	—
Investment revaluation (2)		—	4,642	—
Other derivative liabilities fair value adjustment (1)		—	4,290	(4,290)
Notes issuance costs		—	—	(2,482)
Dividend income				
Investment revaluation				
Other derivative liabilities fair value adjustment				
Other	Other	691	779	(2,788)
Total foreign exchange and other income/(expense)	Total foreign exchange and other income/(expense)	$ 49,860	$(13,299)	$(31,879)

(1) Refer to “Note 10. 9. Fair Value Measurements.”

(2) Refer to “Note 9. Investments.”

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 statements of cash flows as of December 31, 2022 December 31, 2023 and 2021 2022 (in thousands):

		2022	2021
2023		2023	2022
Cash and cash equivalents	Cash and cash equivalents	$ 214,172	$207,992
Restricted cash (1)	Restricted cash (1)	301,446	—
Cash, cash equivalents and restricted cash	Cash, cash equivalents and restricted cash	$ 515,618	$207,992

(1) Restricted cash represents funds held as collateral for the SNIA Litigation Guarantee. Refer to "Note 14. 13. Commitments and Contingencies."

Note 21. New Accounting Pronouncements

Adoption of New Accounting Pronouncements

The following table provides a description of future adoptions of new accounting standards that may have an impact on LivaNova's financial statements when adopted:

Issue Date & Standard	Description	Adoption	Assessment
November 2023 ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures	This ASU expands public entities' reportable segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the CODM and included within each reported measure of segment profit or loss, the amount and description of other segment items, and the title and position of the Company's CODM, as well as an explanation of how the CODM uses the Company's reported measures of segment profit or loss in assessing segment performance and deciding how to allocate resources.	This ASU will be effective for annual periods beginning after December 15, 2023 and subsequent interim periods, on a retrospective basis.	LivaNova is currently evaluating the effect this standard will have on its consolidated financial statements and related disclosures.
December 2023 ASU NO. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures	This ASU expands annual income tax disclosures primarily related to the rate reconciliation and income taxes paid.	This ASU will be effective for annual periods beginning after December 15, 2024, on a prospective basis, with early adoption and retrospective application permitted.	LivaNova is currently evaluating the effect this standard will have on its consolidated financial statements and related disclosures.

Note 22. Subsequent Event

Restructuring

During the fourth first quarter of 2022, we randomized 2024, the 500th patient Company reorganized its operating and reporting structure upon initiating the 2024 Restructuring Plan and transitioned 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, will be discontinued by the end of 2024. For additional information, please refer to "Note 6. Restructuring."

Effective in the ANTHEM-HFrEF clinical trial which triggered first quarter of 2024, LivaNova changed its reportable segments corresponding to the second interim analysis. above-mentioned restructuring and changes in how the Company's CODM regularly reviews information, allocates resources and assesses performance. The independent Data Company's changes to its reportable segments are summarized as follows:

- LivaNova's ACS segment will be included within "Other," excluding the ACS standalone cannulae and Safety Monitoring Committee ("DSMC") evaluated safety, a trend toward accessories business.
- LivaNova's ACS standalone cannulae and accessories business will be included within the primary endpoint and success in the three functional endpoints. This analysis determined that the U.S. FDA early filing conditions were not met, and the DSMC recommended that enrollment continue in accordance with the current study protocol. However, we conducted further evaluation of the study data and concluded that such data did not demonstrate a sufficiently strong positive impact on functional or mortality endpoints and that it was unlikely that the continuation of the study would demonstrate such an impact. As a result, on February 22, 2023, we announced that we are stopping enrollment in the ANTHEM-HFrEF clinical trial, beginning the process to close the clinical study and winding down our heart failure program. Cardiopulmonary reportable segment.

Exhibit 4.1

DESCRIPTION OF SECURITIES REGISTERED

UNDER SECTION 12 OF THE EXCHANGE ACT

LivaNova PLC (the "Company") has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which are its ordinary shares, which have a nominal or par value of £1.00 each (the "ordinary shares"). The below is a summary of the applicable provisions of the Company's Articles of Association (the "Articles") and certain relevant provisions of applicable law. The summary is not complete and we encourage you to read this summary, the Articles and the other documents we refer to herein for a more complete understanding of the ordinary shares.

General

Under English law, persons who are neither residents nor nationals of the U.K. may freely hold, vote and transfer the ordinary shares in the same manner and under the same terms as U.K. residents or nationals.

Share Capital

As of December 31, 2022 December 31, 2023, the entire issued share capital of the Company is comprised of 53,851,979 53,942,151 ordinary shares.

Dividends and Distributions

Under English law, the Company may only pay dividends out of profits that are available for that purpose. The Company's profits available for distribution are (in basic terms) its accumulated, realized profits, so far as not previously utilized by distribution or capitalization, less its accumulated, realized losses, so far as not previously reduced or extinguished in a reduction or reorganization of capital duly made. The amount of the Company's distributable reserves is a cumulative calculation. The Company may be profitable in a single financial year but unable to pay a dividend if the profits of that year do not offset all previous years' accumulated, realized losses.

Additionally, the Company may only make a distribution if the amount of its net assets is not less than the aggregate of its called-up share capital and undistributable reserves, and if, and to the extent that, the distribution does not reduce the amount of those assets to less than that aggregate.

The Articles permit the Company shareholders, by ordinary resolution (a resolution passed by a simple majority of those shareholders present in person or by proxy and voting in respect of the relevant resolution), to declare dividends but no dividend shall exceed the amount recommended by the directors.

In addition, the directors may decide to pay interim dividends. The entitlement to a dividend lapses if unclaimed by a shareholder for 12 years from the date when it became due for payment.

The Articles also permit a scrip dividend scheme under which the directors of the Company may offer any holders of ordinary shares the right to receive shares, credited as fully paid, instead of cash in respect of all or any dividend subject to certain terms and conditions set out in the Articles.

Voting Rights

The shareholders in general meeting must vote by poll. On a poll taken at a general meeting, each qualifying Company shareholder present in person or by proxy and entitled to vote on the resolution has one vote for every ordinary share held by such shareholder.

In the case of joint holders, the vote of the senior holder who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders. The necessary quorum for a general meeting is shareholders who together represent at least a majority of the voting rights of all Company shareholders entitled to vote at the meeting, present in person or by proxy, save that if the Company has only one shareholder entitled to attend and vote at the general meeting, one qualifying Company shareholder present at the meeting and entitled to vote is a quorum.

Amendment to the Articles

Under the UK Companies Act 2006 (the "Companies Act"), the shareholders may amend the articles of association of the Company by special resolution (a resolution passed by the holders of at least 75% of those shares voted either in person or by proxy on the relevant resolution) at a general meeting. The notice of the general meeting at which a special resolution is proposed shall be required to specify the intention to propose any resolutions at the meeting as special resolutions.

Modification of rights

The rights attaching to the ordinary shares may be modified with the written consent of the holders of 75% in nominal value of the issued ordinary shares (excluding any shares of that class held as treasury shares), or by a special resolution of the holders of the issued ordinary shares, but not otherwise.

General Meetings and Notices

An annual general meeting must be called by not less than 21 clear days' notice (i.e., excluding the date of receipt or deemed receipt of the notice and the date of the meeting itself). All other general meetings must be called by not less than 14 clear days' notice. General meetings that are not annual general meetings may be called by shorter notice if agreed to by a majority in number of the Company shareholders having the right to attend and vote at the meeting, being a majority who together hold not less than 95% in nominal or par

value of the ordinary shares given that right. At least seven clear days' notice is required for any adjourned meeting, and such meeting must be held not less than 14 days but not more than 28 days after adjournment at such time and place specified for the purpose in the notice calling the meeting or as decided by the chairman of the meeting.

Subject to the Companies Act, notices of general meetings shall be given to every holder of ordinary shares as of the record date for the relevant meeting. Beneficial owners nominated to enjoy information rights under the Companies Act and the Company's auditors are also entitled to receive notices of, and other communications relating to, general meetings. Under the Companies Act, the Company is required to hold an annual general meeting of its shareholders within six months from the day following the end of its fiscal year. Subject to the foregoing, a general meeting may be held at a time and place determined by the Company's board.

Under the Companies Act, the Company must convene such a meeting once it has received requests to do so from Company shareholders representing at least 5% of the paid up share capital of the Company carrying voting rights at general meetings (excluding any paid-up capital held as treasury shares).

Under the Articles, a general meeting may also be called if the company has fewer than two directors and the director (if any) is unable or unwilling to appoint sufficient directors to make up a quorum or to call a general meeting to do so. In such case, two or more Company shareholders may call a general meeting for the purpose of appointing one or more directors.

Disclosure of interests in ordinary shares

Under the Companies Act, the Company may serve a notice requiring a person it knows, or has reasonable cause to believe, has an interest in any ordinary shares (or to have had an interest in the previous three years) to confirm or deny the fact, and, if the former, to disclose certain information about the interest, including information about any other person with an interest in the ordinary shares. If a shareholder fails to comply with such a notice within such reasonable period of time as may be set out in the notice, the shareholder shall not be entitled to attend or vote either personally or by proxy at a general meeting, and, where the shares to which such failure to comply represent at least 0.25 per cent. in nominal value of the issued shares of their class, in respect of such shares, no dividends shall be paid, and no transfers of such shares shall be registered save in certain circumstances.

Return of Capital and Winding Up

On a return of capital on a liquidation, reduction of capital or otherwise, the surplus assets of the Company available for distribution among the holders of the ordinary shares shall be applied in the same order of priority as applies in respect of dividends (i.e. on a pro rata basis based on the number of ordinary shares held by each holder, with all ordinary shares ranking equally amongst themselves for such purpose).

In the event of a voluntary winding up of the Company, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by law, subject to the Companies Act, divide among the Company shareholders the whole or any part of the assets of the Company, whether they consist of property of the same kind or not, and the liquidator may, for that purpose, value any assets as they deem fair and determine how the division shall be carried out as between the shareholders or different classes of shareholders, and may vest the whole or any part of the assets in trustees upon such trusts for the benefit of the Company shareholders as he, with the like sanction, may determine. No Company shareholder shall be compelled to accept any assets upon which there is a liability.

Authority to Allot New Shares and Pre-Emption Rights

Under the Companies Act, the Board may only allot shares in the Company or grant rights to subscribe for, or to convert any security into, shares in the Company if it is authorized to do so by the Articles or by ordinary shareholder resolution. There are certain exceptions under the Companies Act, including for shares allotted pursuant to an employees' share scheme (as such term is defined in the Companies Act).

At the annual general meeting of shareholders held on June 13, 2022 June 12, 2023 (the "2022 "2023 AGM"), the Company's shareholders passed an ordinary resolution granting the Board authority to allot new shares and to grant rights to subscribe for, or to convert any

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security into, shares, up to an aggregate nominal value of £17,635,220, £10,770,848, which is equivalent to approximately 33% 20% of the Company's total issued ordinary share capital (excluding treasury shares) as at April 22, 2022 April 21, 2023. This authority (unless previously revoked, varied or renewed by the Company) will expire at the end of the next annual general meeting of the Company or, if earlier, the close of business on the date that is fifteen (15) months after the 2022 2023 AGM, save that the directors may, before this authority expires, make offers or agreements which would or might require shares in the Company to be allotted, or rights to subscribe for, or convert securities into, shares to be granted, after its expiry and the directors may allot shares or grant rights to subscribe for, or convert securities into, shares pursuant to such offers or agreements as if this authority had not expired.

Under the Companies Act, the allotment of equity securities that are to be paid for wholly in cash must be offered first to the existing holders of equity securities in proportion to the respective nominal amounts (i.e., par values) of their holdings on the same or more favorable terms, unless a special resolution to the contrary has been passed or the Articles otherwise provide an exclusion of these pre-emption rights. In this context, equity securities generally means shares other than shares which, with respect to dividends or capital, carry a right to participate only up to a specified amount in a distribution, which, in relation to the Company, will include the ordinary shares, and all rights to subscribe for or to

convert securities into such ordinary shares. There are certain exceptions under the Companies Act, including for equity securities allotted pursuant to an employees' share scheme (as such term is defined in the Companies Act) and for equity securities wholly or partly paid up otherwise than in cash.

At the 2022 2023 AGM, the Company's shareholders passed a special resolution to give the Board the power to allot new equity securities for cash or to sell treasury shares held by the Company for cash, in each case without first offering them to shareholders in proportion to their existing holdings up to an aggregate nominal amount of: (a) £2,672,003 for any purpose; and (b) an additional £2,672,003 only for the purposes of financing an acquisition or other capital investment. The amounts set out under (a) and (b) are each £10,770,848, which is equal to approximately 5% (and together equal to approximately 10%) 20% of the Company's issued ordinary share capital (excluding treasury shares) as at April 22, 2022 April 21, 2023. This power (unless previously revoked, varied or renewed by the Company) will expire at the end of the next annual general meeting of the Company or, if earlier, the close of business on the date that is fifteen (15) months after the 2022 2023 AGM, save that the directors may, before this power expires, make offers or agreements which would or might require equity securities to be allotted and/or treasury shares to be sold after its expiry and the directors may allot equity securities and/or sell treasury shares pursuant to such offers or agreement as if this power had not expired.

Alteration of Share Capital/Repurchase of Ordinary Shares

Subject to the Companies Act, and without prejudice to any relevant special rights attached to any class of shares, the Company may, from time to time, among other things:

- increase its share capital by allotting and issuing new shares in accordance with the Articles and any relevant shareholder resolution (see "Authority to Allot New Shares and Pre-Emption Rights" above);
- consolidate all or any of its share capital into shares of a larger nominal amount (i.e., par value) than the existing shares, subject to this being approved by its shareholders by means of an ordinary resolution;
- subdivide any of its shares into shares of a smaller nominal amount (i.e., par value) than its existing shares, subject to this being approved by its shareholders by means of an ordinary resolution; or
- redenominate its share capital or any class of share capital, subject to this being approved by its shareholders by means of an ordinary resolution.

The Companies Act prohibits the Company from purchasing its own shares unless the terms of the contract pursuant to which the purchase(s) are to be made have been approved by its shareholders by means of an ordinary resolution.

Transfer of ordinary shares

The Articles allow holders of ordinary shares to transfer all or any of their shares by instrument of transfer in writing in any usual form or in any other form which is permitted by the Companies Act and is approved by the Company's board. The instrument of transfer must be executed by or on behalf of the transferor and (in the case of a transfer of any ordinary shares which are not fully paid) by or on behalf of the transferee.

The Company may not charge a fee for registering the transfer of a share.

The Company's board may, in its absolute discretion, refuse to register a transfer of shares in certificated form if it is not fully paid or is with respect to a share on which the Company has a lien and sums in respect of which the lien exists is payable and is not paid within 14 clear days after due notice has been sent. If the Company's board refuses to register a transfer of a share, it shall send notice to the transferee of notice of the refusal together with reasons for the refusal and any instrument of transfer shall (except in the case of fraud) be returned when the notice of refusal is sent.

Material U.K. Tax Consequences of Holding Ordinary Shares for U.S. Holders

The following summarizes certain U.K. tax consequences generally applicable to ordinary shares and is based on current U.K. tax law and HM Revenue & Customs ("HMRC") published practice, both of which are subject to change. It does not purport to be a complete analysis of all U.K. tax considerations which may arise. It relates only to persons who (i) are absolute beneficial owners holding ordinary shares as a capital investment, (ii) are resident for tax purposes solely in the United States, and (iii) do not carry on (whether solely or in partnership) any trade, profession or vocation in the United Kingdom through a branch or agency to which those shares are attributable, or, in the case of corporate holders of ordinary shares, do not carry on a trade in the United Kingdom through a permanent establishment to which those shares are attributable (persons meeting each of the descriptions in (i), (ii) and (iii) being "US Holders"). It may not apply to certain categories of U.S Holders, such as those who acquired their ordinary shares in connection with employment.

Shareholders should consult their own tax advisors in respect of the tax consequences related to receipt, ownership, purchase or sale or other disposition of their ordinary shares.

Dividends

U.S. Holders will not be subject to U.K. income tax or U.K. corporation tax on income in relation to any dividends received in respect of their ordinary shares. Additionally, no U.K. tax is required to be withheld from any dividends paid in respect of ordinary shares.

Disposition and Transfers

U.S. Holders will not be subject to U.K. tax on capital gains arising on the disposal of their ordinary shares.

Treaty relief

If the U.K. tax treatment of dividends paid to U.S. Holders, or on the U.K. taxation of capital gains realized by U.S. Holders from the disposal of ordinary shares, were to change, then eligible U.S. Holders may be able to claim relief from applicable U.K. tax

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under the provisions of the tax treaty between the U.K. and the United States of America. Relief under the treaty generally has to be claimed rather than applying automatically.

Stamp duty and stamp duty reserve tax ("SDRT")

Transfers of ordinary shares within a clearance service or depositary receipt system should not give rise to a liability to U.K. stamp duty or SDRT, provided that no instrument of transfer is entered into executed and that no election that applies to ordinary shares is, or has been, made by the clearance service or depositary receipt system under Section 97A of the U.K. Finance Act 1986. We understand that HMRC regards the facilities of the Depositary Trust Company as a clearance service for these purposes.

Transfers of ordinary shares within a clearance service or depositary receipt system where an election has been made by the clearance service or depositary receipt system under Section 97A of the U.K. Finance Act 1986 will generally be subject to SDRT (rather than U.K. stamp duty) at the rate of 0.5% of the amount or value of the consideration or, in certain circumstances, the value of the shares. SDRT is a liability of the transferee of the shares.

Transfers of ordinary shares that are held in certificated form by means of an instrument of transfer will generally be subject to U.K. stamp duty at the rate of 0.5% of the consideration given (rounded up to the nearest £5 per instrument), typically (although not necessarily) payable by the transferee. An exemption from U.K. stamp duty is available for a written instrument transferring an interest in ordinary shares where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000.

SDRT may be payable on an agreement to transfer such ordinary shares, generally at the rate of 0.5% of the consideration given in money or money's worth under the agreement to transfer ordinary shares. This agreement. Any SDRT paid would be refundable, and any unpaid charge to SDRT would be discharged, if an instrument of transfer is executed pursuant to the agreement which gave rise to the SDRT and U.K. stamp duty is duly paid on the instrument transferring the relevant ordinary shares within six years of the date on which the agreement was made or, if the agreement was conditional, the date on which the agreement became unconditional.

In certain circumstances the stamp duty or SDRT liability may be calculated by reference to the market value of the ordinary shares concerned in the relevant transaction, rather than the consideration given for the transfer or agreement for transfer.

If ordinary shares (or interests therein) are subsequently transferred into a clearance service or depositary receipt system, U.K. stamp duty or SDRT will generally be payable at the rate of 1.5% of the amount or value of the consideration given or, in certain circumstances, the value of the shares (save to the extent that an election has been made under Section 97A of the U.K. Finance Act 1986). This liability for U.K. stamp duty or SDRT will strictly be accountable for by the clearance service or depositary receipt system, as the case may be, but will, in practice, generally be reimbursed by participants in the clearance service or depositary receipt system.

Transfers through CREST of CREST depositary interests (“CDIs”), representing underlying ordinary shares will be generally liable to SDRT, rather than U.K. stamp duty, at the 0.5% rate. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system.

This discussion is for general information only and does not constitute tax or legal advice. In addition, US Holders should consult their own tax advisors regarding the U.S. tax consequences of the purchase, ownership and disposition of ordinary shares.

Stock Exchange Listing

The ordinary shares trade on Nasdaq under the symbol “LIVN”.

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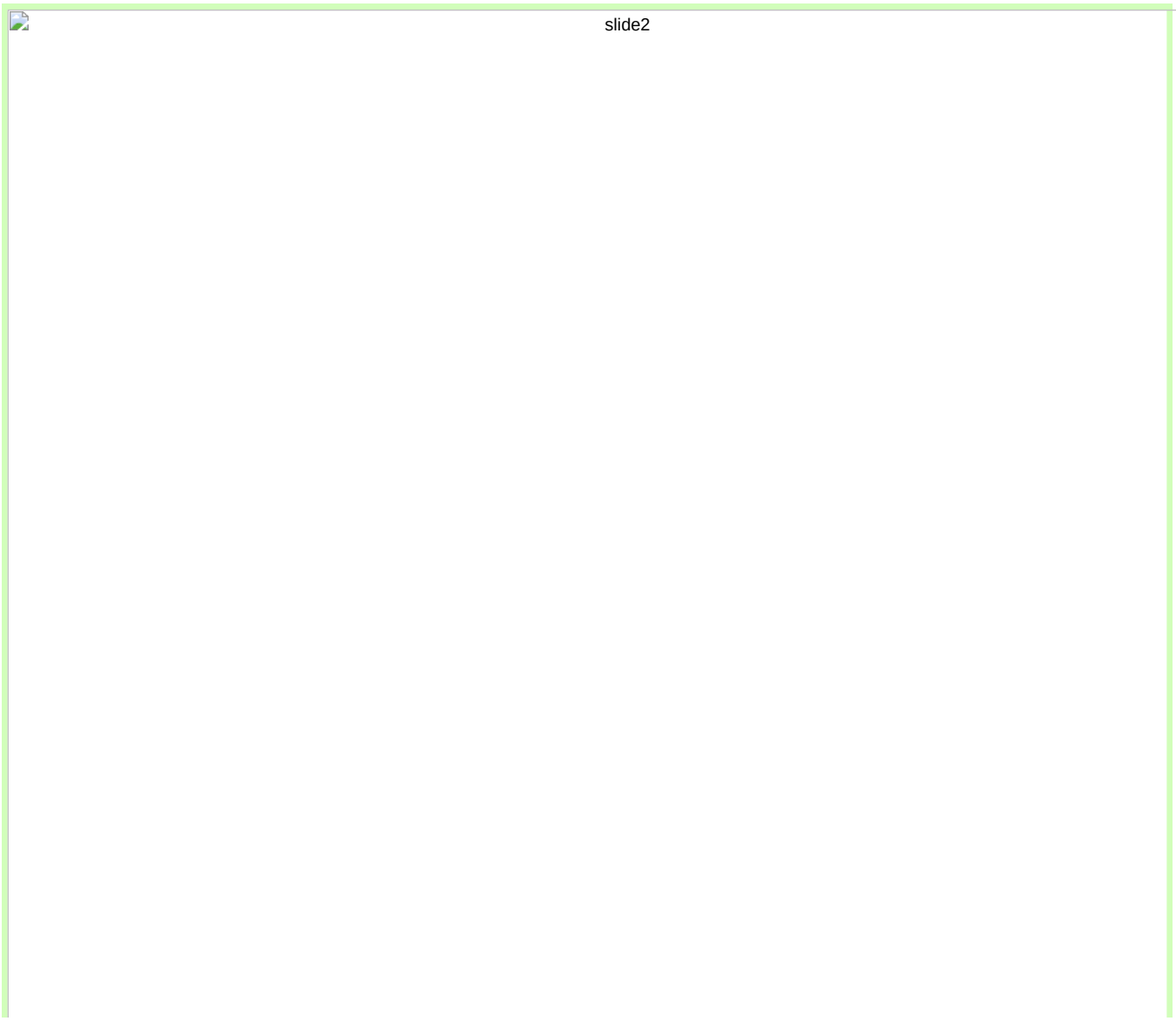
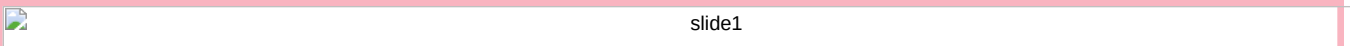
Exhibit 10.6 Stock Option Award Notification and Agreement Cyberonics, 1 October 31, 2022 Michael Hutchinson Ridgewood, New Jersey Dear Mike, We are pleased to offer you employment with LivaNova USA is committed to providing competitive compensation and benefits for its employees. Equity awards are one of the ways that we reward employees whose talent, commitment and exceptional performance help make us a strong and successful company. Thank you for your hard work and dedication to building a successful company, and congratulations on a job well done. Award Type : Grant ID : Name ("Optionee") : Grant Date : Exercise Price Per Share ("Exercise Price") : Total Number of Shares Granted ("Shares") : Expiration Date : Cyberonics, Inc., a Delaware corporation has adopted a wholly owned subsidiary of LivaNova PLC ("LivaNova"), as Cyberonics, Inc. 2009 Stock Plan (as amended, the "Plan" Senior Vice President (SVP) Chief Legal Officer, effective from 14. November 2022 (your 'start date'), pursuant to which an option to purchase common stock of the Company may be granted. 1. Incorporation by Reference. The provisions of the Plan are hereby incorporated herein by reference. All terms used herein shall have the meaning ascribed to such terms in the Plan unless the context herein clearly requires otherwise. In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Agreement, the terms and conditions of the Plan shall prevail. 2. Grant of Stock Option Award. The Company hereby grants to the Optionee on the Grant Date a stock option award ("Option"), of the Award Type and in the amount of the Total Number of Shares Granted set forth above. Agreement letter. In this role, you will report to me serve otherwise provided a member of the Executive Leadership Team ("ELT") of LivaNova PLC. Your principal place of employment will be the Company's office in Houston, Texas. Base Salary: You will receive an annual base salary of $490,000 ("Base Salary"), payable by the Company bi-weekly in accordance with its normal payroll practices and subject to all applicable withholdings and deductions. You will be eligible for a merit increase in 2023, at the same time as other executive officers of the Company. Annual Incentive Compensation: You will be eligible to participate Company's annual Short Term Incentive Compensation including future amendments thereto, if or pursuant to successor or replacement program, with each year's annual bonus having a target of 65% of your Base Salary, calculated and payable in accordance with terms thereof. The Optionee hereby accepts Company's normal practices. For Option to purchase 2022 performance year, you will be eligible for a pro-rated annual bonus, payable based on shares at the Exercise Price set forth above days you are employed during 2022 and based terms Company's actual performance during 2022 relative to the established metrics. Long-Term Incentives: You will be eligible to participate in the Company's Long-Term Incentive Plan ("LTIP") beginning in 2023. The annual target grant-date aggregate value of awards made to you under the LTIP will be $1,000,000. Regular annual LTIP awards are comprised of Performance Share Units, Stock Appreciation Rights, conditions set forth in this Agreement. 3. Terms and Conditions (a) Vesting Schedule. Twenty-five percent (25%) of Time-Based Restricted Stock Units. Awards under Shares LTIP are Option shall vest approval of the Compensation Committee of LivaNova's Board of Directors. Employee Health and Welfare Benefits: You will be offered the same benefits as all other US employees of the Company upon meeting eligibility requirements as provided for in any benefit plan documents, including participating in the Company's 401(k) plan, and any benefits provided to other executives commensurate with your job level, such as tax advice. The Company reserves the right to change or terminate any aspect of our benefit offerings at any time.

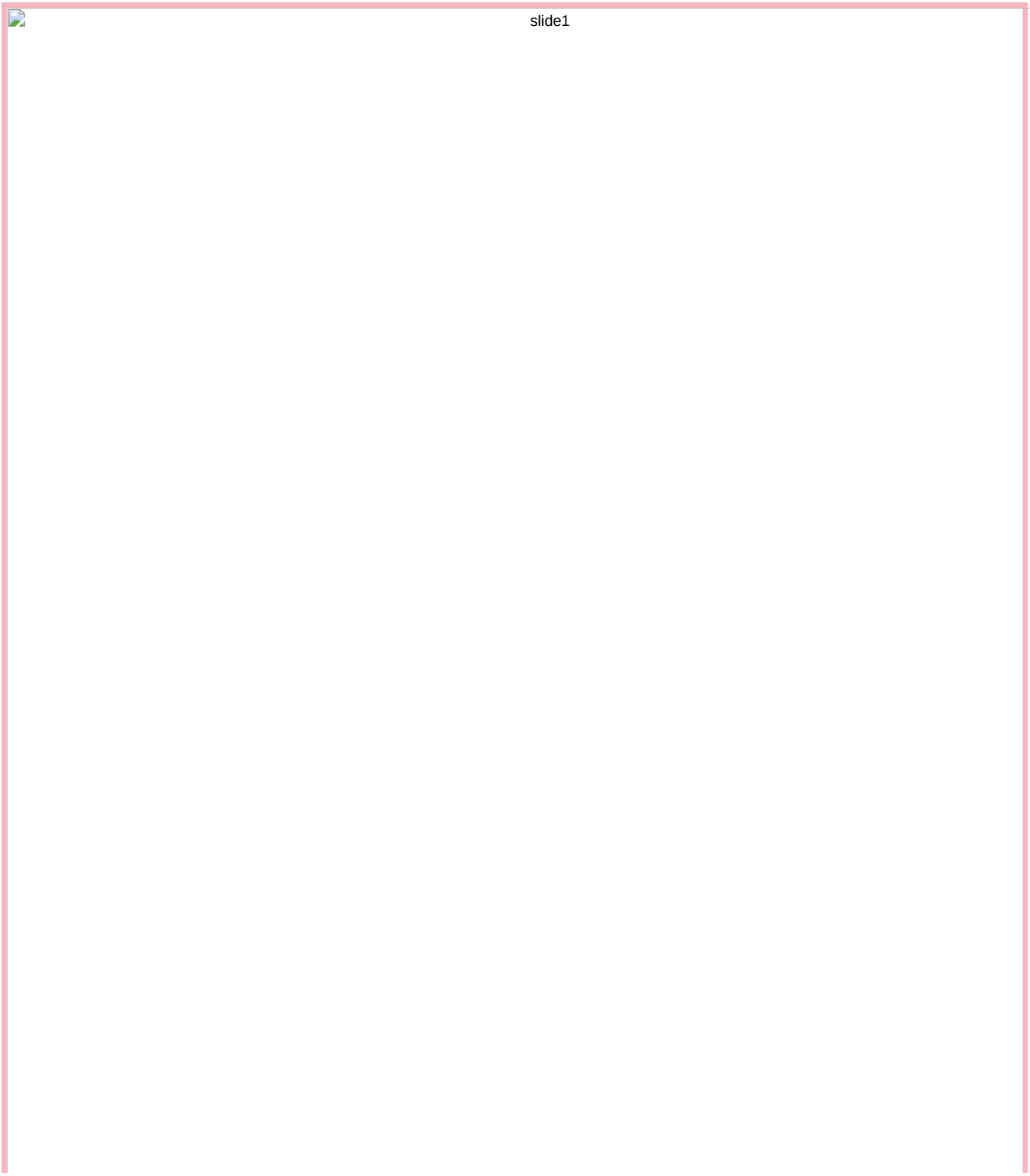


2 New Hire Cash Bonus: You will receive a one-time cash bonus in the amount of $200,000 (less applicable withholdings and deductions) to be paid in three installments: 50% on the first payroll date after your start date; 25% on the first payroll date six months after your start date; and 25% on the first payroll date after the first anniversary of your start date, subject to your continued employment through the applicable vesting date. If you voluntarily terminate your employment with the Company within one (1) year of your start date, the Company reserves the right to seek a pro-rata repayment of this one-time bonus. One Time Restricted Stock Unit Grant: On LivaNova's next quarterly equity grant date after your start date, we will recommend to the Compensation Committee that you be granted a one- time Restricted Stock Unit ("RSU") award under the LTIP with a grant-date value of $500,000, vesting 25% per year Grant Date, subject grant date. Relocation Assistance: You agree relocate to Houston, Texas within 24 months after your start date. LivaNova provides assistance with your relocation from your current home in New Jersey to Houston, Texas by providing relocation services through Optionee continuing to be a Service Provider on such dates, until the Option is fully vested. (b) Termination Period. To the extent vested Company's preferred vendor, including closing costs Optionee's termination sale service, this Option your principal residence and on your new home, costs of the move of goods to your new home, and a miscellaneous allowance of $5,000. A copy of the relocation policy is attached. The miscellaneous allowance exercised used to pay, ninety (90) days after example. Optionee ceases costs for excess baggage or air shipment meant address immediate needs while awaiting ground shipment delivery. Any possible tax liability arising from relocation assistance is your responsibility and will not paid by the Company. If you voluntarily terminate your employment with the Company within one (1) year of your relocation, the Company reserves the right to seek full repayment of all paid or reimbursed relocation assistance costs, including Temporary Living costs described below. Temporary Living: During the first twelve months of your employment, you will be provided accommodation in London sufficient to meet your needs for the time that you spend in LivaNova's London office. For your relocation to Houston, the Company supports temporary living expenses for up to $12,000 in the host location while you and your spouse are in between permanent housing. Temporary living expenses are covered in accordance with LivaNova's travel and expense policies. Please retain receipts for these expenses. Stock Ownership Policy: LivaNova's stock ownership policy requires you to maintain ownership of LivaNova equity with Service Provider and shall then terminate. Upon the death [or][,] Disability [, or Retirement] of the Optionee while a Service Provider, this Option shall be fully vested market value equal to three times your current salary. At Will Employment: Your employment is "at will" exercised during terminated with or without cause, and with or without notice, at any time by one-year after Company or by you; provided that you shall be required to give Optionee ceases to be a Service Provider and shall then terminate on Company two (2) months' advance written notice of first anniversary of such voluntary service. However, in no event may this Option be exercised after the Expiration Date as provided above. your employment. Providing notice does not create an express or implied contract for continued

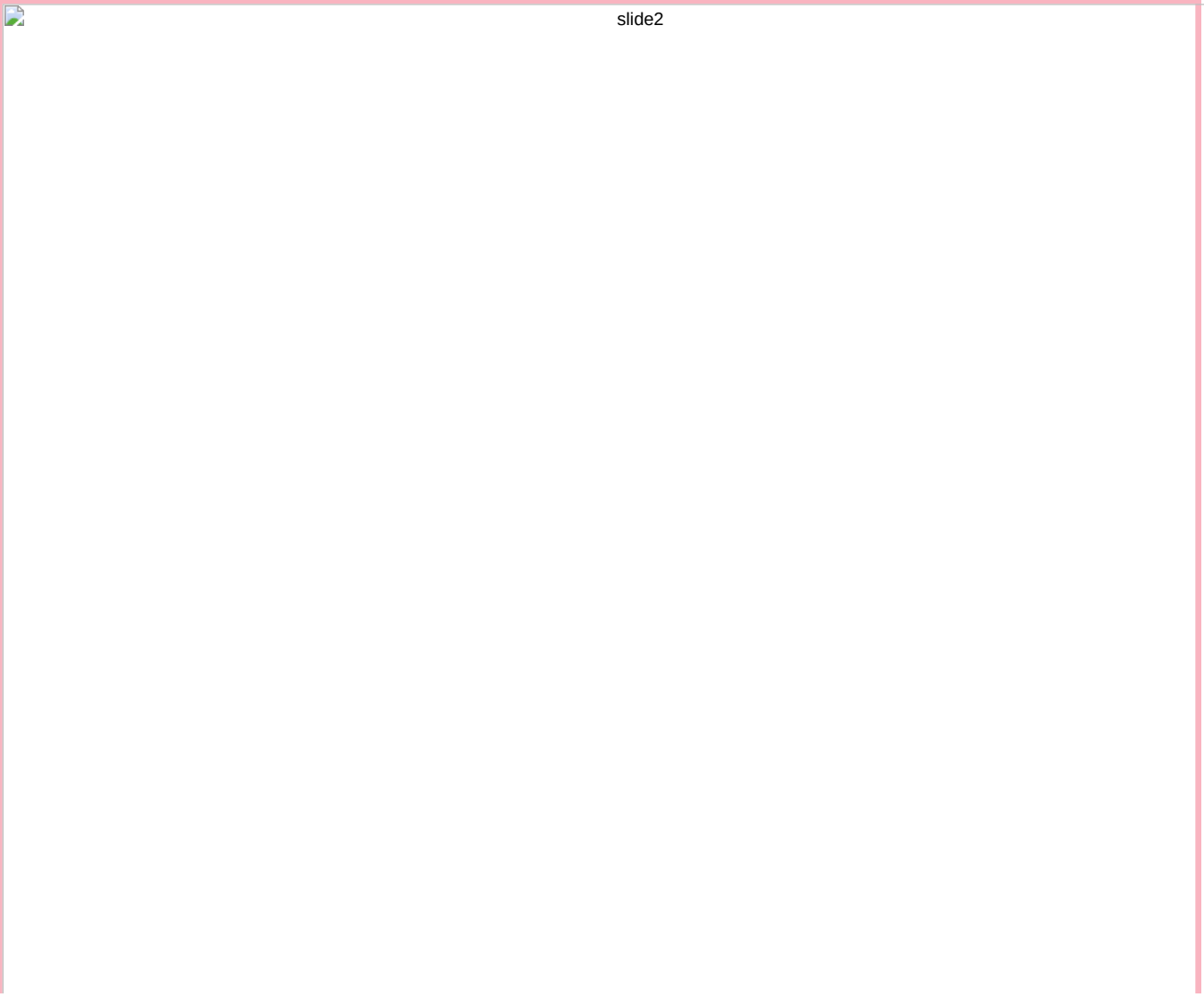
(c) Taxes. The Optionee shall pay to 3 employment or employment for a fixed period. If your employment is terminated by promptly without cause, then contingent request, and your execution, within 30 days following receipt, of a release of claims any event at the time the Optionee recognizes taxable income in respect of the Option, an amount equal to the taxes, if any, a form provided by determines it is required and such release becoming effective according withhold under applicable tax laws with respect to the Option ("Taxes"). Such payment shall be made in the form of cash. In the event that the Optionee fails to pay the Taxes to the Company promptly upon request, the Optionee agrees that its terms have provide you with a lump-sum severance payment equal to twelve (12) months of your then-current base salary (less applicable withholdings and deductions), which shall be paid within 30 days following your termination date, and any other benefits to which you may be entitled under right Company's severance policies and practices for executive officers. This letter is not intended withhold alter taxes from compensation or other amounts payable by employment-at-will relationship between you and to the Optionee. In the event that the Optionee invokes the use in any way. It does, however, supersede any other written or verbal representation made by a representative a cashless exercise process, the Optionee agrees that shall be entitled or LivaNova relative withhold your employment with the Company. Representations: You have not entered into any agreements, understandings, or arrangements with any person or entity that you would breach as a result of, or that would in any way preclude or prohibit you distribution to the Optionee an amount equal to the Taxes. (d) Book-Entry Shares. On the exercise accepting this offer an Option, employment, being employed with shall deliver shares of its common stock in book-entry electronic form. In no event shall the Company have an obligation to deliver certificates witnessing the shares. (e) Incentive Stock Options. If designated above as an Incentive Stock Option ("ISO"), this Option is intended to qualify as an Incentive Stock Option under Section 422 of the Code. However, if this Option is intended to be an Incentive Stock Option, to the extent that it exceeds the $100,000 rule of Code Section 422(d), it shall be treated as a Nonstatutory Stock Option ("NSO"). If the Optionee sells or otherwise disposes of performing Shares acquired pursuant duties and responsibilities provided for in this letter. You do not possess any confidential, proprietary business information belonging an ISO on or before any former employer and you will not use any confidential, proprietary business information belonging to any former employer in connection with your employment with later Company. Conditions: This employment offer is conditional upon: (a) satisfactory completion, in the Company's sole discretion, (i) two years after the Grant Date, or (ii) one year after the exercise date, the Optionee shall immediately notify a pre-employment background investigation, which may include, but not be limited to, a review of academic records, employment history, consumer credit, criminal history, driving record, references, and drug screening; (b) receiving proof of your authorization to work writing the United States; and (c) your execution such disposition. In event that Company's "Confidentiality Agreement" and "Inventions, Confidentiality and Non-Compete Agreement" on your start date. Entire Agreement: This letter constitutes the entire agreement between you and determines that the Optionee is subject to tax withholding by the Company on the compensation income recognized from such early disposition of ISO Shares, the Optionee agrees that payment of such tax shall be subject relating terms of Section 3(c) of this Agreement. (f) Binding Effect. subject matter hereof and supersedes all prior or simultaneous representations, discussions, negotiations, and agreements, whether written or oral. Agreement shall letter may binding upon amended or modified only by a written agreement, signed by you inure to benefit of any successors to the Company and all persons lawfully claiming under the Grantee. (g) Controlling Law. Company. No oral waiver, amendment or modification will be effective. Governing Law. Agreement shall letter will regard to conflicts of laws principles. Cyberonics, Inc.



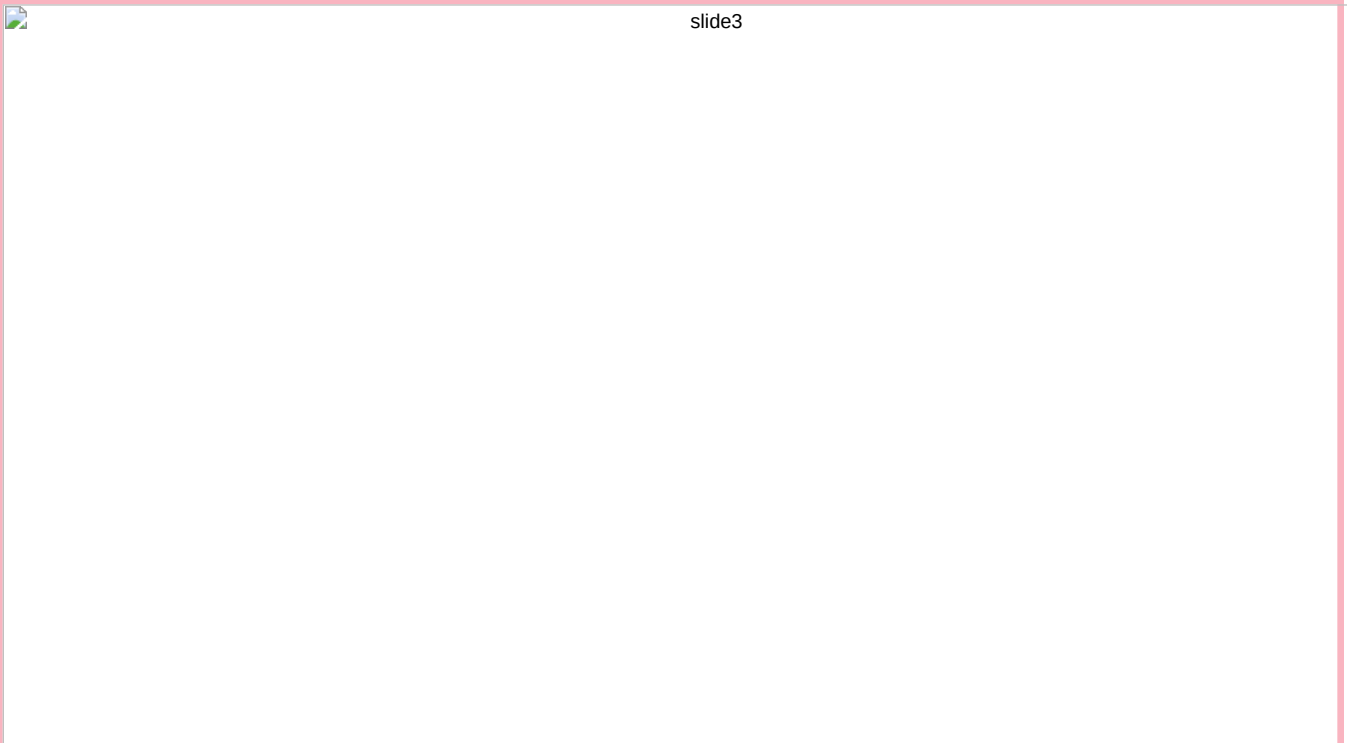
Alex Shvartsburg Chief Financial Officer, LivaNova December 2022 Dear Alex, The Board of Directors of LivaNova (the "Board") and I are pleased to inform you that effective January 1, 2023, your gross annual base salary will be increased to £430,000. This increase includes both a market calibration adjustment and an accelerated 2023 merit increase, which on this occasion, has been brought forward to January from April 2023. This reflects my and the Board's satisfaction with you in your role as CFO for the Company as well as your service as a business partner to me and the Executive Team. Thank you. Best regards, Damien McDonald Chief Executive Officer



[AM_ACTIVE 404297993_4] IMPORTANT NOTICES European Union/ European Economic Area ("EU/EEA") In relation to each Member State of the EEA, an offer giving effect to a public conflict any securities that comprise the SARs (as defined below) (together "Securities") which are the subject of the offer contemplated by this Grant Notice (as defined below) may not be made in that Member State, except that an offer to the public in that Member State of any Securities may be made at any time under the following exemptions under the Prospectus Regulation: (a) where it is addressed solely to qualified investors as defined in the Prospectus Regulation; (b) where it is addressed to fewer than 150 natural or legal persons per Member State (other than qualified investors as defined in the Prospectus Regulation); or (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of Securities shall require the Company (as defined below) to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. For these purposes, the expression an "offer to the public" in relation to any Securities in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Securities to be offered so as to enable a recipient of such offer to decide to purchase any Securities, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129. These restrictions apply in addition to any other selling restrictions set out in this Grant Notice. Italy The offer of the SARs is exempted from prospectus requirements under Italian securities and, in particular, under Article 34-ter, paragraph 1, of the Italian Market Authority (CONSOB) Regulation No. 11971 of May 14, 1999. No person resident or located in Italy other than the original recipients of this document and any other document related to the SARs may rely on such documents or their content. Japan Since the solicitation to the signatory hereof is considered a "Solicitation to a Small Number of Investors" under Article 23-13(4) of the Financial Instruments Exchange Act of Japan (the "FIEA"), notification under Article 4(1) of the FIEA has not been made. Singapore Each Participant is hereby advised that the Plan is not being registered under the Securities and Futures Act 2001 of Singapore on the basis that the grant of any SARs to the Participant is exempt from the requirement to issue a prospectus on the basis that all Participants qualify as a "Qualifying Person" in accordance with Section 273(1)(i) and 273(4) of the Securities and Futures Act 2001 of Singapore. United Kingdom In relation to the United Kingdom, an offer to the public of any Securities which are the subject of the offer contemplated by this Grant Notice may not be made in the United Kingdom, except that



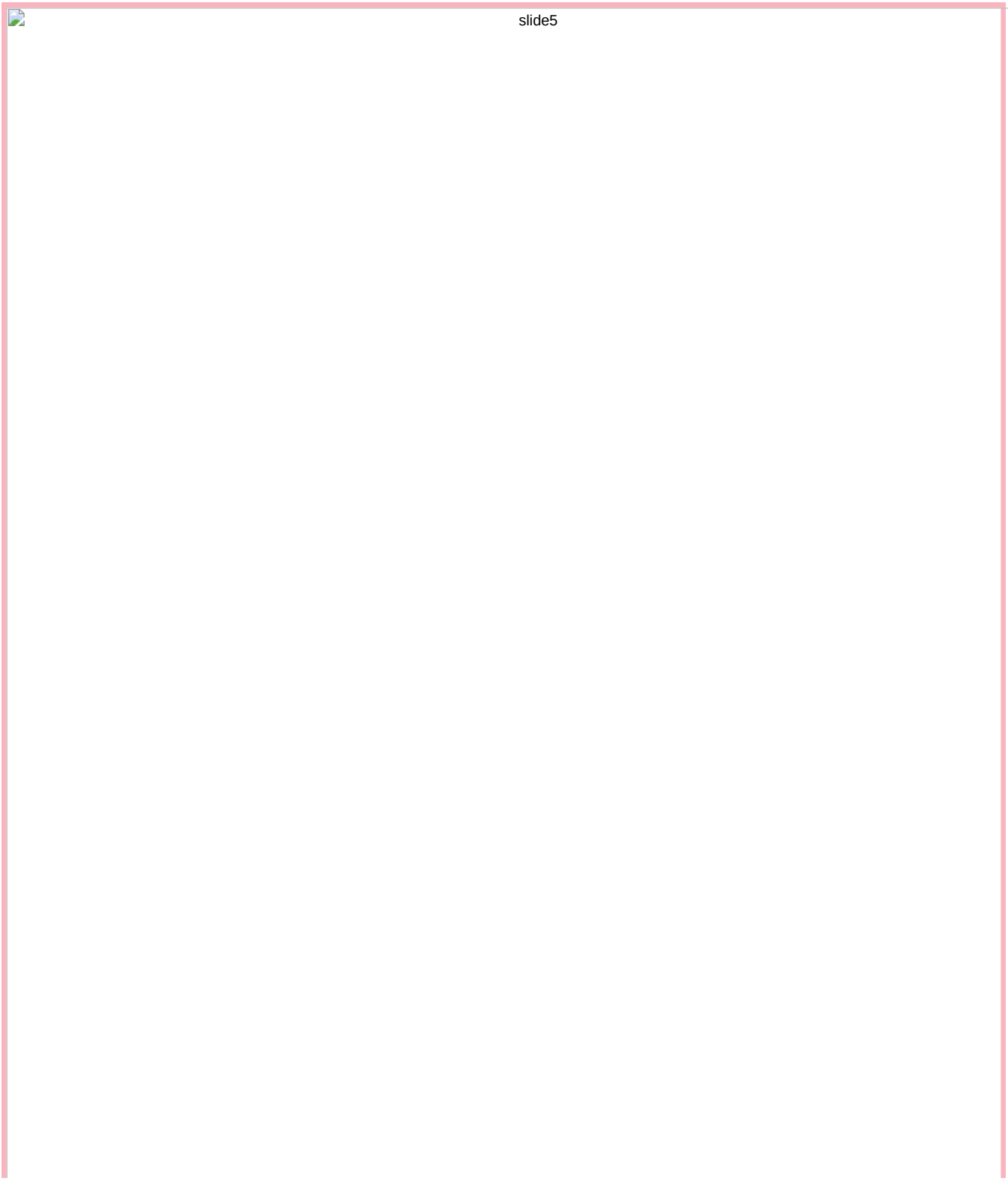
2 [AM_ACTIVE 404297993_4] an offer to the public in the United Kingdom of any Securities may be made at any time under the following exemptions under the Prospectus Regulation as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA") (the "UK Prospectus Regulation"): (a) where it is addressed solely to qualified investors as defined in the UK Prospectus Regulation; (b) where it is addressed to fewer than 150 natural or legal persons in the United Kingdom (other than qualified investors as defined in the UK Prospectus Regulation); or (c) in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000 (as amended) ("FSMA"), provided that no such offer of Securities shall require the Company to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For these purposes, the expression an "offer to the public" in relation to any Securities in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Securities to be offered so as to enable a recipient of such offer to decide to purchase any Securities, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129. These restrictions apply in addition to any other selling restrictions set out in this Grant Notice. This Grant Notice is only being distributed to and is only directed at persons who are employees or former employees of the Company or of another member of the same group as the Company and any persons falling within Article 60(2)(a) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") (such persons being referred to as "relevant persons"). All securities that comprise the SARs (together "Securities") are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.



3 [AM_ACTIVE 404297993_4] LIVANOVA PLC 2022 INCENTIVE AWARD PLAN STOCK APPRECIATION RIGHT GRANT NOTICE LivaNova PLC, a public limited company incorporated under the laws of England and Wales (the "Company"), pursuant to its 2022 Incentive Award Plan, as amended from time to time (the "Plan"), hereby grants to the holder listed below ("Participant") an award of stock appreciation rights over the number of ordinary shares of the Company ("Shares") set forth below (each, a "SAR", and collectively, the "SARs"). Upon exercise, each SAR represents the right to receive an amount equal to the Fair Market Value of one Share on the date of exercise less the Exercise Price per Share set forth below. Payment of such amount shall be in cash, Shares (based on their Fair Market Value as of the date the SAR is exercised) or a combination of both, as determined by the Administrator. The SARs are subject to the terms and conditions set forth in this Stock Appreciation Right Grant Notice (this "Grant Notice"), the Stock Appreciation Right Agreement attached hereto as Exhibit A (the "Agreement"), the Plan and the special provisions for Participant's country of residence, if any, attached hereto as Exhibit B (the "Foreign Appendix") and the additional country-specific data protection information attached hereto as Exhibit C, each of which is incorporated herein by reference. Unless otherwise defined herein, the terms defined in (or by reference in) the Plan shall have the same defined meanings in this Grant Notice and the Agreement. Participant: [ ] Grant Date: [ ] Exercise Price Per Share: $[ ] Total Number of Shares Subject to SARs: [ ] Expiration Date: [ ] Vesting Schedule: Subject to the terms and conditions of the Agreement, the SARs will vest as follows: [ ] By clicking the "ACCEPT" button, the Participant and the Company agree to be bound by the terms and conditions of the Plan, the Agreement, the Foreign Appendix, if applicable, and this Grant Notice all of which the Participant can access through a link from the Grant Notice. The Participant has reviewed the Plan, the Agreement, the Foreign Appendix, if applicable, and this Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to accepting and agreeing to be bound by them, and fully understands all provisions of this Grant Notice, the Agreement, the Foreign Appendix, if applicable, and the Plan. The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice, the Foreign Appendix, if applicable or the Agreement. principles thereof.

[AM_ACTIVE 404297993_4] By clicking "ACCEPT" you confirm that you understand and agree to be bound by the market sell order below. This will apply where the Company elects that any Tax Liability arising in respect of your SARs shall be satisfied pursuant to Section 4.5(a)(v) of the Agreement with respect to any Shares then issuable to you upon exercise of your SARs. I understand that by clicking "ACCEPT", I am instructing each broker-dealer who is a member of the Financial Industry Regulatory Authority and appointed by the Company from time to time for the purposes of this market sell order as my agent (the "Agent") to execute this order to sell such number of Shares then issuable to me upon exercise of my SARs as is sufficient to (A) obtain cash for payment of any withholding taxes or other Tax Liability due as a result of the grant, exercise, vesting or settlement of my SARs that the Company, Subsidiary or Employer is required or authorised, or reasonably believes it is required or authorised, to withhold, pay or account for (such amount being "Tax"), including any previously vested SARs that are currently pending settlement or outstanding unvested SARs; and (B) cover all applicable fees and commissions due to, or required to be collected by, the Agent with respect to such sale. Any residual cash after payment of the Tax, commissions and fees will be deposited into my brokerage account with the Agent. The Agent may (A) execute my order in a single transaction or multiple transactions during the course of the trading day, or (B) aggregate my order with other orders for other sellers of Shares, execute them as a block or in multiple smaller transactions, and allocate an average price to each seller. In addition, I acknowledge that it may not be possible to execute my order to sell Shares at the relevant time due to (A) a legal or contractual restriction applicable to me or the Agent, (B) a market disruption, or (C) Nasdaq rules governing order execution priority. In the event of the Agent's inability to execute my order to sell Shares, I understand that I will continue to be responsible for the timely payment to the Company, Subsidiary or Employer (as applicable) of all Tax. I understand that this order will not be accepted by the Agent, and my order will not be executed, until I open a brokerage account with the Agent. I also

understand that this order will be executed in my brokerage account and will be subject to the terms and conditions that I agree to for that account. I permit the Agent to discuss with and disclose to the Company any information relating to my brokerage account for the purposes of this order. I hereby agree to execute and deliver to the Agent any other agreements or documents as the Agent reasonably deems necessary or appropriate to carry out the purposes and intent of this order. I understand that the Agent is a third-party beneficiary of this order. You must also check your W-9 or W-8 tax certification to confirm it will be in effect on the sale date(s). You can view the current status of your W-9 or W-8 on the Agent's platform.



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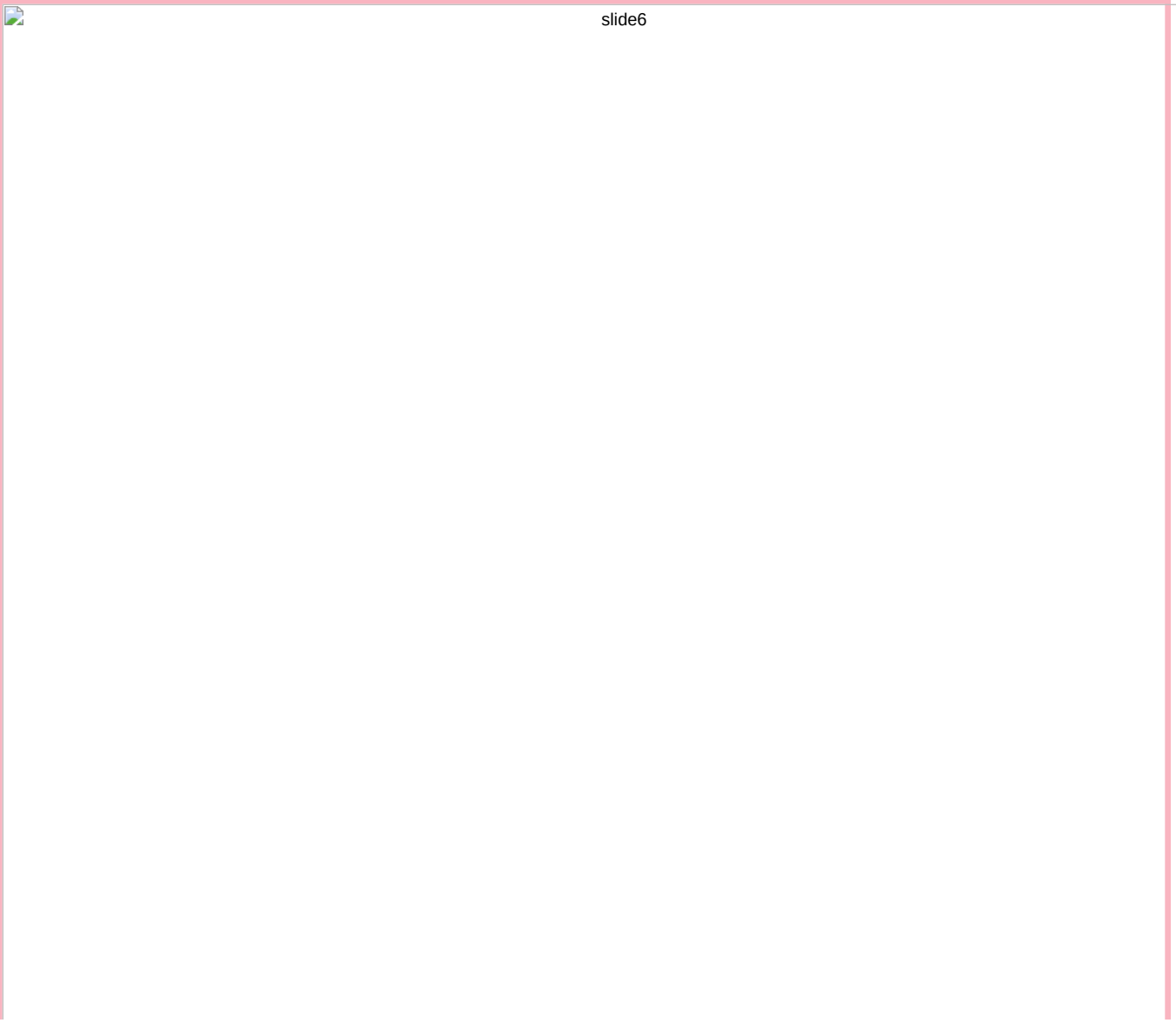
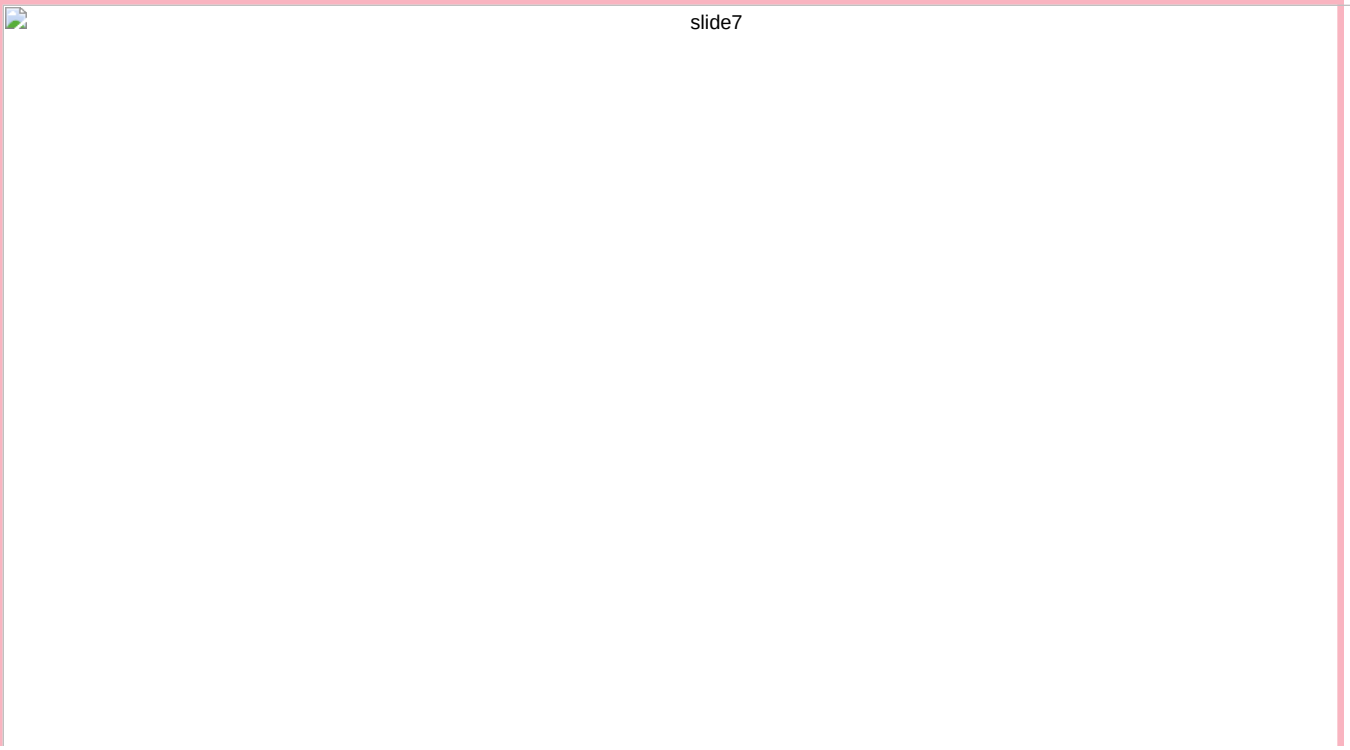
5 [AM_ACTIVE 404297993_4] EXHIBIT A TO STOCK APPRECIATION RIGHT GRANT NOTICE STOCK APPRECIATION RIGHT AGREEMENT Pursuant to the Stock Appreciation Right Grant Notice (the "Grant Notice") to which this Stock Appreciation Right Agreement (this "Agreement") is attached, LivaNova PLC, a public limited company incorporated under the laws of England and Wales (the "Company") has granted to Participant Stock Appreciation Rights ("SARs") under the Company's 2022 Incentive Award Plan, as amended from time to time (the "Plan") over the number of Shares set forth in the Grant Notice. ARTICLE 1. GENERAL 1.1 Defined Terms. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan or the Grant Notice. For purposes of this Agreement: (a) "Disability" shall be defined as in Participant's employment letter or agreement with the Company or a Subsidiary, as amended from time to time, or if Participant is not a party to such a letter or agreement or such letter or agreement does not contain such a definition, shall mean Participant's inability to engage in any substantial gainful activity by reason of any physical or mental impairment that can be expected to result in death or that can be expected to last for a continuous period of not less than 12 months, in each case, which has been determined by a registered medical professional, and subject to Applicable Law. 1.2 Incorporation of Terms of Plan and Foreign Appendix. The SARs and the Shares issued to Participant hereunder are subject to the terms and conditions set forth in the Plan and the Foreign Appendix, if applicable, each of which is incorporated herein by reference, as well as this Agreement. In the event of any inconsistency between the Plan and/or this Agreement, the terms of the Plan shall control. In the event of any inconsistency between the Plan and/or this Agreement with the Foreign Appendix, the terms of the Foreign Appendix shall control. ARTICLE 2. GRANT OF SARS 2.1 Grant of SARs. (a) In consideration of Participant's past and/or continued employment with the Company or a Subsidiary and for other good and valuable consideration, effective as of the grant date set forth in the Grant Notice (the "Grant Date"), the Company has granted to Participant the number of SARs over the aggregate number of Shares set forth in the Grant Notice, upon the terms and conditions set forth in this Agreement, the Grant Notice, the Plan and, if applicable, the Foreign Appendix, subject to adjustment as provided in Section 12.2 of the Plan.



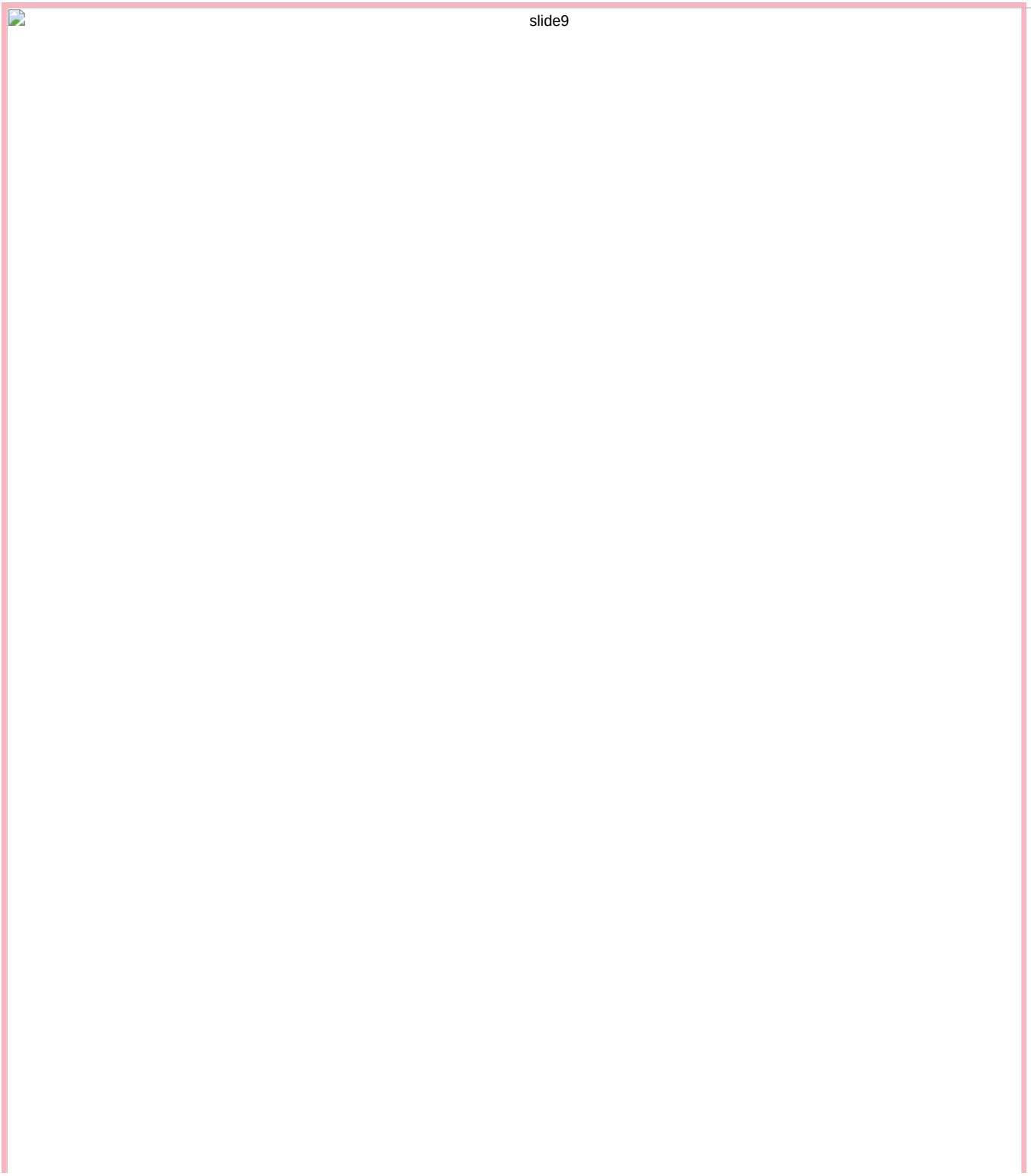
6 [AM_ACTIVE 404297993_4] 2.2 Exercise Price. The exercise price per share of the Shares covered by the SARs (the "Exercise Price") shall be as set forth in the Grant Notice. 2.3 Consideration to the Company. In consideration of the grant of the SARs by the Company, Participant agrees to render faithful and efficient services to the Company or any Subsidiary. Nothing in the Plan, the Grant Notice, the Foreign Appendix, if applicable or this Agreement shall confer upon Participant any right to continue in the employ of the Company or any Subsidiary or shall interfere with or restrict in any way the rights of the Company and the Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the employment of Participant at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise by Applicable Law or in a written agreement between the Company or a Subsidiary and Participant. ARTICLE 3. PERIOD OF EXERCISABILITY 3.1 Commencement of Exercisability. (a) Subject to Participant's continued employment with the Company or a Subsidiary on each applicable vesting date and subject to Sections 3.1(b), (c), (d), (e), 3.2 and 3.3 hereof, the SARs shall become vested and exercisable in such amounts and at such times as are set forth in the Grant Notice. (b) In the event Participant incurs a Termination of Service, except as may be otherwise provided by this Section 3.1, the Administrator or as set forth in a written agreement between Participant and the Company, Participant shall immediately forfeit any and all SARs granted under this Agreement which have not vested or do not vest on or prior to the date on which such Termination of Service occurs, and Participant's rights in any such SARs which are not so vested shall lapse and expire. (c) In the event a Participant incurs a Termination of Service due to an Approved Retirement, the Participant's outstanding SARs will not be forfeited upon such Approved Retirement, but instead outstanding SARs shall continue to vest on the date(s) set out in the Grant Notice (provided all other terms which apply to the SARs are met, including the terms regarding restricted activities set forth below). "Approved Retirement" means a Termination of Service designated by the Committee, in its absolute discretion, as an Approved Retirement. In exercising its discretion in designating a Termination of Service as an Approved Retirement, the Committee will strongly consider management recommendations based on each specific situation including the Participant's expressed commitment at the time of Termination of Service to cease any form of full-time paid work (including, but not limited to, self-employment; agency work; or employment), Participant's tenure of service and performance records throughout the Participant's employment or engagement by the Company or its Subsidiaries.



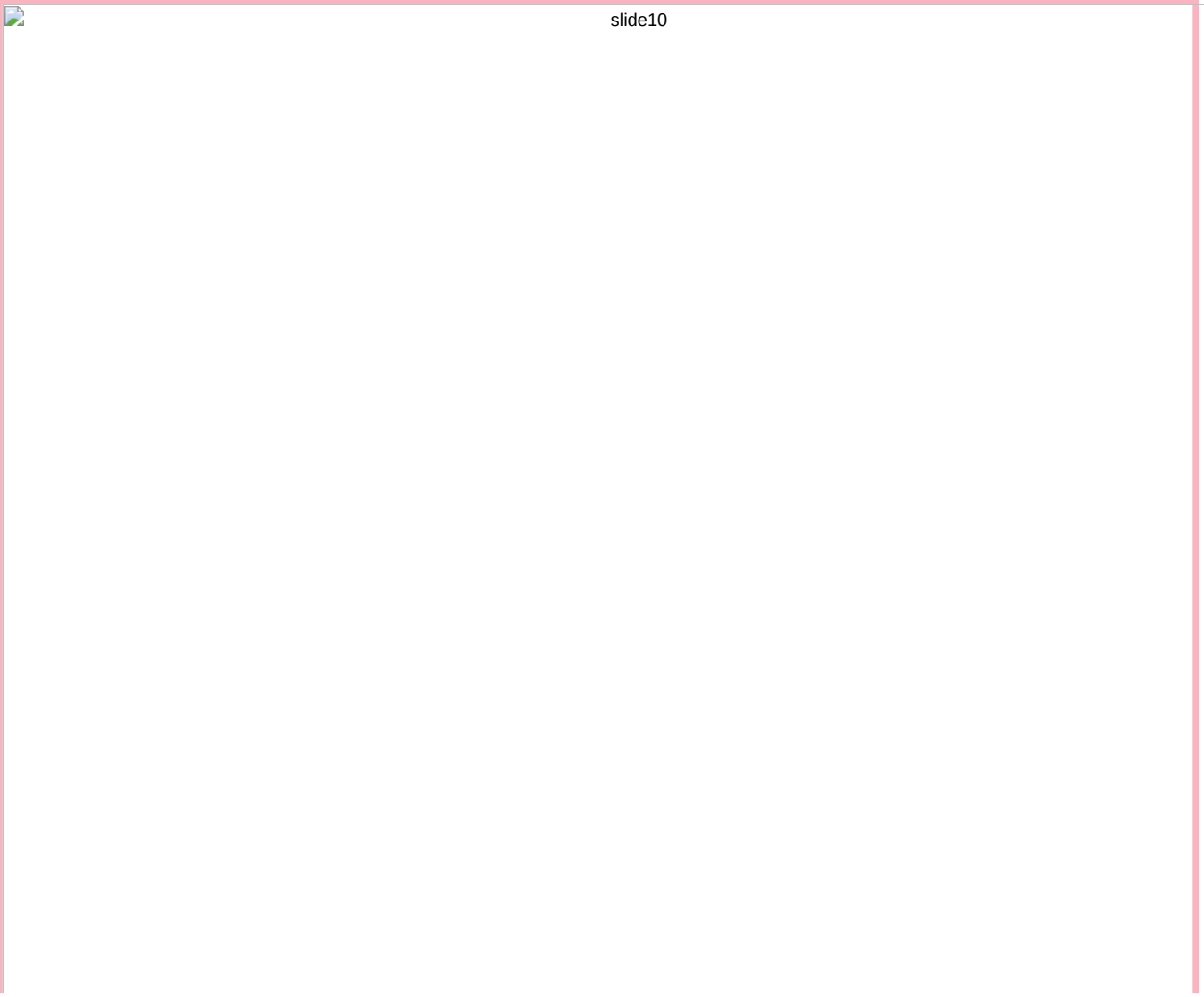
7 [AM_ACTIVE 404297993_4] In the event the Company determines that a Participant who incurs a Termination of Service designated as an Approved Retirement commits a material breach of any fiduciary, confidentiality, non-disclosure, non-competition, non-solicitation, non-interference, non- disparagement obligations to the Company or its Subsidiaries (including without limitation, the Participant's engagement in any Prohibited Activities), any portion of the SARs unvested at such time shall be immediately forfeited for no consideration. For the purposes of this Section 3.1(b), "Prohibited Activities" shall mean the activities that are prohibited pursuant to any confidentiality agreement or covenant not to compete, not to solicit or hire employees, not to solicit or disrupt business relations, not to disparage the Company, its Subsidiaries or any of its or their officers and employees or any similar restrictions set out in any employment, severance or other written agreement then in effect between the Participant and the Company or one of its Subsidiaries. If no such agreement containing such restrictions is then in effect, the Participant will be deemed to be engaged in "Prohibited Activities" if the Participant, during the term of his or her employment or engagement or in the period during which any SARs remain unvested following his or her Termination of Service, engages in any employment or business activities for him or herself or on behalf of any enterprise in any capacity or owns any interest in any entity which competes or is competitive with the business of the Company or any Subsidiary in any country in which the Company or its Subsidiaries operate, in each case with which the Participant has been materially involved or for which the Participant was responsible in the 12 months immediately before his or her Termination of Service. (d) In the event of Participant's Termination of Service by the Company without Cause or due to a resignation by Participant for Good Reason within the 24 months immediately following a Change in Control, the SARs, to the extent not forfeited or otherwise vested immediately prior to such Termination of Service, shall become fully vested upon such Termination of Service. "Good Reason" shall mean: (i) a material reduction by the Company in Participant's base salary or target annual bonus as in effect immediately prior to such reduction, (ii) a material diminution in the Participant's authority, duties or responsibilities (including, without limitation, any negative change in reporting hierarchy involving the Participant or the person to whom he or she directly reports, or if Participant was a Section 16 reporting officer immediately prior the Change in Control and is no longer a Section 16 reporting officer immediately following the Change in Control); or (iv) a change of at least twenty (20) miles in the geographic location at which the Participant must perform services, or if the Participant is designated to work primarily on a "remote" basis, the Participant is required to relocate to any office or location that is not materially consistent with the Participant's remote work arrangement, provided that, in each case (a) the Participant provides written notice to the General Counsel and Chief Human Resources Officer of the Company of the existence of one or more of the conditions described in the clauses above within thirty (30) days following the Participant's knowledge of the initial existence of such condition or conditions, specifying in reasonable detail the conditions constituting Good Reason (b) the Employer fails to cure such event or condition within thirty (30) days following the receipt of such notice and (iii) the Participant incurs a Termination of Service within thirty (30) days following the expiration of such cure period.

8 [AM_ACTIVE 404297993_4] "Cause" shall mean, if Participant is employed pursuant to a written employment or similar agreement which includes a definition of "Cause," "Cause" as defined in that agreement and otherwise: (i) the willful and continued failure by Participant to perform substantially Participant's duties with the Company, other than any such failure resulting from Participant's incapacity due to physical or mental illness, which continues unabated after a written demand for substantial performance is delivered to Participant by the Company that specifically identifies the manner in which the Company believes that Participant has not substantially performed Employee's duties; (ii) Participant willfully engaging in gross misconduct that is materially and demonstrably injurious to the Company; (iii) Participant's conviction of any felony, or to any misdemeanor involving dishonesty or moral turpitude, in either case, which is materially and demonstrably injurious to the Company or any of its subsidiaries; or (iv) Participant's material breach of his or her employment or service contract with the Company, which breach, if curable, has not been remedied by Participant after written notice has been provided to Participant of such breach. For purposes of this definition, an act or failure to act on Participant's part shall be considered "willful" only if done or omitted to be done by Participant otherwise than in good faith and without reasonable belief that Participant's action or omission was in the best interest of the Company. For the avoidance of doubt, the definition of "Cause" herein shall not conflict with any statutory

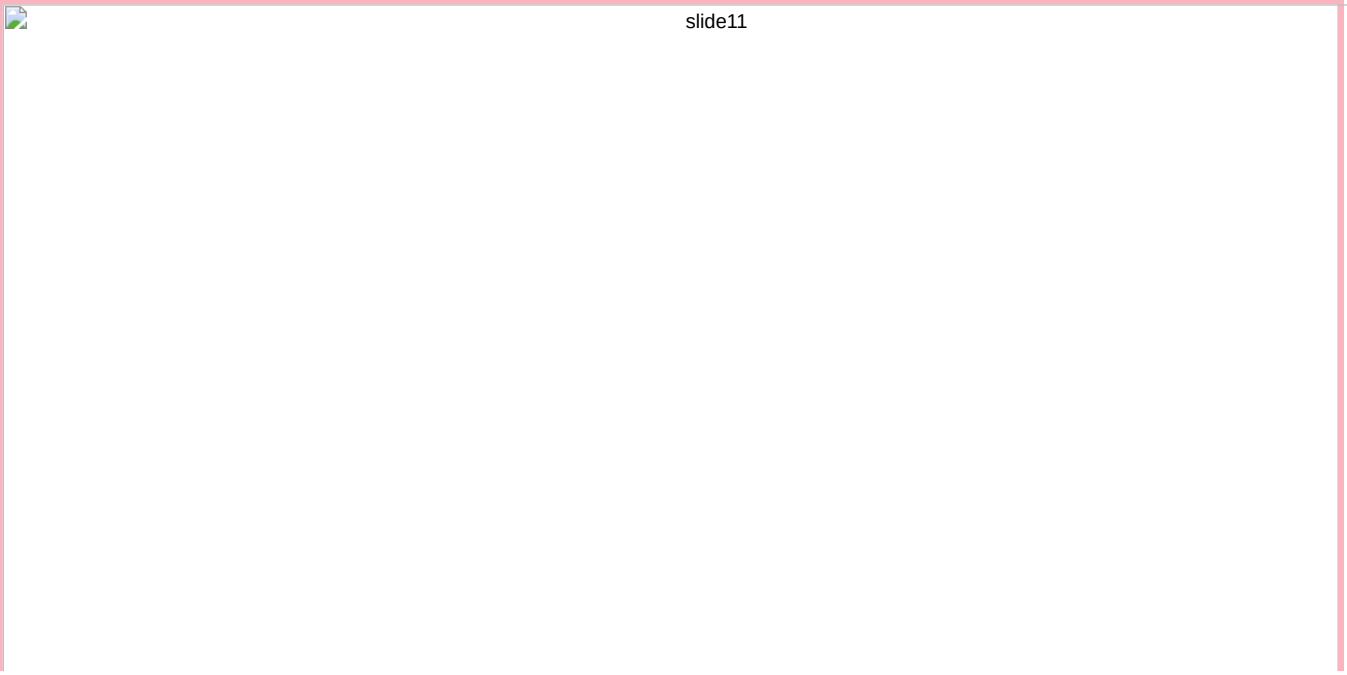
definition of cause under applicable local law. (e) In the event of Participant's Termination of Service due to Participant's death or Disability, the SARs shall become fully vested and exercisable upon such Termination of Service. 3.2 Duration of Exercisability. The installments provided for in the vesting schedule set forth in the Grant Notice are cumulative. Each such installment that becomes vested and exercisable pursuant to the vesting schedule set forth in the Grant Notice shall remain vested and exercisable until it becomes unexercisable under Section 3.3 hereof. Once the SARs become unexercisable, they shall be forfeited immediately. 3.3 Expiration of SARs. The SARs may not be exercised after the earlier of: (a) The expiration date set forth in the Grant Notice; (b) The date falling 24 months from the date of Participant's Termination of Service due to Participant's death or Disability; (c) Except in the case of Participant's Termination of Service due to Participant's death or Disability, Approved Retirement, or as the Administrator may otherwise approve, the date falling three months from the date of Participant's Termination of Service for any reason. ARTICLE 4. EXERCISE 4.1 Person Eligible to Exercise. Only Participant may exercise the SARs; provided that after the death of Participant, any exercisable portion of the SARs may, prior to the time when the



9 [AM_ACTIVE 404297993_4] SARs become unexercisable under Section 3.3 hereof, be exercised by Participant's personal representative or by any person empowered to do so under the deceased Participant's will or under the then applicable laws (including, without limitation, the then applicable laws of descent and distribution); and provided further that after the loss of Participant's ability to exercise the SARs due to Disability, any exercisable portion of the SARs may, prior to the time when the SARs become unexercisable under Section 3.3 hereof, be exercised by Participant's validly appointed attorney or by any person empowered to do so under the then applicable laws. 4.2 Partial Exercise. Any exercisable portion of the SARs or all of the SARs, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the SARs or portion thereof becomes unexercisable under Section 3.3 hereof. However, the SARs shall not be exercisable with respect to fractional shares. 4.3 Manner of Exercise. The SARs, or any exercisable portion thereof, may be exercised solely by delivery to the Secretary of the Company (or any third party administrator or other person or entity designated by the Company), during regular business hours, of all of the following prior to the time when the SARs or such portion thereof become unexercisable under Section 3.3 hereof: (a) An exercise notice in a form specified by the Administrator, stating that the SARs or portion thereof is thereby exercised, such notice complying with all applicable rules established by the Administrator; (b) The payment of any applicable Tax Liability in accordance with Section 4.5; (c) Any other written representations or documents as may be required in the Administrator's sole discretion to effect compliance with Applicable Law; and (d) In the event the SARs or portion thereof shall be exercised pursuant to Section 4.1 hereof by any person or persons other than Participant, appropriate proof of the right of such person or persons to exercise the SARs. Notwithstanding any of the foregoing, the Administrator shall have the right to specify all conditions of the manner of exercise, which conditions may vary by country and which may be subject to change from time to time. 4.4 Time of Settlement. The Shares or cash payable upon exercise of the SARs or any portion thereof shall be provided to Participant within 60 days following the date of exercise of the SARs or such portion. Any such cash shall be payable in a lump sum. 4.5 Tax Withholding. Notwithstanding any other provision of this Agreement: (a) The Company and its Subsidiaries, including, if different from the Company, Participant's Employer (the "Employer"), have the authority to deduct or withhold, or require Participant to remit to the Company or the applicable Subsidiary, an amount sufficient to satisfy any Tax Liability arising with respect to any taxable event concerning Participant pursuant



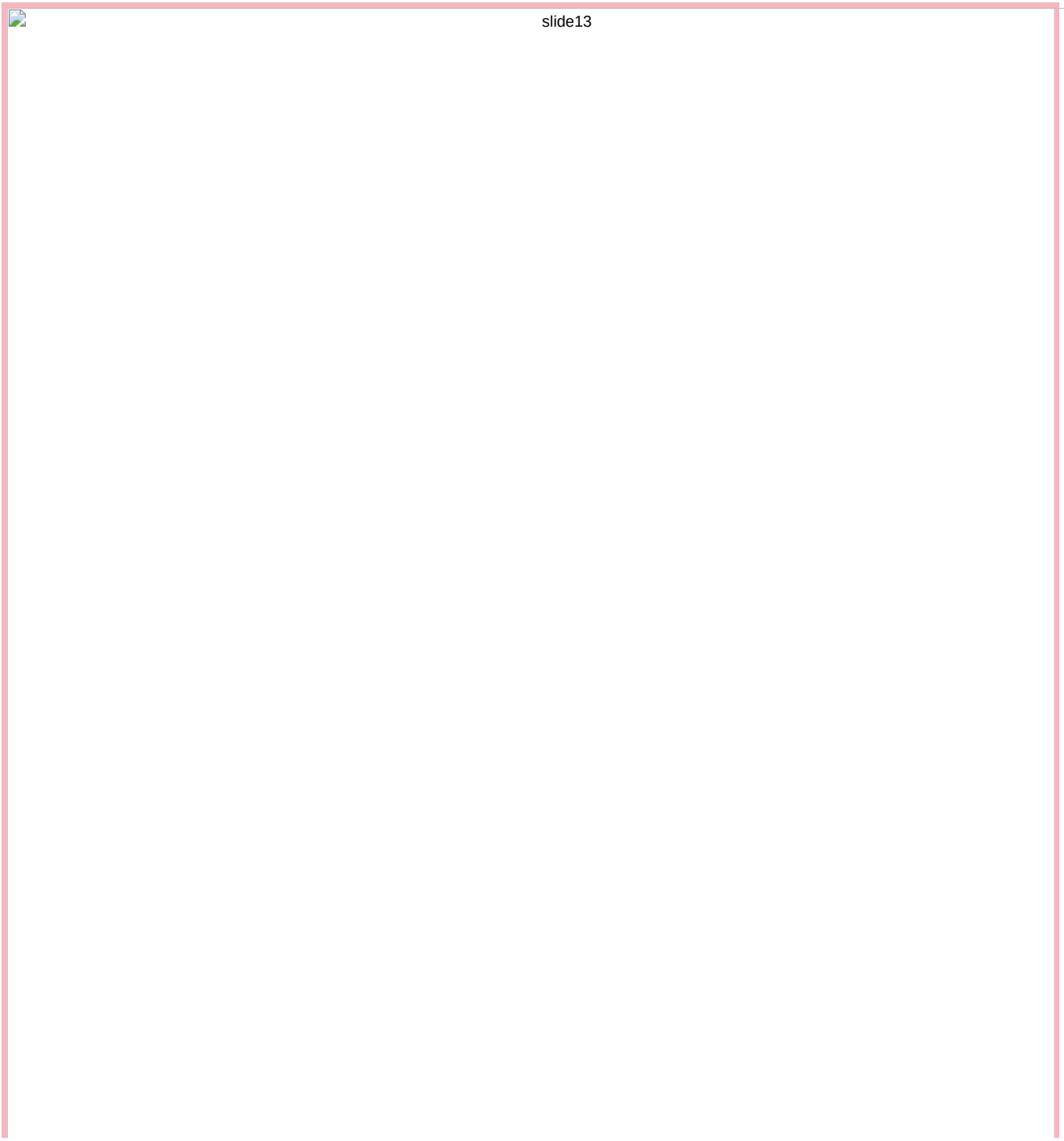
10 [AM_ACTIVE 404297993_4] to the Grant Notice or this Agreement (or otherwise pursuant to the Plan). Participant irrevocably agrees to pay to the Company or (if different) the Employer the amount of any Tax Liability that the Company, Subsidiary or Employer is required or authorized, or reasonably believes it is required or authorized, to withhold, pay, or account for, or enter into arrangements to the satisfaction of the Company or the Employer (as appropriate) for payment of any such Tax Liability including (but not limited) by way of payment or withholding in one or more of the forms specified below: (i) by cash of or check for the relevant amount paid or made payable to the Company or the Employer (or other relevant Subsidiary) with respect to which the withholding obligation arises; (ii) by withholding of the relevant amount from Participant's wages or other compensation payable to Participant by the Company or the Employer (or any other relevant Subsidiary), including (for the avoidance of doubt) any payment due to Participant pursuant to the SARs; (iii) by withholding Shares otherwise issuable upon the exercise of the SARs or by withholding from proceeds of the sale of Shares issuable pursuant to the SARs either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization) without further consent, in each case with such Shares having a then current Fair Market Value or, if the SARs are settled in cash, an amount of the cash payment made with respect to the SARs, in each case as is sufficient to cover the amount necessary to satisfy the Tax Liability; (iv) with the consent of the Administrator, by Participant tendering to the Company Shares having a then current Fair Market Value as is sufficient to cover the amount necessary to satisfy the Tax Liability; (v) if the Administrator determines to settle the SARs in Shares through the delivery of a notice that Participant has placed a market sell order with a broker acceptable to the Company with respect to any Shares then issuable to Participant upon exercise of the SARs, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company or the Employer (or other relevant Subsidiary) with respect to which the Tax Liability arises in satisfaction of such Tax Liability; provided that payment of such proceeds is then made to the Company or the Employer (or other relevant Subsidiary) at such time as may be required by the Administrator, but in any event not later than the settlement of such sale; or (vi) in any combination of the foregoing or such other method as is determined by the Company or the Administrator. (b) The Company shall not be obligated to deliver any cash or any certificate representing Shares issuable with respect to the SARs upon exercise of the SARs to, or to cause any such Shares to be held in book-entry form by, Participant or his or her legal representative unless and until Participant or his or her legal representative shall have paid or otherwise satisfied in full the amount of any Tax Liability, provided, that no payment shall be delayed under this Section 4.5(b) if such delay would result in a violation of Section 409A.



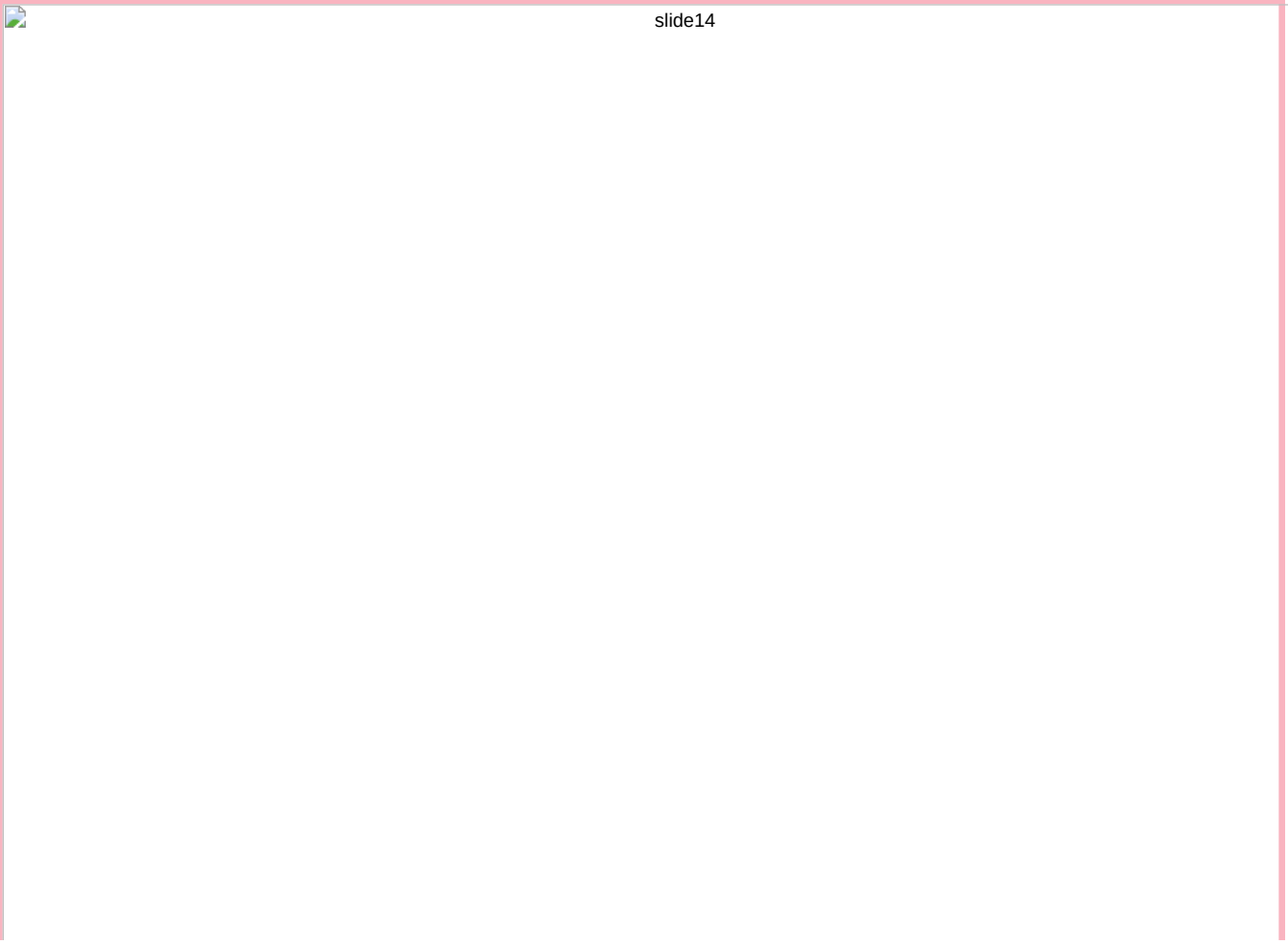
11 [AM_ACTIVE 404297993_4] (c) With respect to any Tax Liability arising in connection with the SARs, in the event Participant fails to provide timely payment of all sums required pursuant to Section 4.5(a), the Company shall have the right and option, but not the obligation, to treat such failure as an election by Participant to satisfy all or any portion of Participant's required payment obligation pursuant to Section 4.5(a)(ii) or Section 4.5(a)(iii) above, or any combination of the foregoing as the Company may determine to be appropriate. (d) In the event any Tax Liability arising in connection with the SARs will be satisfied under Section 4.5(a)(iii), then the Company may elect to instruct any brokerage firm determined acceptable to the Company for such purpose to sell on Participant's behalf a whole number of shares from those Shares then issuable to Participant upon the exercise of the SARs as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the relevant Tax Liability and to remit the proceeds of such sale to the Company, the Subsidiary or the Employer (as appropriate). Participant's acceptance of this Award constitutes Participant's instruction and authorization to the Company and such brokerage firm to complete the transactions described in this Section 4.5(d). The Company may refuse to issue any Shares upon exercise of the SARs to Participant until the foregoing Tax Liability is satisfied, provided that no payment shall be delayed under this Section 4.5(d) if such delay will result in a violation of Section 409A. (e) Participant is ultimately liable and responsible for and indemnifies and will keep indemnified the Company and each Subsidiary (including the Employer, if applicable) against any Tax Liability arising in connection with the SARs, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the SARs. Neither the Company nor any Subsidiary (including the Employer, if applicable) makes any representation or undertaking regarding the treatment of any Tax Liability in connection with the awarding, vesting or exercise of the SARs, the payment of cash or issue of Shares on exercise of the SARs or the subsequent sale of Shares. The Company and the Subsidiaries (including the Employer, if applicable) do not commit and are under no obligation to structure the SARs to reduce or eliminate any Tax Liability or to achieve any particular tax result. 4.6 Conditions to Issuance of Shares. If the Administrator determines to settle any SARs in Shares, the Company shall not be required to issue or deliver any Shares upon the exercise of such SARs prior to fulfillment of all of the following conditions: (a) the admission of such Shares to listing on all stock exchanges on which such Shares are then listed, (b) the completion of any registration or other qualification of such Shares under any state or federal law or under rulings or regulations of the Securities and Exchange Commission or other governmental regulatory body that the Administrator shall, in its absolute discretion, deem necessary or advisable, and (c) the obtaining of any approval or other clearance from any state or federal governmental agency that the Administrator shall, in its absolute discretion, determine to be necessary or advisable. 4.7 Rights as Shareholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a shareholder of the Company, including, without limitation, voting rights and rights to dividends, in respect of any Shares subject to the SARs unless and until certificates representing such Shares (which may be in book-entry form) have been issued and recorded on the records of the Company or its transfer agents or

12 [AM_ACTIVE 404297993_4] registrars, and delivered to Participant (including through electronic delivery to a brokerage account). No adjustment shall be made for a dividend or other right for which the record date is prior to the date of such issuance, recordation and delivery, except as provided in Section 12 of the Plan. Except as otherwise provided herein, if the Administrator determines to settle the SARs in Shares, after such issuance, recordation and delivery, Participant will have all the rights of a shareholder of the Company with respect to such Shares, including, without limitation, the right to receipt of dividends and distributions on such Shares. 4.8 Malus and Claw-Back. The grant of this

Award is subject to the terms of the LivaNova Compensation Recoupment Policy, as it may provide from time to time, as well as any similar provisions of applicable law, any of which could in certain circumstances require the Participant to repay or forfeit cash or equity awards, including this Award, or any ordinary shares or other cash or property received with respect to this and other awards, including any value received from a disposition of the ordinary shares acquired upon payment in respect of the awards. ARTICLE 5. OTHER PROVISIONS 5.1 Administration. The Administrator shall have the power to interpret the Plan, the Grant Notice, this Agreement and the Foreign Appendix, if applicable, and to adopt such rules for the administration, interpretation and application of the Plan, the Grant Notice, this Agreement and the Foreign Appendix, if applicable, as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Administrator will be final and binding upon Participant, the Company and all other interested persons. To the extent allowable pursuant to Applicable Law, no member of the Committee or the Board will be personally liable for any action, determination or interpretation made with respect to the Plan, the Grant Notice, this Agreement or the Foreign Appendix, if applicable. 5.2 SARs Not Transferable. Without limiting the generality of any other provision hereof, the SARs shall be subject to the restrictions on transferability set forth in Section 10.3 of the Plan. 5.3 Adjustments. Participant acknowledges that the SARs are subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan, including Section 12 of the Plan. 5.4 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company at the Company's principal office, and any notice to be given to Participant shall be addressed to Participant at Participant's last address reflected on the Company's records. By a notice given pursuant to this Section 5.4, either party may hereafter designate a different address for notices to be given to that party. Any notice shall be deemed duly given when sent via email or when sent by reputable overnight courier or by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

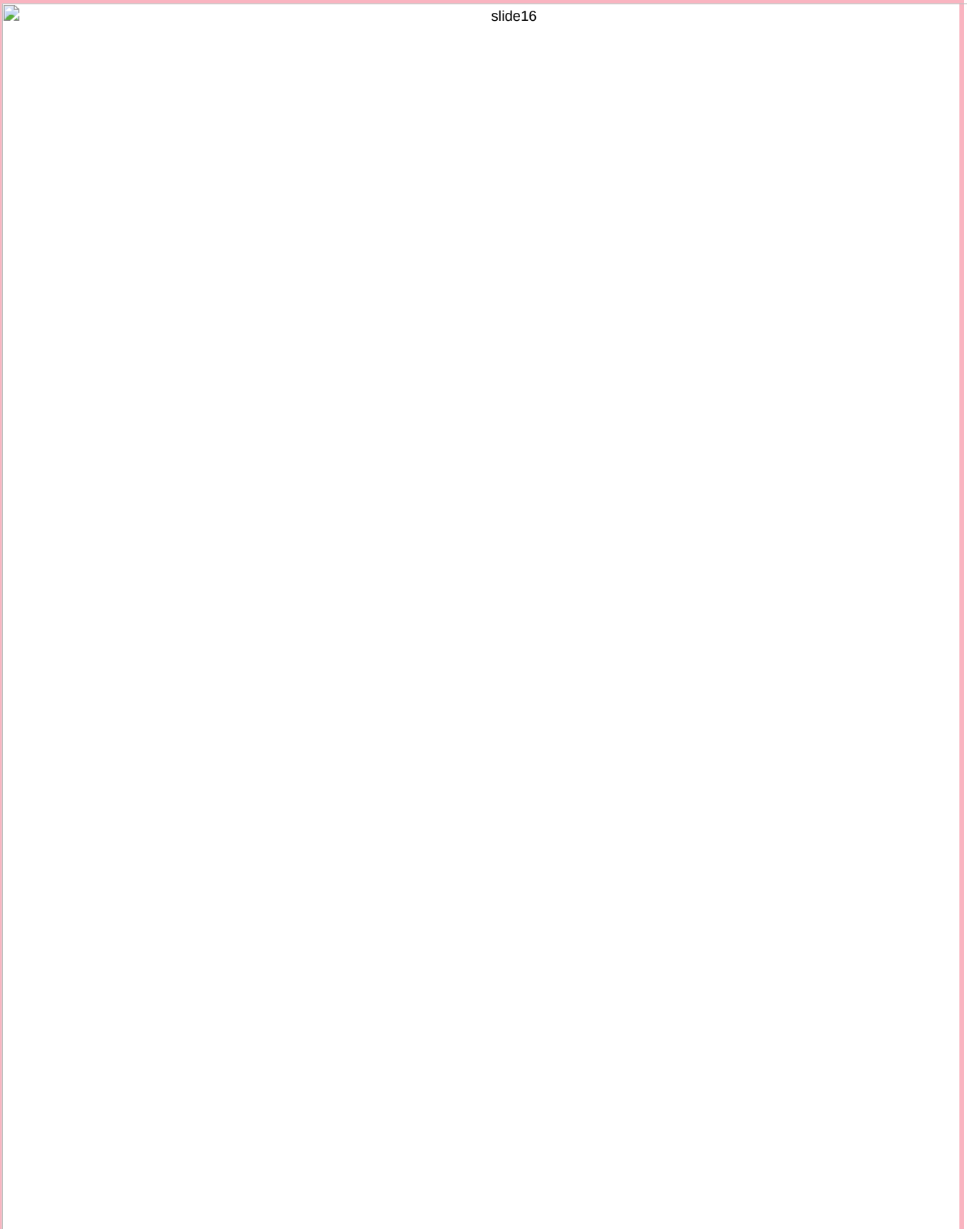


13 [AM_ACTIVE 404297993_4] 5.5 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement. 5.6 Governing Law. The laws of the State of Delaware shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws. 5.7 Conformity to Securities Laws. Participant acknowledges that the Plan, the Grant Notice, the Foreign Appendix, if applicable, and this Agreement are intended to conform to the extent necessary with all Applicable Laws, including, without limitation, the provisions of the Securities Act and the Exchange Act, and any and all regulations and rules promulgated thereunder by the Securities and Exchange Commission and state securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the SARs are granted and may be exercised, only in such a manner as to conform to Applicable Law. To the extent permitted by Applicable Law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to Applicable Law. 5.8 Amendment, Suspension and Termination. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Administrator or the Board, provided, however, that, except as may otherwise be provided by the Plan, no amendment, modification, suspension or termination of this Agreement shall adversely affect the SARs in any material way without the prior written consent of Participant. 5.9 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in Section 10.3 of the Plan, this Agreement shall be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto. 5.10 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the SARs Grant Notice, the Foreign Appendix, if applicable, and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by Applicable Law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule. 5.11 Not a Contract of Employment. Nothing in this Agreement or in the Plan shall confer upon Participant any right to continue to serve as an Employee of the Company or any Subsidiary or shall interfere with or restrict in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the employment of Participant at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise by Applicable Law or in a written agreement between the Company or a Subsidiary and Participant. Neither the Plan, the Grant Notice, the Foreign Appendix, if



14 [AM_ACTIVE 404297993_4] applicable, nor this Agreement afford the Participant any rights to compensation or damages, including for loss of or potential loss that the Participant may suffer (including by reason of being unable to exercise the SAR) as a result of the termination of the Plan, lapse of the SARs or the termination of the Participant's employment with the Company or any Subsidiary. 5.12 SARs Not Part of Employment Compensation. The SARs and the Shares subject to the SAR are extraordinary items that do not constitute part of normal or expected wages or salary for any purposes, including, but not limited to, calculation of any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, holiday pay, long-service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the employer, its parent, or any Subsidiary or affiliate of the Company. In addition, Participant acknowledges that by electronically signing the Grant Notice and this Agreement that the grant of the Award is at the Company's sole discretion based on the Plan, and does not entitle the Participant to further grant(s) of Awards, nor to claim for further grant(s) of Awards, in respect of the Plan or any other award(s) under any other plan or program maintained by the Company or any Subsidiary. 5.13 Data Protection. By electronically signing the Grant Notice and this Agreement, the Participant acknowledges and understands that the Company and its Subsidiaries (including the Participant's employer), as applicable, may hold certain personal information about the Participant (and, to the extent provided by the Participant, a Permitted Transferee or other beneficiary), including but not limited to, as applicable, name, home address and telephone number, date of birth, social security or insurance number or other identification number, salary, nationality, job title(s), any shares held in the Company or any of its Subsidiaries, details of all Awards or other entitlements to shares awarded, exercised, vested, unvested in the Participant's favor, and, as the case may be, sensitive information pertaining to disability, in each case, for the purpose of implementing, managing and administering the Plan and Awards (the "Data"). The Participant understands that the Company and its Subsidiaries may transfer the Data amongst themselves as necessary for the purpose of implementation, administration and management of the Participant's participation in the Plan and in connection with any Award, and the Company and its Subsidiaries may each further transfer the Data to any third party service providers where such service providers are providing necessary assistance, presently or in the future, to the Company and its Subsidiaries in the implementation, administration and management of the Plan or the Award (including the Plan administrator or a broker or other third party with whom the Company or any of its Subsidiaries or the Participant may elect to deposit any Shares). These recipients may be located in the Participant's country, or elsewhere, and the Participant's country may have different data privacy laws and protections than the recipients' country. The Data related to the Participant (or the Permitted Transferee or other beneficiary) will be held only as long as is necessary to implement, administer, and manage the Participant's participation in the Plan. Where applicable, the Participant shall be responsible for obtaining Data from a Permitted Transferee or other beneficiary and will provide the Permitted Transferee or other beneficiary with such information about the processing of such Data as the Company or its Subsidiaries require and will obtain such Permitted Transferee's or beneficiary's consent in connection with the Company's and its Subsidiaries' processing of the Data before such Data is provided by the Participant to the Company or its subsidiaries. This Section 5.13 should be read in conjunction with Exhibit C, which

15 [AM_ACTIVE 404297993_4] sets out additional country-specific information applicable to a Participant where the Participant is permanently located in one of the jurisdictions set out therein. 5.14 Entire Agreement. The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company, the Subsidiaries and Participant with respect to the subject matter hereof. 5.15 Section 409A. This Award is not intended to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code (together with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof, "Section 409A"). However, notwithstanding any other provision of the Plan, the Grant Notice, the Foreign Appendix, if applicable, or this Agreement if at any time the Administrator determines that this Award (or any portion thereof) may be subject to Section 409A, the Administrator shall have the right in its sole discretion (without any obligation to do so or to indemnify Participant or any other person for failure to do so) to adopt such amendments to the Plan, the Grant Notice or this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Administrator determines are necessary or appropriate for this Award either to be exempt from the application of Section 409A or to comply with the requirements of Section 409A. Notwithstanding anything herein to the contrary, no provision of the Plan shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from Participant or any other person to the Company or any of its Subsidiaries, employees or agents. Without limiting the foregoing and notwithstanding anything contained herein to the contrary, to the extent required in order to avoid an accelerated or additional tax under Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Agreement during the six-month period immediately following the Participant's separation from service shall instead be paid on the first business day after the date that is six months following the Participant's separation from service (or, if earlier, the Participant's date of death). 5.16 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement. 5.17 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant shall have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the SARs, and rights no greater than the right to receive Shares or cash as a general unsecured creditor with respect to the SARs, as and when exercised pursuant to the terms hereof.



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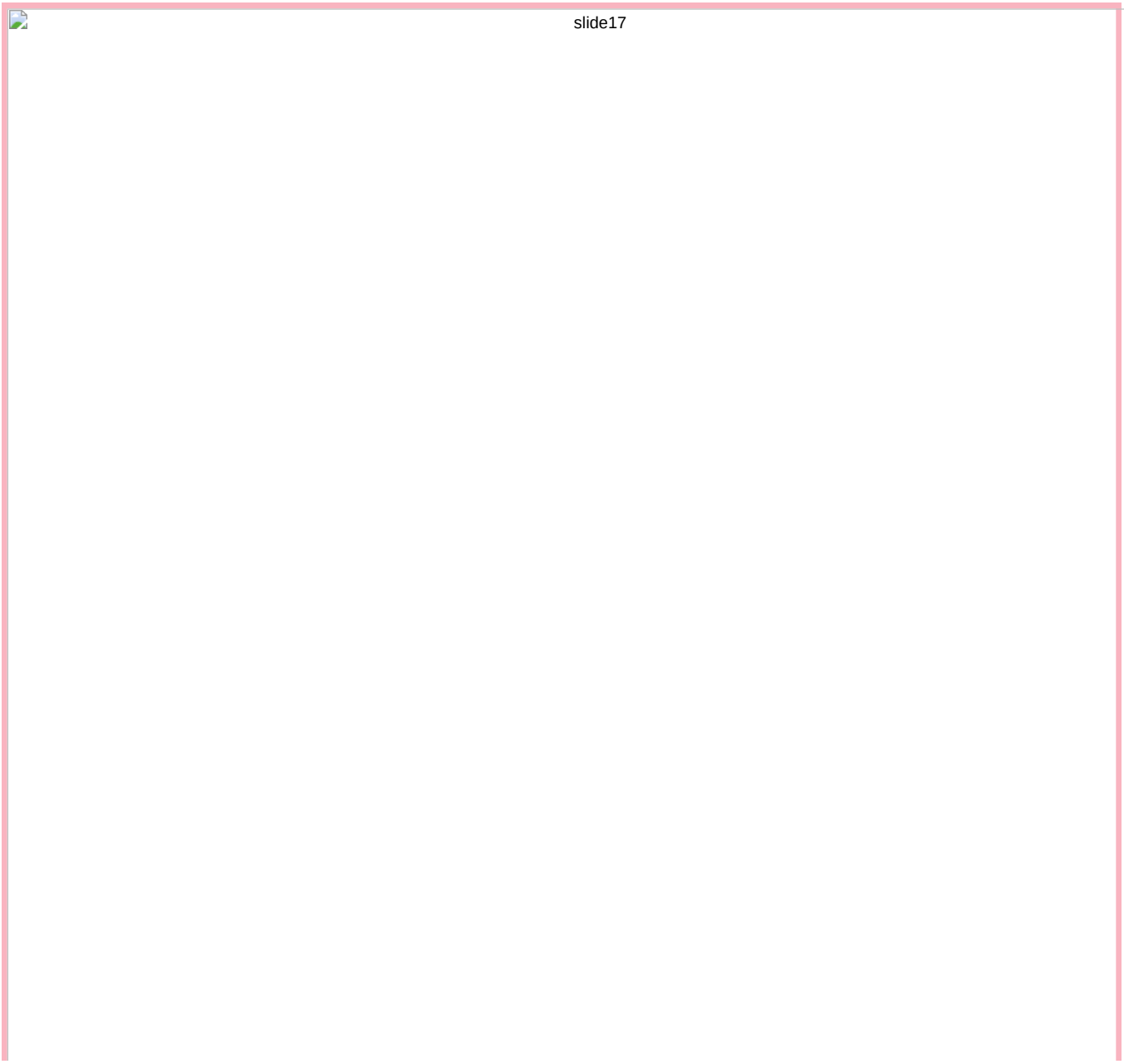
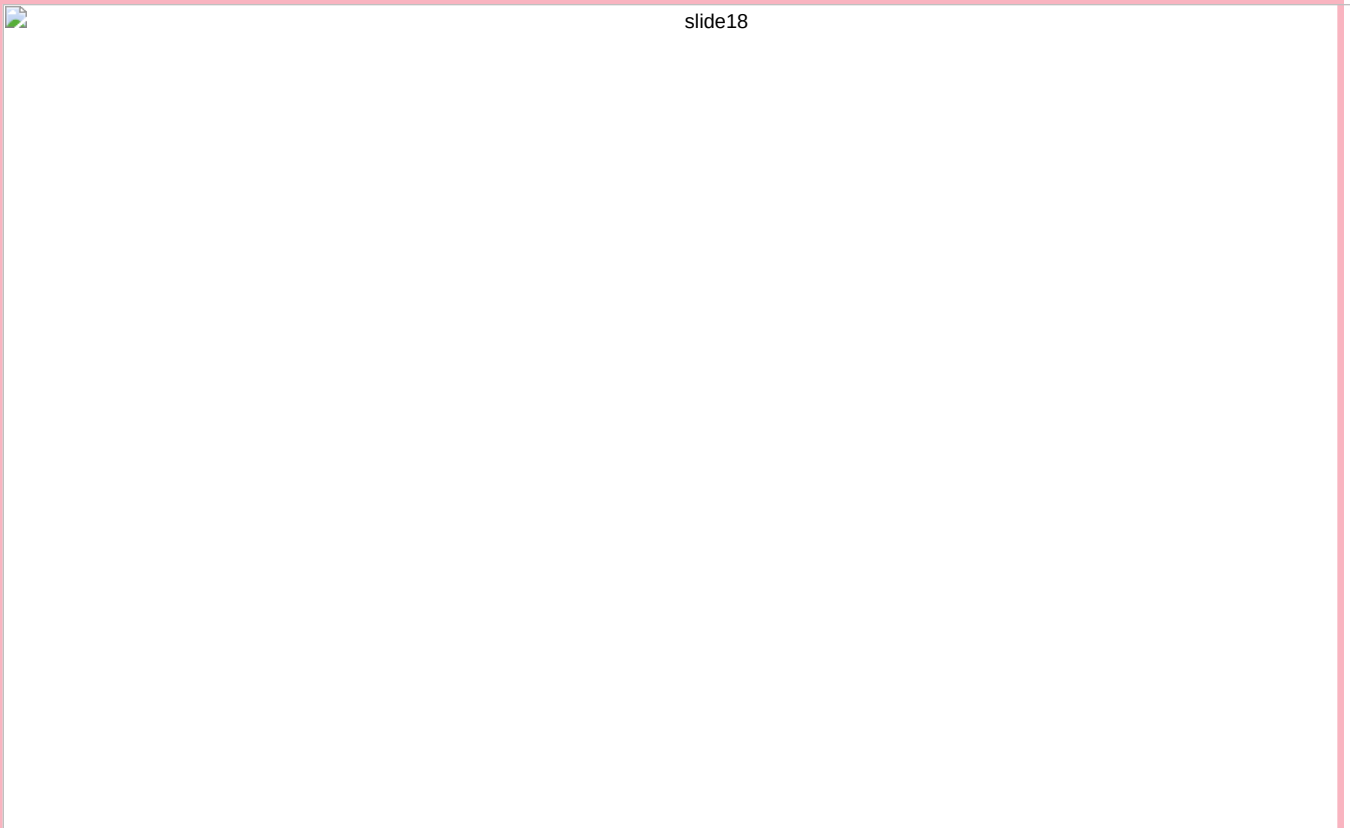
16 [AM_ACTIVE 404297993_4] 5.18 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which shall be deemed an original and all of which together shall constitute one instrument. 5.19 Special Provisions for SARs Granted to Participants Outside the U.S. If Participant performs services for the Company or any Subsidiary outside of the United States, the SARs shall be subject to the special provisions, if any, for Participant's country of residence, as set forth in the Foreign Appendix. (a) If Participant relocates to one of the countries included in the Foreign Appendix during the life of the SARs, the special provisions for such country shall apply to Participant, as specified in the special provisions for the relevant country, or (if not so specified) to the extent the Company determines that the application of such provisions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. (b) The Company reserves the right to impose other requirements on this Award and any Shares received upon exercise of the SARs, to the extent the Company determines it is necessary or advisable in order to comply with local laws or facilitate the administration of the Plan, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. 5.20 Broker-Assisted Sales. In the event of any broker-assisted sale of Shares in connection with the satisfaction of any Tax Liability as provided in Section 4.5(a)(iii) or Section 4.5(d): (A) any Shares to be sold through a broker-assisted sale will be sold on the day the Tax Liability arises or as soon thereafter as practicable; (B) such Shares may be sold as part of a block trade with other participants in the Plan in which all participants receive an average price; (C) Participant will be responsible for all broker's fees and other costs of sale, and Participant agrees to indemnify and hold the Company harmless from any losses, costs, damages, or expenses relating to any such sale; (D) to the extent the proceeds of such sale exceed the applicable Tax Liability, the Company agrees to pay such excess in cash to Participant as soon as reasonably practicable; (E) Participant acknowledges that the Company or its designee is under no obligation to arrange for such sale at any particular price, and that the proceeds of any such sale may not be sufficient to satisfy the applicable Tax Liability; and (F) in the event the proceeds of such sale are insufficient to satisfy the applicable Tax Liability, Participant agrees to pay immediately upon demand to the Company or its Subsidiary (including the Employer, if applicable) with respect to which the Tax Liability arises an amount in cash sufficient to satisfy any remaining portion of the Company's or the applicable Subsidiary's Tax Liability, or otherwise to enter into arrangements satisfactory to the Company and/or the relevant Subsidiary for payment of such remaining portion of the Tax Liability in accordance with the provisions of Section 4.5 above.



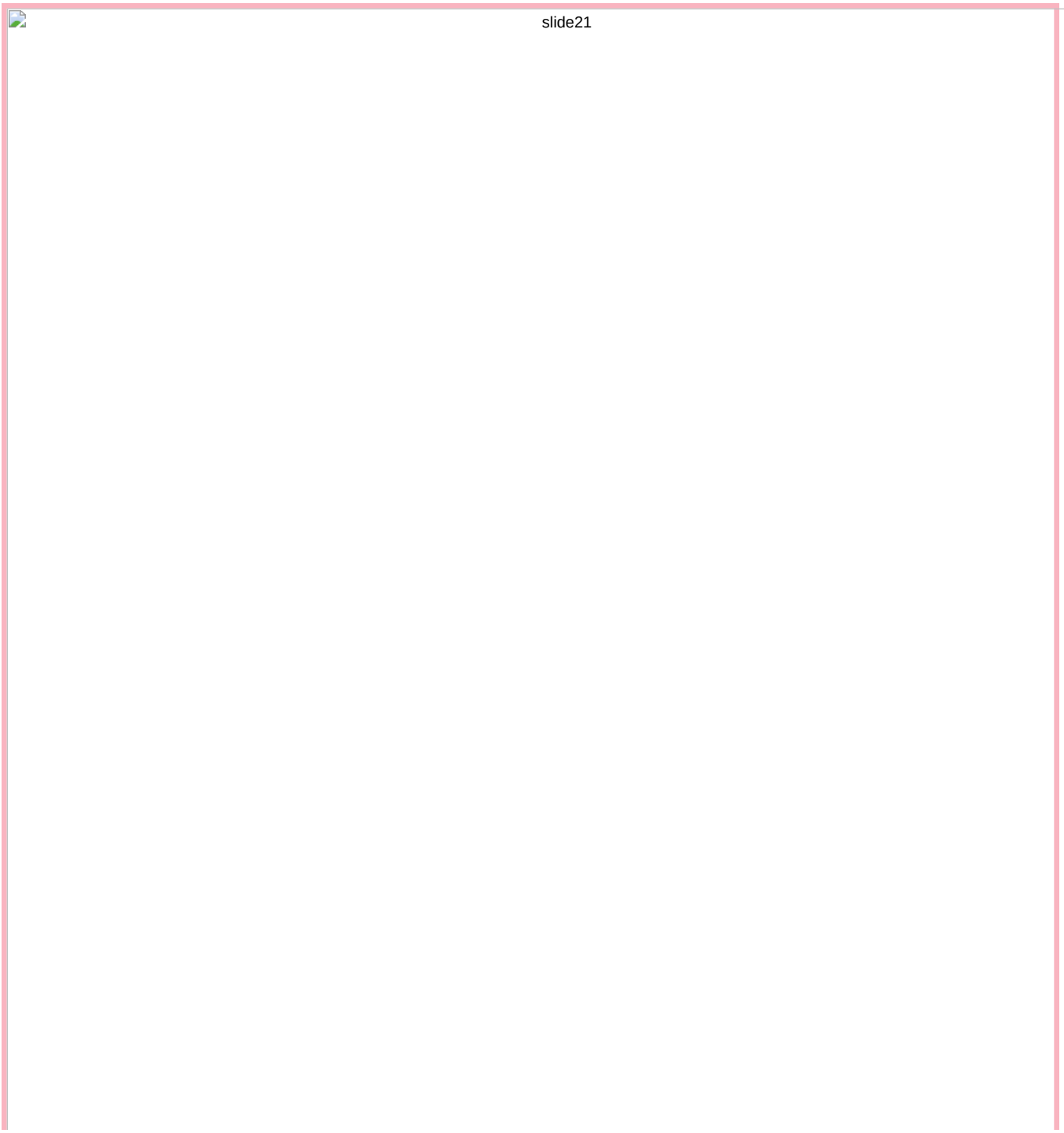
17 [AM_ACTIVE 404297993_4] EXHIBIT B TO STOCK APPRECIATION RIGHT GRANT NOTICE SPECIAL PROVISIONS FOR STOCK APPRECIATION RIGHTS GRANTED TO PARTICIPANTS OUTSIDE THE U.S. This Exhibit B includes special terms and conditions applicable to Participants in the countries below. These terms and conditions are in addition to those set forth in the Stock Appreciation Right Agreement (the "Agreement") and the Plan and to the extent there are any inconsistencies between these terms and conditions and those set forth in the Agreement or the Plan, these terms and conditions shall prevail. Any capitalized term used in this Exhibit B without definition shall have the meaning ascribed to such term in the Plan or the Agreement, as applicable. This Foreign Appendix also includes information relating to exchange control and other issues of which Participant should be aware with respect to his or her participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the respective countries as of June 2022. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Participant not rely on the information herein as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time the SARs are exercised or any Shares acquired under the Plan are sold. In addition, the information is general in nature and may not apply to the particular situation of Participant, and the Company is not in a position to assure Participant of any particular result. Accordingly, Participant is advised to seek appropriate professional advice as to how the relevant laws in his or her country may apply to his or her situation. Finally, if Participant is a citizen or resident of a country other than the one in which he or she is currently working, the information contained herein may not be applicable to Participant. AUSTRALIA A copy of the Plan is enclosed with this Grant Notice and Agreement. The Plan, the Agreement and this Grant Notice do not constitute financial advice. Any advice given by the Company in relation to the Grant Notice, the Agreement, the Plan, the SARs or the Shares does not constitute financial advice and does not take into account your objectives, financial situation and needs. In considering the SARs and the amount of cash and/or Shares that you will receive on exercise of the SARs, subject to satisfaction of vesting conditions, you should consider the risk factors that could affect the performance of the Company and the value of SARs and Shares, which value can increase or decrease from time to time, and the amount of any Tax Liability. You should carefully consider these risks in light of your investment objectives, financial situation and particular needs (including financial and tax issues). You should seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to acquire SARs or Shares.



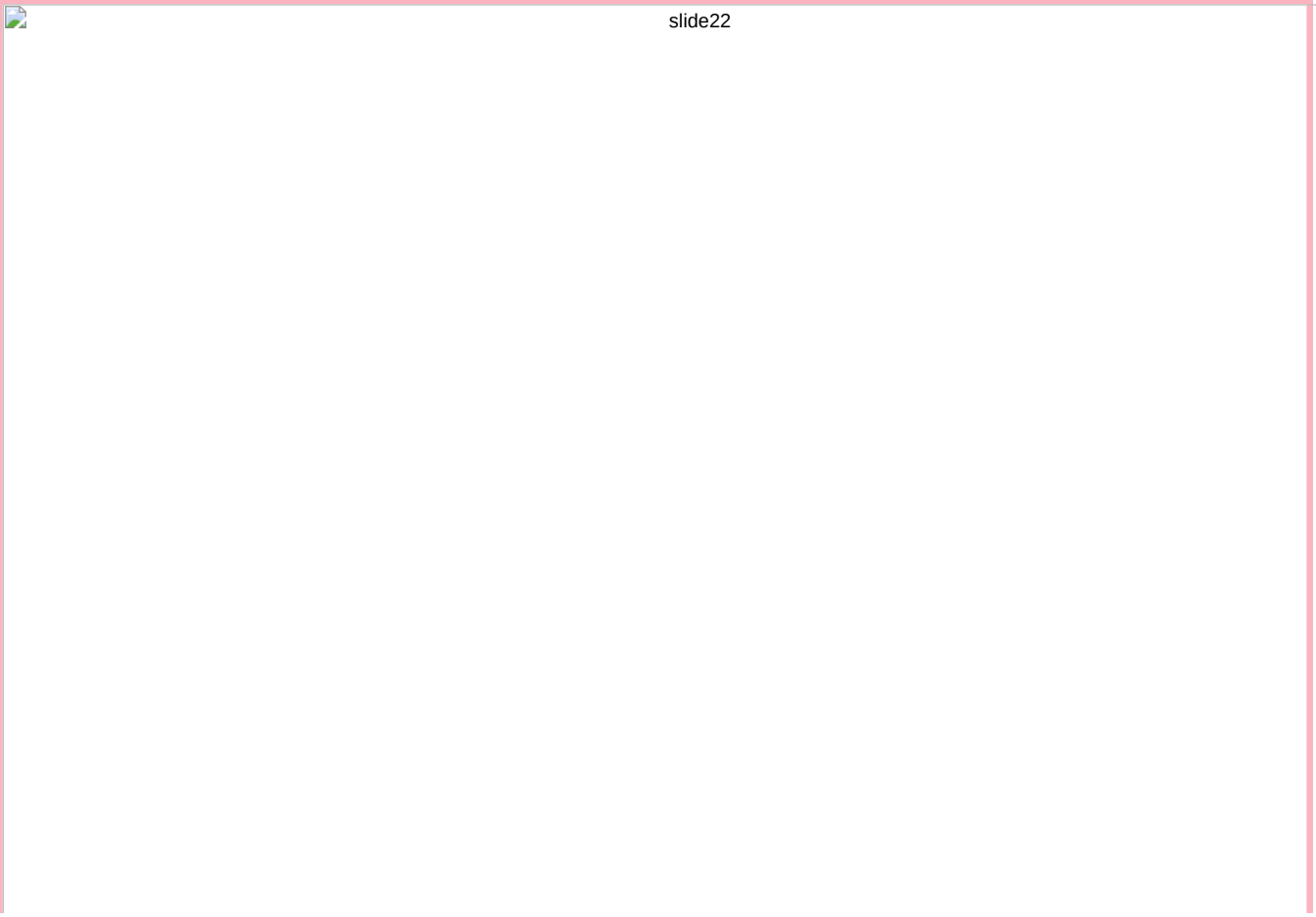
18 [AM_ACTIVE 404297993_4] How to calculate values in Australian dollars Your SARs will vest in accordance with the Grant Notice and the Agreement (which require certain conditions to be met) and are subject to a four year graded vesting schedule. The SARs may result in Shares or cash being given to you, in accordance with the Grant Notice. You will not be required to pay any amount for the SARs or any Shares that will be issued to you upon vesting. However the amount of cash or number of Shares you receive will depend on the market price of Shares at the time, the Exercise Price per Share set out in the Grant Notice, and the amount of any Tax Liability in connection with the grant and exercise of the SARs and the issue of any Shares. You can ascertain the market price of a Share in the Company in United States Dollars ("USD") from time to time by visiting either: • the Company's website (https://investor.livanova.com/stock-information/stock- quote-chart); or • the Nasdaq website (http://www.nasdaq.com/symbol/livn). To determine the Exercise Price for a SAR or the market value of a Share in Australian Dollars ("AUD"), you will need to apply the prevailing USD: AUD exchange rate. For example, if the exchange rate is 1 USD: 1.5 AUD, and one share of Common Stock has a value of USD $1 on the Nasdaq, its equivalent value will be AUD $1.50. BELGIUM Definition of "Tax Liability" in Section 4.5 of this Agreement: For the avoidance of doubt, the definition of "Tax Liability" as used in Section 4.5 of this Agreement shall not include the employer social security contributions (cotisations sociales patronales / sociale patronale bijdragen), nor any vacation pay that would be due. The following section is inserted in Article 4 of this Agreement: "4.9. Lock-up Period following Vesting of SARs: (a) When the SARs are distributed in Shares pursuant to this Agreement, these Shares delivered to the Belgian Participant shall be subject to a two-year lock-up period during which the Shares cannot be sold, encumbered or otherwise transferred, starting as of the moment of Vesting. As a consequence of this lock-up of the Shares, the Belgian Participant will not be able to sell, encumber or otherwise transfer the Shares during this period. (b) In the event that the Belgian Participant does not comply with Section 4.9 (a) of this Agreement, the Belgian Participant will be responsible for reimbursing the Company (or, any Subsidiary or the Employer, as applicable) for any liability (for the avoidance of doubt, including but not limited to any Tax Liability and any (increase of) employer social security contributions).

19 [AM_ACTIVE 404297993_4] which it has or will incur as a result of such non-compliance to the greatest extent permitted by Applicable Law. The Participant agrees to indemnify and keep indemnified the Company (or, any Subsidiary or the Employer, as applicable) in respect of any such liability." CANADA Participant's SARs shall be settled in Shares only (either in book-entry form or otherwise), unless the Administrator offers the Participant the right to receive cash in lieu of Shares and the Participant, in its discretion, so elects. Section 5.11 to be amended with the following at the end of the last sentence of such section: ", subject only to the minimum entitlements under the Applicable Laws, including the applicable employment standards legislation." Section 5.12 to be amended with the following at the end of the first sentence of such section: ", subject only to the minimum entitlements under the Applicable Laws, including the applicable employment standards legislation." The following to be added as Section 5.21: "The parties acknowledge having requested that the present Agreement and all related documents be drafted in English only. Les parties reconnaissent avoir demandé que le présent contrat et les documents joints soient rédigés en anglais seulement." GERMANY Definition of "Tax Liability" in Section 4.5: For the avoidance of doubt, the term "Tax Liability" shall not include the employer portions of the social security contributions. The following sentence is inserted at Section 5.1 of the Agreement "For the avoidance of doubt, the Administrator's decisions and interpretations shall be subject to reasonable discretion." The heading of Section 5.12 shall be supplemented and read as follows: "5.12 SARs Not Part of Employment Compensation, No Legal Claim to Grant(s)." ITALY Section 2.4:

20 [AM_ACTIVE 404297993_4] Unless otherwise determined by the Administrator, a Participant's SARs shall only be distributed in Shares (either in book-entry form or otherwise), and no portion of the Participant's SARs shall be payable to the Participant in cash. Section 2.6: For the avoidance of doubt, with specific reference to social security contributions, the notion of "Tax Liability" shall only include the portion of applicable social security contributions to be borne by the Participant. JAPAN Notwithstanding Section 5.3 of the Agreement, the Japanese Participant's SARs shall not be transferable or splittable in any circumstances. There should be no requirement for your Employer in Japan to withhold the income tax and social security contributions on the amount taxable upon vesting of the SARs or any portion thereof. Please note, however, that your Employer in Japan will report your vested SARs to the Japanese tax authority by March 31 of the following year of the vesting. You should report your vested SARs in your individual income tax return and pay directly to the Japanese tax authorities the income tax liability with regard to your vested SARs by the due date, which is usually March 15. You should understand that SARs and their underlying Shares (or any cash paid upon settlement of SARs) are granted as an employee benefit and are not considered your salary in any circumstances. SINGAPORE The following section is inserted in Article 4 of this Agreement: "4.9. Lock-up Period following Vesting of SARs: (a) When the SARs are distributed in Shares pursuant to this Agreement, such Shares delivered to a Singapore Holder shall be subject to a six month lock-up period during which the Shares cannot be sold, encumbered or otherwise transferred, starting as of the moment of Vesting. As a consequence of this lock-up of the Shares, the Singapore Holder will not be able to sell, encumber or otherwise transfer the Shares during this period." UNITED KINGDOM The following paragraph is inserted as Section 4.5(f) of the Agreement where (i) on the Grant Date, Participant is resident in the United Kingdom for tax purposes or performs some or all of the duties of Participant's engagement with the Company (or any Subsidiary) in the United Kingdom (other where such performance in the United Kingdom is not significant in scope and is incidental to duties performed by Participant outside the United Kingdom); or (ii) after the Grant Date.



21 [AM_ACTIVE 404297993_4] Participant becomes resident in the United Kingdom for tax purposes, or commences performing some or all of the duties of Participant's engagement with the Company (or any Subsidiary) in the United Kingdom (other than where such performance in the United Kingdom is not significant in scope and is incidental to duties performed by Participant outside the United Kingdom), in which case the terms of this United Kingdom part of the Foreign Appendix shall be deemed to apply from the Grant Date: "(i) Participant irrevocably agrees to pay to the Company or (if different) the Employer the amount of any Tax Liability or enter into arrangements to the satisfaction of the Company or the Employer (as appropriate) for payment of any Tax Liability. This Section 4.5(f)(i) and the following Sections 4.5(f)(ii) and (iii) shall apply to any Tax Liability to the extent that the Company, any Subsidiary or the Employer is required or authorized, or reasonably believes it is required or authorized, to withhold, pay or account for such Tax Liability, and Sections 4.5(f)(ii) and 4.5(f)(iii) shall be read accordingly. (ii) Participant further irrevocably agrees that if Participant does not pay or the Employer or the Company does not withhold from Participant the full amount of any Tax Liability that Participant owes in connection with the grant, vesting, exercise or settlement of SARs, the transfer or issue of Shares to Participant on vesting, exercise or settlement of SARs, any restrictions applicable to Shares held by Participant ceasing to apply to those Shares, the disposal of any Shares, the release or assignment of SARs for consideration, or the receipt of any other benefit in connection with the Award or the SARs (the "Taxable Event") within ninety (90) days of the end of the UK tax year in which the Taxable Event occurs, or such other period specified in Section 222(1)(c) of the UK Income Tax (Earnings and Pensions) Act 2003 ("ITEPA 2003") (the "Due Date"), then the amount of any uncollected Tax Liability shall (unless the Company or (if different) the Employer determines otherwise at its discretion) constitute a loan owed by Participant to the Company or (if different) the Employer, effective on the Due Date. Participant agrees that the loan will bear interest at the then-current official rate of Her Majesty's Revenue and Customs ("HMRC") and will be immediately due and repayable by Participant, and the Company or the Employer (as appropriate) may recover it at any time thereafter by any of the means referred to in Section 4.5(a) of the Agreement. Participant also authorizes the Company to withhold the transfer of any Shares unless and until the loan is repaid in full. (iii) Notwithstanding the foregoing, if Participant is a director or other officer of the Company or the Employer (including an executive officer of the Company), Participant will not be eligible for such a loan to cover any relevant uncollected Tax Liability. In that case, or in any other case where the Company or the Employer determines not to treat the amount of any uncollected Tax Liability as a loan in accordance with the preceding paragraph, the amount of any uncollected Tax Liability that are not collected from or paid by Participant by the Due Date will constitute a benefit to Participant on which additional income tax and National Insurance contributions ("NICs") will be payable. Participant shall be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self- assessment regime (unless the Company or the Employer has confirmed that such income tax has been accounted for through payroll) and for reimbursing the Company or the Employer (as applicable) for the value of any employee NICs due on this additional benefit which the Company and/or the Employer may recover from Participant at any time thereafter by any of the means



22 [AM_ACTIVE 404297993_4] referred to in Section 4.5(a) of the Agreement. For the avoidance of doubt, any references to NICs in the Agreement shall be deemed to include a reference to the United Kingdom tax known as the health and social care levy. (iv) To the extent required by the Administrator or the Company (or, if different, the Employer), and subject to this being permitted by Applicable Law, the grant, vesting, exercise and/or settlement of the SARs shall be conditional on: (A) Participant entering into a joint election with the Company or (if different) the Employer (as appropriate) pursuant to section 431(1) or 431(2) of ITEPA 2003 (or such other election as the Company or (if different) the Employer may direct for the same purpose) in respect of any Shares acquired (or to be acquired) on the grant, vesting, exercise and/or settlement of the relevant SARs; and (B) Participant entering into a joint election with the Company or (if different) the Employer (as appropriate), made in accordance with paragraph 3B(1) of Schedule 1 of the UK Social Security Contributions and Benefits Act 1992, to transfer to Participant the liability for and secondary Class 1 (employer) NICs arising in respect of "relevant employment income" as defined in paragraph 3B(1A) of Schedule 1 of the Social Security Contributions and Benefits Act 1992."

[AM_ACTIVE 404297993_4] EXHIBIT C Additional Country-Specific Data Protection Information Supplementing Section 5.13 of the Stock Appreciation Right Agreement This Exhibit C, which is part of and supplements Section 5.13 of the Agreement, sets out additional country-specific data protection information required to be disclosed to a Participant who is located in any of the jurisdictions listed below. Canada Where the Participant is permanently located in Canada the following provision applies and supplements Section 5.13 of the Agreement: 1. The Participant hereby explicitly and unambiguously consents to the collection, use, disclosure, and transfer, in electronic or other form, of the Participant's Data as described in the Plan and any Award Agreement by and among, as applicable, the Company and its Subsidiaries for the purpose of implementing, administering and managing the Participant's participation in the Plan or the Award. 2. The Participant understands and acknowledges that the Participant's Data may be stored and processed by the Company and its Subsidiaries and their service providers in the United States, European Union, or other jurisdictions that may not have data protection or other laws that are as protective as in your country of residence. In the event that Data is transferred outside of Canada to the United States, European Union, or other foreign jurisdiction, it will be subject to the laws of that jurisdiction and may be disclosed to or accessed by the courts, law enforcement and governmental authorities in accordance with those laws. By participating in the Plan or the Award, the Participant consent to the transfer, processing and storage of their Data in countries outside of your country of residence, including the United States, European Union, or other jurisdictions. 3. The Participant authorizes the Company, its Subsidiaries, and any third parties assisting, presently or in the future, the Company and its Subsidiaries in the implementation, administration and management of the Plan, to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke his or her consent, or instructs the Company or its Subsidiaries to cease the processing of the Data, the only adverse consequence is that the Company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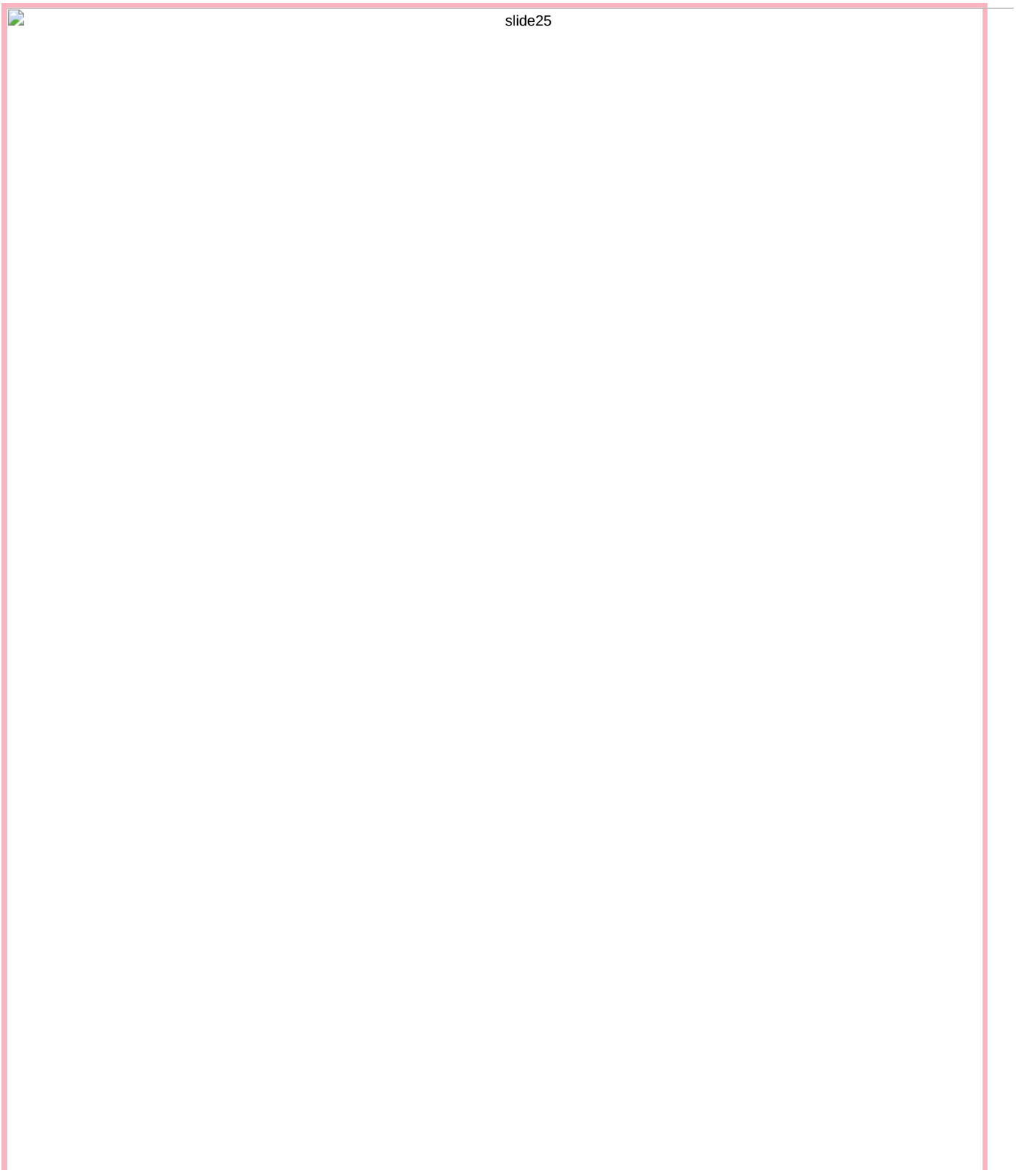
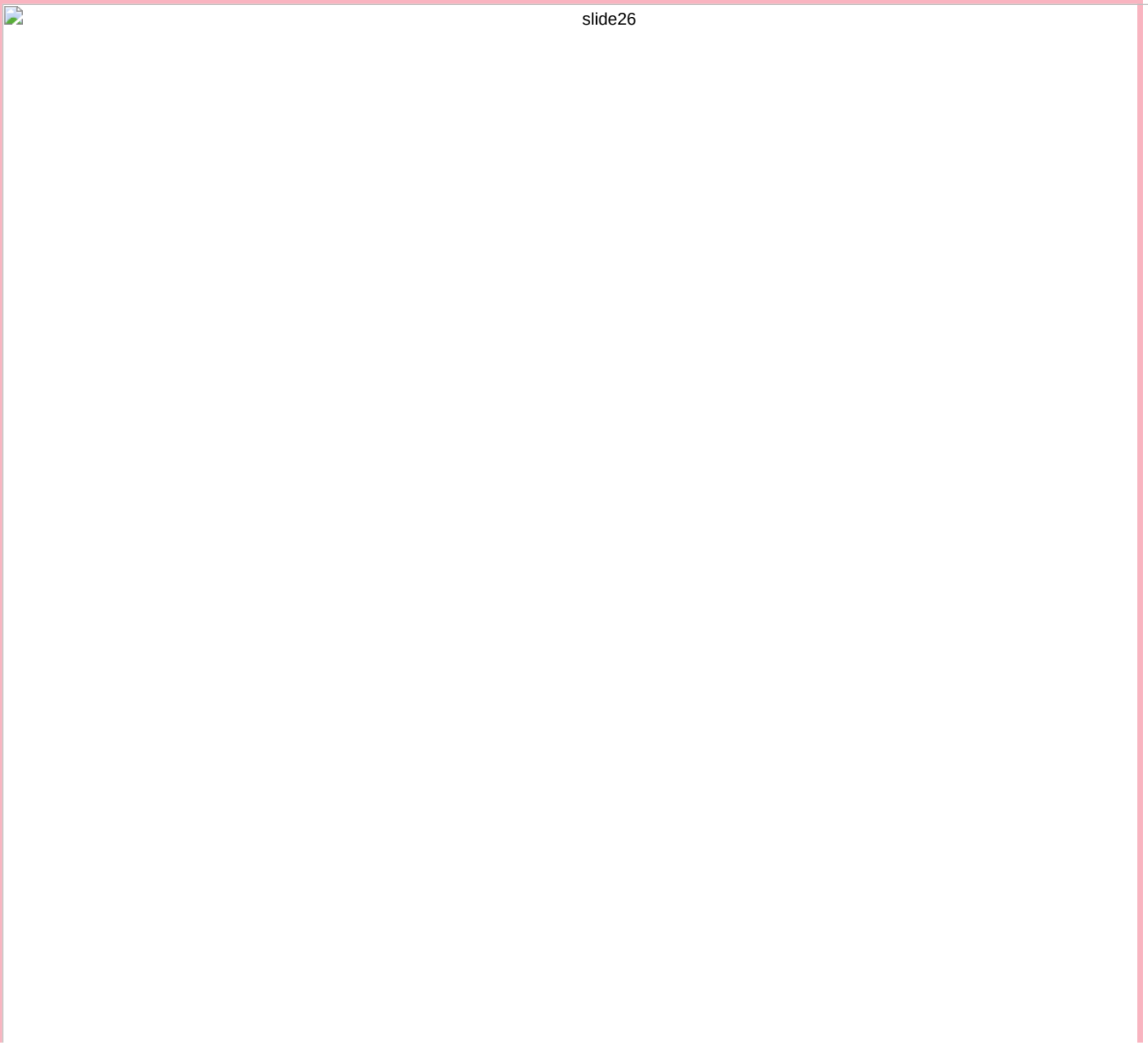
24 [AM_ACTIVE 404297993_4] may cancel the Participant's ability to participate in the Plan or the Award and, at the Administrator's discretion, the Participant may forfeit any outstanding Awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan or the Awards. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may consult the Company's relevant privacy policies or contact his or her local human resources representative. 4. In addition to the foregoing, where the Participant is permanently located in Quebec the following provision applies and supplements Section 5.13 of the Agreement: 5. The Participant understands and acknowledges that the Participant's Data may be stored and processed by the Company and its Subsidiaries and their service providers outside of Quebec including, but not limited to, in the United States, United Kingdom, European Union, Jersey, and in any other jurisdiction where the Company administers the Plan. These jurisdictions may not have data protection or other laws that are as protective as in your country of residence. In the event that Data is transferred outside of Quebec to jurisdictions including, but not limited to, the United States, United Kingdom, European Union, Jersey, and any other jurisdiction where the Company administers the Plan, it will be subject to the laws of that jurisdiction and may be disclosed to or accessed by the courts, law enforcement and governmental authorities in accordance with those laws. By participating in the Plan or the Award, the Participant consent to the transfer, processing and storage of their Data outside of Quebec, to jurisdictions including, but not limited to, the United States, United

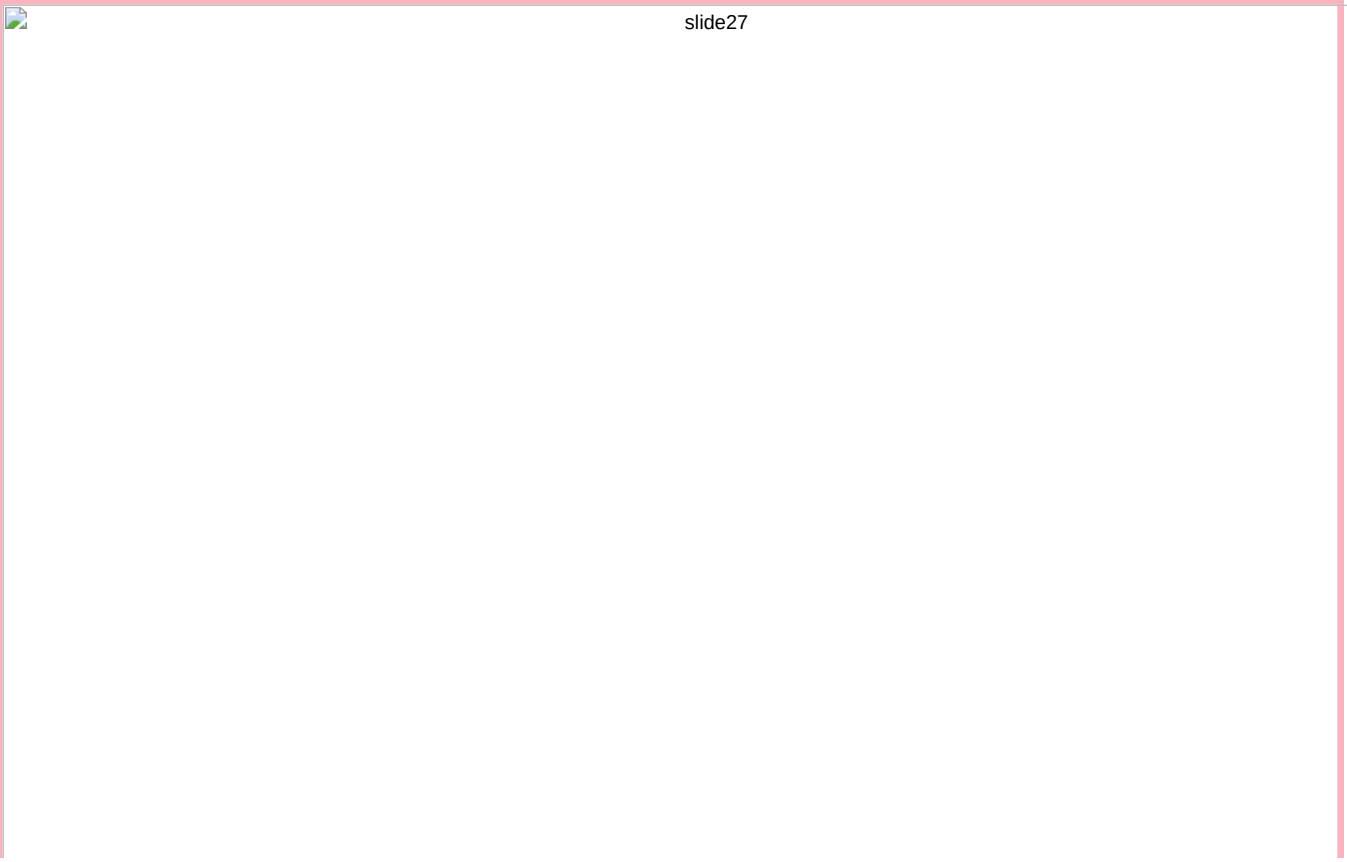
Kingdom, European Union, Jersey, and any other jurisdiction where the Company administers the Plan. This information is supplemental to and should be read in conjunction with the Notice on Employee Data Processing. European Union ("EU")/European Economic Area ("EEA") and the United Kingdom ("UK") Where the Participant is permanently located in the EU/EEA or the UK, the following provision applies and supplements Section 5.13 of the Agreement: The Participant understands and acknowledges that:



25 [AM_ACTIVE 404297993_4] 1. The data controller of the processing of Data related to implementation, administration and management of the Plan and the Award is the Company or its Subsidiaries (as applicable); 2. The legal basis for such processing of the Data (including any transfer of the Data as described in paragraph 3, below) is that the processing is necessary for the performance of a contract to which the Participant is a party (namely, this Agreement or any other Award Agreement); to the extent that it becomes necessary to process special categories of data, in particular as relates to disabilities, for the administration of the Plan or any Award, consent of the Participant will be sought; 3. Any transfer of the Data to a third party (including to the Plan Administrator or a broker or other third party with whom the Company or any of its Subsidiaries or the Participant may elect to deposit any Shares) located in a jurisdiction outside of EU/EEA or the UK (where such jurisdiction has not been deemed "adequate" for the purpose of the laws applicable to the protection of personal data in EU/EEA or the UK) will be made subject to appropriate safeguards, in compliance with applicable data protection law, further details of which shall be provided on request; 4. The Participant may, at any time, access the Participant's Data, request additional information about the storage and processing of the Data, require any necessary amendments to the Data without cost or exercise any other rights the Participant may have in relation to the Participant's Data under Applicable Law, including the right, in certain circumstances, to object to or restrict processing or request that data be erased, or the right to make a complaint to a data protection regulator in the EU/EEA or the UK; 5. In the event that the Company or its Subsidiaries (as applicable) are unable to process Data as is required for the purpose of administering, managing, or implementing the Plan of this Award, it may not be possible for the Participant to participate in the Plan or Award; 6. Queries or requests regarding the Participant's Data or the processing of such Data in connection with the Plan or this Award can be made to the Company's representative relating to the Plan, who may be contacted through the LivaNova Data Protection Portal (subject access).



26 |AM_ACTIVE 404297993_4| This information is supplemental to and should be read in conjunction with the Notice on Employee Data Processing (which may be updated from time to time and is currently located on the LivaNova Data Protection Portal). Japan Where the Participant is permanently located in the Japan, the following provision applies and supplements Section 5.13 of the Agreement: 1. The utilization purpose of the Data is to implement, administer and manage the Plan and the Award; 2. The Company and its Subsidiaries may share the Data for the purpose described in paragraph 1 above. The Company (CEO: Damien McDonald, registered address: 20 Eastbourne Terrace, London, W2 6LG, United Kingdom) is the company responsible for the management of the Data; 3. Any transfer of the Data to a third party (including to the Plan administrator or a broker or other third party with whom the Company or any of its Subsidiaries or the Participant may elect to deposit any Shares) located in a jurisdiction outside of Japan, EU/EEA or the UK (where such jurisdiction has not been deemed "adequate" for the purpose of the laws applicable to the protection of personal data in Japan) will be made subject to appropriate safeguards, in compliance with the Act on the Protection of Personal Information (the "APPI") or other applicable data protection law, if any; 4. The Participant may at any time, access the Participant's Data, request additional information about the storage and processing of the Data, require any necessary amendments to the Data without cost or exercise any other rights the Participant may have in relation to the Data under APPI or any Applicable Law, including the right, in certain circumstances, to object to or restrict processing or request that data be erased, or the right to make a complaint to a data protection regulator in Japan; 5. In the event that the Company or its Subsidiaries (as applicable) are unable to process the Data as is required for the purpose of administering, managing, or implementing the Plan of this Award, it may not be possible for the Participant to participate in the Plan or Award; 6. Queries or requests regarding the Participant's Data or the processing of such Data in connection with the Plan or this Award can be made to the Company's representative relating to



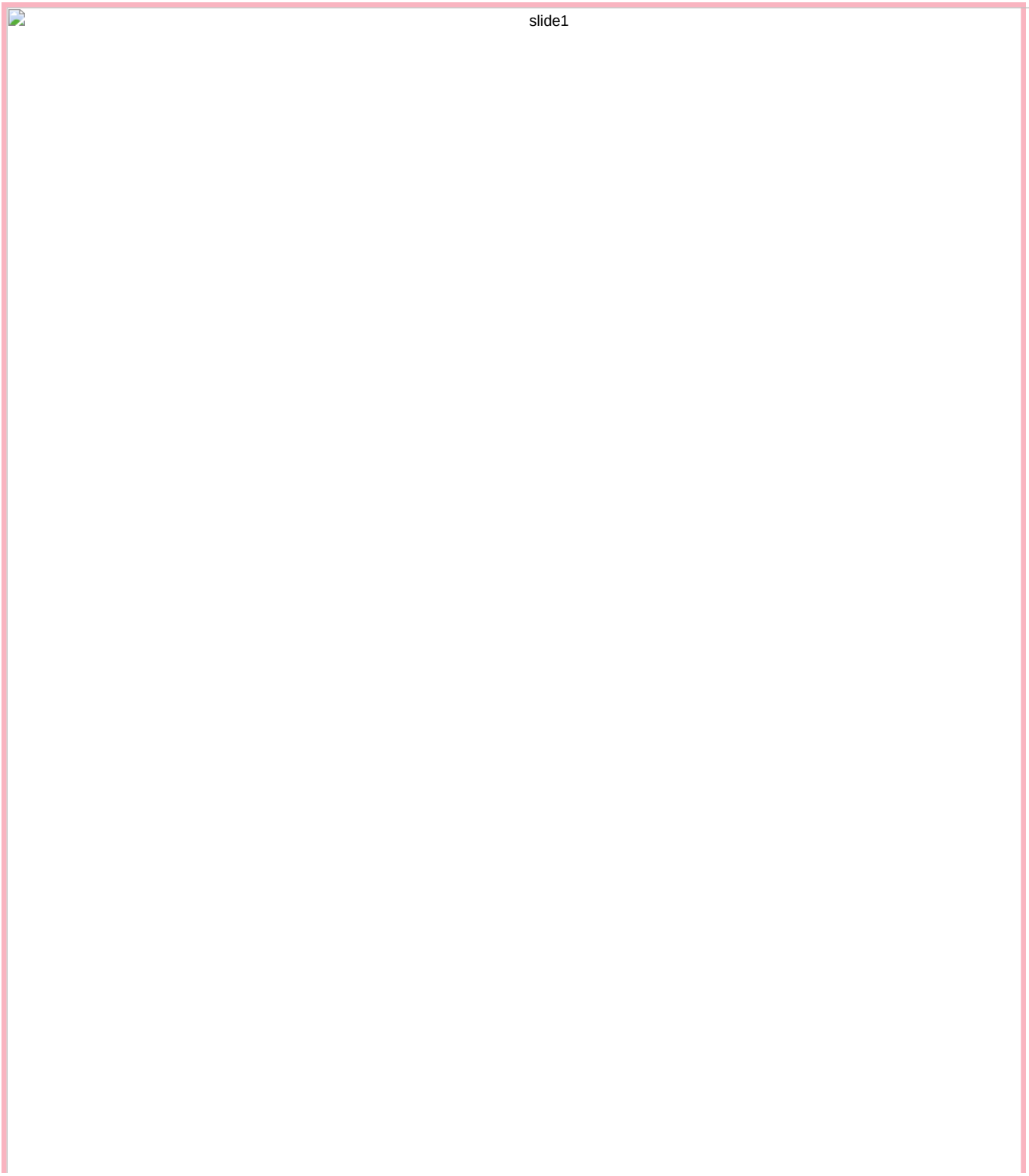
27 [AM_ACTIVE 404297993_4] the Plan, who may be contacted through the LivaNova Data Protection Portal (subject access). This information is supplemental to and should be read in conjunction with the Notice on Employee Data Processing (which may be updated from time to time and is currently located on the LivaNova Data Protection Portal). Singapore By your participation in the Plan, you hereby consent to the collection, use and disclosure of your personal data which includes (but is not limited to): 1. terms and conditions of employment; 2. personal and emergency contact details; 3. remuneration details, bonus and share plan information; 4. taxation, banking and central provident fund details; and 5. any other information that you provide to the Company. The purposes for which the Company collects, uses and discloses this data is for use concerning the Plan and any collection, use and disclosure of such data will be in compliance with the Personal Data Protection Act 2012 of Singapore (the "PDPA"). For the purpose of the Plan, the Company may from time to time transfer your personal data to the following classes of persons (within or outside Singapore): 1. a related corporation as defined under the Companies Act 1967 of Singapore; 2. the Company's banks; 3. administrator of the Singapore Subsidiary's central provident fund scheme; 4. outside parties involved in a merger, acquisition or due diligence exercise; 5. parties involved in a dispute, litigation, investigation, proceedings or enquiry; 6. companies or third party service providers the Company engages to perform the functions listed above on the Company's behalf; 7. applicable regulators, governmental bodies, law enforcement agencies, courts and arbitral bodies, tax and customs authorities.

28 [AM_ACTIVE 404297993_4] supervisory bodies, or other industry recognized bodies located inside or outside Singapore as required by any applicable local or foreign law, rules and regulations, codes of practice or guidelines of any applicable jurisdiction or any governmental or regulatory authority in or outside Singapore; and 8. anyone you authorize. The above classes of persons are situated in Singapore as well as in locations where the Company has business operations and where its staff and data processing agents may perform duties for the Company. These locations include Europe, the Americas, and other Asia Pacific locations. For a detailed list of these locations, please refer to our website (www.livanova.com)In such cases, the Company will ensure that it complies with its obligations under the PDPA including to ensure that the recipient of your personal data is bound by legally enforceable obligations (in accordance with the applicable regulations of the PDPA) to provide to the transferred personal data a standard of protection that is at least comparable to the protection under the PDPA. You must use all reasonable endeavours to keep the Company informed of any changes to your personal data. It is the Company's policy to retain certain personal data of the Singapore Holders even when they cease to be employed and such retention of personal data will be in accordance with applicable law. This data may be required for any residual Plan related activities such as allowing the Company to fulfil any of the Company's contractual or statutory obligations. To the extent applicable law allows, you may request access to, and correction of, your personal data in relation to the Plan. For any further information, please contact our Director of Total Global Awards. This information is supplemental to and should be read in conjunction with the Notice on Employee Data Processing (which may be updated from time to time and is currently located on the LivaNova Data Protection Portal). United States Where the Participant is permanently located in the United States the following provision applies and supplements Section 5.13 of the Agreement: 1. The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's Data, including personal data, as described in the Plan and any Award Agreement by and among, as applicable.

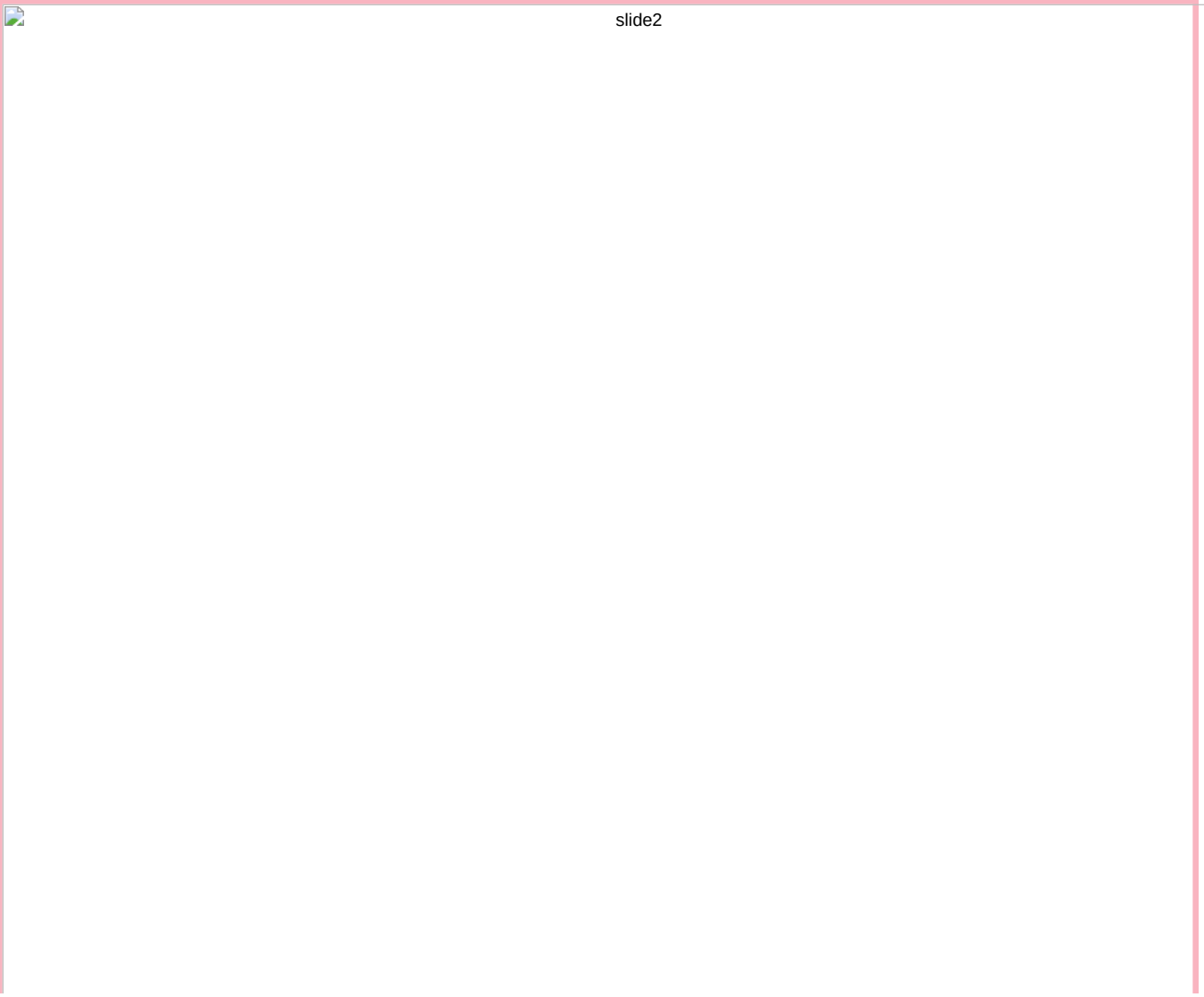
slide29

29 [AM_ACTIVE 404297993_4] the Company and its Subsidiaries for the purpose of implementing, administering and managing the Participant's participation in the Plan or the Award. 2. The Participant authorizes the Company, its Subsidiaries, and any third parties assisting, presently or in the future, the Company and its Subsidiaries in the implementation, administration and management of the Plan, to receive, possess, use, retain and transfer the Data, in

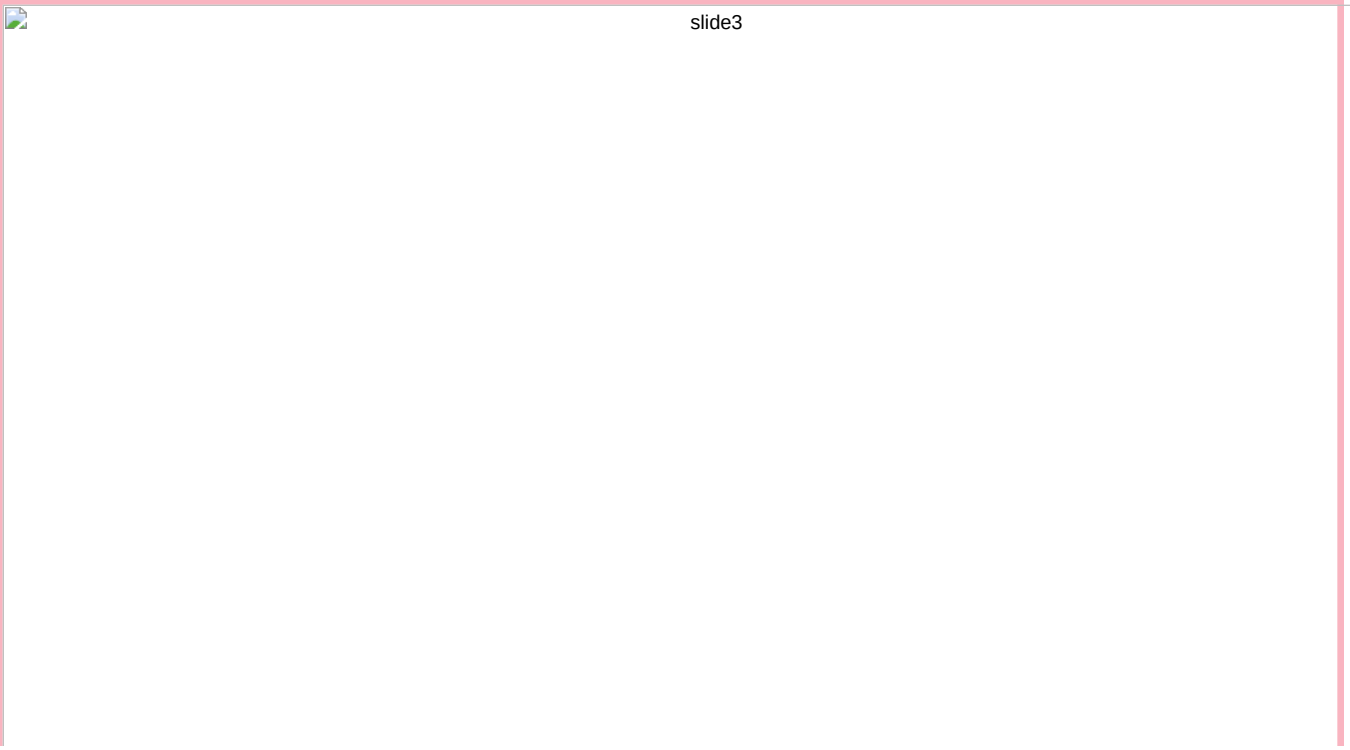
electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke his or her consent, or instructs the Company or its Subsidiaries to cease the processing of the Data, the only adverse consequence is that the Company may cancel the Participant's ability to participate in the Plan or the Award and, at the Administrator's discretion, the Participant may forfeit any outstanding Awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan or the Awards. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may consult the Company's relevant privacy policies or contact his or her local human resources representative. This information is supplemental to and should be read in conjunction with the Notice on Employee Data Processing (which may be updated from time to time and is currently located on the LivaNova Data Protection Portal).



[AM_ACTIVE 404299205_2] IMPORTANT NOTICES European Union/ European Economic Area ("EU/EEA") In relation to each Member State of the EEA, an offer to the public of any securities that comprise the RSUs (as defined below) (together "Securities") which are the subject of the offer contemplated by this Grant Notice (as defined below) may not be made in that Member State, except that an offer to the public in that Member State of any Securities may be made at any time under the following exemptions under the Prospectus Regulation: (a) where it is addressed solely to qualified investors as defined in the Prospectus Regulation; (b) where it is addressed to fewer than 150 natural or legal persons per Member State (other than qualified investors as defined in the Prospectus Regulation); or (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of Securities shall require the Company (as defined below) to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. For these purposes, the expression an "offer to the public" in relation to any Securities in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Securities to be offered so as to enable a recipient of such offer to decide to purchase any Securities, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129. These restrictions apply in addition to any other selling restrictions set out in this Grant Notice. Italy The offer of the RSUs is exempted from prospectus requirements under Italian securities law and, in particular, under Article 34-ter, paragraph 1, of the Italian Market Authority (CONSOB) Regulation No. 11971 of May 14, 1999. No person resident or located in Italy other than the original recipients of this document and any other document related to the RSUs may rely on such documents or their content. Japan Since the solicitation to the signatory hereof is considered a "Solicitation to a Small Number of Investors" under Article 23-13(4) of the Financial Instruments Exchange Act of Japan (the "FIEA"), notification under Article 4(1) of the FIEA has not been made. Singapore Each Participant is hereby advised that the Plan is not being registered under the Securities and Futures Act 2001 of Singapore on the basis that the grant of any RSUs to the Participant is exempt from the requirement to issue a prospectus on the basis that all Participants qualify as a "Qualifying Person" in accordance with Section 273(1)(i) and 273(4) of the Securities and Futures Act 2001 of Singapore. United Kingdom In relation to the United Kingdom, an offer to the public of any Securities which are the subject of the offer contemplated by this Grant Notice may not be made in the United Kingdom, except that

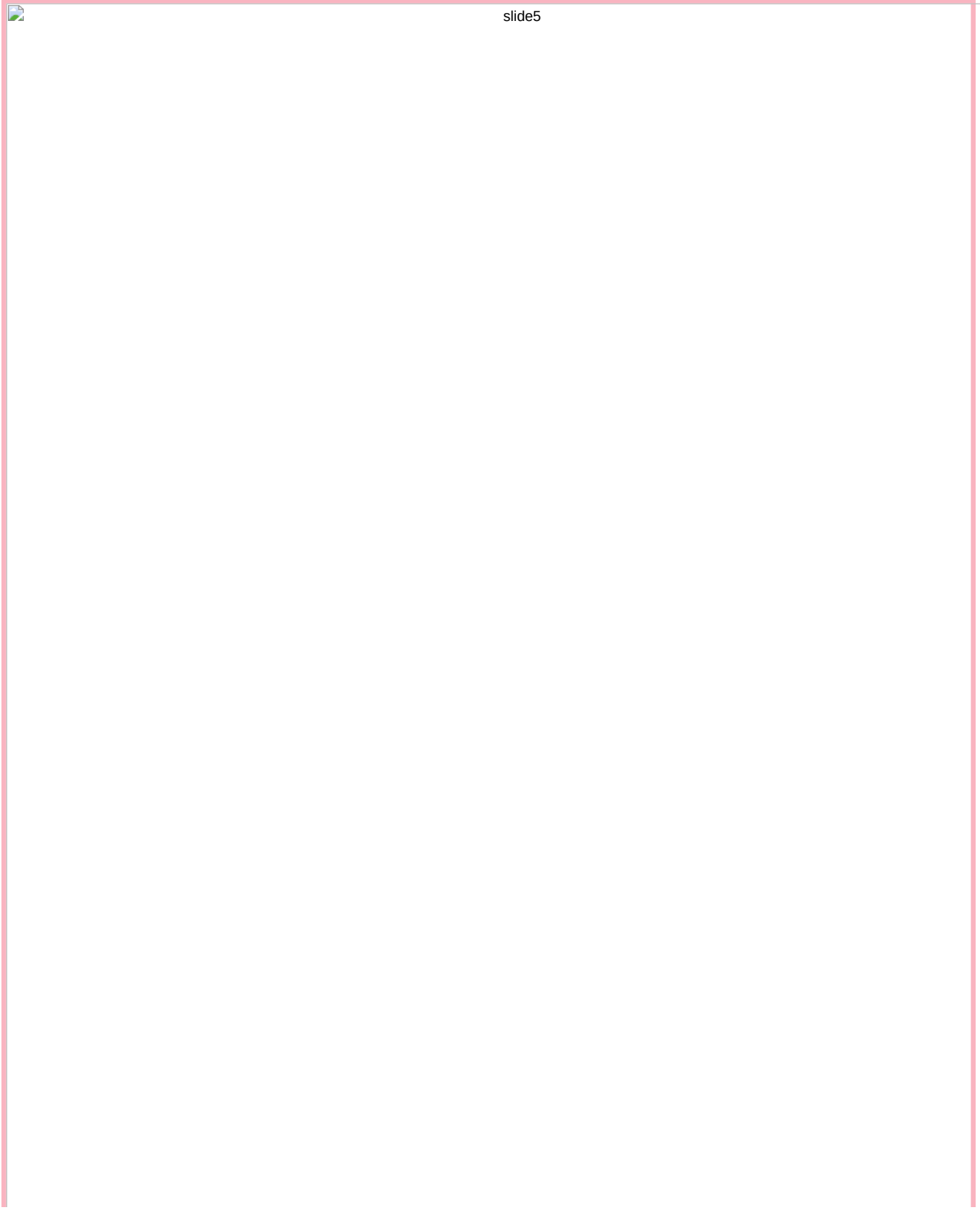


2 [AM_ACTIVE 404299205_2] an offer to the public in the United Kingdom of any Securities may be made at any time under the following exemptions under the Prospectus Regulation as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA") (the "UK Prospectus Regulation"): (a) where it is addressed solely to qualified investors as defined in the UK Prospectus Regulation; (b) where it is addressed to fewer than 150 natural or legal persons in the United Kingdom (other than qualified investors as defined in the UK Prospectus Regulation); or (c) in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000 (as amended) ("FSMA"), provided that no such offer of Securities shall require the Company to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For these purposes, the expression an "offer to the public" in relation to any Securities in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Securities to be offered so as to enable a recipient of such offer to decide to purchase any Securities, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129. These restrictions apply in addition to any other selling restrictions set out in this Grant Notice. This Grant Notice is only being distributed to and is only directed at persons who are employees or former employees of the Company or of another member of the same group as the Company and any persons falling within Article 60(2)(a) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") (such persons being referred to as "relevant persons"). All securities that comprise the RSUs (together "Securities") are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

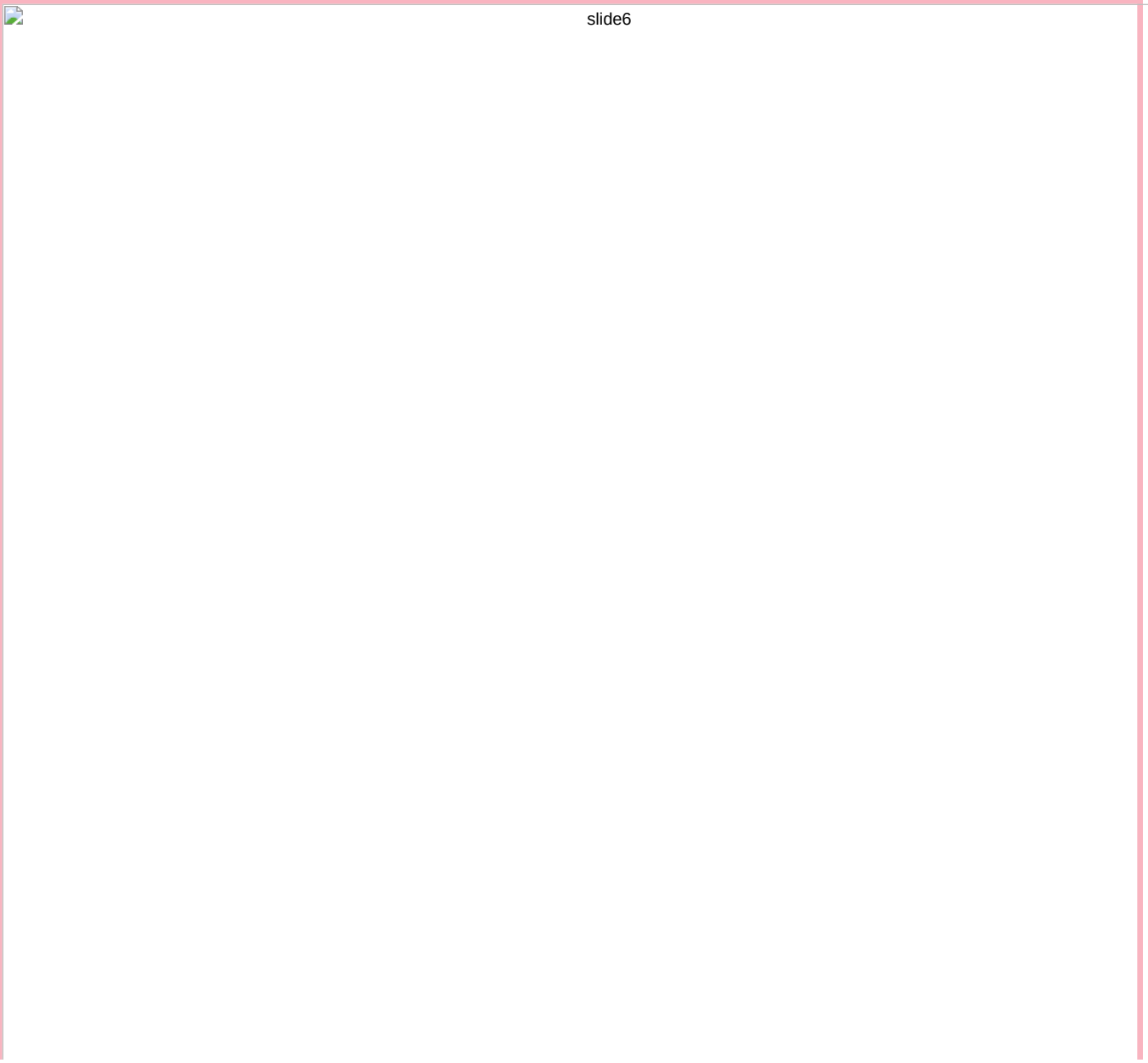


3 [AM_ACTIVE 404299205_2] LIVANOVA PLC 2022 INCENTIVE AWARD PLAN RESTRICTED STOCK UNIT AWARD GRANT NOTICE LivaNova PLC, a public limited company incorporated under the laws of England and Wales (the "Company"), pursuant to its 2022 Incentive Award Plan (including where relevant the sub-plan for France), as amended from time to time (the "Plan"), hereby grants to the holder listed below ("Participant") the number of restricted stock units (each, an "RSU", and collectively, the "RSUs") set forth below. The RSUs are subject to the terms and conditions set forth in this Restricted Stock Unit Grant Notice (the "Grant Notice") and the Restricted Stock Unit Agreement attached hereto as Exhibit A (the "Agreement"), the Plan and the special provisions for Participant's country of residence, if any, attached hereto as Exhibit B (the "Foreign Appendix") and the additional country-specific data protection information attached hereto as Exhibit C, each of which is incorporated herein by reference. Unless otherwise defined herein, the terms defined in (or by reference in) the Plan shall have the same defined meanings in this Grant Notice and the Agreement. Participant: [ ] Grant Date: [ ] Number of RSUs: [ ] Vesting Schedule: Subject to Agreement, the RSUs will vest as follows: [ ] By clicking the "ACCEPT" button, the Participant and the Company agree to be bound by the terms and conditions offer the Plan, the Agreement, the Foreign Appendix, if applicable, and this Grant Notice all of which the Participant can access through a link from the Grant Notice. The Participant has reviewed the Plan, the Agreement, the Foreign Appendix, if applicable, and this Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to accepting and agreeing to be bound by them, and fully understands all provisions of this Grant Notice, the Agreement, the Foreign Appendix, if applicable, and the Plan. Shares subject to RSUs that become vested will be distributed in accordance with the Agreement (including, without limitation, Section 2.4 of the Agreement). The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice, the Foreign Appendix, if applicable or the Agreement. By clicking "ACCEPT" you confirm that you understand and agree to be bound by the market sell order below. This will apply where the Company elects that any Tax Liability arising in respect of your RSUs shall be satisfied pursuant to Section 2.6(a)(v) of the Agreement with respect to any Shares then issuable employment are acceptable pursuant please sign below and return this letter your RSUs. I understand that by clicking "ACCEPT", I am instructing each broker-dealer who is a member of the Financial Industry Regulatory Authority and appointed by the Company from time

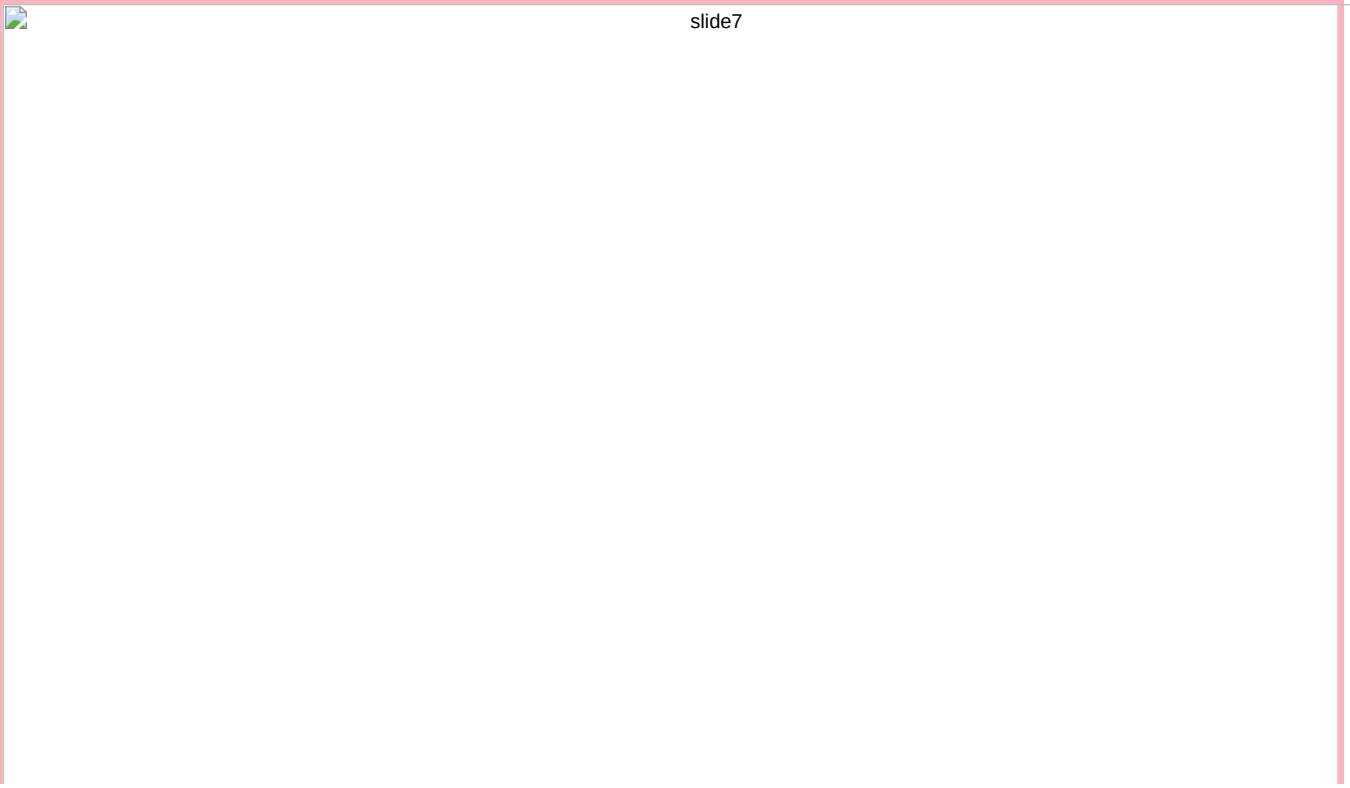
4 [AM_ACTIVE 404299205_2] to time for the purposes of this market sell order as my agent (the "Agent") to execute this order to sell such number of Shares then issuable to me pursuant to my RSUs as is sufficient to (A) obtain cash for payment of any withholding taxes or other Tax Liability due as a result of the grant, vesting or settlement of my RSUs that the Company, Subsidiary or Employer is required or authorised, or reasonably believes it is required or authorised, to withhold, pay or account for (such amount being "Tax"), including any previously vested RSUs that are currently pending settlement or outstanding unvested RSUs; and (B) cover all applicable fees and commissions due to, or required to be collected by, the Agent with respect to such sale. Any residual cash after payment of the Tax, commissions and fees will be deposited into my brokerage account with the Agent. The Agent may (A) execute my order in a single transaction or multiple transactions during the course of the trading day, or (B) aggregate my order with other orders for other sellers of Shares, execute them as a block or in multiple smaller transactions, and allocate an average price to each seller. In addition, I acknowledge that it may not be possible to execute my order to sell Shares at the relevant time due to (A) a legal or contractual restriction applicable to me or the Agent, (B) a market disruption, or (C) Nasdaq rules governing order execution priority. In the event of the Agent's inability to execute my order to sell Shares, I understand that I will continue to be responsible for the timely payment to the Company, Subsidiary or Employer (as applicable) of all Tax. I understand that this order will not be accepted by the Agent, and my order will not be executed, until I open a brokerage account with the Agent. I also understand that this order will be executed in my brokerage account and will be subject to the terms and conditions that I agree to for that account. I permit the Agent to discuss with and disclose to the Company any information relating to my brokerage account for the purposes of this order. I hereby agree to execute and deliver to the Agent any other agreements or documents as the Agent reasonably deems necessary or appropriate to carry out the purposes and intent of this order. I understand that the Agent is a third-party beneficiary of this order. You must also check your W-9 or W-8 tax certification to confirm it will be in effect on the sale date(s). You can view the current status of your W-9 or W-8 on the Agent's platform.



5 [AM_ACTIVE 404299205_2] EXHIBIT A TO RESTRICTED STOCK UNIT AWARD GRANT NOTICE RESTRICTED STOCK UNIT AWARD AGREEMENT Pursuant to the Restricted Stock Unit Grant Notice (the "Grant Notice") to which this Restricted Stock Unit Award Agreement (this "Agreement") is attached, the LivaNova USA Inc. a public limited company incorporated under the laws Damien McDonald Damien McDonald Acceptance England Offer: I have read Wales (the "Company") has granted to Participant Restricted Stock Units ("RSUs") under the Company's 2022 Incentive Award Plan (including where relevant the sub-plan for France), as amended from time to time (the "Plan") over the number of Shares set forth in the Grant Notice. ARTICLE 1. GENERAL 1.1 Defined Terms. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan or the Grant Notice. For purposes of this Agreement: (a) "Disability" shall be defined as in Participant's employment letter or agreement with the Company or a Subsidiary, as amended from time to time, or if Participant is not a party to such a letter or agreement or such letter or agreement does not contain such a definition, shall mean Participant's inability to engage in any substantial gainful activity by reason of any physical or mental impairment that can be expected to result in death or that can be expected to last for a continuous period of not less than 12 months, in each case, which has been determined by a registered medical professional. Understood. subject to Applicable Law. 1.2 Incorporation of Terms of Plan and Foreign Appendix. The RSUs and the Shares issued to Participant hereunder are subject to the terms and conditions set forth in the Plan and the Foreign Appendix, if applicable, each of which is incorporated herein by reference, as well as this Agreement. In the event of any inconsistency between the Plan and/or this Agreement, I accept all Plan shall control. In the event offer any inconsistency between the Plan and/or this Agreement with the Foreign Appendix, the terms of the Foreign Appendix shall control. ARTICLE 2. GRANT OF RSUS AND DIVIDEND EQUIVALENTS 2.1 Grant of RSUs and Dividend Equivalents. (a) In consideration of Participant's past and/or continued with the Company or a Subsidiary and for other good and valuable consideration, effective as of the grant date set forth in the Grant Notice (the "Grant Date"), the Company has granted to Participant the number of RSUs set forth in the Grant Notice, upon the terms and conditions set forth in this Agreement, the Grant Notice, the Plan and, if applicable, the Foreign Appendix, subject to adjustment as provided in Section 12.2 of the Plan. Each RSU represents the right to receive one



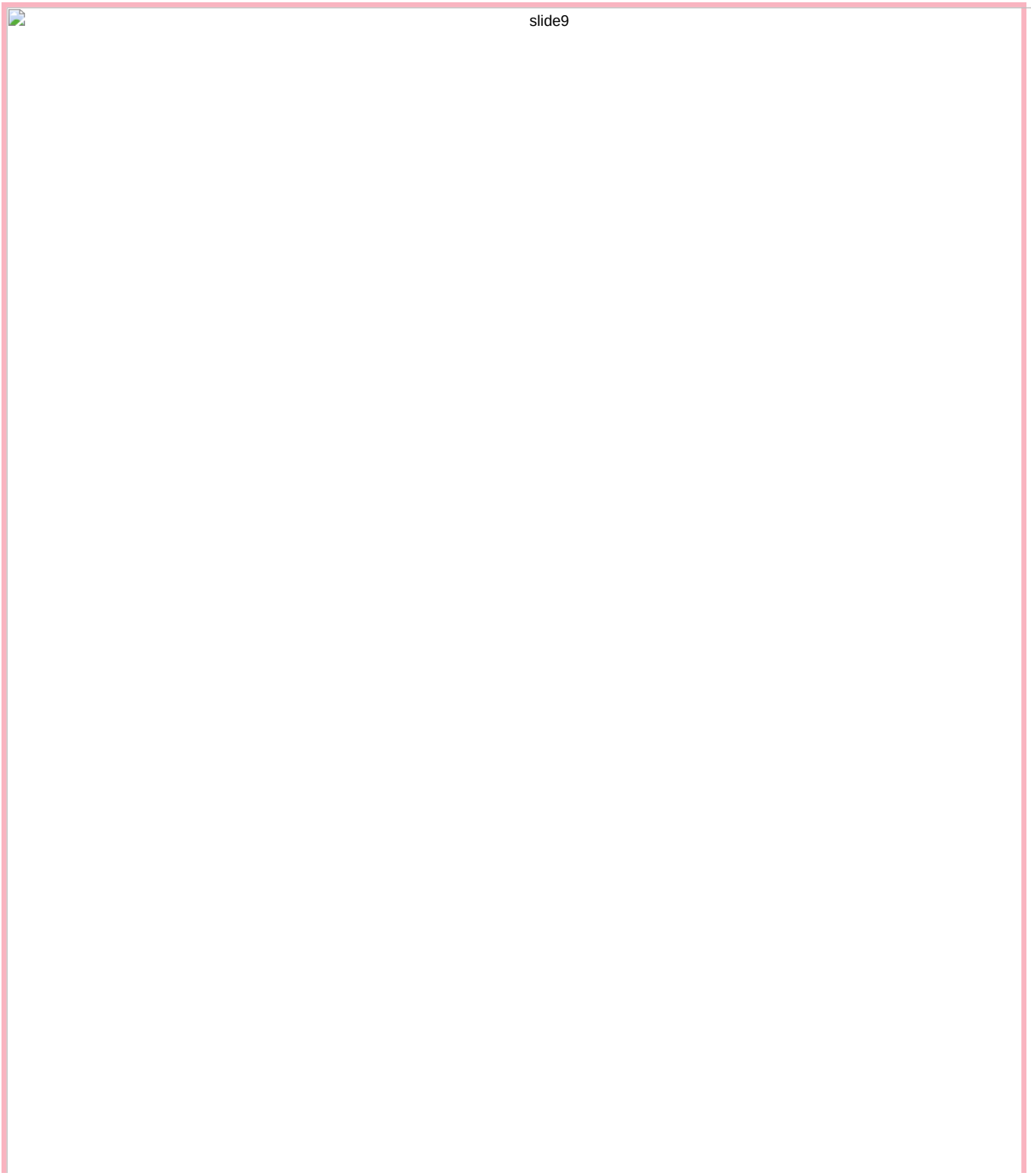
6 [AM_ACTIVE 404299205_2] Share or, at the option of the Company, an amount of cash as set forth in Section 2.4(b), in either case, at the times and subject to the conditions set forth herein. However, unless and until the RSUs have vested, Participant will have no right to the payment of any Shares subject thereto. Prior to the actual delivery of any Shares, the RSUs will represent an unsecured obligation of the Company, payable only from the general assets of the Company. (b) The Company hereby grants to Participant an Award of Dividend Equivalents with respect to each RSU granted pursuant to the Grant Notice for all ordinary cash dividends which are paid to all or substantially all holders of the outstanding Shares between the Grant Date and the date when the applicable RSU is distributed or paid to Participant or is forfeited or expires. The Dividend Equivalents for each RSU shall be equal in value to the amount of cash which is paid as a dividend on one Share. All such Dividend Equivalents shall be credited to Participant in the form of additional RSUs as of the date of payment of any such dividend based on the Fair Market Value of a Share on such date. Each additional RSU which results from such Dividend Equivalents granted hereunder shall be subject to the same vesting, distribution or payment, adjustment and other provisions which apply to the underlying RSU to which such additional RSU relates. In particular, Dividend Equivalents that are based on dividends paid prior to the vesting of the RSUs shall only be paid out to the Participant to the extent that the vesting conditions are subsequently satisfied and the RSUs vest. 2.2 Consideration to the Company. In consideration of the grant of the RSUs by the Company, Participant agrees to render faithful and efficient services to the Company or any Subsidiary. Nothing in the Plan, the Grant Notice, the Foreign Appendix, if applicable or this Agreement shall confer upon Participant any right to continue in the employ of the Company or any Subsidiary or shall interfere with or restrict in any way the rights of the Company and the Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the employment of Participant at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise by Applicable Law or in a written agreement between the Company or a Subsidiary and Participant. 2.3 Vesting of RSUs and Dividend Equivalents. (a) Subject to Participant's continued employment with the Company or a Subsidiary on each applicable vesting date and subject to the terms of this Agreement, the RSUs shall vest in such amounts and at such times as are set forth in the Grant Notice. Each additional RSU which results from Dividend Equivalents pursuant to Section 2.1(b) hereof shall vest whenever the underlying RSU to which such additional RSU relates vests. (b) In the event Participant incurs a Termination of Service, except as may be otherwise provided by this Section 2.3, the Administrator or as set forth in a written agreement between Participant and the Company, Participant shall immediately forfeit any and all RSUs and Dividend Equivalents granted under this Agreement which have not vested or do not vest on or prior to the date on which such Termination of Service occurs, and Participant's rights in any such RSUs and Dividend Equivalents which are not so vested shall lapse and expire.



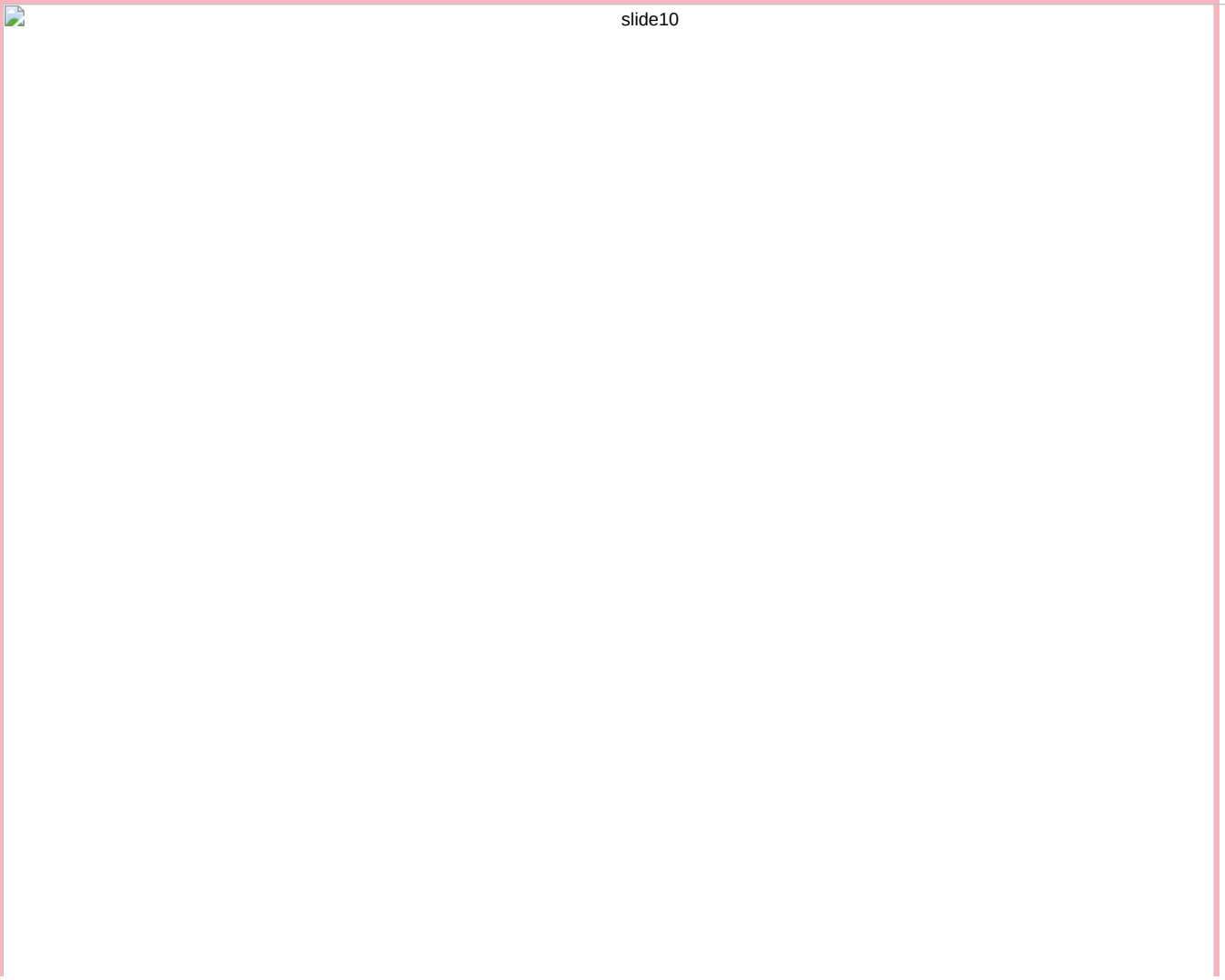
7 [AM_ACTIVE 404299205_2] (c) In the event a Participant incurs a Termination of Service due to an Approved Retirement, the Participant's outstanding RSUs will not be forfeited upon such Approved Retirement, but instead outstanding RSUs shall continue to vest on the date(s) set out in the Grant Notice (provided all other terms which apply to the RSUs are met, including the terms regarding restricted activities set forth below). "Approved Retirement" means a Termination of Service designated by the Committee, in its absolute discretion, as an Approved Retirement. In exercising its discretion in designating a Termination of Service as an Approved Retirement, the Committee will strongly consider management recommendations based on each specific situation including the Participant's expressed commitment at the time of Termination of Service to cease any form of full-time paid work (including, but not limited to, self-employment, agency work, or employment), Participant's tenure of service and performance records throughout the Participant's employment or engagement by the Company or its Subsidiaries. In the event the Company determines that a Participant who incurs a Termination of Service designated as an Approved Retirement commits a material breach of any fiduciary, confidentiality, non-disclosure, non-competition, non-solicitation, non-interference, non- disparagement obligations to the Company or its Subsidiaries (including without limitation, the Participant's engagement in any Prohibited Activities), any portion of the RSUs unvested at such time shall be immediately forfeited for no consideration. For the purposes of this Section 2.3(c), "Prohibited Activities" shall mean the activities that are prohibited pursuant to any confidentiality agreement or covenant not to compete, not to solicit or hire employees, not to solicit or disrupt business relations, not to disparage the Company, its Subsidiaries or any of its or their officers and employees or any similar restrictions set out in any employment, severance or other written agreement then in effect between the Participant and the Company or one of its Subsidiaries. If no such agreement containing such restrictions is then in effect, the Participant will be deemed to be engaged in "Prohibited Activities" if the Participant, during the term of his or her employment or engagement or in the period during which any RSUs remain unvested following his or her Termination of Service, engages in any employment or business activities for him or herself or on behalf of any enterprise in any capacity or owns any interest in any entity which competes or is competitive with the business of the Company or any Subsidiary in any country in which the Company or its Subsidiaries operate, in each case with which the Participant has been materially involved or for which the Participant was responsible in the 12 months immediately before his or her Termination of Service. (d) In the event of Participant's Termination of Service by the Company without Cause or due to a resignation by Participant for Good Reason within the 24 months immediately following a Change in Control, the RSUs, to the extent not forfeited or otherwise vested immediately prior to such Termination of Service, shall become fully vested upon such Termination of Service. "Good Reason" shall mean: (i) a material reduction by the Company in Participant's base salary or target annual bonus as in effect immediately prior to such reduction, (ii) a material

8 [AM_ACTIVE 404299205_2] diminution in the Participant's authority, duties or responsibilities (including, without limitation, any negative change in reporting hierarchy involving the Participant or the person to whom he or she directly reports, or if Participant was a Section 16 reporting officer immediately prior the Change in Control and is no longer a Section 16 reporting officer immediately following the Change in Control); or (iv) a change of at least twenty (20) miles in the geographic location at which the Participant must perform services, or if the Participant is designated to work primarily on a "remote" basis, the Participant is required to relocate to any office or location that is not materially consistent with the Participant's remote work arrangement, provided that, in each case (a) the Participant provides written notice to the General Counsel and Chief Human Resources Officer of the Company of the existence of one or more of the conditions described in the clauses above within thirty (30) days following the Participant's knowledge of the initial existence of such condition or conditions, specifying in reasonable detail the conditions constituting Good Reason (b) the Employer fails to cure such event or condition within thirty (30) days following the receipt of such notice and (iii) the Participant incurs a Termination of Service within thirty (30) days following the expiration of such cure period. "Cause" shall mean, if Participant is employed pursuant to a written employment or similar agreement which includes a definition of "Cause," "Cause" as defined in that agreement and otherwise: (i) the willful and continued failure by Participant to perform substantially Participant's duties with the Company, other than any such failure resulting from Participant's incapacity due to physical or mental illness, which continues unabated after a written demand for substantial performance is delivered to Participant by the Company that specifically identifies the manner in which the Company believes that Participant has not substantially performed Employee's duties; (ii) Participant willfully engaging in gross misconduct that is materially and demonstrably injurious to the Company; (iii) Participant's conviction of any felony, or to any misdemeanor involving dishonesty or moral turpitude, in either case, which is materially and demonstrably injurious to the Company or any of its subsidiaries; or (iv) Participant's material breach of his or her employment or service contract with the Company, which breach, if curable, has not been remedied by Participant after written notice has been provided

to Participant of such breach. For purposes of this definition, an act or failure to act on Participant's part shall be considered "willful" only if done or omitted to be done by Participant otherwise than in good faith and without reasonable belief that Participant's action or omission was in the best interest of the Company. For the avoidance of doubt, the definition of "Cause" herein shall not conflict with any statutory definition of cause under applicable local law. (e) In the event of Participant's Termination of Service due to Participant's death or Disability, the RSUs shall become fully vested upon such Termination of Service. 2.4 Distribution or Payment of RSUs. (a) Participant's RSUs shall be distributed in Shares (either in book-entry form or otherwise) or, at the option of the Company, paid in an amount of cash as set forth in Section 2.4(b), in either case, as soon as administratively practicable following the vesting of the applicable RSU pursuant to Section 2.3 and the Grant Notice, and, in any event, within sixty (60) days following such vesting (for the avoidance of doubt, this deadline is intended to comply with the "short-term deferral" exemption from Section 409A of the Code). Notwithstanding the foregoing,



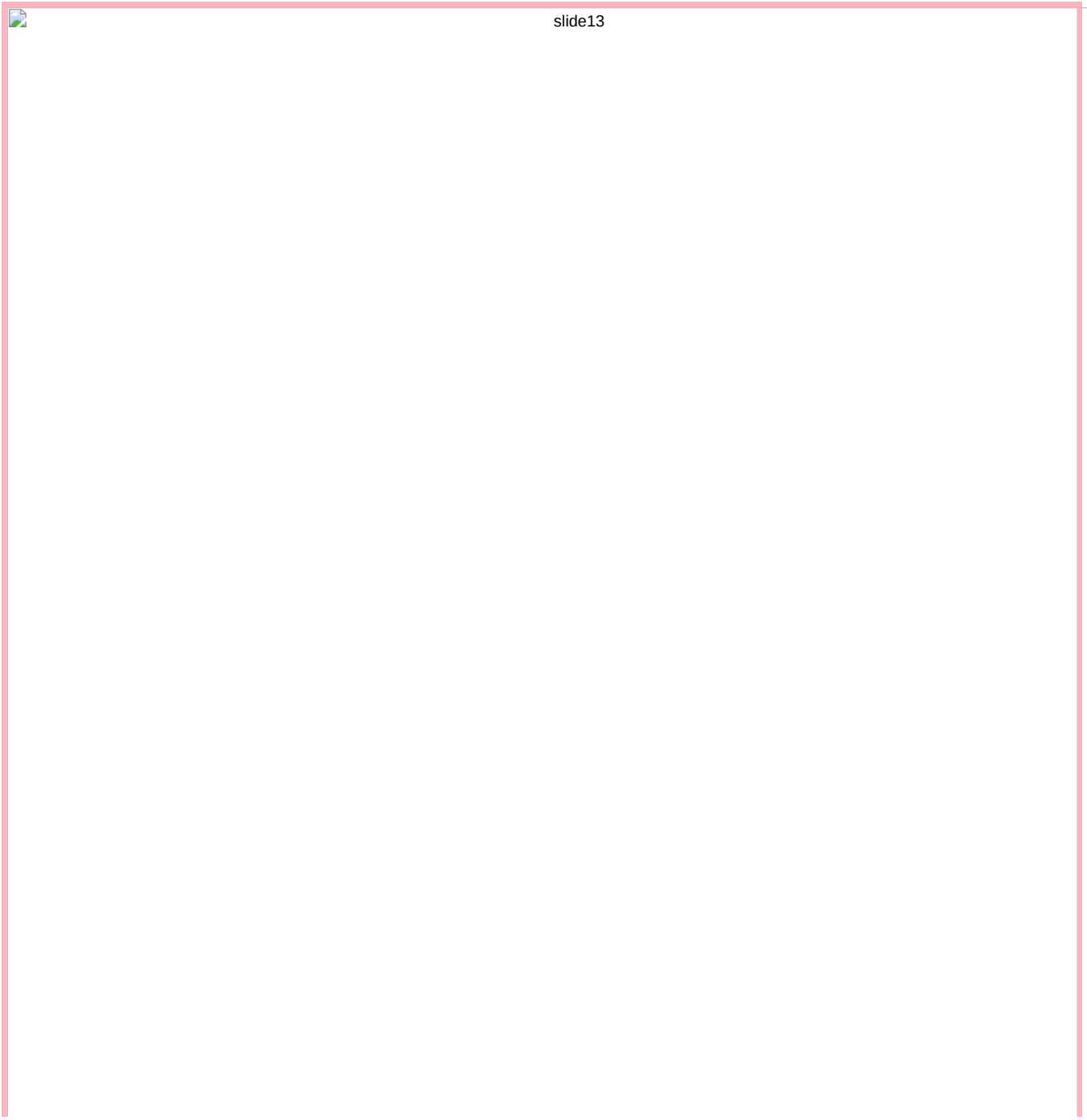
9 [AM_ACTIVE 404299205_2] the Company may delay a distribution or payment in settlement of RSUs if it reasonably determines that such payment or distribution will violate Federal securities laws or any other Applicable Law, provided that such distribution or payment shall be made at the earliest date at which the Company reasonably determines that the making of such distribution or payment will not cause such violation, as required by Treasury Regulation Section 1.409A-2(b)(7)(ii), and provided further that no payment or distribution shall be delayed under this Section 2.4(a) if such delay will result in a violation of Section 409A of the Code. (b) In the event that the Company determines in its discretion that due to regulatory or administrative needs it will make payment of Participant's RSUs in cash, the amount of cash payable with respect to each RSU shall be equal to the Fair Market Value of a Share on the day immediately preceding the applicable distribution or payment date set forth in Section 2.4(a). All distributions made in Shares shall be made by the Company in the form of whole Shares, and any fractional share shall be distributed in cash in an amount equal to the value of such fractional share determined based on the Fair Market Value as of the date immediately preceding the date of such distribution. 2.5 Conditions to Issuance of Shares. The Company shall not be required to issue or deliver any certificate or certificates for any Shares or to cause any Shares to be held in book-entry form prior to the fulfillment of all of the following conditions: (a) the admission of the Shares to listing on all stock exchanges on which such Shares are then listed, (b) the completion of any registration or other qualification of the Shares under any state or federal law or under rulings or regulations of the Securities and Exchange Commission or other governmental regulatory body, which the Administrator shall, in its absolute discretion, deem necessary or advisable, and (c) the obtaining of any approval or other clearance from any state or federal governmental agency that the Administrator shall, in its absolute discretion, determine to be necessary or advisable. 2.6 Tax Withholding. Notwithstanding any other provision of this Agreement: (a) The Company and its Subsidiaries, including, if different from the Company, Participant's Employer (the "Employer"), have the authority to deduct or withhold, or require Participant to remit to the Company or the applicable Subsidiary, an amount sufficient to satisfy any Tax Liability arising with respect to any taxable event concerning Participant pursuant to the Grant Notice or this Agreement (or otherwise pursuant to the Plan). Participant irrevocably agrees to pay to the Company or (if different) the Employer the amount of any Tax Liability that the Company, Subsidiary or Employer is required or authorized, or reasonably believes it is required or authorized, to withhold, pay, or account for, or enter into arrangements to the satisfaction of the Company or the Employer (as appropriate) for payment of any such Tax Liability including (but not limited) by way of payment or withholding in one or more of the forms specified below: (i) by cash of or check for the relevant amount paid or made payable to the Company or the Employer (or other relevant Subsidiary) with respect to which the withholding obligation arises;



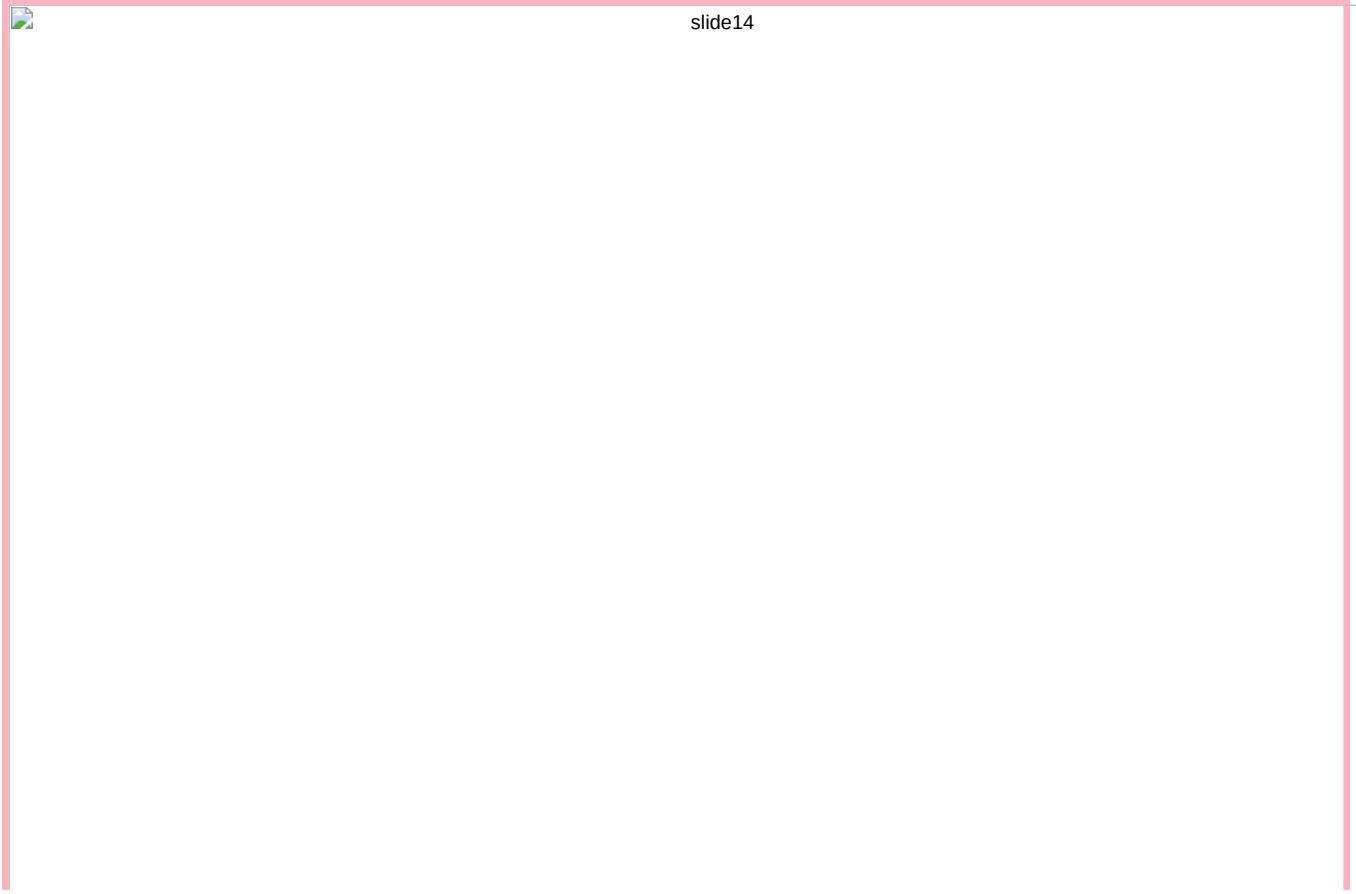
10 [AM_ACTIVE 404299205_2] (ii) by withholding of the relevant amount from Participant's wages or other compensation payable to Participant by the Company or the Employer (or any other relevant Subsidiary), including (for the avoidance of doubt) any payment due to Participant pursuant to the RSUs; (iii) by withholding Shares otherwise issuable pursuant to the RSUs or by withholding from proceeds of the sale of Shares issuable pursuant to the RSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization) without further consent, in each case with such Shares having a then current Fair Market Value as is sufficient to cover the amount necessary to satisfy the Tax Liability; (iv) with the consent of the Administrator, by Participant tendering to the Company Shares having a then current Fair Market Value as is sufficient to cover the amount necessary to satisfy the Tax Liability; (v) through the delivery of a notice that Participant has placed a market sell order with a broker acceptable to the Company with respect to any Shares then issuable to Participant pursuant to the RSUs, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company or the Employer (or other relevant Subsidiary) with respect to which the Tax Liability arises in satisfaction of such Tax Liability; provided that payment of such proceeds is then made to the Company or the Employer (or other relevant Subsidiary) at such time as may be required by the Administrator, but in any event not later than the settlement of such sale; or (vi) in any combination of the foregoing or such other method as is determined by the Company or the Administrator. (b) The Company shall not be obligated to deliver any certificate representing Shares issuable with respect to the RSUs to, or to cause any such Shares to be held in book-entry form by, Participant or his or her legal representative unless and until Participant or his or her legal representative shall have paid or otherwise satisfied in full the amount of any Tax Liability, provided that no payment shall be delayed under this Section 2.6(b) if such delay would result in a violation of Section 409A. (c) With respect to any Tax Liability arising in connection with the RSUs, in the event Participant fails to provide timely payment of all sums required pursuant to Section 2.6(a), the Company shall have the right and option, but not the obligation, to treat such failure as an election by Participant to satisfy all or any portion of Participant's required payment obligation pursuant to Section 2.6(a)(ii) or Section 2.6(a)(iii) above, or any combination of the foregoing as the Company may determine to be appropriate. (d) In the event any Tax Liability arising in connection with the RSUs will be satisfied under Section 2.6(a)(iii), then the Company may elect to instruct any brokerage firm determined acceptable to the Company for such purpose to sell on Participant's behalf a whole number of shares from those Shares then issuable to Participant pursuant to the RSUs as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the relevant Tax Liability and to remit the proceeds of such sale to the Company, the Subsidiary or the

11 [AM_ACTIVE 404299205_2] Employer (as appropriate). Participant's acceptance of this Award constitutes Participant's instruction and authorization to the Company and such brokerage firm to complete the transactions described in this Section 2.6(d). The Company may refuse to issue any Shares in settlement of the RSUs to Participant until the foregoing Tax Liability is satisfied, provided that no payment shall be delayed under this Section 2.6(d) if such delay will result in a violation of Section 409A. (e) Participant is ultimately liable and responsible for and indemnifies and will keep indemnified the Company and each Subsidiary (including the Employer, if applicable) against any Tax Liability arising in connection with the RSUs, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the RSUs. Neither the Company nor any Subsidiary (including the Employer, if applicable) makes any representation or undertaking regarding the treatment of any Tax Liability in connection with the awarding, vesting or distribution or payment of the RSUs, the receipt of any Dividend Equivalent or the subsequent sale of Shares. The Company and the Subsidiaries (including the Employer, if applicable) do not commit and are under no obligation to structure the RSUs to reduce or eliminate any Tax Liability or to achieve any particular tax result. 2.7 Rights as Shareholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a shareholder of the Company, including, without limitation, voting rights and rights to dividends, in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book-entry form) have been issued and recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant (including through electronic delivery to a brokerage account). No adjustment shall be made for a dividend or other right for which the record date is prior to the date of such issuance, recordation and delivery, except as provided in Section 12 of the Plan. Except as otherwise provided herein, after such issuance, recordation and delivery, Participant will have all the rights of a shareholder of the Company with respect to such Shares, including, without limitation, the right to receipt of dividends and distributions on such Shares. 2.8 Malus and Claw-Back. The grant of this Award is subject to the terms of the LivaNova Compensation Recoupment Policy, as it may provide from time to time, as well as any similar provisions of applicable law, any of which could in certain circumstances require the Participant to repay or forfeit cash or equity awards, including this Award, or any ordinary shares or other cash or property received with respect to this and other awards, including any value received from a disposition of the ordinary shares acquired upon payment in respect of the awards. ARTICLE 3. OTHER PROVISIONS 3.1 Administration. The Administrator shall have the power to interpret the Plan, the Grant Notice, this Agreement and the Foreign Appendix, if applicable, and to adopt such rules for the administration, interpretation and application of the Plan, the Grant Notice, this Agreement and the Foreign Appendix, if applicable, as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Administrator will be final and binding upon Participant, the Company and all other interested

12 [AM_ACTIVE 404299205_2] persons. To the extent allowable pursuant to Applicable Law, no member of the Committee or the Board will be personally liable for any action, determination or interpretation made with respect to the Plan, the Grant Notice, this Agreement or the Foreign Appendix, if applicable. 3.2 RSUs Not Transferable. Without limiting the generality of any other provision hereof, the RSUs shall be subject to the restrictions on transferability set forth in Section 10.3 of the Plan. 3.3 Adjustments. Participant acknowledges that the RSUs and the Shares subject to the RSUs are subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan, including Section 12 of the Plan. 3.4 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company at the Company's principal office, and any notice to be given to Participant shall be addressed to Participant at Participant's last address reflected on the Company's records. By a notice given pursuant to this Section 3.4, either party may hereafter designate a different address for notices to be given to that party. Any notice shall be deemed duly given when sent via email or when sent by reputable overnight courier or by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service. 3.5 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement. 3.6 Governing Law. The laws of the State of Delaware shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws. 3.7 Conformity to Securities Laws. Participant acknowledges that the Plan, the Grant Notice, the Foreign Appendix, if applicable, and this Agreement are intended to conform to the extent necessary with all Applicable Laws, including, without limitation, the provisions of the Securities Act and the Exchange Act, and any and all regulations and rules promulgated thereunder by the Securities and Exchange Commission, and state securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the RSUs are granted, only in such a manner as to conform to Applicable Law. To the extent permitted by Applicable Law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to Applicable Law. 3.8 Amendment, Suspension and Termination. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Administrator or the Board, provided however that, except as may otherwise be provided by the Plan, no amendment, modification, suspension or termination of this Agreement shall adversely affect the RSUs in any material way without the prior written consent of Participant.



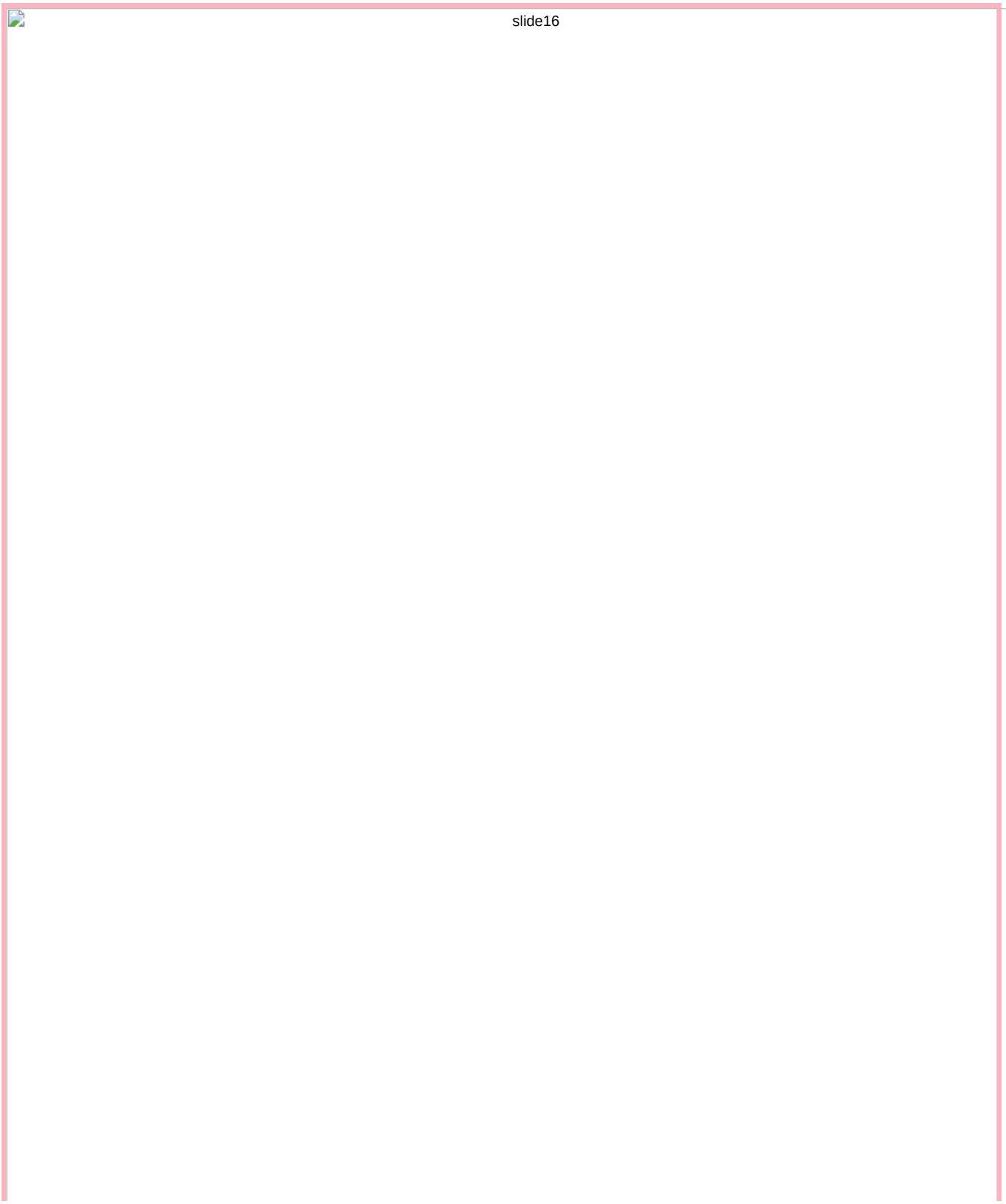
13 [AM_ACTIVE 404299205_2] 3.9 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in Section 10.3 of the Plan, this Agreement shall be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto. 3.10 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the RSUs (including RSUs which result from Dividend Equivalents), the Dividend Equivalents, the Grant Notice, the Foreign Appendix, if applicable, and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by Applicable Law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule. 3.11 Not a Contract of Employment. Nothing in this Agreement or in the Plan shall confer upon Participant any right to continue to serve as an Employee of the Company or any Subsidiary or shall interfere with or restrict in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the employment of Participant at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise by Applicable Law or in a written agreement between the Company or a Subsidiary and Participant. Neither the Plan, the Grant Notice, the Foreign Appendix, if applicable, nor this Agreement afford the Participant any rights to compensation or damages, including for loss of or potential loss that the Participant may suffer as a result of the termination of the Plan, lapse of the RSUs or the termination of the Participant's employment with the Company or any Subsidiary. 3.12 RSUs Not Part of Employment Compensation. The RSUs and the Shares subject to the RSUs are extraordinary items that do not constitute part of normal or expected wages or salary for any purposes, including, but not limited to, calculation of any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, holiday pay, long-service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the employer, its parent, or any Subsidiary or affiliate of the Company. In addition, Participant acknowledges that by electronically signing the Grant Notice and this Agreement that the grant of the Award is at the Company's sole discretion based on the Plan, and does not entitle the Participant to further grant(s) of Awards, nor to claim for further grant(s) of Awards, in respect of the Plan or any other award(s) under any other plan or program maintained by the Company or any Subsidiary. 3.13 Data Protection. By electronically signing the Grant Notice and this Agreement, the Participant acknowledges and understands that the Company and its Subsidiaries (including the Participant's employer), as applicable, may hold certain personal information about the Participant (and, to the extent provided by the Participant, a Permitted Transferee or other beneficiary), including but not limited to, as applicable, name, home address and telephone number, date of birth, social security or insurance number or other identification number, salary, nationality, job title(s), any shares held in the Company or any of its Subsidiaries, details of all



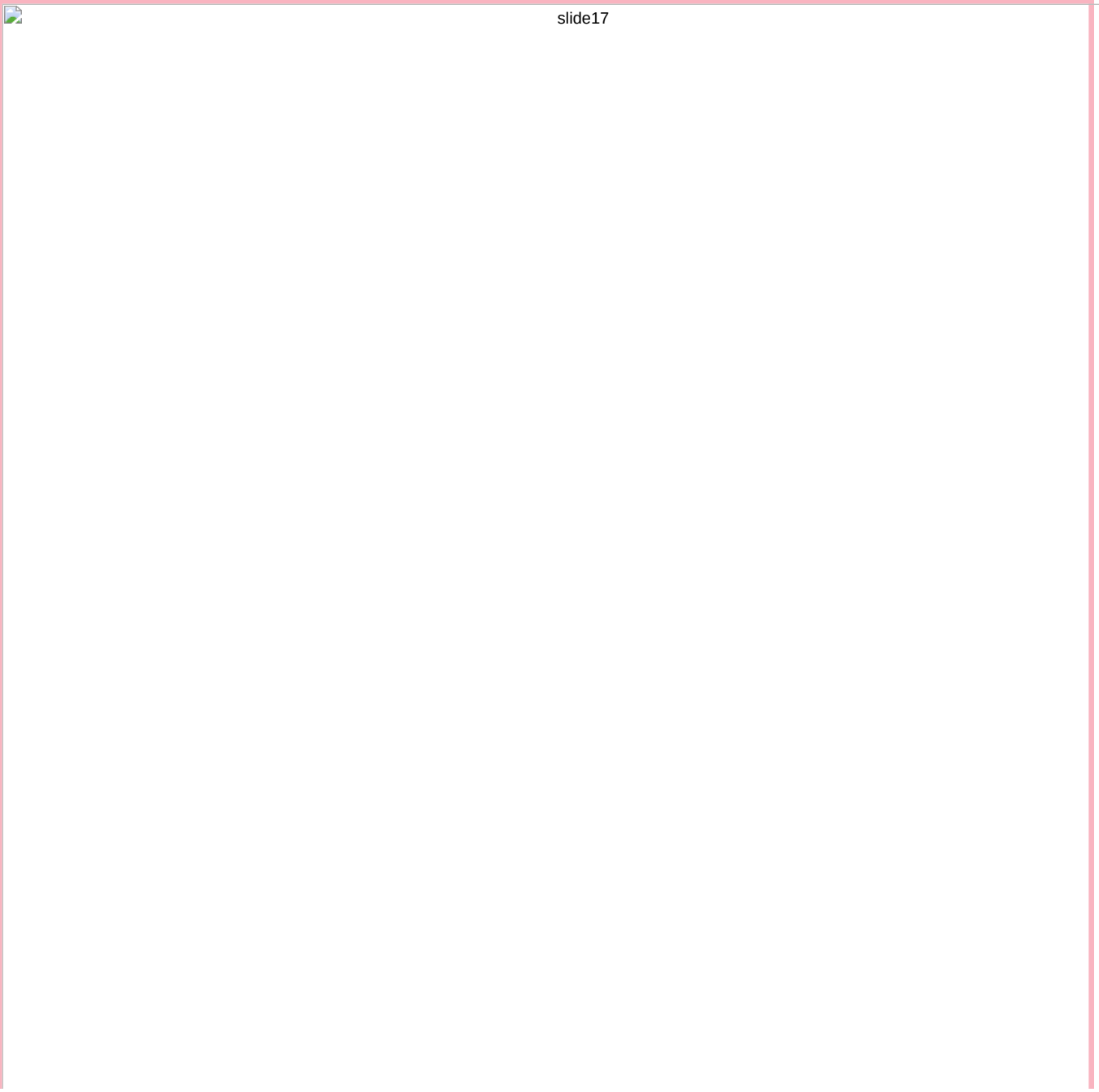
14 [AM_ACTIVE 404299205_2] Awards or other entitlements to shares awarded, exercised, vested, unvested in the Participant's favor, and, as the case may be, sensitive information pertaining to disability, in each case, for the purpose of implementing, managing and administering the Plan and the Award (the "Data"). The Participant understands that the Company and its Subsidiaries may transfer the Data amongst themselves as necessary for the purpose of implementation, administration and management of the Participant's participation in the Plan and in connection with the Award, and the Company and its Subsidiaries may each further transfer the Data to any third party service providers where such service providers are providing necessary assistance, presently or in the future, to the Company and its Subsidiaries in the implementation, administration and management of the Plan or the Award (including the Plan administrator or a broker or other third party with whom the Company or any of its Subsidiaries or the Participant may elect to deposit any Shares). These recipients may be located in the Participant's country, or elsewhere, and the Participant's country may have different data privacy laws and protections than the recipients' country. The Data related to the Participant (or the Permitted Transferee or other beneficiary) will be held only as long as is necessary to implement, administer, and manage the Participant's participation in the Plan. Where applicable, the Participant shall be responsible for obtaining Data from a Permitted Transferee or other beneficiary and will provide the Permitted Transferee or other beneficiary with such information about the processing of such Data as the Company or its Subsidiaries require and will obtain such Permitted Transferee's or beneficiary's consent in connection with the Company's and its Subsidiaries' processing of the Data before such Data is provided by the Participant to the Company or its subsidiaries. This Section 3.13 should be read in conjunction with Exhibit C, which sets out additional country-specific information applicable to a Participant where the Participant is permanently located in one of the jurisdictions set out therein. 3.14 Entire Agreement. The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company, the Subsidiaries and Participant with respect to the subject matter hereof. 3.15 Section 409A. This Award is not intended to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code (together with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof, "Section 409A"). However, notwithstanding any other provision of the Plan, the Grant Notice, the Foreign Appendix, if applicable, or this Agreement if at any time the Administrator determines that this Award (or any portion thereof) may be subject to Section 409A, the Administrator shall have the right in its sole discretion (without any obligation to do so or to indemnify Participant or any other person for failure to do so) to adopt such amendments to the Plan, the Grant Notice or this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Administrator determines are necessary or appropriate for this Award either to be exempt from the application of Section 409A or to comply with the requirements of Section 409A. Notwithstanding anything herein to the contrary, no provision of the Plan shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from Participant or any other person to the Company or any of its Subsidiaries, employees or agents. Without limiting the foregoing and notwithstanding anything contained herein to the contrary, to the extent required in order to avoid

15 [AM_ACTIVE 404299205_2] an accelerated or additional tax under Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Agreement during the six-month period immediately following the Participant's separation from service shall instead be paid on the first business day after the date that is six months following the Participant's separation from service (or, if earlier, the Participant's date of death). 3.16 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement. 3.17 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant shall have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the RSUs and Dividend Equivalents, and rights no greater than the right to receive Shares or cash as a general unsecured creditor with respect to the RSUs, as and when settled pursuant to the terms hereof. 3.18 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which shall be deemed an original and all of which together shall constitute one instrument. 3.19 Special Provisions for RSUs Granted to Participants Outside the U.S. If Participant performs services for the Company or any Subsidiary outside of the United States, the RSUs shall be subject to the special provisions, if any, for Participant's country of residence, Foreign Appendix. (a) If Participant relocates to one of the countries included in the Foreign Appendix during the life of the RSUs, the special provisions for such country shall apply to Participant, as specified in the special provisions for the relevant country, or (if not so specified) to the extent the Company determines that the application of such provisions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. (b) The Company reserves the right to impose other requirements on this Award and any Shares received upon settlement of the RSUs, to the extent the Company determines it is necessary or advisable in order to comply with local laws or facilitate the administration of the Plan, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. 3.20 Broker-Assisted Sales. In the event of any broker-assisted sale of Shares in connection with the satisfaction of any Tax Liability as

provided in Section 2.6(a)(iii) or Section 2.6(d): (A) any Shares to be sold through a broker-assisted sale will be sold on the day the Tax Liability arises or as soon thereafter as practicable; (B) such Shares may be sold as part of a block trade with other participants in the Plan in which all participants receive an average price; (C) Participant will be responsible for all broker's fees and other costs of sale, and Participant agrees



16 [AM_ACTIVE 404299205_2] to indemnify and hold the Company harmless from any losses, costs, damages, or expenses relating to any such sale; (D) to the extent the proceeds of such sale exceed the applicable Tax Liability, the Company agrees to pay such excess in cash to Participant as soon as reasonably practicable; (E) Participant acknowledges that the Company or its designee is under no obligation to arrange for such sale at any particular price, and that the proceeds of any such sale may not be sufficient to satisfy the applicable Tax Liability; and (F) in the event the proceeds of such sale are insufficient to satisfy the applicable Tax Liability, Participant agrees to pay immediately upon demand to the Company or its Subsidiary (including the Employer, if applicable) with respect to which the Tax Liability arises an amount in cash sufficient to satisfy any remaining portion of the Company's or the applicable Subsidiary's Tax Liability, or otherwise to enter into arrangements satisfactory to the Company and/or the relevant Subsidiary for payment of such remaining portion of the Tax Liability in accordance with the provisions of Section 2.6 above.

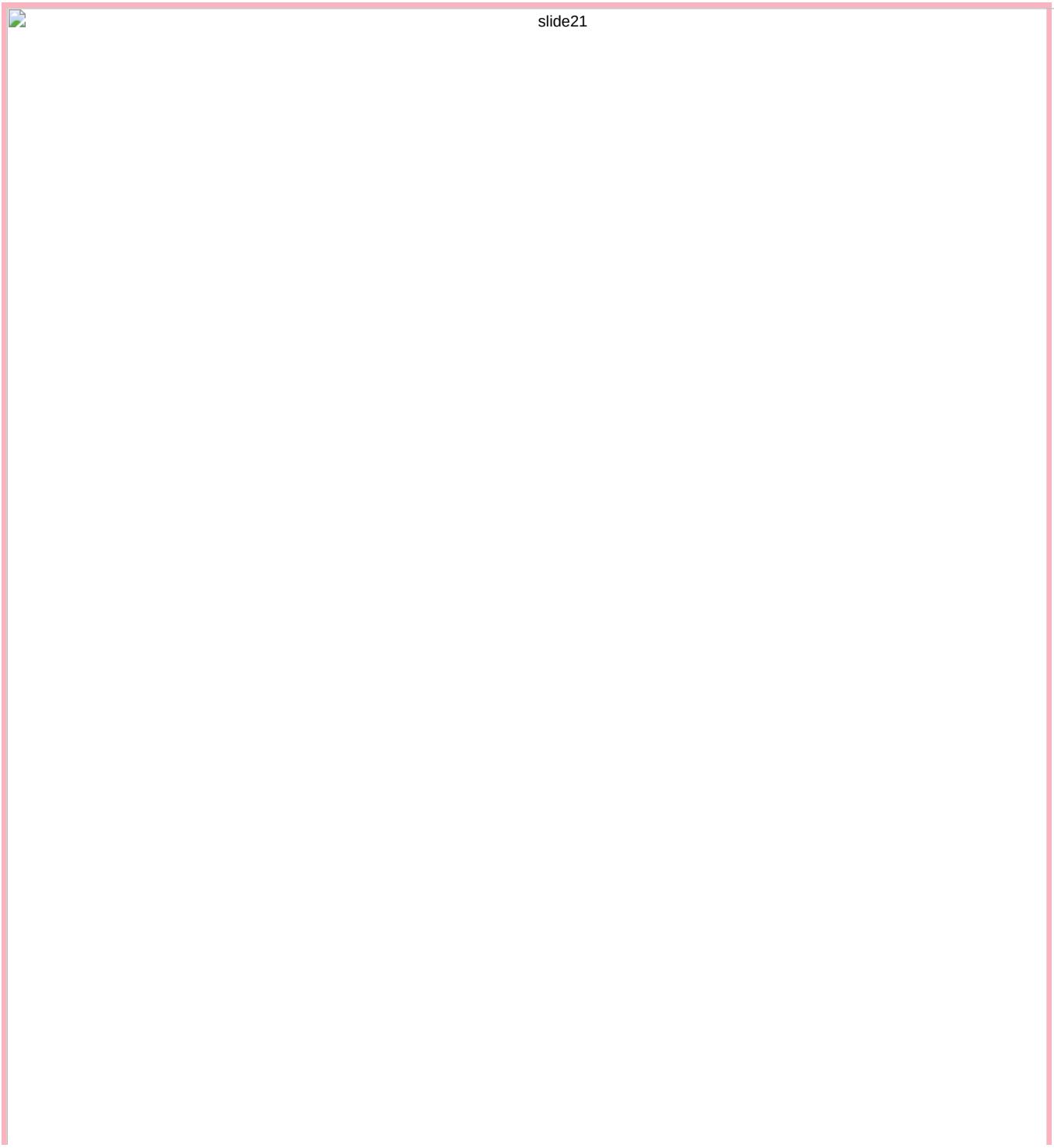


17 [AM_ACTIVE 404299205_2] EXHIBIT B TO RESTRICTED STOCK UNIT AWARD GRANT NOTICE SPECIAL PROVISIONS FOR RESTRICTED STOCK UNITS GRANTED TO PARTICIPANTS OUTSIDE THE U.S. This Exhibit B includes special terms and conditions applicable to Participants in the countries below. These terms and conditions are in addition to those set forth in the Restricted Stock Unit Agreement (the "Agreement") and the Plan and to the extent there are any inconsistencies between these terms and conditions and those set forth in the Agreement or the Plan, these terms and conditions shall prevail. Any capitalized term used in this Exhibit B without definition shall have the meaning ascribed to such term in the Plan or the Agreement, as applicable. This Foreign Appendix also includes information relating to exchange control and other issues of which Participant should be aware with respect to his or her participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the respective countries as of June 2022. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Participant not rely on the information herein as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time the RSUs are settled or any Shares acquired under the Plan are sold. In addition, the information is general in nature and may not apply to the particular situation of Participant, and the Company is not in a position to assure Participant of any particular result. Accordingly, Participant is advised to seek appropriate professional advice as to how the relevant laws in his or her country may apply to his or her situation. Finally, if Participant is a citizen or resident of a country other than the one in which he or she is currently working, the information contained herein may not be applicable to Participant. AUSTRALIA A copy of the Plan is enclosed with this Grant Notice and Agreement. The Plan, the Agreement and this Grant Notice do not constitute financial advice. Any advice given by the Company in relation to the Grant Notice, the Agreement, the Plan, the RSUs or the Shares does not constitute financial advice and does not take into account your objectives, financial situation and needs. In considering the RSUs and the amount of cash and/or Shares that you will receive on vesting of the RSUs, you should consider the risk factors that could affect the performance of the Company and the value of RSUs and Shares, which value can increase or decrease from time to time, and the amount of any Tax Liability. You should carefully consider these risks in light of your investment objectives, financial situation and particular needs (including financial and tax issues). You should seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to acquire RSUs or Shares.

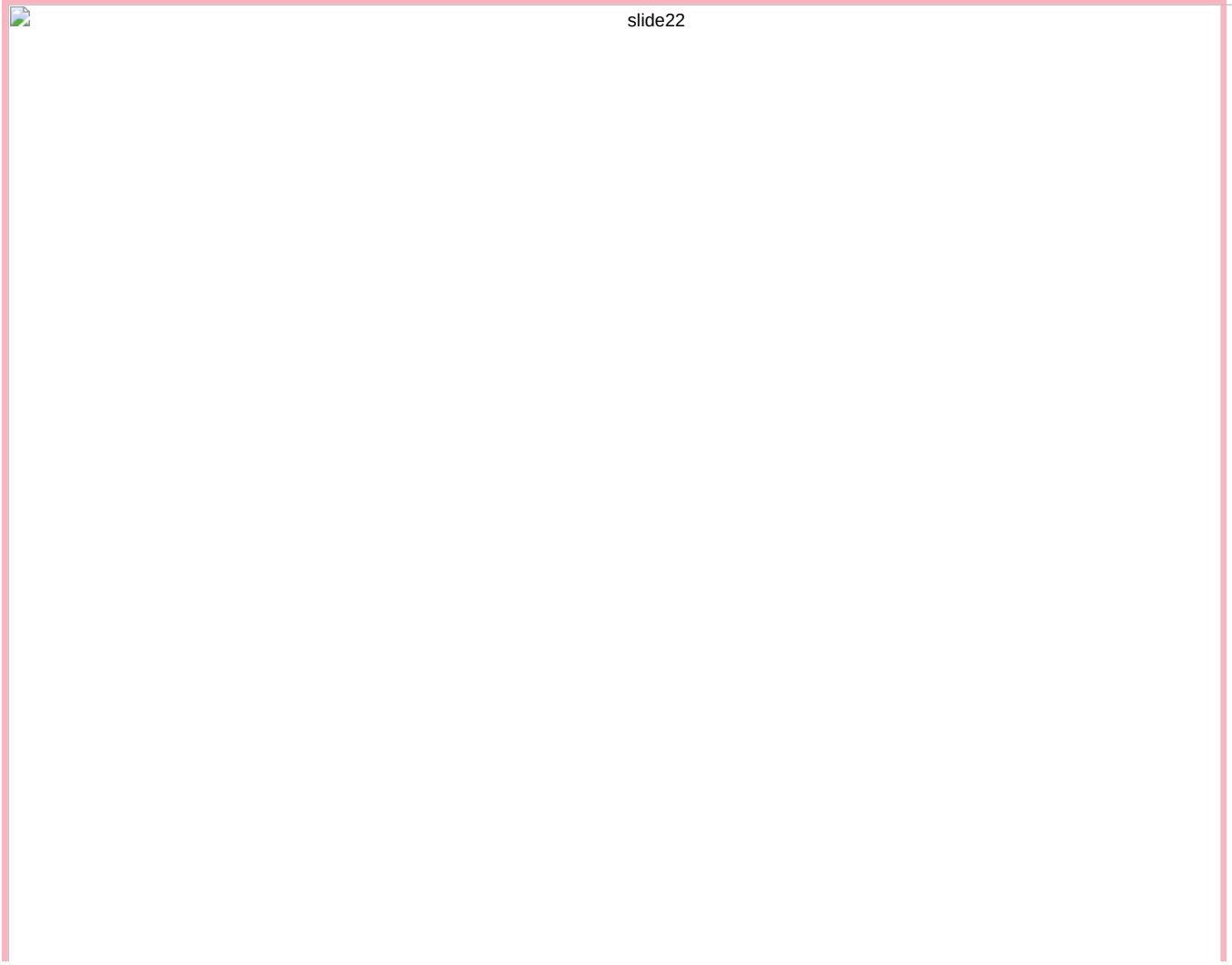
18 [AM_ACTIVE 404299205_2] How to calculate values in Australian dollars Your RSUs will vest in accordance with the Grant Notice and the Agreement (which require certain conditions to be met) and are subject to a four year graded vesting schedule. The RSUs may result in Shares or cash being given to you, in accordance with the Grant Notice. You will not be required to pay any amount for the RSUs or any Shares that will be issued to you upon vesting. However the amount of cash or number of Shares you receive will depend on the market price of Shares at the time and the amount of any Tax Liability in connection with the grant and vesting of the RSUs and the issue of any Shares. You can ascertain the market price of a Share in the Company in United States Dollars ("USD") from time to time by visiting either: • the Company's website (https://investor.livanova.com/stock-information/stock-quote- chart); or • the Nasdaq website (http://www.nasdaq.com/symbol/livn). To determine the market value of a Share in Australian Dollars ("AUD"), you will need to apply the prevailing USD: AUD exchange rate. For example, if the exchange rate is 1 USD: 1.5 AUD, and one share of Common Stock has a value of USD $1 on the Nasdaq, its equivalent value will be AUD $1.50. BELGIUM Definition of "Tax Liability" in Section 2.6 of this Agreement: For the avoidance of doubt, the definition of "Tax Liability" as used in Section 2.6 of this Agreement shall not include the employer social security contributions (cotisations sociales patronales / sociale patronale bijdragen), nor any vacation pay that would be due. The following section is inserted in Article 2 of this Agreement: "2.9. Lock-up Period following Vesting of RSUs. (a) When the RSUs are distributed in Shares pursuant to Section 2.4(a) of this Agreement, these Shares delivered to the Belgian Participant shall be subject to a two-year lock- up period during which the Shares cannot be sold, encumbered or otherwise transferred, starting as of the moment of Vesting. As a consequence of this lock-up of the Shares, the Belgian Participant will not be able to sell, encumber or otherwise transfer the Shares during this period. (b) In the event that the Belgian Participant does not comply with Section 2.9(a) of this Agreement, the Belgian Participant will be responsible for reimbursing the Company (or, any Subsidiary or the Employer, as applicable) for any liability (for the avoidance of doubt, including but not limited to any Tax Liability and any (increase of) employer social security contributions), which it has or will incur as a result of such non-compliance to the greatest extent permitted by

19 [AM_ACTIVE 404299205_2] Applicable Law. The Participant agrees to indemnify and keep indemnified the Company (or, any Subsidiary or the Employer, as applicable) in respect of any such liability." CANADA Participant's RSUs shall be settled in Shares only (either in book-entry form or otherwise), unless the Administrator offers the Participant the right to receive cash in lieu of Shares and the Participant, in its discretion, so elects. Section 3.11 to be amended with the following at the end of the last sentence of such section: ", subject only to the minimum entitlements under the Applicable Laws, including the applicable employment standards legislation." Section 3.12 to be amended with the following at the end of the first sentence of such section: ", subject only to the minimum entitlements under the Applicable Laws, including the applicable employment standards legislation." The following to be added as section 3.21: "The parties acknowledge having requested that the present Agreement and all related documents be drafted in English only. Les parties reconnaissent avoir demandé que le présent contrat et les documents joints soient rédigés en anglais seulement." FRANCE If the Participant is employed by a French Subsidiary (as defined in the sub-plan for France (the "French Sub-Plan")) and satisfies to the other conditions set in the French Sub-Plan (a "French Participant"), the terms and conditions provided in the French Sub-Plan will apply, in addition to the terms set out below. Notwithstanding anything to the contrary in the Agreement, Participant's RSUs shall only be distributed in Shares (in book-entry form), and no portion of the Participant's RSUs shall be payable to the Participant in cash. Participant cannot benefit from any Dividend Equivalent provided for under Sections 2.1(b) and 2.3 of the Agreement. The last two paragraphs of Section 2.3(c) and Sections 2.6(a)(iii) and (iv) of the Agreement are not applicable to French Participants. Section 2.6(e) of the Agreement shall not apply to the employer contribution (contribution patronale) applicable under article L. 137-13 of the French social security code and to the extent that article L. 242-14 of the French social security code might be applicable. For the avoidance of doubt, any sale of Shares to satisfy the payment of any Tax Liability shall occur only after the expiration of the Holding Period (as defined below), if any. The following paragraph is inserted in Article 2 of the Agreement 2.9. Holding Period:

20 [AM_ACTIVE 404299205_2] (a) In accordance with Section 6 of the French Sub-Plan, Shares delivered to the French Participant prior to the end of the second anniversary of the Grant Date cannot be transferred until after that second anniversary except: • in case of death of the French Participant or in the event of the French Participant's disability of the second or third category (as determined in accordance with Article L 341-4 of the French Social Security Code), or • in the event of the corporate transactions and under the conditions referred to under Article L 225-197-1, III of the French Commercial Code (Code de commerce), subject to complying with the rollover mechanisms set forth therein. (b) In the event that the French Participant does not comply with Section 2.9(a) of the Agreement, the French Participant will be responsible for reimbursing the French Subsidiary for any Tax Liability which it has or will incur as a result of such non- compliance, excluding for the avoidance of doubt any employer social security contributions. The Participant agrees to indemnify and keep indemnified the French Subsidiary in respect of such a Tax Liability. Any French Participant accepting an Award of Restricted Stock Units under this Agreement acknowledges in doing so that he or she is proficient in English and that he or she fully understands the terms and conditions thereof, as well as those of the Plan. Le Participant Français qui accepte une attribution gratuite d'actions dans le cadre de cet Accord reconnait qu'il ou elle maitrise l'anglais et qu'il ou elle comprend entièrement les termes et conditions de l'Accord ainsi que ceux du Plan. GERMANY Definition of "Tax Liability" in Section 2.6: For the avoidance of doubt, the definition of "Tax Liability" shall not include the employer portions of the social security contributions. The following sentence is inserted at Section 3.1 of the Agreement "For the avoidance of doubt, the Administrator's decisions and interpretations shall be subject to reasonable discretion." The heading of Section 3.12 shall be supplemented and read as follows: "3.12 RSUs Not Part of Employment Compensation, No Legal Claim to Grant(s)." ITALY Section 2.4:



21 [AM_ACTIVE 404299205_2] Unless otherwise determined by the Administrator, a Participant's RSUs shall only be distributed in Shares (either in book-entry form or otherwise), and no portion of the Participant's RSUs shall be payable to the Participant in cash. Section 2.6: For the avoidance of doubt, with specific reference to social security contributions, the notion of "Tax Liability" shall only include the portion of applicable social security contributions to be borne by the Participant. JAPAN There should be no requirement for your Employer in Japan to withhold the income tax and social security contributions on the amount taxable upon vesting of the RSUs or any portion thereof. Please note, however, that your Employer in Japan will report your vested RSUs to the Japanese tax authority by March 31 of the following year of the vesting. You should report your vested RSUs in your individual income tax return and pay directly to the Japanese tax authorities the income tax liability with regard to your vested RSUs by the due date, which is usually March 15. You should understand that RSUs and their underlying Shares (or any cash paid upon settlement of RSUs) are granted as an employee benefit and are not considered your salary in any circumstances. SINGAPORE The following section is inserted in Article 2 of this Agreement: "2.9. Lock-up Period following Vesting of RSUs: (a) When the RSUs are distributed in Shares pursuant to Section 2.4(a) of this Agreement, such Shares delivered to a Singapore Holder shall be subject to a six month lock-up period during which the Shares cannot be sold, encumbered or otherwise transferred, starting as of the moment of Vesting. As a consequence of this lock-up of the Shares, the Singapore Holder will not be able to sell, encumber or otherwise transfer the Shares during this period." UNITED KINGDOM The following paragraph is inserted as Section 2.6(f) of the Agreement where: (i) on the Grant Date, Participant is resident in the United Kingdom for tax purposes or performs some or all of the duties of Participant's engagement with the Company (or any Subsidiary) in the United Kingdom (other where such performance in the United Kingdom is not significant in scope and is incidental to duties performed by Participant outside the United Kingdom); or (ii) after the Grant Date, Participant becomes resident in the United Kingdom for tax purposes, or commences performing some or all of the duties of Participant's engagement with the Company (or any Subsidiary) in the United Kingdom (other than where such performance in the United Kingdom is not significant in

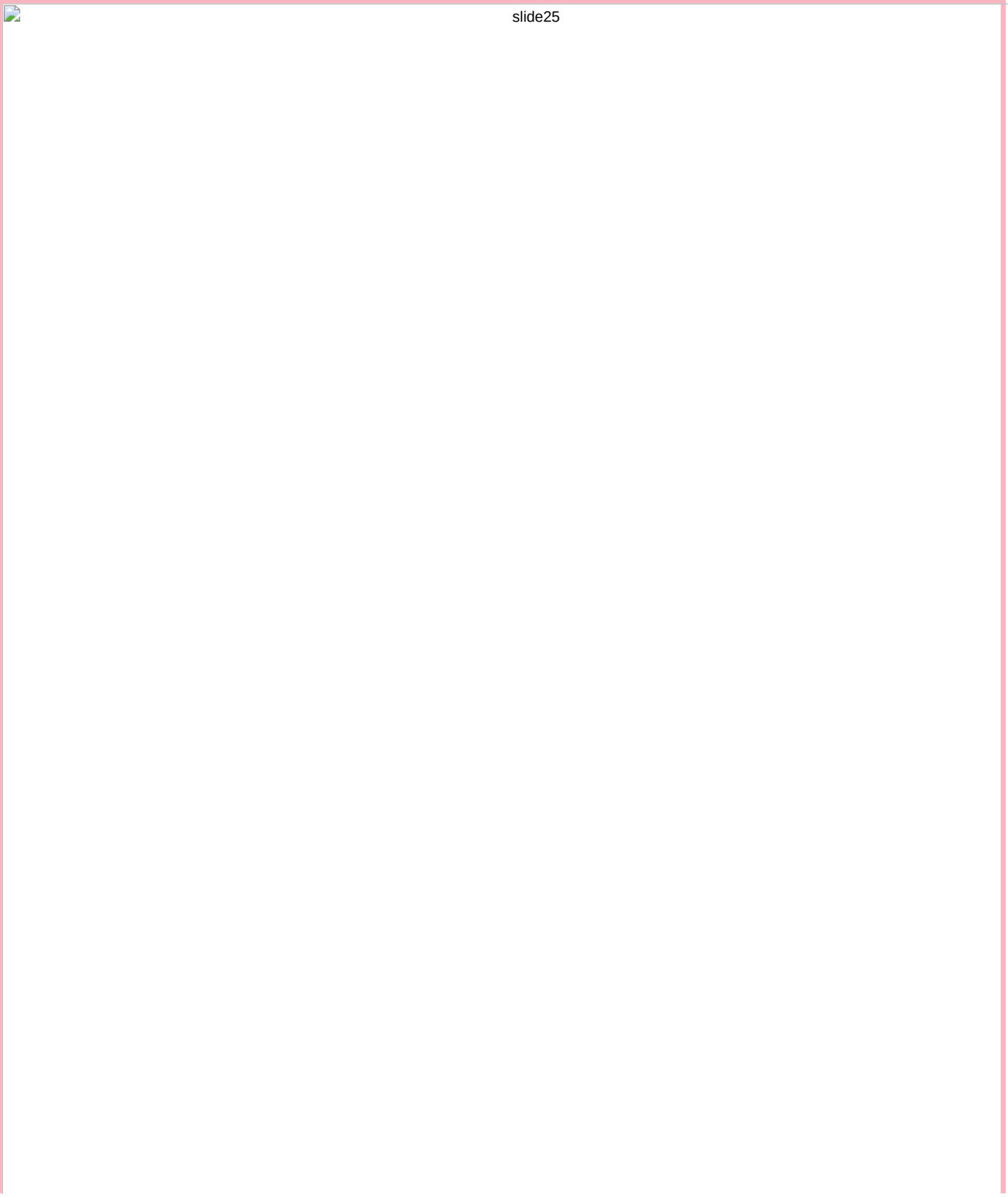


22 [AM_ACTIVE 404299205_2] scope and is incidental to duties performed by Participant outside the United Kingdom), in which case the terms of this United Kingdom part of the Foreign Appendix shall be deemed to apply from the Grant foregoing letter. "(i) Participant irrevocably agrees to pay to the Company or (if different) the Employer the amount of any Tax Liability or enter into arrangements to the satisfaction of the Company or the Employer (as appropriate) for payment of any Tax Liability. This Section 2.6(f)(i) and the following Sections 2.6(f)(ii) and (iii) shall apply to any Tax Liability to the extent that the Company, any Subsidiary or the Employer is required or authorized, or reasonably believes it is required or authorized, to withhold, pay or account for such Tax Liability, and Sections 2.6(f)(ii) and 2.6(f)(iii) shall be read accordingly. (ii) Participant further irrevocably agrees that if Participant does not pay or the Employer or the Company does not withhold from Participant the full amount of any Tax Liability that Participant owes in connection with the grant, vesting or settlement of RSUs, the transfer or issue of Shares to Participant on vesting or settlement of RSUs, any restrictions applicable to Shares held by Participant ceasing to apply to those Shares, the disposal of any Shares, the release or assignment of RSUs for consideration, or the receipt of any other benefit in connection with the Award or the RSUs (the "Taxable Event") within ninety (90) days of the end of the UK tax year in which the Taxable Event occurs, or such other period specified in Section 222(1)(c) of the UK Income Tax (Earnings and Pensions) Act 2003 ("ITEPA 2003") (the "Due Date"), then the amount of any uncollected Tax Liability shall (unless the Company or (if different) the Employer determines otherwise at its discretion) constitute a loan owed by Participant to the Company or (if different) the Employer, effective on the Due Date. Participant agrees that the loan will bear interest at the then-current official rate of Her Majesty's Revenue and Customs ("HMRC") and will be immediately due and repayable by Participant, and the Company or the Employer (as appropriate) may recover it at any time thereafter by any of the means referred to in Section 2.6(a) of the Agreement. Participant also authorizes the Company to withhold the transfer of any Shares unless and until the loan is repaid in full. (iii) Notwithstanding the foregoing, if Participant is a director or other officer of the Company or the Employer (including an executive officer of the Company), Participant will not be eligible for such a loan to cover any relevant uncollected Tax Liability. In that case, or in any other case where the Company or the Employer determines not to treat the amount of any uncollected Tax Liability as a loan in accordance with the preceding paragraph, the amount of any uncollected Tax Liability that is not collected from or paid by Participant by the Due Date will constitute a benefit to Participant on which additional income tax and National Insurance contributions ("NICs") will be payable. Participant shall be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self- assessment regime (unless the Company or the Employer has confirmed that such income tax has been accounted for through payroll) and for reimbursing the Company or the Employer (as applicable) for the value of any employee NICs due on this additional benefit which the Company and/or the Employer may recover from Participant at any time thereafter by any of the means referred to in Section 2.6(a) of the Agreement. For the avoidance of doubt, any references to NICs in the Agreement shall be deemed to include a reference to the United Kingdom tax known as the health and social care levy.

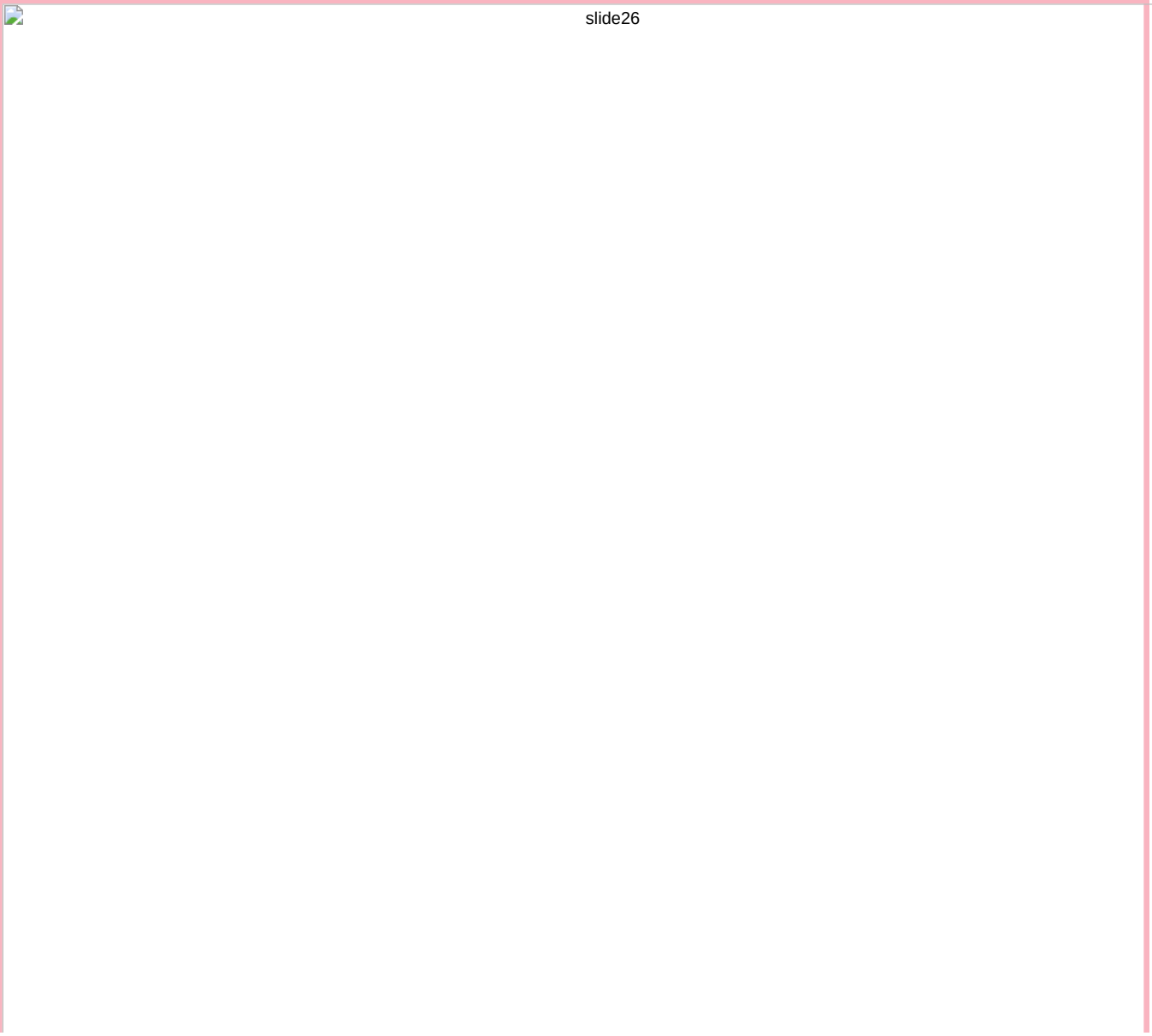
23 [AM_ACTIVE 404299205_2] (iv) To the extent required by the Administrator or the Company (or, if different, the Employer), and subject to this being permitted by Applicable Law, the grant, vesting and/or settlement of the RSUs shall be conditional on: (A) Participant entering into a joint election with the Company or (if different) the Employer (as appropriate) pursuant to section 431(1) or 431(2) of ITEPA 2003 (or such other election as the Company or (if different) the Employer may direct for the same purpose) in respect of any Shares acquired (or to be acquired) on the grant, vesting and/or settlement of the relevant RSUs; and (B) Participant entering into a joint election with the Company or (if different) the Employer (as appropriate), made in accordance with paragraph 3B(1) of Schedule 1 of the UK Social Security Contributions and Benefits Act 1992, to transfer to Participant the liability for and secondary Class 1 (employer) NICs arising in respect of "relevant employment income" as defined in paragraph 3B(1A) of Schedule 1 of the Social Security Contributions and Benefits Act 1992.

[AM_ACTIVE 404299205_2] EXHIBIT C Additional Country-Specific Data Protection Information Supplementing Section 3.13 of the Restricted Stock Unit Award Agreement This Exhibit C, which is part of and supplements Section 3.13 of the Agreement, sets out additional country-specific data protection information required to be disclosed to a Participant who is located in any of the jurisdictions listed below. Canada Where the Participant is permanently located in Canada the following provision applies and supplements Section 3.13 of the Agreement: 1. The Participant hereby explicitly and unambiguously consents to the collection, use, disclosure, and transfer, in electronic or other form, of the Participant's Data as described in the Plan and any Award Agreement by and among, as applicable, the Company and its Subsidiaries for the purpose of implementing, administering and managing the Participant's participation in the Plan or the Award. 2. The Participant understands and acknowledges that the Participant's Data may be stored and processed by the Company and its Subsidiaries and their service providers in the United States, European Union, or other jurisdictions that may not have data protection or other laws that are as protective as in your country of residence. In the event that Data is transferred outside of Canada to the United States, European Union, or other foreign jurisdiction, it will be subject to the laws of that jurisdiction and may be disclosed to or accessed by the courts, law enforcement and governmental authorities in accordance with those laws. By participating in the Plan or the Award, the Participant consent to the transfer, processing and storage of their Data in countries outside of your country of residence, including the United States, European Union, or other jurisdictions. 3. The Participant authorizes the Company, its Subsidiaries, and any third parties assisting, presently or in the future, the Company and its Subsidiaries in the implementation, administration and management of the Plan, to receive, possess, use, retain and transfer the Data, in electronic or other

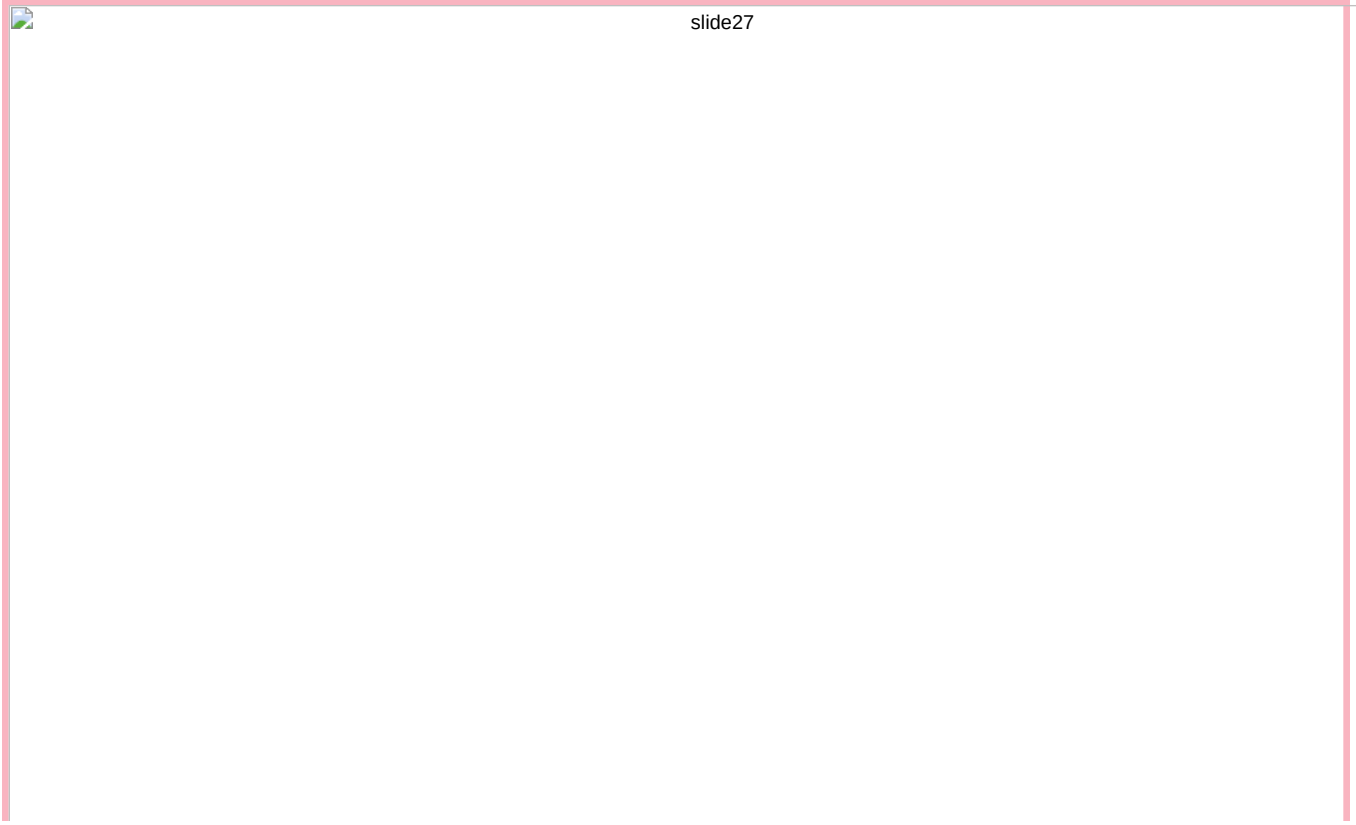
form, for the purposes of implementing, administering and managing the Participant's participation in the Plan. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke his or her consent, or instructs the Company or its Subsidiaries to cease the processing of the Data, the only adverse consequence is that the Company may cancel the Participant's ability to participate in the Plan or the Award and, at the Administrator's discretion, the Participant may forfeit any



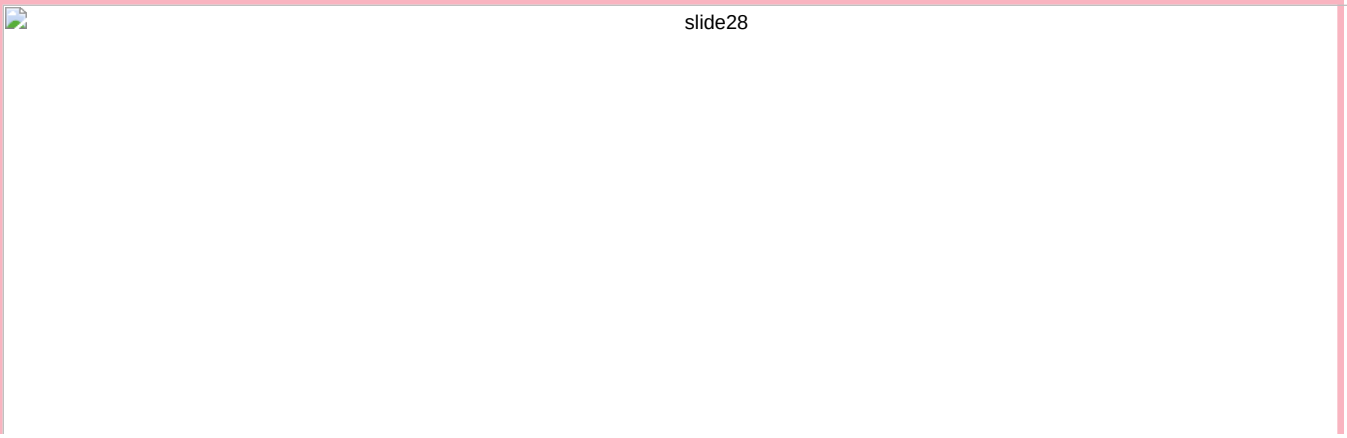
25 [AM_ACTIVE 404299205_2] outstanding Awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan or the Awards. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may consult the Company's relevant privacy policies or contact his or her local human resources representative. 4. In addition to the foregoing, where the Participant is permanently located in Quebec the following provision applies and supplements Section 3.13 of the Agreement: 5. The Participant understands and acknowledges that the Participant's Data may be stored and processed by the Company and its Subsidiaries and their service providers outside of Quebec including, but not limited to, in the United States, United Kingdom, European Union, Jersey, and in any other jurisdiction where the Company administers the Plan. These jurisdictions may not have data protection or other laws that are as protective as in your country of residence. In the event that Data is transferred outside of Quebec to jurisdictions including, but not limited to, the United States, United Kingdom, European Union, Jersey, and any other jurisdiction where the Company administers the Plan, it will be subject to the laws of that jurisdiction and may be disclosed to or accessed by the courts, law enforcement and governmental authorities in accordance with those laws. By participating in the Plan or the Award, the Participant consent to the transfer, processing and storage of their Data outside of Quebec, to jurisdictions including, but not limited to, the United States, United Kingdom, European Union, Jersey, and any other jurisdiction where the Company administers the Plan. This information is supplemental to and should be read in conjunction with the Notice on Employee Data Processing. European Union ("EU")/European Economic Area ("EEA") and the United Kingdom ("UK") Where the Participant is permanently located in the EU/EEA or the UK, the following provision applies and supplements Section 3.13 of the Agreement: The Participant understands and acknowledges that: 1. The data controller of the processing of Data related to implementation, administration and management of the Plan and the Award is the Company or its Subsidiaries (as applicable); 2. The legal basis for such processing of the Data (including any transfer of the Data as described in paragraph 3, below) is that the



26 [AM_ACTIVE 404299205_2] processing is necessary for the performance of a contract to which the Participant is a party (namely, this Agreement or any other Award Agreement); to the extent that it becomes necessary to process special categories of data, in particular as relates to disabilities, for the administration of the Plan or any Award, consent of the Participant will be sought; 3. Any transfer of the Data to a third party (including to the Plan Administrator or a broker or other third party with whom the Company or any of its Subsidiaries or the Participant may elect to deposit any Shares) located in a jurisdiction outside of EU/EEA or the UK (where such jurisdiction has not been deemed "adequate" for the purpose of the laws applicable to the protection of personal data in EU/EEA or the UK) will be made subject to appropriate safeguards, in compliance with applicable data protection law, further details of which shall be provided on request; 4. The Participant may, at any time, access the Participant's Data, request additional information about the storage and processing of the Data, require any necessary amendments to the Data without cost or exercise any other rights the Participant may have in relation to the Participant's Data under Applicable Law, including the right, in certain circumstances, to object to or restrict processing or request that data be erased, or the right to make a complaint to a data protection regulator in the EU/EEA or the UK; 5. In the event that the Company or its Subsidiaries (as applicable) are unable to process Data as is required for the purpose of administering, managing, or implementing the Plan of this Award, it may not be possible for the Participant to participate in the Plan or Award; 6. Queries or requests regarding the Participant's Data or the processing of such Data in connection with the Plan or this Award can be made to the Company's representative relating to the Plan, who may be contacted through the LivaNova Data Protection Portal (subject access). This information is supplemental to and should be read in conjunction with the Notice on Employee Data Processing (which may be updated from time to time and is currently located on the LivaNova Data Protection Portal). Japan Where the Participant is permanently located in the Japan, the following provision applies and supplements Section 3.13 of the Agreement:



27 [AM_ACTIVE 404299205_2] 1. The utilization purpose of the Data is to implement, administer and manage the Plan and the Award; 2. The Company and its Subsidiaries may share the Data for the purpose described in paragraph 1 above. The Company (CEO: Damien McDonald, registered address: 20 Eastbourne Terrace, London, W2 6LG, United Kingdom) is the company responsible for the management of the Data; 3. Any transfer of the Data to a third party (including to the Plan administrator or a broker or other third party with whom the Company or any of its Subsidiaries or the Participant may elect to deposit any Shares) located in a jurisdiction outside of Japan, EU/EEA or the UK (where such jurisdiction has not been deemed "adequate" for the purpose of the laws applicable to the protection of personal data in Japan) will be made subject to appropriate safeguards, in compliance with the Act on the Protection of Personal Information (the "APPI") or other applicable data protection law, if any; 4. The Participant may, at any time, access the Participant's Data, request additional information about the storage and processing of the Data, require any necessary amendments to the Data without cost or exercise any other rights the Participant may have in relation to the Data under APPI or any Applicable Law, including the right, in certain circumstances, to object to or restrict processing or request that data be erased, or the right to make a complaint to a data protection regulator in Japan; 5. In the event that the Company or its Subsidiaries (as applicable) are unable to process the Data as is required for the purpose of administering, managing, or implementing the Plan of this Award, it may not be possible for the Participant to participate in the Plan or Award; 6. Queries or requests regarding the Participant's Data or the processing of such Data in connection with the Plan or this Award can be made to the Company's representative relating to the Plan, who may be contacted through the LivaNova Data Protection Portal (subject access). This information is supplemental to and should be read in conjunction with the Notice on Employee Data Processing (which may be updated from time to time and is currently located on the LivaNova Data Protection Portal). Singapore By your participation in the Plan, you hereby consent to the collection, use and disclosure of your personal data which includes (but is not limited to):



28 |AM_ACTIVE 404299205_2| 1. terms and conditions of employment; 2. personal and emergency contact details; 3. remuneration details, bonus and share plan information; 4. taxation, banking and central provident fund details; and 5. any other information that you provide to the Company. The purposes for which the Company collects, uses and discloses this data is for use concerning the Plan and any collection, use and disclosure of such data will be in compliance with the Personal Data Protection Act 2012 of Singapore (the "PDPA"). For the purpose of the Plan, the Company may from time to time transfer your personal data to the following classes of persons (within or outside Singapore): 1. a related corporation as defined under the Companies Act 1967 of Singapore; 2. the Company's banks; 3. administrator of the Singapore Subsidiary's central provident fund scheme; 4. outside parties involved in a merger, acquisition or due diligence exercise; 5. parties involved in a dispute, litigation, investigation, proceedings or enquiry; 6. companies or third party service providers the Company engages to perform the functions listed above on the Company's behalf; 7. applicable regulators, governmental bodies, law enforcement agencies, courts and arbitral bodies, tax and customs authorities, supervisory bodies, or other industry recognized bodies located inside or outside Singapore as required by any applicable local or foreign law, rules and regulations, codes of practice or guidelines of any applicable jurisdiction or any governmental or regulatory authority in or outside Singapore; and 8. anyone you authorize. The above classes of persons are situated in Singapore as well as in locations where the Company has business operations and where its staff and data processing agents may perform duties for the Company. These locations include Europe, the Americas, and other Asia Pacific locations.

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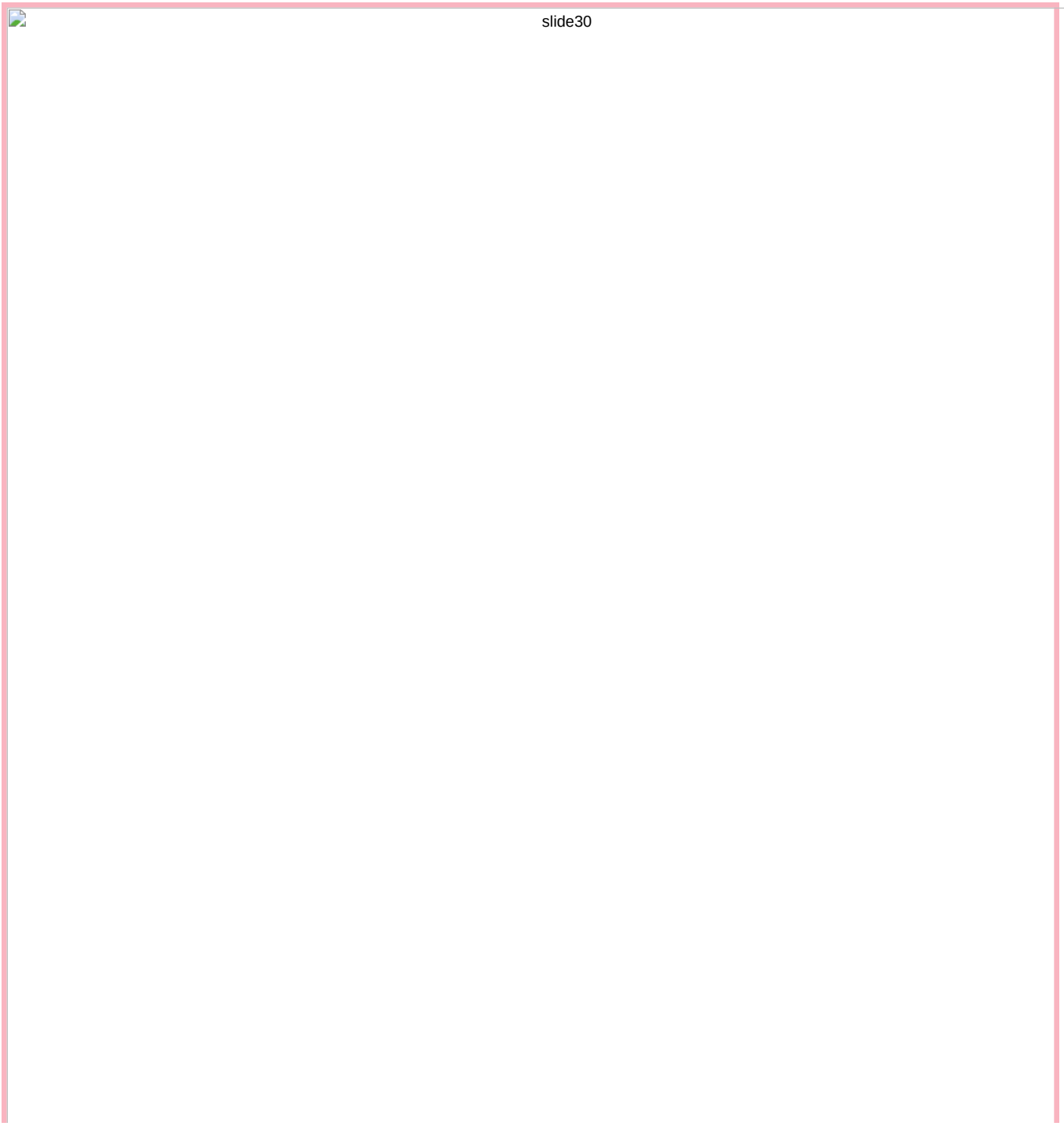
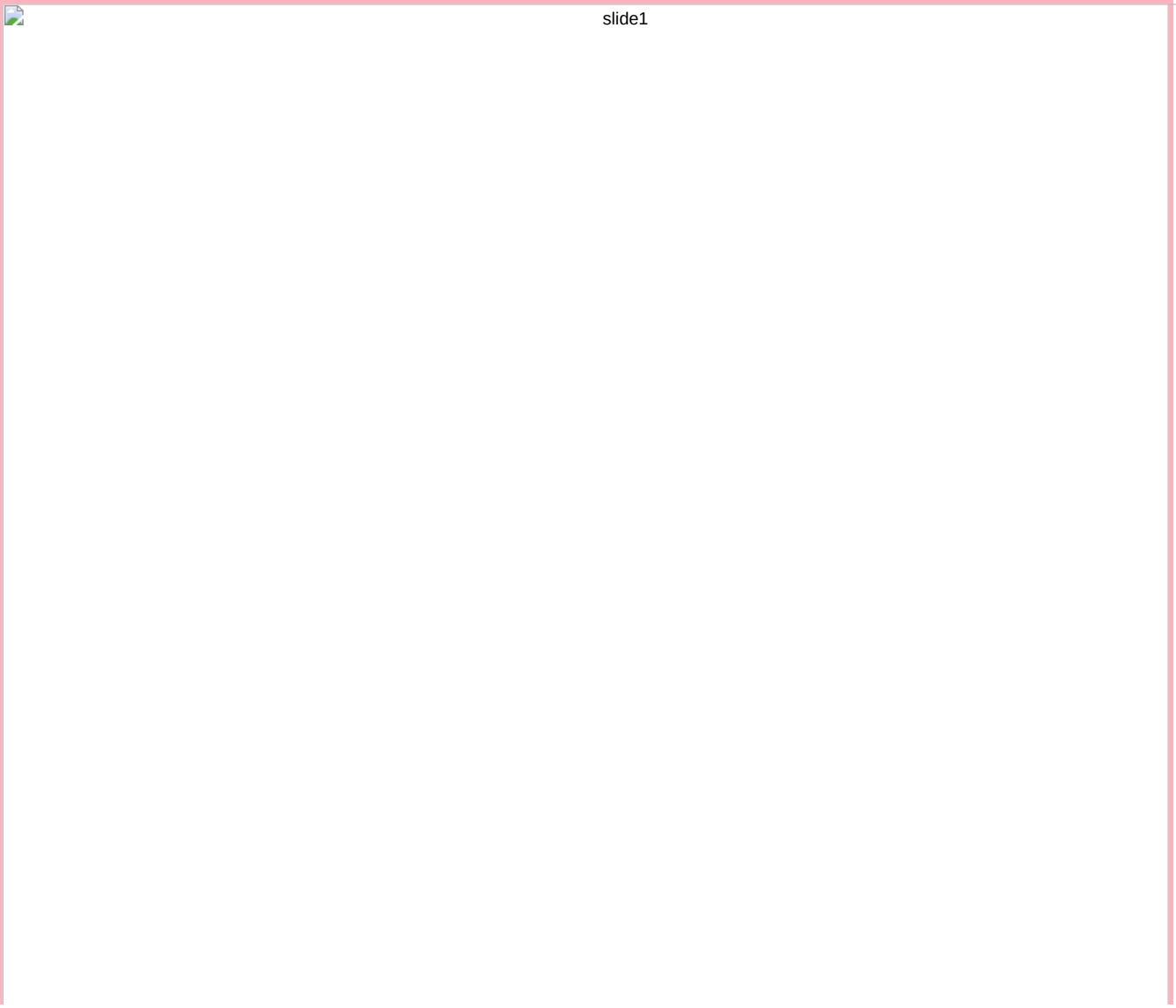
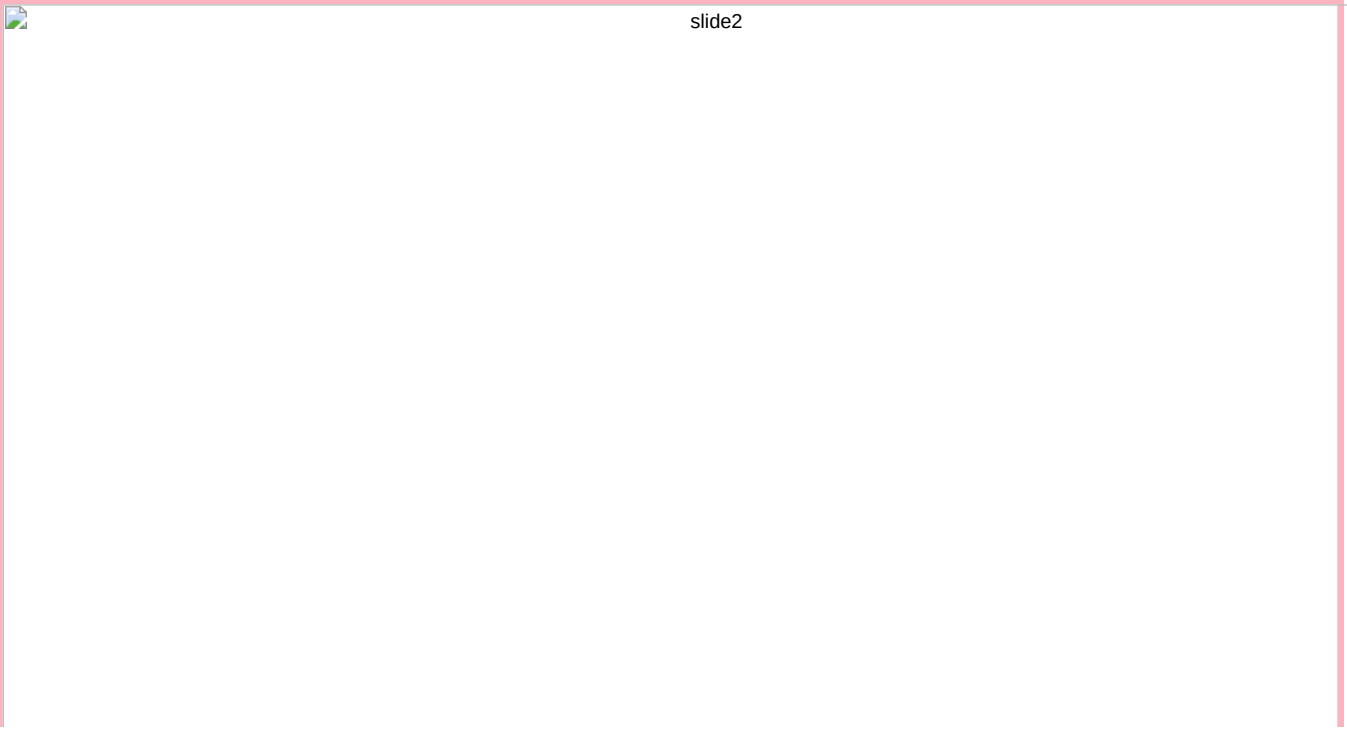
29 [AM_ACTIVE 404299205_2] For a detailed list of these locations, please refer to our website (www.livanova.com)In such cases, the Company will ensure that it complies with its obligations under the PDPA including to ensure that the recipient of your personal data is bound by legally enforceable obligations (in accordance with the applicable regulations of the PDPA) to provide to the transferred personal data a standard of protection that is at least comparable to the protection under the PDPA. You must use all reasonable endeavours to keep the Company informed of any changes to your personal data. It is the Company's policy to retain certain personal data of the Singapore Holders even when they cease to be employed and such retention of personal data will be in accordance with applicable law. This data may be required for any residual Plan related activities such as allowing the Company to fulfil any of the Company's contractual or statutory obligations. To the extent applicable law allows, you may request access to, and correction of, your personal data in relation to the Plan. For any further information, please contact our Director of Total Global Awards. This information is supplemental to and should be read in conjunction with the Notice on Employee Data Processing (which may be updated from time to time and is currently located on the LivaNova Data Protection Portal). United States Where the Participant is permanently located in the United States the following provision applies and supplements Section 5.13 of the Agreement: 1. The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's Data, including personal data, as described in the Plan and any Award Agreement by and among, as applicable, the Company and its Subsidiaries for the purpose of implementing, administering and managing the Participant's participation in the Plan or the Award. 2. The Participant authorizes the Company, its Subsidiaries, and any third parties assisting, presently or in the future, the Company and its Subsidiaries in the implementation, administration and management of the Plan, to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later



30 [AM_ACTIVE_404299205_2] seeks to revoke his or her consent, or instructs the Company or its Subsidiaries to cease the processing of the Data, the only adverse consequence is that the Company may cancel the Participant's ability to participate in the Plan or the Award and, at the Administrator's discretion, the Participant may forfeit any outstanding Awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan or the Awards. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may consult the Company's relevant privacy policies or contact his or her local human resources representative. This information is supplemental to and should be read in conjunction with the Notice on Employee Data Processing (which may be updated from time to time and is currently located on the LivaNova Data Protection Portal).

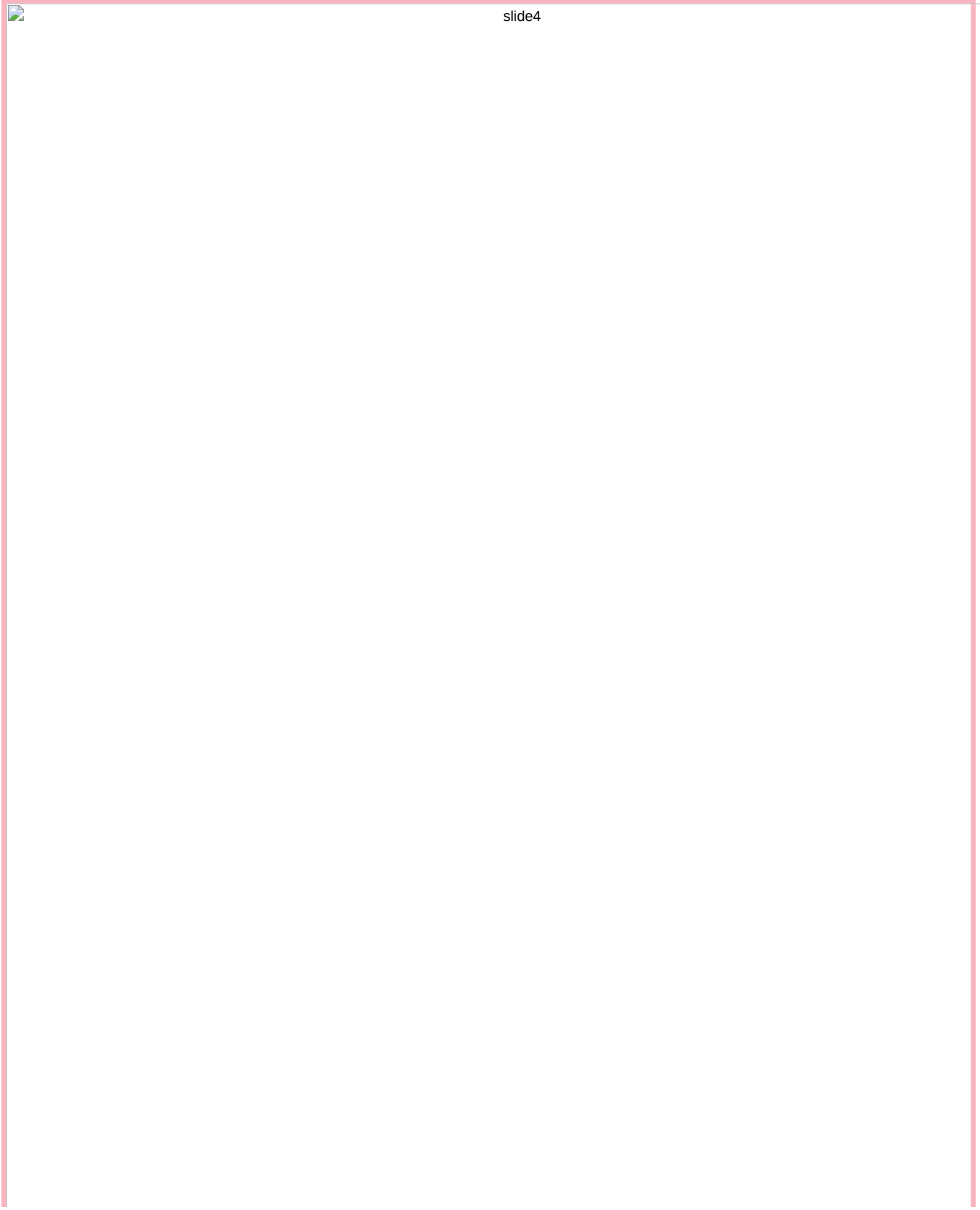


[AM_ACTIVE 404299250_2] IMPORTANT NOTICES European Union/ European Economic Area ("EU/EEA") In relation to each Member State of the EEA, an offer to the public of any securities that comprise the PSUs (as defined below) (together "Securities") which are the subject of the offer contemplated by this Grant Notice (as defined below) may not be made in that Member State, except that an offer to the public in that Member State of any Securities may be made at any time under the following exemptions under the Prospectus Regulation: (a) where it is addressed solely to qualified investors as defined in the Prospectus Regulation; (b) where it is addressed to fewer than 150 natural or legal persons per Member State (other than qualified investors as defined in the Prospectus Regulation); or (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of Securities shall require the Company (as defined below) to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. For these purposes, the expression an "offer to the public" in relation to any Securities in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Securities to be offered so as to enable a recipient of such offer to decide to purchase any Securities, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129. These restrictions apply in addition to any other selling restrictions set out in this Grant Notice. Italy The offer of the PSUs is exempted from prospectus requirements under Italian securities law and, in particular, under Article 34-ter, paragraph 1, of the Italian Market Authority (CONSOB) Regulation No. 11971 of May 14, 1999. No person resident or located in Italy other than the original recipients of this document and any other document related to the PSUs may rely on such documents or their content. Japan Since the solicitation to the signatory hereof is considered a "Solicitation to a Small Number of Investors" under Article 23-13(4) of the Financial Instruments Exchange Act of Japan (the "FIEA"), notification under Article 4(1) of the FIEA has not been made. Singapore Each Participant is hereby advised that the Plan is not being registered under the Securities and Futures Act 2001 of Singapore on the basis that the grant of any PSUs to the Participant is exempt from the requirement to issue a prospectus on the basis that all Participants qualify as a "Qualifying Person" in accordance with Section 273(1)(i) and 273(4) of the Securities and Futures Act 2001 of Singapore. United Kingdom In relation to the United Kingdom, an offer to the public of any Securities which are the subject of the offer contemplated by this Grant Notice may not be made in the United Kingdom, except that

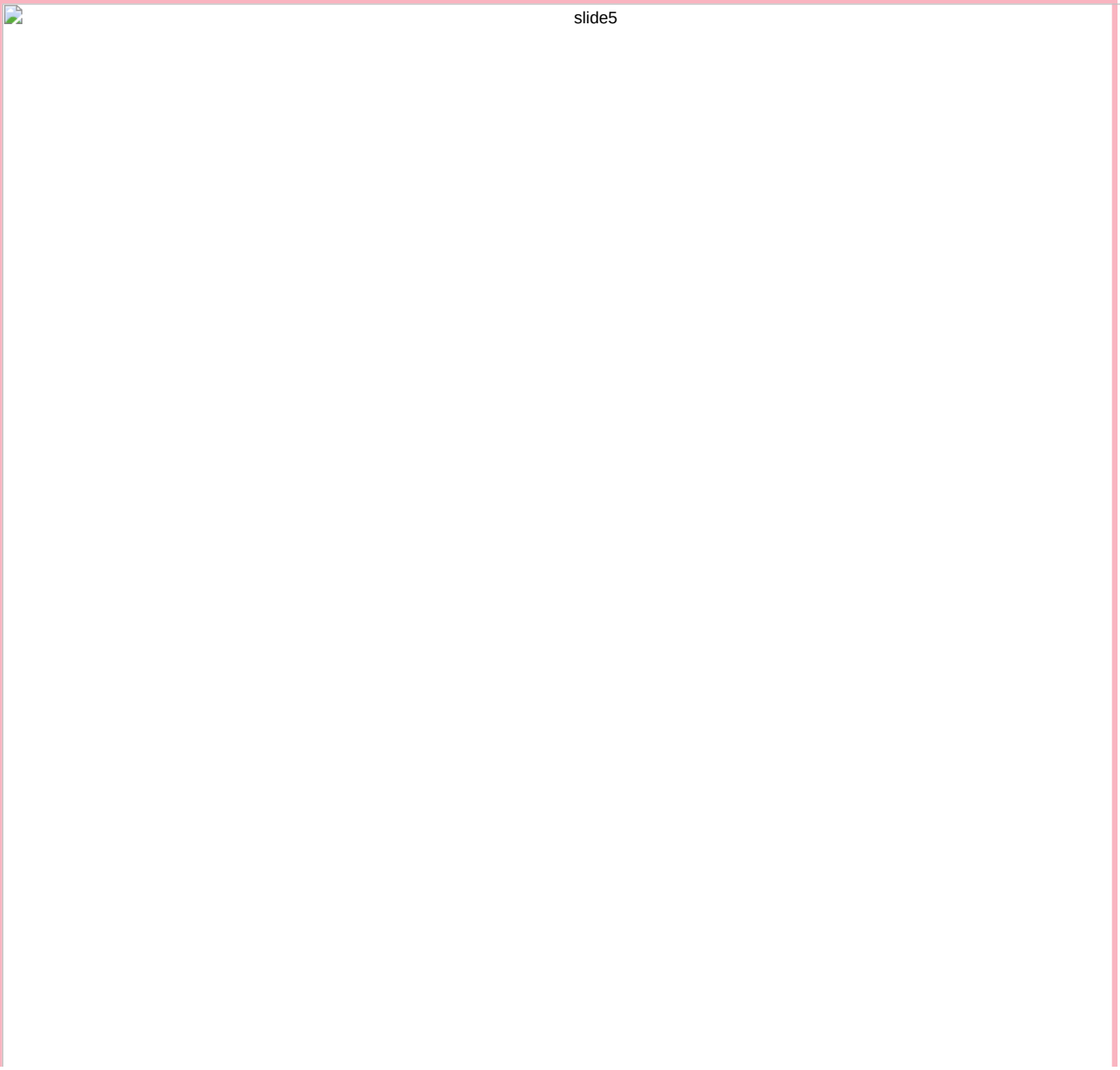


2 [AM_ACTIVE 404299250_2] an offer to the public in the United Kingdom of any Securities may be made at any time under the following exemptions under the Prospectus Regulation as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA") (the "UK Prospectus Regulation"): (a) where it is addressed solely to qualified investors as defined in the UK Prospectus Regulation; (b) where it is addressed to fewer than 150 natural or legal persons in the United Kingdom (other than qualified investors as defined in the UK Prospectus Regulation); or (c) in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000 (as amended) ("FSMA"), provided that no such offer of Securities shall require the Company to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For these purposes, the expression an "offer to the public" in relation to any Securities in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Securities to be offered so as to enable a recipient of such offer to decide to purchase any Securities, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129. These restrictions apply in addition to any other selling restrictions set out in this Grant Notice. This Grant Notice is only being distributed to and is only directed at persons who are employees or former employees of the Company or of another member of the same group as the Company and any persons falling within Article 60(2)(a) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") (such persons being referred to as "relevant persons"). All securities that comprise the PSUs (together "Securities") are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

3 [AM_ACTIVE 404299250_2] LIVANOVA PLC 2022 INCENTIVE AWARD PLAN PERFORMANCE STOCK UNIT AWARD GRANT NOTICE LivaNova PLC, a public limited company incorporated under the laws of England and Wales (the "Company"), pursuant to its 2022 Incentive Award Plan, as amended from time to time (the "Plan"), hereby grants to the holder listed below ("Participant") the number of performance stock units (each, a "PSU", and collectively, the "PSUs") set forth below. The PSUs are subject to the terms and conditions set forth in this Performance Stock Unit Grant Notice (the "Grant Notice") and the Performance Stock Unit Agreement attached hereto as Exhibit A (the "Agreement"), the Plan and the special provisions for Participant's country of residence, if any, attached hereto as Exhibit B (the "Foreign Appendix") and the additional country-specific data protection information attached hereto as Exhibit C, each of which is incorporated herein by reference. Unless otherwise defined herein, the terms defined in (or by reference in) the Plan shall have the same defined meanings in this Grant Notice and the Agreement. Participant: [ ] Grant Date: [ ] Number of PSUs: [ ] Vesting Schedule: Subject to the terms and conditions of this Agreement, the PSUs will vest as follows: [ ] By clicking the "ACCEPT" button, the Participant and the Company agree to be bound by the terms and conditions of the Plan, the Agreement, the Foreign Appendix, if applicable, and this Grant Notice all of which the Participant can access through a link from the Grant Notice. The Participant has reviewed the Plan, the Agreement, the Foreign Appendix, if applicable, and this Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to accepting and agreeing to be bound by them, and fully understands all provisions of this Grant Notice, the Agreement, the Foreign Appendix, if applicable, and the Plan. Shares subject to PSUs that become vested will be distributed in accordance with the Agreement (including, without limitation, Section 2.4 of the Agreement). The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice, the Foreign Appendix, if applicable or the Agreement. By clicking "ACCEPT" you confirm that you understand and agree to be bound by the market sell order below. This will apply where the Company elects that any Tax Liability arising in respect of your PSUs shall be satisfied pursuant to Section 2.6(a)(v) of the Agreement with respect to any Shares then issuable to you pursuant to your PSUs. I understand that by clicking "ACCEPT", I am instructing each broker-dealer who is a member of the Financial Industry Regulatory Authority and appointed by the Company from time to time for the purposes of this market sell order as my agent (the "Agent") to execute this order

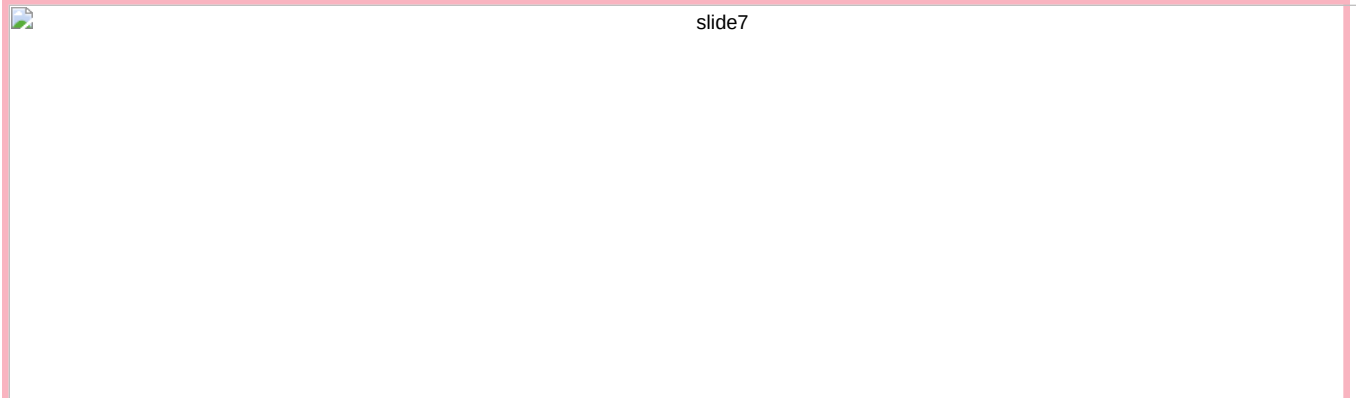


4 [AM_ACTIVE 404299250_2] to sell such number of Shares then issuable to me pursuant to my PSUs as is sufficient to (A) obtain cash for payment of any withholding taxes or other Tax Liability due as a result of the grant, vesting or settlement of my PSUs that the Company, Subsidiary or Employer is required or authorised, or reasonably believes it is required or authorised, to withhold, pay or account for (such amount being "Tax"), including any previously vested PSUs that are currently pending settlement or outstanding unvested PSUs; and (B) cover all applicable fees and commissions due to, or required to be collected by, the Agent with respect to such sale. Any residual cash after payment of the Tax, commissions and fees will be deposited into my brokerage account with the Agent. The Agent may (A) execute my order in a single transaction or multiple transactions during the course of the trading day, or (B) aggregate my order with other orders for other sellers of Shares, execute them as a block or in multiple smaller transactions, and allocate an average price to each seller. In addition, I acknowledge that it may not be possible to execute my order to sell Shares at the relevant time due to (A) a legal or contractual restriction applicable to me or the Agent, (B) a market disruption, or (C) Nasdaq rules governing order execution priority. In the event of the Agent's inability to execute my order to sell Shares, I understand that I will continue to be responsible for the timely payment to the Company, Subsidiary or Employer (as applicable) of all Tax. I understand that this order will not be accepted by the Agent, and my order will not be executed, until I open a brokerage account with the Agent. I also understand that this order will be executed in my brokerage account and will be subject to the terms and conditions that I agree to for that account. I permit the Agent to discuss with and disclose to the Company any information relating to my brokerage account for the purposes of this order. I hereby agree to execute and deliver to the Agent any other agreements or documents as the Agent reasonably deems necessary or appropriate to carry out the purposes and intent of this order. I understand that the Agent is a third-party beneficiary of this order. You must also check your W-9 or W-8 tax certification to confirm it will be in effect on the sale date(s). You can view the current status of your W-9 or W-8 on the Agent's platform.

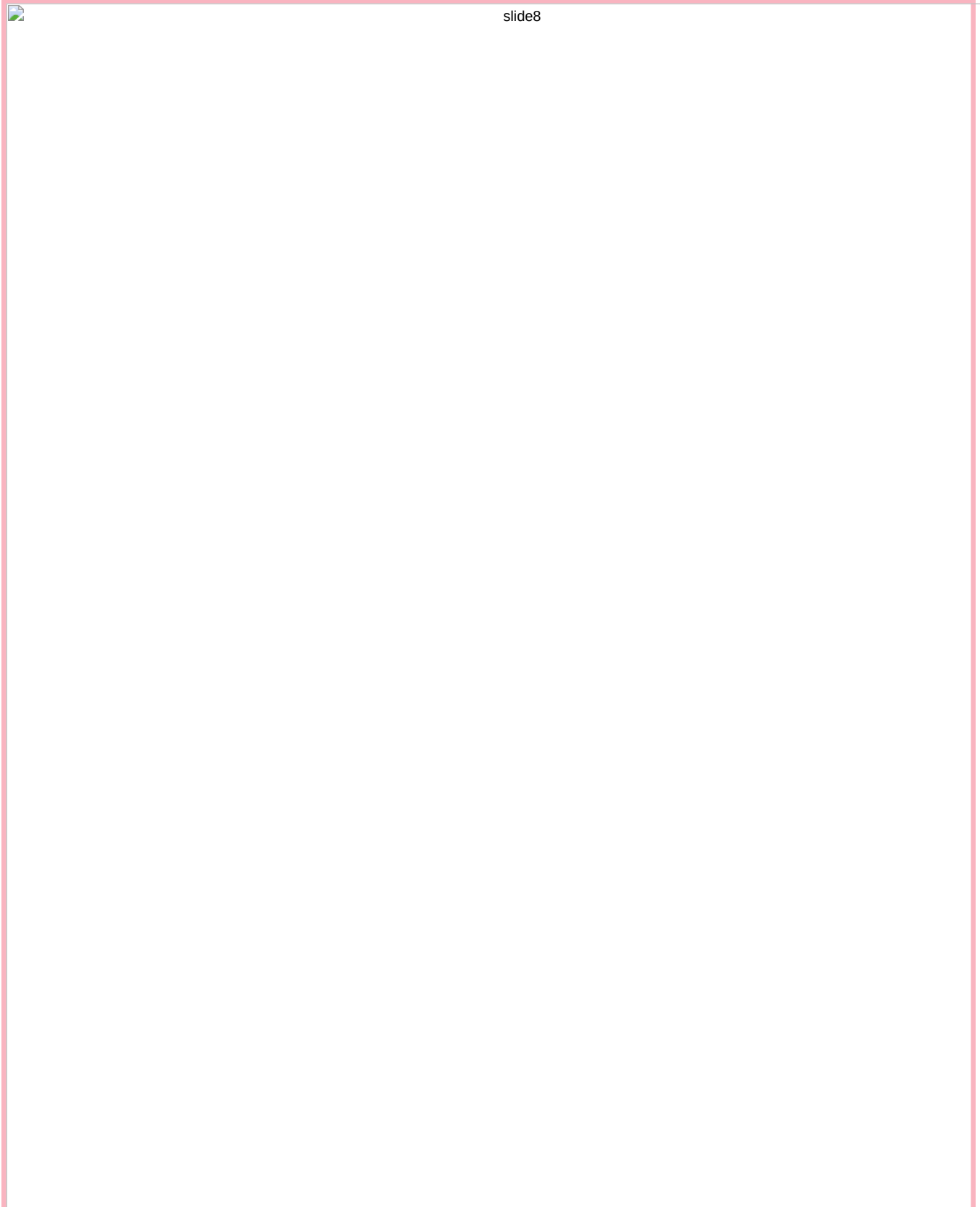


5 [AM_ACTIVE 404299250_2] EXHIBIT A TO PERFORMANCE STOCK UNIT AWARD GRANT NOTICE PERFORMANCE STOCK UNIT AWARD AGREEMENT Pursuant to the Performance Stock Unit Grant Notice (the "Grant Notice") to which this Performance Stock Unit Award Agreement (this "Agreement") is attached, LivaNova PLC, a public limited company incorporated under the laws of England and Wales (the "Company") has granted to Participant Performance Stock Units ("PSUs") under the Company's 2022 Incentive Award Plan, as amended from time to time (the "Plan") over the number of Shares set forth in the Grant Notice. ARTICLE 1. GENERAL 1.1 Defined Terms. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan or the Grant Notice. For purposes of this Agreement: (a) "Disability" shall be defined as in Participant's employment letter or agreement with the Company or a Subsidiary, as amended from time to time, or if Participant is not a party to such a letter or agreement or such letter or agreement does not contain such a definition, shall mean Participant's inability to engage in any substantial gainful activity by reason of any physical or mental impairment that can be expected to result in death or that can be expected to last for a continuous period of not less than 12 months, in each case, which has been determined by a registered medical professional, and subject to Applicable Law. 1.2 Incorporation of Terms of Plan and Foreign Appendix. The PSUs and the Shares issued to Participant hereunder are subject to the terms and conditions set forth in the Plan and the Foreign Appendix, if applicable, each of which is incorporated herein by reference, as well as this Agreement. In the event of any inconsistency between the Plan and/or this Agreement, the terms of the Plan shall control. In the event of any inconsistency between the Plan and/or this Agreement with the Foreign Appendix, the terms of the Foreign Appendix shall control. ARTICLE 2. GRANT OF PSUS AND DIVIDEND EQUIVALENTS 2.1 Grant of PSUs and Dividend Equivalents. (a) In consideration of Participant's past and/or continued employment with the Company or a Subsidiary and for other good and valuable consideration, effective as of the grant date set forth in the Grant Notice (the "Grant Date"), the Company has granted to Participant the number of PSUs set forth in the Grant Notice, upon the terms and conditions set forth in this Agreement, the Grant Notice, the Plan and, if applicable, the Foreign Appendix, subject to adjustment as provided in Section 12.2 of the Plan. Each PSU represents the right to receive one

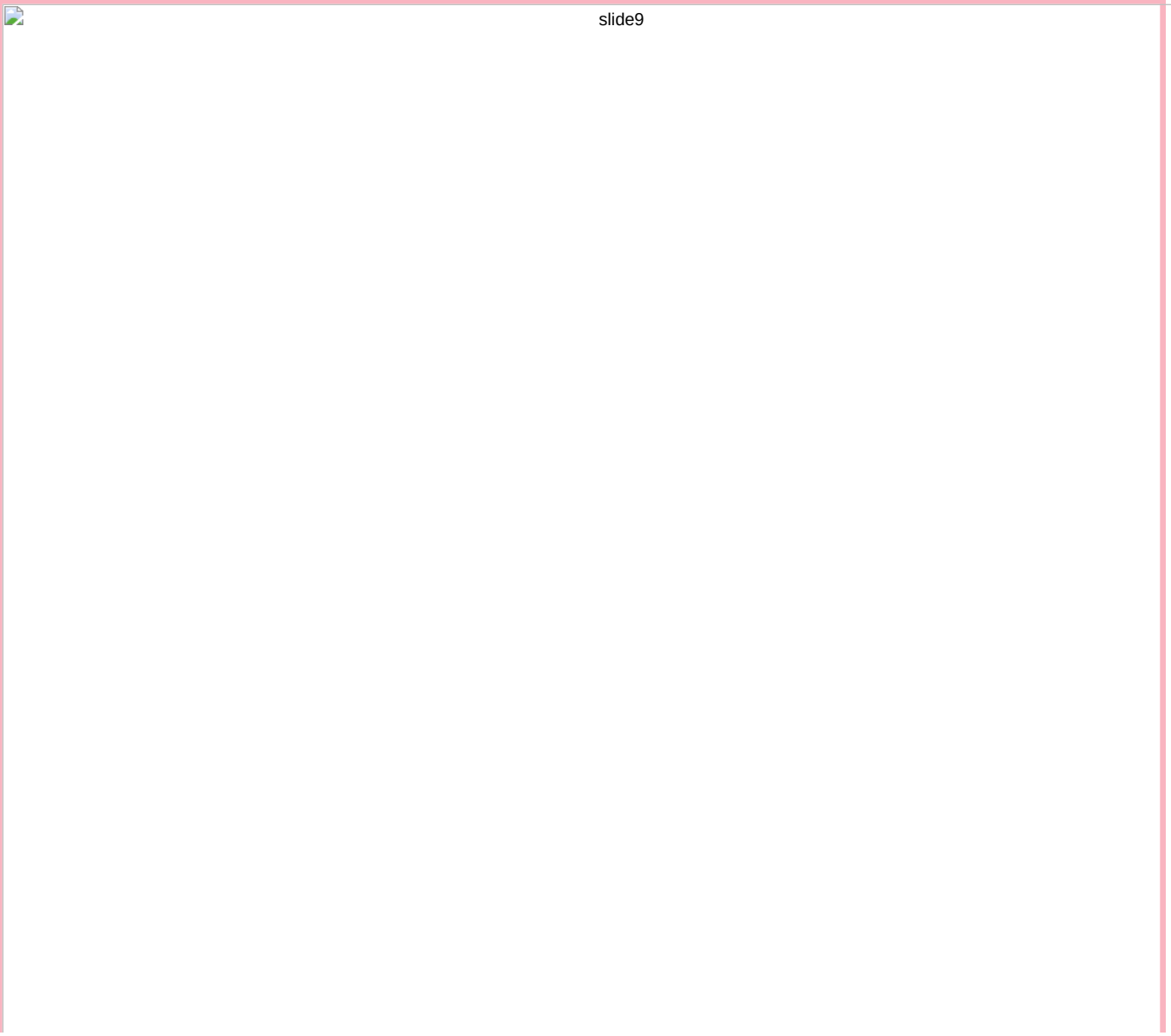
6 [AM_ACTIVE 404299250_2] Share or, at the option of the Company, an amount of cash as set forth in Section 2.4(b), in either case, at the times and subject to the conditions set forth herein, including to the achievement in full of the relevant Performance Goals during the relevant Performance Period. However, unless and until the PSUs have vested, Participant will have no right to the payment of any Shares subject thereto. Prior to the actual delivery of any Shares, the PSUs will represent an unsecured obligation of the Company, payable only from the general assets of the Company. (b) The Company hereby grants to Participant an Award of Dividend Equivalents with respect to each PSU granted pursuant to the Grant Notice for all ordinary cash dividends which are paid to all or substantially all holders of the outstanding Shares between the Grant Date and the date when the applicable PSU is distributed or paid to Participant or is forfeited or expires. The Dividend Equivalents for each PSU shall be equal in value to the amount of cash which is paid as a dividend on one Share. All such Dividend Equivalents shall be credited to Participant in the form of additional PSUs as of the date of payment of any such dividend based on the Fair Market Value of a Share on such date. Each additional PSU which results from such Dividend Equivalents granted hereunder shall be subject to the same vesting, distribution or payment, adjustment and other provisions which apply to the underlying PSU to which such additional PSU relates. In particular, Dividend Equivalents that are based on dividends paid prior to the vesting of the PSUs shall only be paid out to the Participant to the extent that the vesting conditions are subsequently satisfied and the PSUs vest. 2.2 Consideration to the Company. In consideration of the grant of the PSUs by the Company, Participant agrees to render faithful and efficient services to the Company or any Subsidiary. Nothing in the Plan, the Grant Notice, the Foreign Appendix, if applicable or this Agreement shall confer upon Participant any right to continue in the employ of the Company or any Subsidiary or shall interfere with or restrict in any way the rights of the Company and the Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the employment of Participant at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise by Applicable Law or in a written agreement between the Company or a Subsidiary and Participant. 2.3 Vesting of PSUs and Dividend Equivalents. (a) Subject to Participant's continued employment with the Company or a Subsidiary on each applicable vesting date and subject to the terms of this Agreement, the PSUs shall vest in such amounts and at such times as are set forth in the Grant Notice. Each additional PSU which results from Dividend Equivalents pursuant to Section 2.1(b) hereof shall vest whenever the underlying PSU to which such additional PSU relates vests. (b) In the event Participant incurs a Termination of Service, except as may be otherwise provided by this Section 2.3, the Administrator or as set forth in a written agreement between Participant and the Company, Participant shall immediately forfeit any and all PSUs and Dividend Equivalents granted under this Agreement which have not vested or do not vest on or prior to the date on which such Termination of Service occurs, and Participant's rights in any such PSUs and Dividend Equivalents which are not so vested shall lapse and expire.



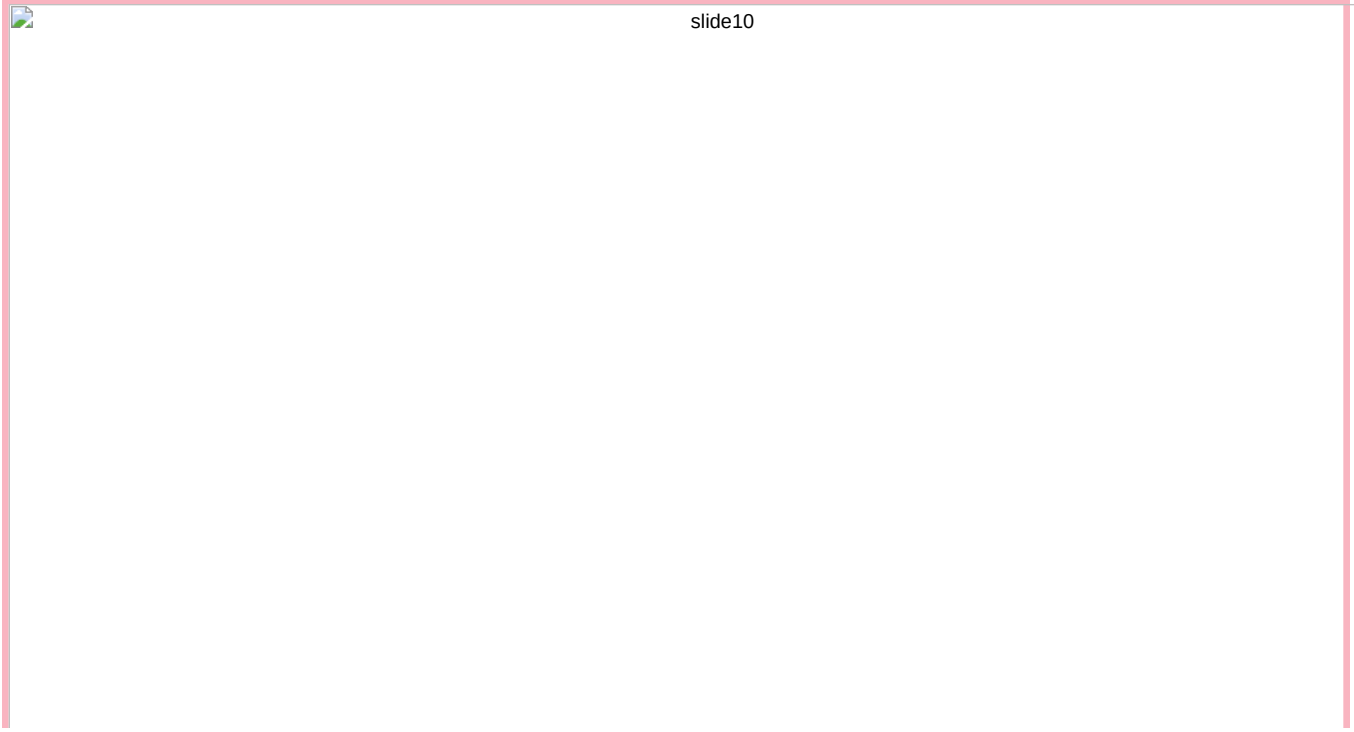
7 [AM_ACTIVE 404299250_2] (c) In the event a Participant incurs a Termination of Service due to an Approved Retirement, the Participant's outstanding PSUs will not be forfeited upon such Approved Retirement, but instead outstanding PSUs shall continue to vest on the date(s) set out in the Grant Notice (provided all other terms which apply to the PSUs are met, including the terms regarding restricted activities set forth below). "Approved Retirement" means a Termination of Service designated by the Committee, in its absolute discretion, as an Approved Retirement. In exercising its discretion in designating a Termination of Service as an Approved Retirement, the Committee will strongly consider management recommendations based on each specific situation including the Participant's expressed commitment at the time of Termination of Service to cease any form of full-time paid work (including, but not limited to, self-employment; agency work; or employment), Participant's tenure of service and performance records throughout the Participant's employment or engagement by the Company or its Subsidiaries. In the event the Company determines that a Participant who incurs a Termination of Service designated as an Approved Retirement commits a material breach of any fiduciary, confidentiality, non-disclosure, non-competition, non-solicitation, non-interference, non- disparagement obligations to the Company or its Subsidiaries (including without limitation, the Participant's engagement in any Prohibited Activities), any portion of the PSUs unvested at such time shall be immediately forfeited for no consideration. For the purposes of this Section 2.3.(c), "Prohibited Activities" shall mean the activities that are prohibited pursuant to any confidentiality agreement or covenant not to compete, not to solicit or hire employees, not to solicit or disrupt business relations, not to disparage the Company, its Subsidiaries or any of its or their officers and employees or any similar restrictions set out in any employment, severance or other written agreement then in effect between the Participant and the Company or one of its Subsidiaries. If no such agreement containing such restrictions is then in effect, the Participant will be deemed to be engaged in "Prohibited Activities" if the Participant, during the term of his or her employment or engagement or in the period during which any PSUs remain unvested following his or her Termination of Service, engages in any employment or business activities for him or herself or on behalf of any enterprise in any capacity or owns any interest in any entity which competes or is competitive with the business of the Company or any Subsidiary in any country in which the Company or its Subsidiaries operate, in each case with which the Participant has been materially involved or for which the Participant was responsible in the 12 months immediately before his or her Termination of Service. (d) In the event of Participant's Termination of Service by the Company without Cause or due to a resignation by Participant for Good Reason within the 24 months immediately following a Change in Control, then the PSUs (and the associated Dividend Equivalents), to the extent not forfeited or otherwise vested immediately prior to such Termination of Service, shall become vested (assuming the maximum level of achievement or funding, as applicable, as set forth in the Grant Notice) upon such Termination of Service.



8 [AM_ACTIVE 404299250_2] "Good Reason" shall mean: (i) a material reduction by the Company in Participant's base salary or target annual bonus as in effect immediately prior to such reduction, (ii) a material diminution in the Participant's authority, duties or responsibilities (including, without limitation, any negative change in reporting hierarchy involving the Participant or the person to whom he or she directly reports, or if Participant was a Section 16 reporting officer immediately prior the Change in Control and is no longer a Section 16 reporting officer immediately following the Change in Control); or (iv) a change of at least twenty (20) miles in the geographic location at which the Participant must perform services, or if the Participant is designated to work primarily on a "remote" basis, the Participant is required to relocate to any office or location that is not materially consistent with the Participant's remote work arrangement, provided that, in each case (a) the Participant provides written notice to the General Counsel and Chief Human Resources Officer of the Company of the existence of one or more of the conditions described in the clauses above within thirty (30) days following the Participant's knowledge of the initial existence of such condition or conditions, specifying in reasonable detail the conditions constituting Good Reason (b) the Employer fails to cure such event or condition within thirty (30) days following the receipt of such notice and (iii) the Participant incurs a Termination of Service within thirty (30) days following the expiration of such cure period. "Cause" shall mean, if Participant is employed pursuant to a written employment or similar agreement which includes a definition of "Cause," "Cause" as defined in that agreement and otherwise: (i) the willful and continued failure by Participant to perform substantially Participant's duties with the Company, other than any such failure resulting from Participant's incapacity due to physical or mental illness, which continues unabated after a written demand for substantial performance is delivered to Participant by the Company that specifically identifies the manner in which the Company believes that Participant has not substantially performed Employee's duties; (ii) Participant willfully engaging in gross misconduct that is materially and demonstrably injurious to the Company; (iii) Participant's conviction of any felony, or to any misdemeanor involving dishonesty or moral turpitude, in either case, which is materially and demonstrably injurious to the Company or any of its subsidiaries; or (iv) Participant's material breach of his or her employment or service contract with the Company, which breach, if curable, has not been remedied by Participant after written notice has been provided to Participant of such breach. For purposes of this definition, an act or failure to act on Participant's part shall be considered "willful" only if done or omitted to be done by Participant otherwise than in good faith and without reasonable belief that Participant's action or omission was in the best interest of the Company. For the avoidance of doubt, the definition of "Cause" herein shall not conflict with any statutory definition of cause under applicable local law. (e) In the event of Participant's Termination of Service due to Participant's death or Disability, the Administrator may in exercise of its discretion in Section 11.4 of the Plan, determine that all or a portion of the Participant's outstanding PSUs shall not be forfeited upon such Termination of Service, but instead shall: (i) continue to vest on the date(s) set out in the Grant Notice (in the Administrator's discretion, subject to the achievement in full of the relevant Performance Goals during the relevant Performance Period); or



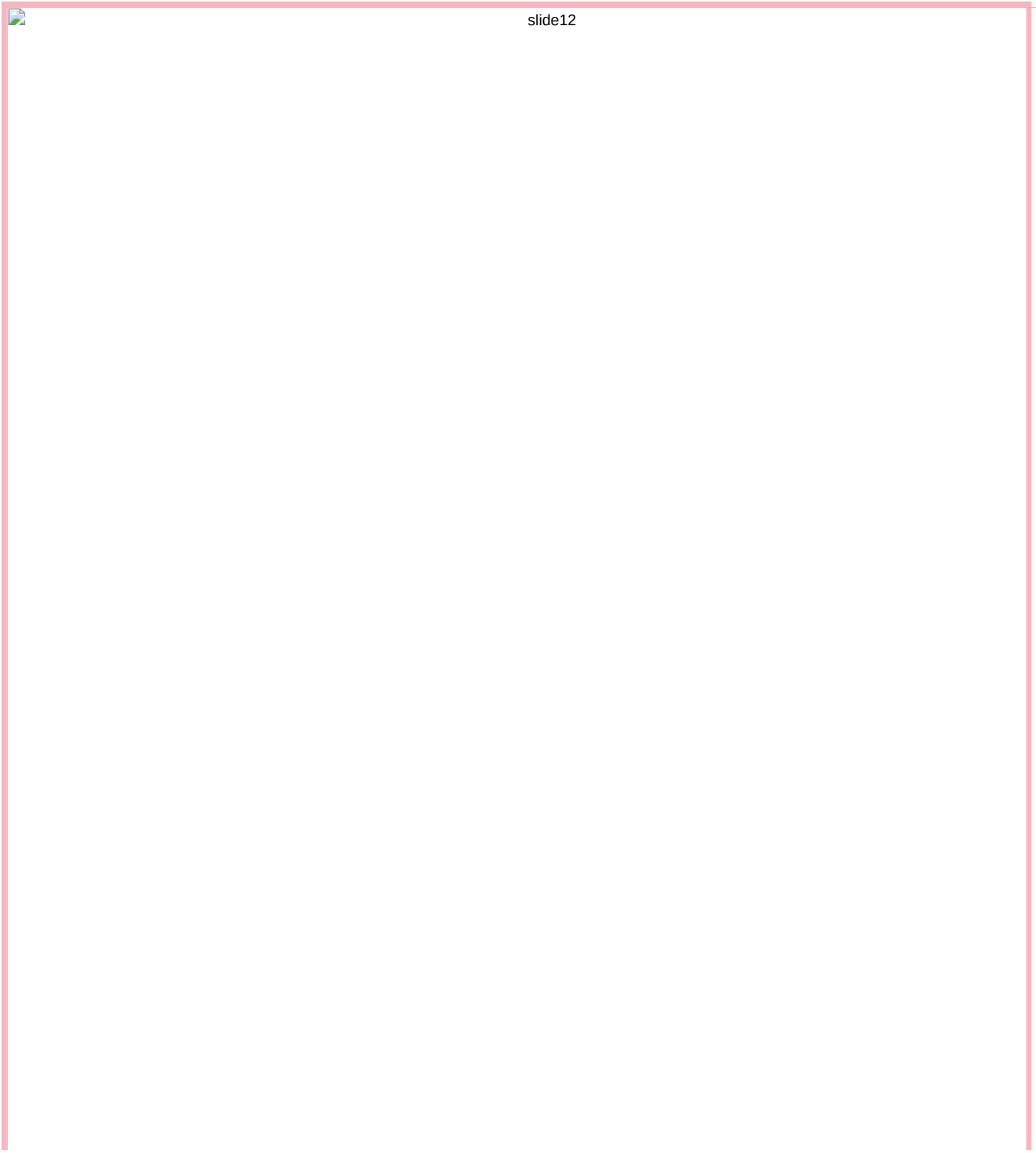
9 [AM_ACTIVE 404299250_2] (ii) become vested (assuming 100% achievement or funding, as applicable, as set forth in the Grant Notice) upon such Termination of Service, taking into account such factors as the Administrator shall in its discretion consider appropriate including, but not limited to, the extent to which, on the date of such Participant's Termination of Service, the Performance Period has elapsed and the Performance Goals have been achieved or are expected to be achieved. 2.4 Distribution or Payment of PSUs. (a) Participant's PSUs shall be distributed in Shares (either in book-entry form or otherwise) or, at the option of the Company, paid in an amount of cash as set forth in Section 2.4(b), in either case, as soon as administratively practicable following the vesting of the applicable PSU pursuant to Section 2.3 and the Grant Notice, and, in any event, within sixty (60) days following such vesting (for the avoidance of doubt, this deadline is intended to comply with the "short-term deferral" exemption from Section 409A of the Code). Notwithstanding the foregoing, the Company may delay a distribution or payment in settlement of PSUs if it reasonably determines that such payment or distribution will violate Federal securities laws or any other Applicable Law, provided that such distribution or payment shall be made at the earliest date at which the Company reasonably determines that the making of such distribution or payment will not cause such violation, as required by Treasury Regulation Section 1.409A-2(b)(7)(ii), and provided further that no payment or distribution shall be delayed under this Section 2.4(a) if such delay will result in a violation of Section 409A of the Code. (b) In the event that the Company determines in its discretion that due to regulatory or administrative needs it will make payment of Participant's PSUs in cash, the amount of cash payable with respect to each PSU shall be equal to the Fair Market Value of a Share on the day immediately preceding the applicable distribution or payment date set forth in Section 2.4(a). All distributions made in Shares shall be made by the Company in the form of whole Shares, and any fractional share shall be distributed in cash in an amount equal to the value of such fractional share determined based on the Fair Market Value as of the date immediately preceding the date of such distribution. 2.5 Conditions to Issuance of Shares. The Company shall not be required to issue or deliver any certificate or certificates for any Shares or to cause any Shares to be held in book-entry form prior to the fulfillment of all of the following conditions: (a) the admission of the Shares to listing on all stock exchanges on which such Shares are then listed, (b) the completion of any registration or other qualification of the Shares under any state or federal law or under rulings or regulations of the Securities and Exchange Commission or other governmental regulatory body, which the Administrator shall, in its absolute discretion, deem necessary or advisable, and (c) the obtaining of any approval or other clearance from any state or federal governmental agency that the Administrator shall, in its absolute discretion, determine to be necessary or advisable. 2.6 Tax Withholding. Notwithstanding any other provision of this Agreement: (a) The Company and its Subsidiaries, including, if different from the Company, Participant's Employer (the "Employer"), have the authority to deduct or withhold, or



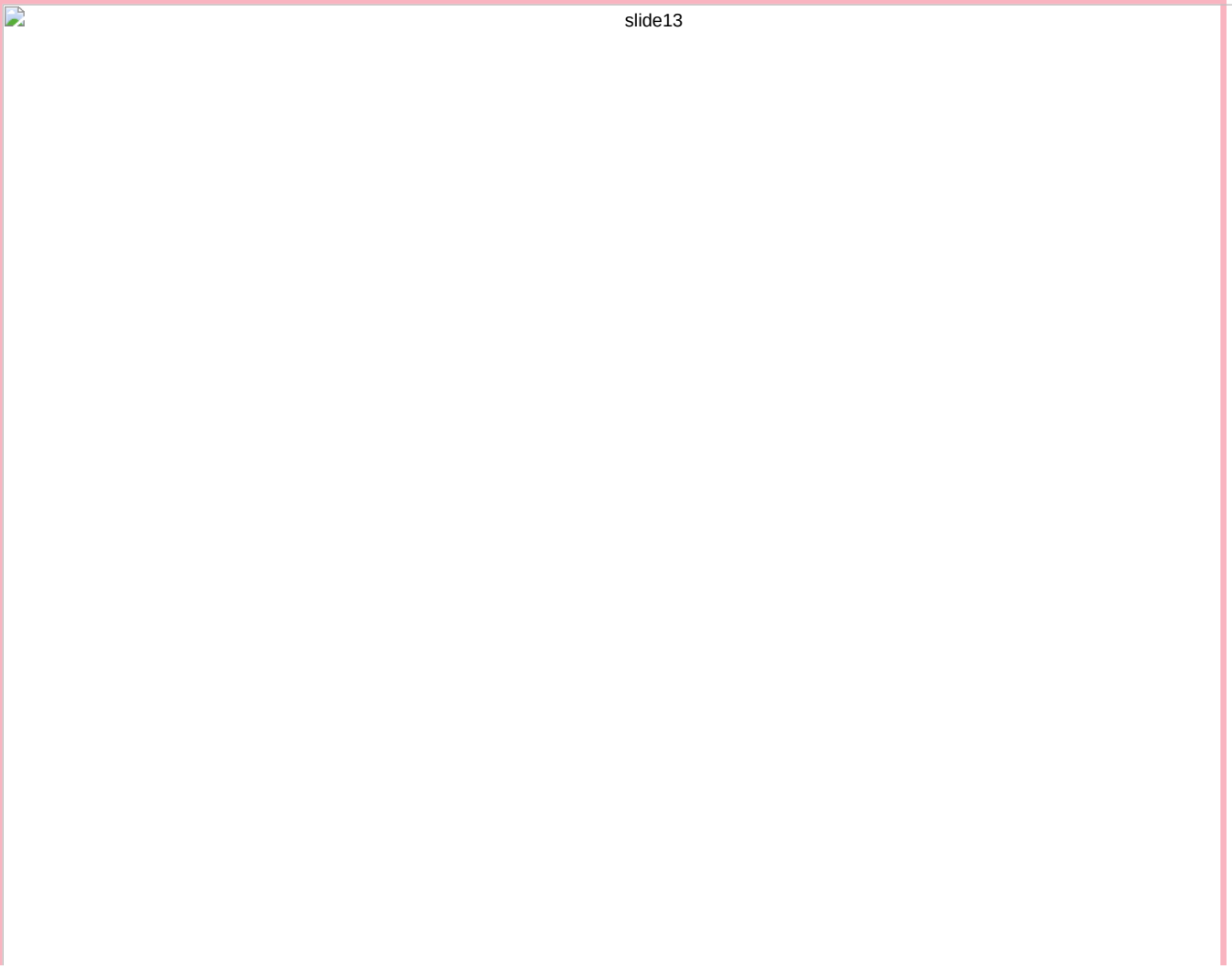
10 [AM_ACTIVE 404299250_2] require Participant to remit to the Company or the applicable Subsidiary, an amount sufficient to satisfy any Tax Liability arising with respect to any taxable event concerning Participant pursuant to the Grant Notice or this Agreement (or otherwise pursuant to the Plan). Participant irrevocably agrees to pay to the Company or (if different) the Employer the amount of any Tax Liability that the Company, Subsidiary or Employer is required or authorized, or reasonably believes it is required or authorized, to withhold, pay, or account for, enter into arrangements to the satisfaction of the Company or the Employer (as appropriate) for payment of any such Tax Liability including (but not limited) by way of payment or withholding in one or more of the forms specified below: (i) by cash of or check for the relevant amount paid or made payable to the Company or the Employer (or other relevant Subsidiary) with respect to which the withholding obligation arises; (ii) by withholding of the relevant amount from Participant's wages or other compensation payable to Participant by the Company or the Employer (or any other relevant Subsidiary), including (for the avoidance of doubt) any payment due to Participant pursuant to the PSUs; (iii) by withholding Shares otherwise issuable pursuant to the PSUs or by withholding from proceeds of the sale of Shares issuable pursuant to the PSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization) without further consent, in each case with such Shares having a then current Fair Market Value as is sufficient to cover the amount necessary to satisfy the Tax Liability; (iv) with the consent of the Administrator, by Participant tendering to the Company Shares having a then current Fair Market Value as is sufficient to cover the amount necessary to satisfy the Tax Liability; (v) through the delivery of a notice that Participant has placed a market sell order with a broker acceptable to the Company with respect to any Shares then issuable to Participant pursuant to the PSUs, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company or the Employer (or other relevant Subsidiary) with respect to which the Tax Liability arises in satisfaction of such Tax Liability; provided that payment of such proceeds is then made to the Company or the Employer (or other relevant Subsidiary) at such time as may be required by the Administrator, but in any event not later than the settlement of such sale; or (vi) in any combination of the foregoing or such other method as is determined by the Company or the Administrator. (b) The Company shall not be obligated to deliver any certificate representing Shares issuable with respect to the PSUs to, or to cause any such Shares to be held in book-entry form by, Participant or his or her legal representative unless and until Participant or his or her legal representative shall have paid or otherwise satisfied in full the amount of any Tax Liability, provided that no payment shall be delayed under this Section 2.6(b) if such delay would result in a violation of Section 409A.

11 [AM_ACTIVE 404299250_2] (c) With respect to any Tax Liability arising in connection with the PSUs, in the event Participant fails to provide timely payment of all sums required pursuant to Section 2.6(a), the Company shall have the right and option, but not the obligation, to treat such failure as an election by Participant to satisfy all or any portion of Participant's required payment obligation pursuant to Section 2.6(a)(ii) or Section 2.6(a)(iii) above, or any combination of the foregoing as the Company may determine to be appropriate. (d) In the event any Tax Liability arising in connection with the PSUs will be satisfied under Section 2.6(a)(iii), then the Company may elect to instruct any brokerage firm determined acceptable to the Company for such purpose to sell on Participant's behalf a whole number of shares from those Shares then issuable to Participant pursuant to the PSUs as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the relevant Tax Liability and to remit the proceeds of such sale to the Company, the Subsidiary or the Employer (as appropriate). Participant's acceptance of this Award constitutes Participant's instruction and authorization to the Company and such brokerage firm to complete the transactions described in this Section 2.6(d). The Company may refuse to issue any Shares in settlement of the PSUs to Participant until the foregoing Tax Liability is satisfied, provided that no payment shall be delayed under this Section 2.6(d) if such delay will result in a violation of Section 409A. (e) Participant is ultimately liable and responsible for and indemnifies and will keep indemnified the Company and each Subsidiary (including the Employer, if applicable) against any Tax Liability arising in connection with the PSUs, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the PSUs. Neither the Company nor any Subsidiary (including the Employer, if applicable) makes any representation or undertaking regarding the treatment of any Tax Liability in

connection with the awarding, vesting or distribution or payment of the PSUs, the receipt of any Dividend Equivalent or the subsequent sale of Shares. The Company and the Subsidiaries (including the Employer, if applicable) do not commit and are under no obligation to structure the PSUs to reduce or eliminate any Tax Liability or to achieve any particular tax result. 2.7 Rights as Shareholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a shareholder of the Company, including, without limitation, voting rights and rights to dividends, in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book-entry form) have been issued and recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant (including through electronic delivery to a brokerage account). No adjustment shall be made for a dividend or other right for which the record date is prior to the date of such issuance, recordation and delivery, except as provided in Section 12 of the Plan. Except as otherwise provided herein, after such issuance, recordation and delivery, Participant will have all the rights of a shareholder of the Company with respect to such Shares, including, without limitation, the right to receipt of dividends and distributions on such Shares. 2.8 Malus and Claw-Back. The grant of this Award is subject to the terms of the LivaNova Compensation Recoupment Policy, as it may provide from time to time, as well as any similar provisions of applicable law, any of which could in certain circumstances require the Participant to repay or forfeit cash or equity awards, including this Award, or any ordinary shares



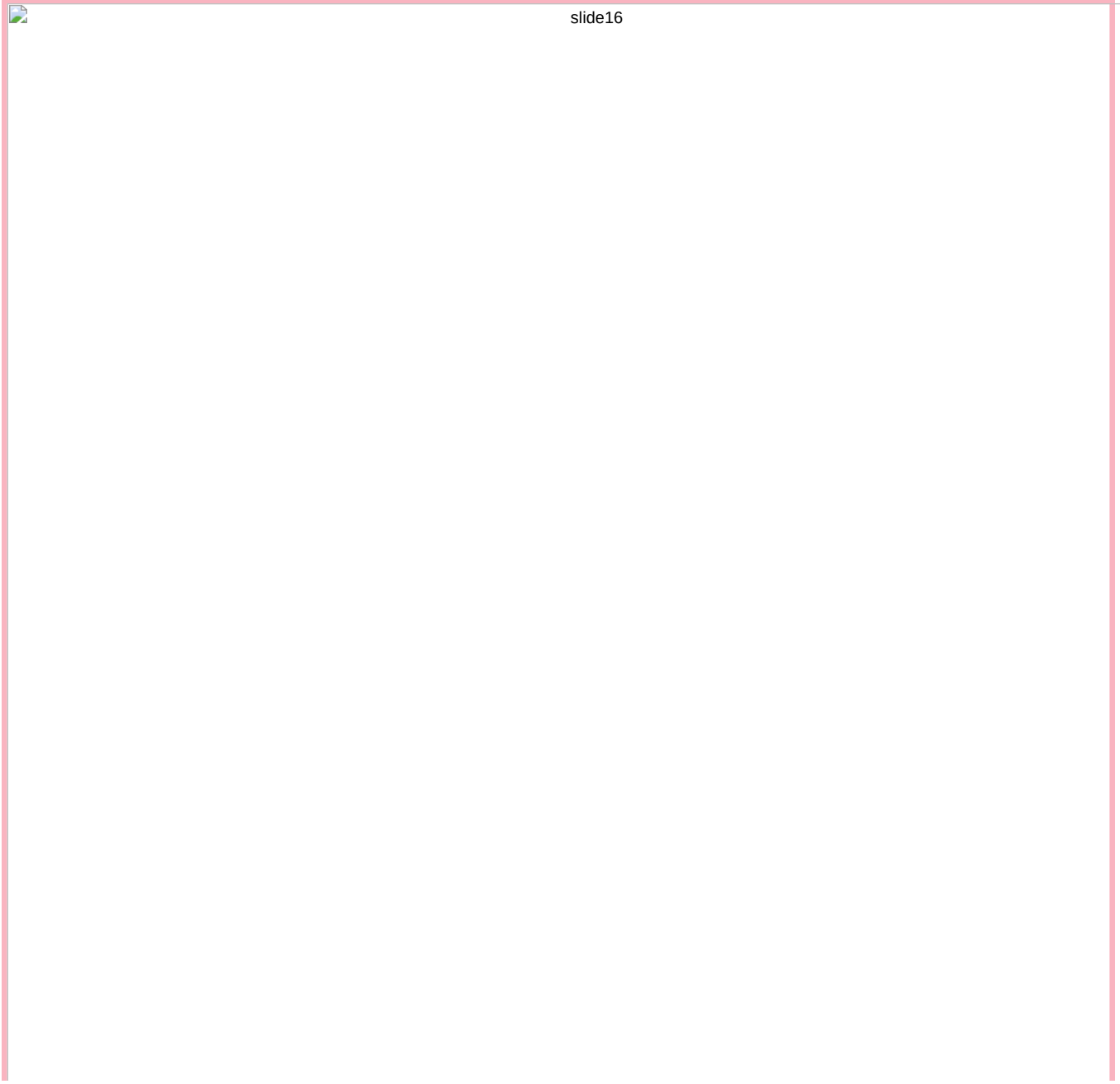
12 [AM_ACTIVE 404299250_2] or other cash or property received with respect to this and other awards, including any value received from a disposition of the ordinary shares acquired upon payment in respect of the awards. ARTICLE 3. OTHER PROVISIONS 3.1 Administration. The Administrator shall have the power to interpret the Plan, the Grant Notice, this Agreement and the Foreign Appendix, if applicable, and to adopt such rules for the administration, interpretation and application of the Plan, the Grant Notice, this Agreement and the Foreign Appendix, if applicable, as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Administrator will be final and binding upon Participant, the Company and all other interested persons. To the extent allowable pursuant to Applicable Law, no member of the Committee or the Board will be personally liable for any action, determination or interpretation made with respect to the Plan, the Grant Notice, this Agreement or the Foreign Appendix, if applicable. 3.2 PSUs Not Transferable. Without limiting the generality of any other provision hereof, the PSUs shall be subject to the restrictions on transferability set forth in Section 10.3 of the Plan. 3.3 Adjustments. Participant acknowledges that the PSUs and the Shares subject to the PSUs are subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan, including Section 12 of the Plan. 3.4 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company at the Company's principal office, and any notice to be given to Participant shall be addressed to Participant at Participant's last address reflected on the Company's records. By a notice given pursuant to this Section 3.4, either party may hereafter designate a different address for notices to be given to that party. Any notice shall be deemed duly given when sent via email or when sent by reputable overnight courier or by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service. 3.5 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement. 3.6 Governing Law. The laws of the State of Delaware shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws. 3.7 Conformity to Securities Laws. Participant acknowledges that the Plan, the Grant Notice, the Foreign Appendix, if applicable, and this Agreement are intended to conform to the extent necessary with all Applicable Laws, including, without limitation, the provisions of the Securities Act and the Exchange Act, and any and all regulations and rules promulgated thereunder by the Securities and Exchange Commission, and state securities laws and regulations.



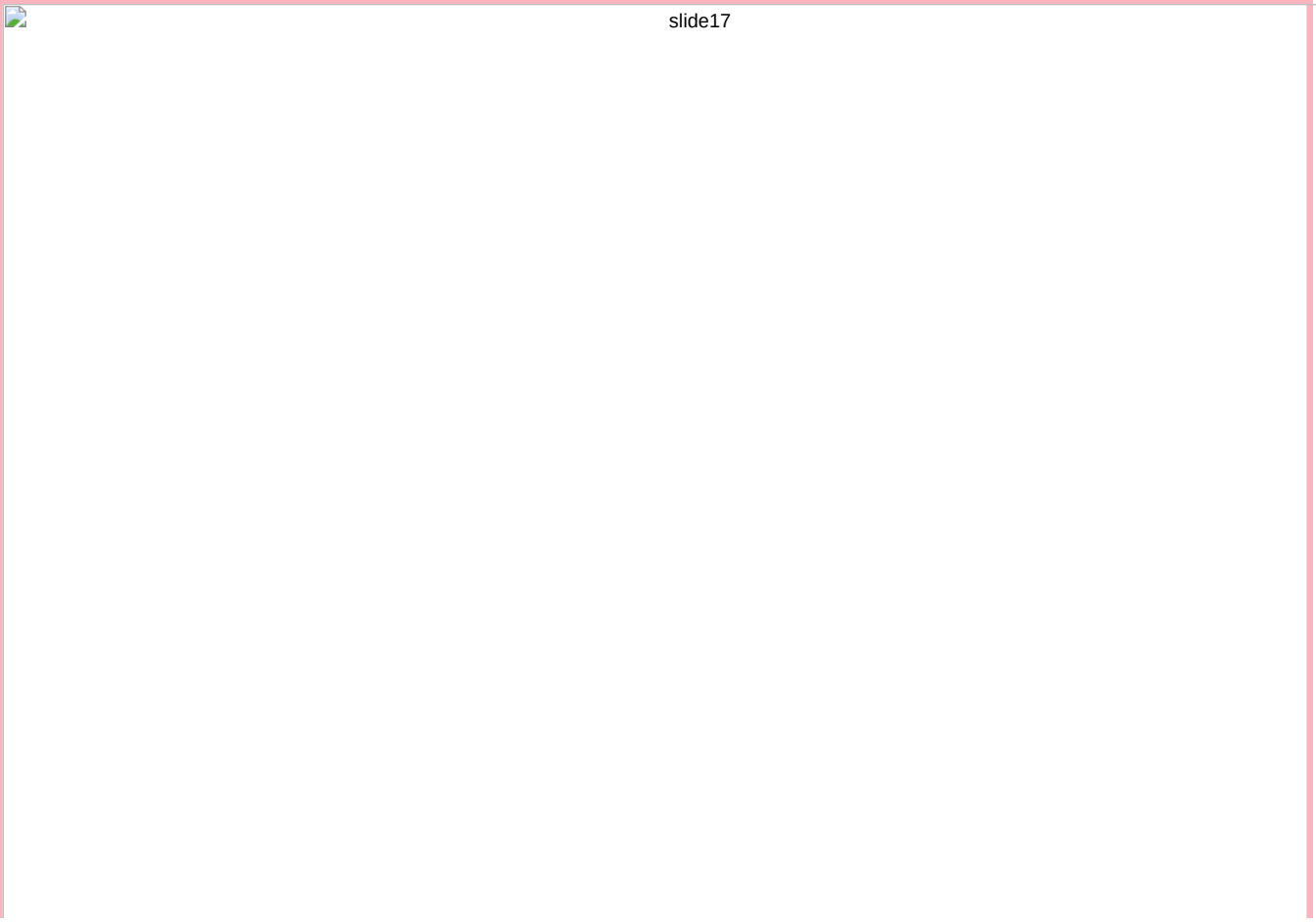
13 [AM_ACTIVE 404299250_2] Notwithstanding anything herein to the contrary, the Plan shall be administered, and the PSUs are granted, only in such a manner as to conform to Applicable Law. To the extent permitted by Applicable Law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to Applicable Law. 3.8 Amendment, Suspension and Termination. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Administrator or the Board, provided however that, except as may otherwise be provided by the Plan, no amendment, modification, suspension or termination of this Agreement shall adversely affect the PSUs in any material way without the prior written consent of Participant. 3.9 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in Section 10.3 of the Plan, this Agreement shall be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto. 3.10 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the PSUs (including PSUs which result from Dividend Equivalents), the Dividend Equivalents, the Grant Notice, the Foreign Appendix, if applicable, and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by Applicable Law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule. 3.11 Not a Contract of Employment. Nothing in this Agreement or in the Plan shall confer upon Participant any right to continue to serve as an Employee of the Company or any Subsidiary or shall interfere with or restrict in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the employment of Participant at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise by Applicable Law or in a written agreement between the Company or a Subsidiary and Participant. Neither the Plan, the Grant Notice, the Foreign Appendix, if applicable, nor this Agreement afford the Participant any rights to compensation or damages, including for loss of or potential loss that the Participant may suffer as a result of the termination of the Plan, lapse of the PSUs or the termination of the Participant's employment with the Company or any Subsidiary. 3.12 PSUs Not Part of Employment Compensation. The PSUs and the Shares subject to the PSUs are extraordinary items that do not constitute part of normal or expected wages or salary for any purposes, including, but not limited to, calculation of any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, holiday pay, long-service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the employer, its parent, or any Subsidiary or affiliate of the Company. In addition, Participant acknowledges that

14 [AM_ACTIVE 404299250_2] by electronically signing the Grant Notice and this Agreement that the grant of the Award is at the Company's sole discretion based on the Plan, and does not entitle the Participant to further grant(s) of Awards, nor to claim for further grant(s) of Awards, in respect of the Plan or any other award(s) under any other plan or program maintained by the Company or any Subsidiary. 3.13 Data Protection. By electronically signing the Grant Notice and this Agreement, the Participant acknowledges and understands that the Company and its Subsidiaries (including the Participant's employer), as applicable, may hold certain personal information about the Participant (and, to the extent provided by the Participant, a Permitted Transferee or other beneficiary), including but not limited to, as applicable, name, home address and telephone number, date of birth, social security or insurance number or other identification number, salary, nationality, job title(s), any shares held in the Company or any of its Subsidiaries, details of all Awards or other entitlements to shares awarded, exercised, vested, unvested in the Participant's favor, and, as the case may be, sensitive information pertaining to disability, in each case, for the purpose of implementing, managing and administering the Plan and Awards (the "Data"). The Participant understands that the Company and its Subsidiaries may transfer the Data amongst themselves as necessary for the purpose of implementation, administration and management of the Participant's participation in the Plan and in connection with any Award, and the Company and its Subsidiaries may each further transfer the Data to any third party service providers where such service providers are providing necessary assistance, presently or in the future, to the Company and its Subsidiaries in the implementation, administration and management of the Plan or the Award (including the Plan administrator or a broker or other third party with whom the Company or any of its Subsidiaries or the Participant may elect to deposit any Shares). These recipients may be located in the Participant's country, or elsewhere, and the Participant's country may have different data privacy laws and protections than the recipients' country. The Data related to the Participant (or the Permitted Transferee or other beneficiary) will be held only as long as is necessary to implement, administer, and manage the Participant's participation in the Plan. Where applicable, the Participant shall be responsible for obtaining Data from a Permitted Transferee or other beneficiary and will provide the Permitted Transferee or other beneficiary with such information about the processing of such Data as the Company or its Subsidiaries require and will obtain such Permitted Transferee's or beneficiary's consent in connection with the Company's and its Subsidiaries' processing of the Data before such Data is provided by the Participant to the Company or its subsidiaries. This Section 3.13 should be read in conjunction with Exhibit C, which sets out additional country-specific information applicable to a Participant where the Participant is permanently located in one of the jurisdictions set out therein. 3.14 Entire Agreement. The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company, the Subsidiaries and Participant with respect to the subject matter hereof. 3.15 Section 409A. This Award is not intended to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code (together with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof, "Section 409A"). However, notwithstanding any other provision of the Plan, the Grant Notice, the Foreign

15 [AM_ACTIVE 404299250_2] Appendix, if applicable, or this Agreement if at any time the Administrator determines that this Award (or any portion thereof) may be subject to Section 409A, the Administrator shall have the right in its sole discretion (without any obligation to do so or to indemnify Participant or any other person for failure to do so) to adopt such amendments to the Plan, the Grant Notice or this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Administrator determines are necessary or appropriate for this Award either to be exempt from the application of Section 409A or to comply with the requirements of Section 409A. Notwithstanding anything herein to the contrary, no provision of the Plan shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from Participant or any other person to the Company or any of its Subsidiaries, employees or agents. Without limiting the foregoing and notwithstanding anything contained herein to the contrary, to the extent required in order to avoid an accelerated or additional tax under Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Agreement during the six-month period immediately following the Participant's separation from service shall instead be paid on the first business day after the date that is six months following the Participant's separation from service (or, if earlier, the Participant's date of death). 3.16 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement. 3.17 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant shall have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the PSUs and Dividend Equivalents, and rights no greater than the right to receive Shares or cash as a general unsecured creditor with respect to the PSUs, as and when settled pursuant to the terms hereof. 3.18 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which shall be deemed an original and all of which together shall constitute one instrument. 3.19 Special Provisions for PSUs Granted to Participants Outside the U.S. If Participant performs services for the Company or any Subsidiary outside of the United States, the PSUs shall be subject to the special provisions, if any, for Participant's country of residence, as set forth in the Foreign Appendix. (a) If Participant relocates to one of the countries included in the Foreign Appendix during the life of the PSUs, the special provisions for such country shall apply to Participant, as specified in the special provisions for the relevant country or (if not so specified) to the extent the Company determines that the application of such provisions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan.

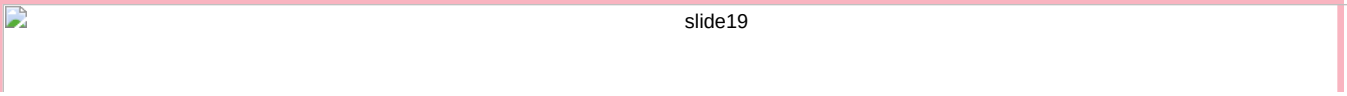


16 [AM_ACTIVE 404299250_2] (b) The Company reserves the right to impose other requirements on this Award and any Shares received upon settlement of the PSUs, to the extent the Company determines it is necessary or advisable in order to comply with local laws or facilitate the administration of the Plan, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. 3.20 Broker-Assisted Sales. In the event of any broker-assisted sale of Shares in connection with the satisfaction of any Tax Liability as provided in Section 2.6(a)(iii) or Section 2.6(d): (A) any Shares to be sold through a broker-assisted sale will be sold on the day the Tax Liability arises or as soon thereafter as practicable; (B) such Shares may be sold as part of a block trade with other participants in the Plan in which all participants receive an average price; (C) Participant will be responsible for all broker's fees and other costs of sale, and Participant agrees to indemnify and hold the Company harmless from any losses, costs, damages, or expenses relating to any such sale; (D) to the extent the proceeds of such sale exceed the applicable Tax Liability, the Company agrees to pay such excess in cash to Participant as soon as reasonably practicable; (E) Participant acknowledges that the Company or its designee is under no obligation to arrange for such sale at any particular price, and that the proceeds of any such sale may not be sufficient to satisfy the applicable Tax Liability; and (F) in the event the proceeds of such sale are insufficient to satisfy the applicable Tax Liability, Participant agrees to pay immediately upon demand to the Company or its Subsidiary (including the Employer, if applicable) with respect to which the Tax Liability arises an amount in cash sufficient to satisfy any remaining portion of the Company's or the applicable Subsidiary's Tax Liability, or otherwise to enter into arrangements satisfactory to the Company and/or the relevant Subsidiary for payment of such remaining portion of the Tax Liability in accordance with the provisions of Section 2.6 above.

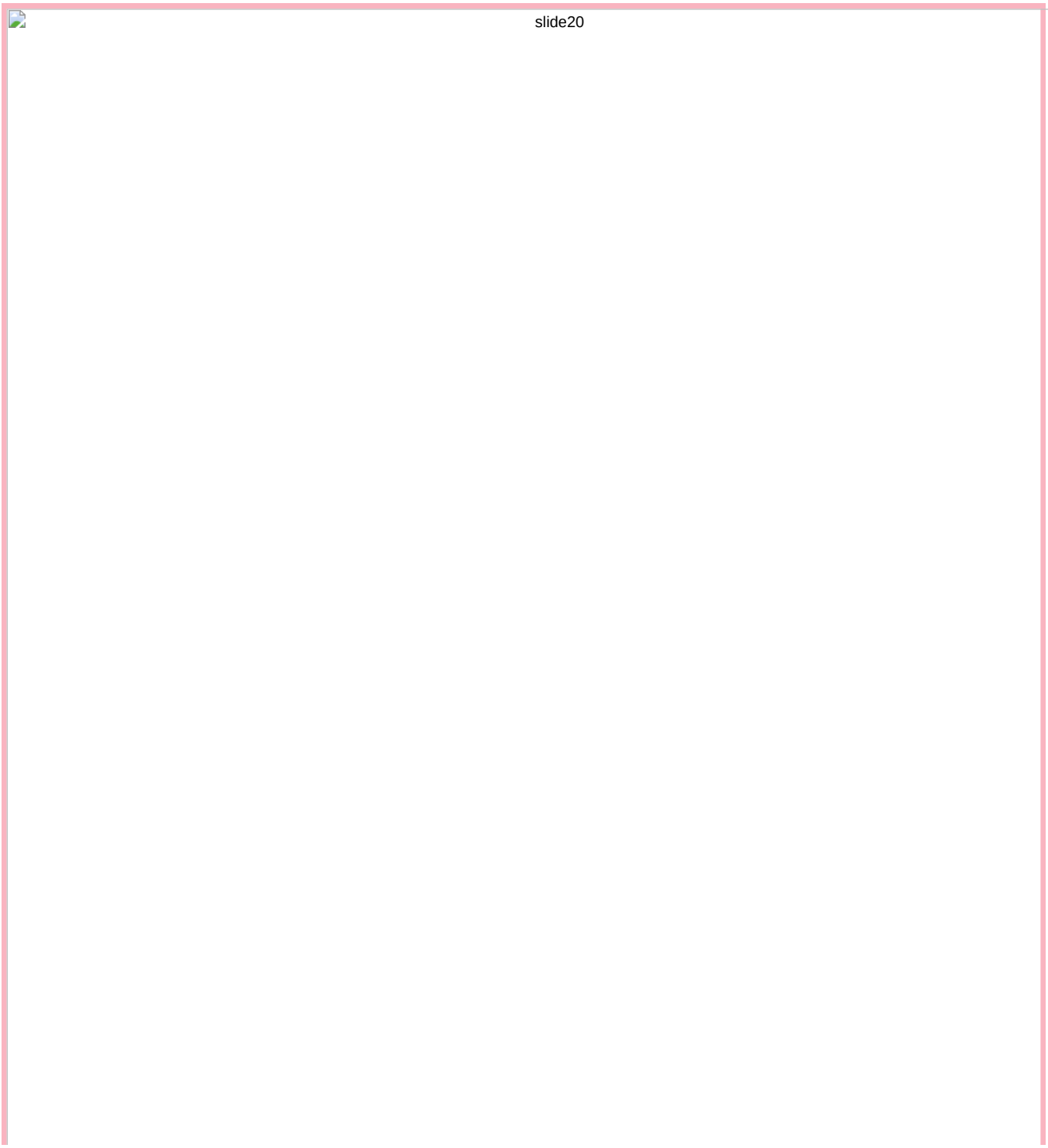


17 [AM_ACTIVE 404299250_2] EXHIBIT B TO PERFORMANCE STOCK UNIT AWARD GRANT NOTICE SPECIAL PROVISIONS FOR PERFORMANCE STOCK UNITS GRANTED TO PARTICIPANTS OUTSIDE THE U.S. This Exhibit B includes special terms and conditions applicable to Participants in the countries below. These terms and conditions are in addition to those set forth in the Performance Stock Unit Agreement (the "Agreement") and the Plan and to the extent there are any inconsistencies between these terms and conditions and those set forth in the Agreement or the Plan, these terms and conditions shall prevail. Any capitalized term used in this Exhibit B without definition shall have the meaning ascribed to such term in the Plan or the Agreement, as applicable. This Foreign Appendix also includes information relating to exchange control and other issues of which Participant should be aware with respect to his or her participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the respective countries as of June 2022. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Participant not rely on the information herein as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time the PSUs are settled or any Shares acquired under the Plan are sold. In addition, the information is general in nature and may not apply to the particular situation of Participant, and the Company is not in a position to assure Participant of any particular result. Accordingly, Participant is advised to seek appropriate professional advice as to how the relevant laws in his or her country may apply to his or her situation. Finally, if Participant is a citizen or resident of a country other than the one in which he or she is currently working, the information contained herein may not be applicable to Participant. AUSTRALIA A copy of the Plan is enclosed with this Grant Notice and Agreement. The Plan, the Agreement and this Grant Notice do not constitute financial advice. Any advice given by the Company in relation to the Grant Notice, the Agreement, the Plan, the PSUs or the Shares does not constitute financial advice and does not take into account your objectives, financial situation and needs. In considering the PSUs and the amount of cash and/or Shares that you will receive on vesting of the PSUs, you should consider the risk factors that could affect the performance of the Company and the value of PSUs and Shares, which value can increase or decrease from time to time, and the amount of any Tax Liability. You should carefully consider these risks in light of your investment objectives, financial situation and particular needs (including financial and tax issues). You should seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to acquire PSUs or Shares.

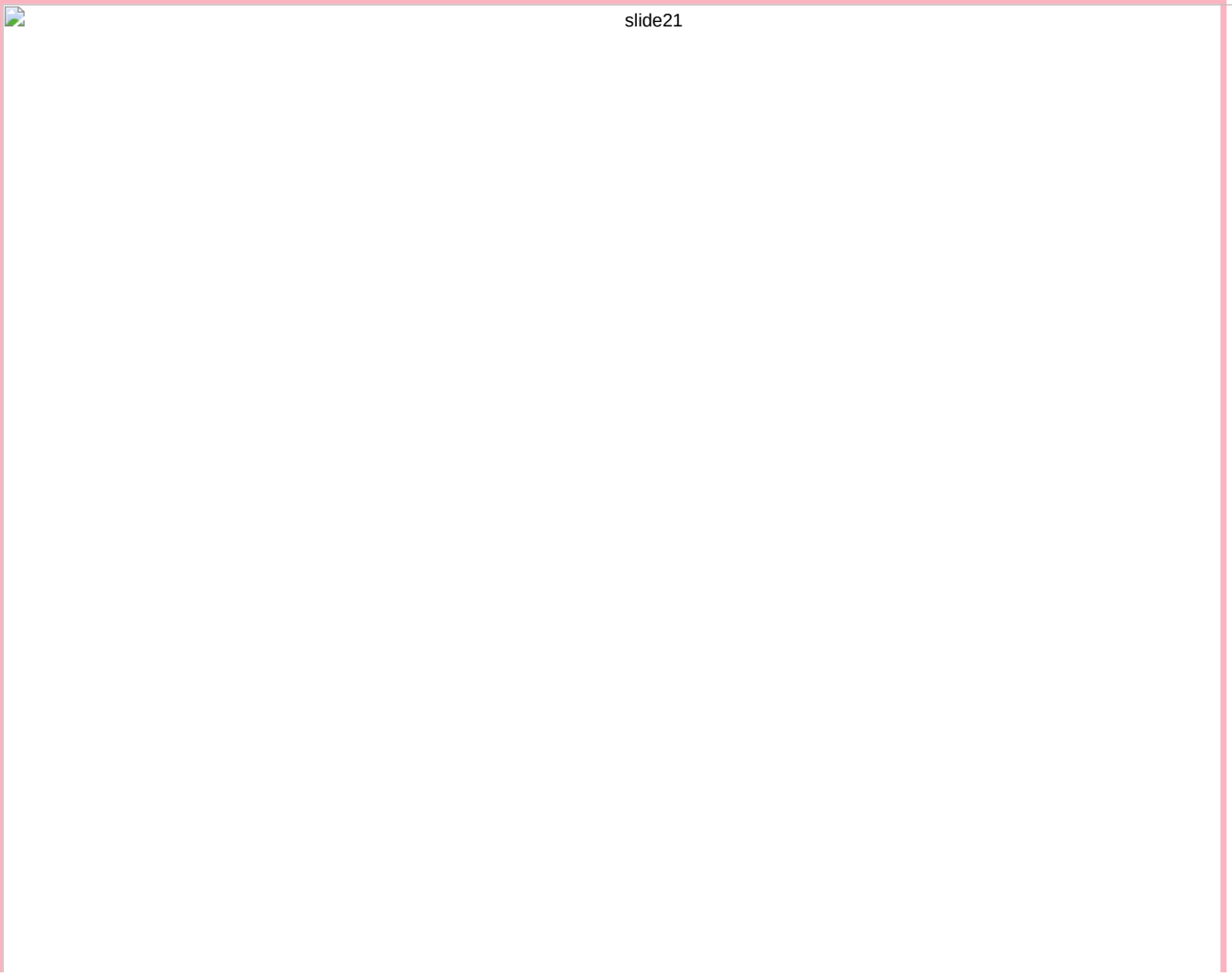
18 [AM_ACTIVE 404299250_2] How to calculate values in Australian dollars Your PSUs will vest in accordance with the Grant Notice and the Agreement (which require certain conditions to be met) and are subject to a four year graded vesting schedule. The PSUs may result in Shares or cash being given to you, in accordance with the Grant Notice. You will not be required to pay any amount for the PSUs or any Shares that will be issued to you upon vesting. However the amount of cash or number of Shares you receive will depend on the market price of Shares at the time and the amount of any Tax Liability in connection with the grant and vesting of the PSUs and the issue of any Shares. You can ascertain the market price of a Share in the Company in United States Dollars ("USD") from time to time by visiting either: • the Company's website (https://investor.livanova.com/stock-information/stock-quote- chart); or • the Nasdaq website (http://www.nasdaq.com/symbol/livn). To determine the market value of a Share in Australian Dollars ("AUD"), you will need to apply the prevailing USD : AUD exchange rate. For example, if the exchange rate is 1 USD : 1.5 AUD, and one share of Common Stock has a value of USD $1 on the Nasdaq, its equivalent value will be AUD $1.50. BELGIUM Definition of "Tax Liability" in Section 2.6 of this Agreement: For the avoidance of doubt, the definition of "Tax Liability" as used in Section 2.6 of this Agreement shall not include the employer social security contributions (cotisations sociales patronales / sociale patronale bijdragen), nor any vacation pay that would be due. The following section is inserted in Article 2 of this Agreement: "2.9. Lock-up Period following Vesting of PSUs: (a) When the PSUs are distributed in Shares pursuant to Section 2.4(a) of this Agreement, these Shares delivered to the Belgian Participant shall be subject to a two-year lock- up period during which the Shares cannot be sold, encumbered or otherwise transferred, starting as of the moment of Vesting. As a consequence of this lock-up of the Shares, the Belgian Participant will not be able to sell, encumber or otherwise transfer the Shares during this period. (b) In the event that the Belgian Participant does not comply with Section 2.9(a) of this Agreement, the Belgian Participant will be responsible for reimbursing the Company (or, any Subsidiary or the Employer, as applicable) for any liability (for the avoidance of doubt, including but not limited to any Tax Liability and any (increase of) employer social security contributions), which it has or will incur as a result of such non-compliance to the greatest extent



19 [AM_ACTIVE 404299250_2] permitted by Applicable Law. The Participant agrees to indemnify and keep indemnified the Company (or, any Subsidiary or the Employer, as applicable) in respect of any such liability." CANADA Participant's PSUs shall be settled in Shares only (either in book-entry form or otherwise), unless the Administrator offers the Participant the right to receive cash in lieu of Shares and the Participant, in its discretion, so elects. Section 3.11 to be amended with the following at the end of the last sentence of such section: ", subject only to the minimum entitlements under the Applicable Laws, including the applicable employment standards legislation." Section 3.12 to be amended with the following at the end of the first sentence of such section: ", subject only to the minimum entitlements under the Applicable Laws, including the applicable employment standards legislation." The following to be added as Section 3.21: "The parties acknowledge having requested that the present Agreement and all related documents be drafted in English only. Les parties reconnaissent avoir demandé que le présent contrat et les documents joints soient rédigés en anglais seulement." GERMANY Definition of "Tax Liability" in Section 2.6: For the avoidance of doubt, the definition of "Tax Liability" shall not include the employer portions of the social security contributions. The following sentence is inserted at Section 3.1 of the Agreement "For the avoidance of doubt, the Administrator's decisions and interpretations shall be subject to reasonable discretion." The heading of Section 3.12 shall be supplemented and read as follows: "3.12 PSUs Not Part of Employment Compensation, No Legal Claim to Grant(s)." ITALY Section 2.4: Unless otherwise determined by the Administrator, a Participant's PSUs shall only be distributed in Shares (either in book-entry form or otherwise), and no portion of the Participant's PSUs shall be payable to the Participant in cash.



20 [AM_ACTIVE 404299250_2] Section 2.6: For the avoidance of doubt, with specific reference to social security contributions, the notion of "Tax Liability" shall only include the portion of applicable social security contributions to be borne by the Participant. JAPAN There should be no requirement for your Employer in Japan to withhold the income tax and social security contributions on the amount taxable upon vesting of the PSUs or any portion thereof. Please note, however, that your Employer in Japan will report your vested PSUs to the Japanese tax authority by March 31 of the following year of the vesting. You should report your vested PSUs in your individual income tax return and pay directly to the Japanese tax authorities the income tax liability with regard to your vested PSUs by the due date, which is usually March 15. You should understand that PSUs and their underlying Shares (or any cash paid upon settlement of PSUs) are granted as an employee benefit and are not considered your salary in any circumstances. SINGAPORE The following section is inserted in Article 2 of this Agreement: "2.9. Lock-up Period following Vesting of PSUs: (c) When the PSUs are distributed in Shares pursuant to Section 2.4(a) of this Agreement, such Shares delivered to a Singapore Holder shall be subject to a six month lock-up period during which the Shares cannot be sold, encumbered or otherwise transferred, starting as of the moment of Vesting. As a consequence of this lock-up of the Shares, the Singapore Holder will not be able to sell, encumber or otherwise transfer the Shares during this period." UNITED KINGDOM The following paragraph is inserted as Section 2.6(f) of the Agreement where: (i) on the Grant Date, Participant is resident in the United Kingdom for tax purposes or performs some or all of the duties of Participant's engagement with the Company (or any Subsidiary) in the United Kingdom (other where such performance in the United Kingdom is not significant in scope and is incidental to duties performed by Participant outside the United Kingdom); or (ii) after the Grant Date, Participant becomes resident in the United Kingdom for tax purposes, or commences performing some or all of the duties of Participant's engagement with the Company (or any Subsidiary) in the United Kingdom (other than where such performance in the United Kingdom is not significant in scope and is incidental to duties performed by Participant outside the United Kingdom), in which case the terms of this United Kingdom part of the Foreign Appendix shall be deemed to apply from the Grant Date.

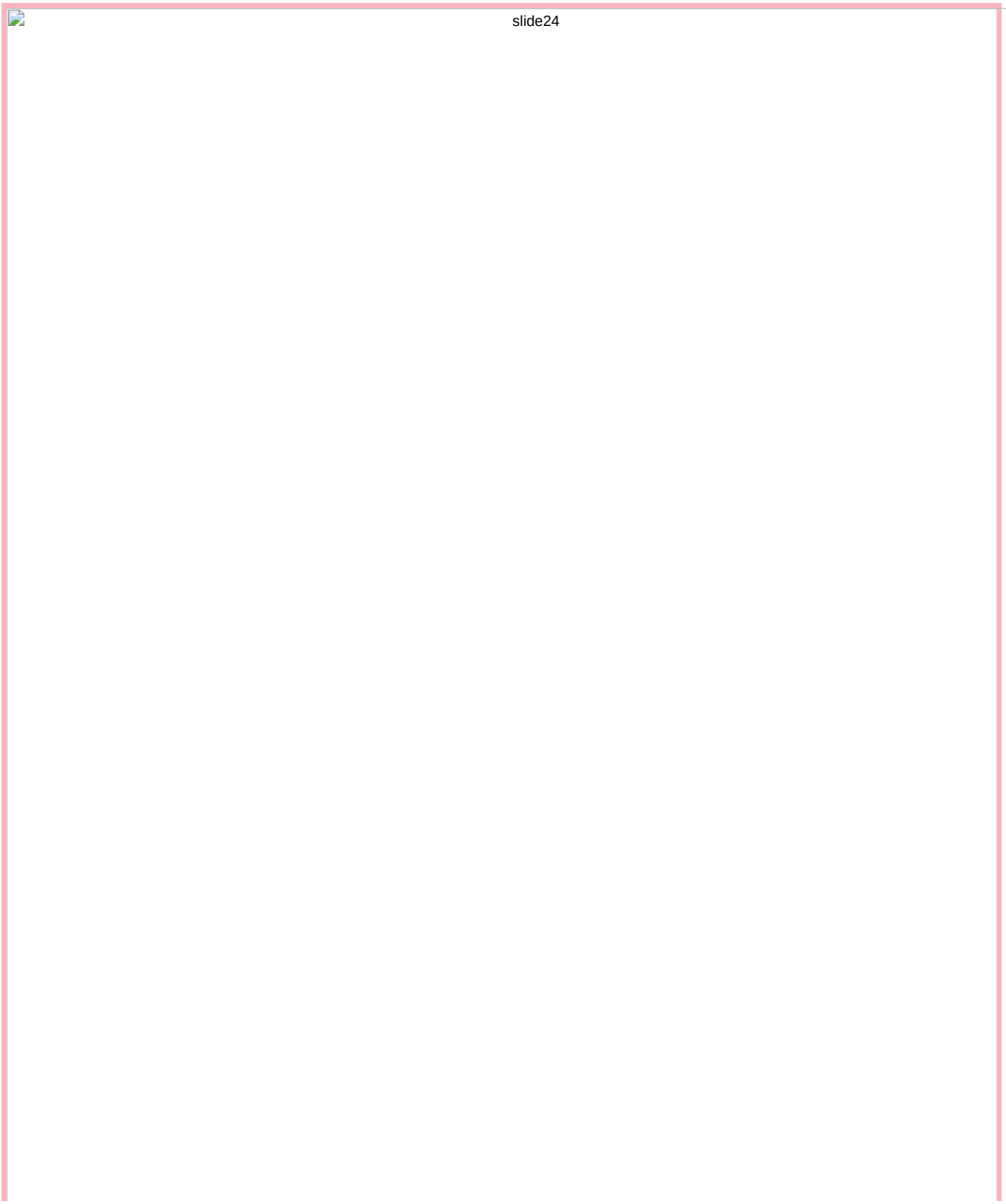


21 [AM_ACTIVE 404299250_2] "(i) Participant irrevocably agrees to pay to the Company or (if different) the Employer the amount of any Tax Liability or enter into arrangements to the satisfaction of the Company or the Employer (as appropriate) for payment of any Tax Liability. This Section 2.6(f)(i) and the following Sections 2.6(f)(ii) and (iii) shall apply to any Tax Liability to the extent that the Company, any Subsidiary or the Employer is required or authorized, or reasonably believes it is required or authorized, to withhold, pay or account for such Tax Liability, and Sections 2.6(f)(ii) and 2.6(f)(iii) shall be read accordingly. (ii) Participant further irrevocably agrees that if Participant does not pay or the Employer or the Company does not withhold from Participant the full amount of any Tax Liability that Participant owes in connection with the grant, vesting or settlement of PSUs, the transfer or issue of Shares to Participant on vesting or settlement of PSUs, any restrictions applicable to Shares held by Participant ceasing to apply to those Shares, the disposal of any Shares, the release or assignment of PSUs for consideration, or the receipt of any other benefit in connection with the Award or the PSUs (the "Taxable Event") within ninety (90) days of the end of the UK tax year in which the Taxable Event occurs, or such other period specified in Section 222(1)(c) of the UK Income Tax (Earnings and Pensions) Act 2003 ("ITEPA 2003") (the "Due Date"), then the amount of any uncollected Tax Liability shall (unless the Company or (if different) the Employer determines otherwise at its discretion) constitute a loan owed by Participant to the Company or (if different) the Employer, effective on the Due Date. Participant agrees that the loan will bear interest at the then-current official rate of Her Majesty's Revenue and Customs ("HMRC") and will be immediately due and repayable by Participant, and the Company or the Employer (as appropriate) may recover it at any time thereafter by any of the means referred to in Section 2.6(a) of the Agreement. Participant also authorizes the Company to withhold the transfer of any Shares unless and until the loan is repaid in full. (iii) Notwithstanding the foregoing, if Participant is a director or other officer of the Company or the Employer (including an executive officer of the Company), Participant will not be eligible for such a loan to cover any relevant uncollected Tax Liability. In that case, or in any other case where the Company or the Employer determines not to treat the amount of any uncollected Tax Liability as a loan in accordance with the preceding paragraph, the amount of any uncollected Tax Liability that are not collected from or paid by Participant by the Due Date will constitute a benefit to Participant on which additional income tax and National Insurance contributions ("NICs") will be payable. Participant shall be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self- assessment regime (unless the Company or the Employer has confirmed that such income tax has been accounted for through payroll) and for reimbursing the Company or the Employer (as applicable) for the value of any employee NICs due on this additional benefit which the Company and/or the Employer may recover from Participant at any time thereafter by any of the means referred to in Section 2.6(a) of the Agreement. For the avoidance of doubt, any references to NICs in the Agreement shall be deemed to include a reference to the United Kingdom tax known as the health and social care levy. (iv) To the extent required by the Administrator or the Company (or, if different, the Employer), and subject to this being permitted by Applicable Law, the grant, vesting and/or settlement of the PSUs shall be conditional on:

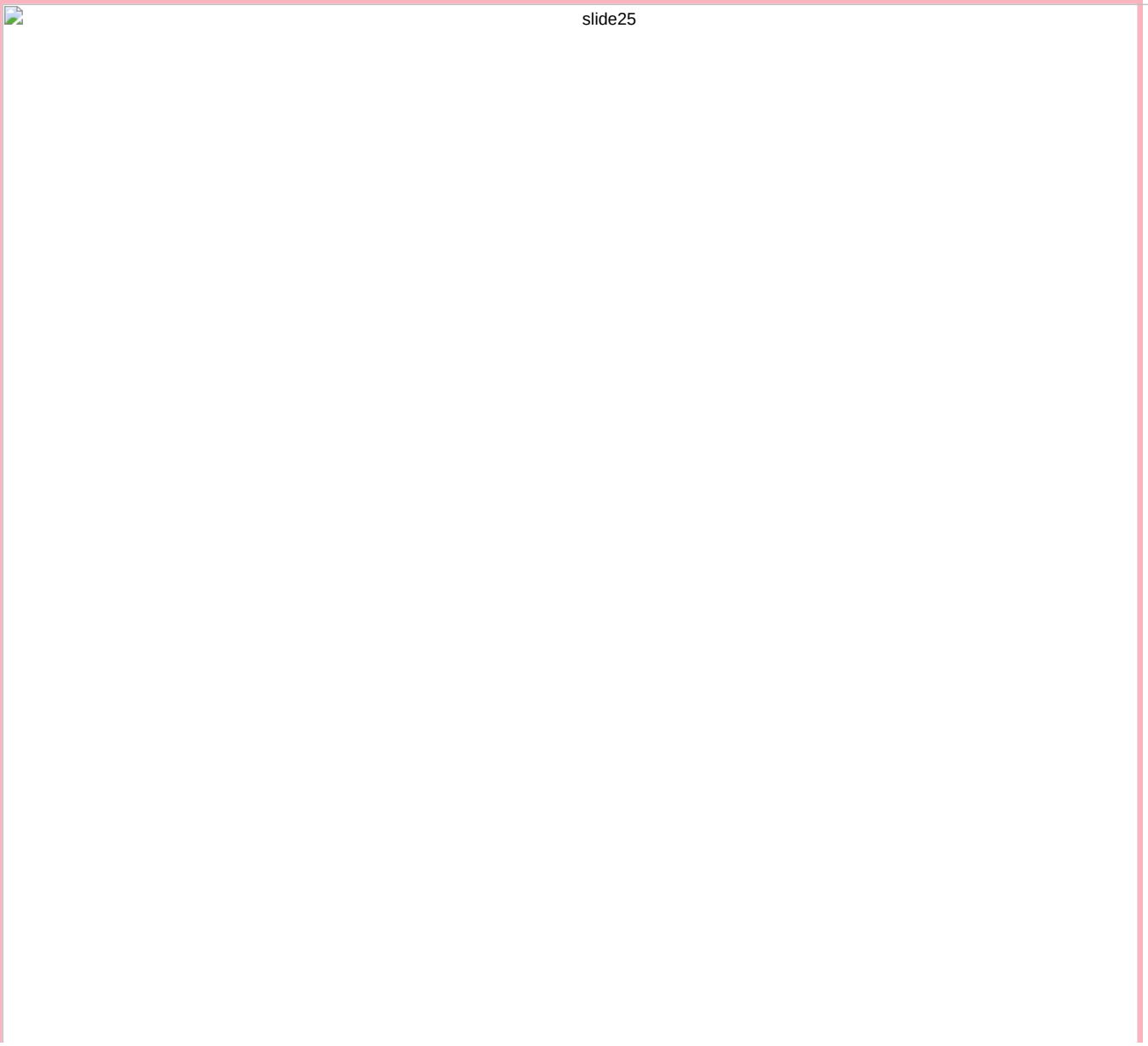
22 [AM_ACTIVE 404299250_2] (A) Participant entering into a joint election with the Company or (if different) the Employer (as appropriate) pursuant to section 431(1) or 431(2) of ITEPA 2003 (or such other election as the Company or (if different) the Employer may direct for the same purpose) in respect of any Shares acquired (or to be acquired) on the grant, vesting and/or settlement of the relevant PSUs; and (B) Participant entering into a joint election with the Company or (if different) the Employer (as appropriate), made in accordance with paragraph 3B(1) of Schedule 1 of the UK Social Security Contributions and Benefits Act 1992, to transfer to Participant the liability for and secondary Class 1 (employer) NICs arising in respect of "relevant employment income" as defined in paragraph 3B(1A) of Schedule 1 of the Social Security Contributions and Benefits Act 1992."

'AM_ACTIVE 404299250_2] EXHIBIT C Additional Country-Specific Data Protection Information Supplementing Section 3.13 of the Performance Stock Unit Award Agreement This Exhibit C, which is part of and supplements Section 3.13 of the Agreement, sets out additional country-specific data protection information required to be disclosed to a Participant who is located in any of the jurisdictions listed below. Canada Where the Participant is permanently located in Canada the following provision applies and supplements Section 3.13 of the Agreement: 1. The Participant hereby explicitly and unambiguously consents to the collection, use, disclosure, and transfer, in electronic or other form, of the Participant's Data as described in the Plan and any Award Agreement by and among, as applicable, the Company and its Subsidiaries for the purpose of implementing, administering and managing the Participant's participation in the Plan or the Award. 2. The Participant understands and acknowledges that the Participant's Data may be stored and processed by the Company and its Subsidiaries and their service providers in the United States, European Union, or other jurisdictions that may not have data protection or other laws that are as protective as in your country of residence. In the event that Data is transferred outside of Canada to the United States, European Union, or other foreign jurisdiction, it will be subject to the laws of that jurisdiction and may be disclosed to or accessed by the courts, law enforcement and governmental authorities in accordance with those laws. By participating in the Plan or the Award, the Participant consent to the transfer, processing and storage of their Data in countries outside of your country of residence, including the United States, European Union, or other jurisdictions. 3. The Participant authorizes the Company, its Subsidiaries, and any third parties assisting, presently or in the future, the Company and its Subsidiaries in the implementation, administration and management of the Plan, to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis. If the

Participant does not consent, or if the Participant later seeks to revoke his or her consent, or instructs the Company or its Subsidiaries to cease the processing of the Data, the only adverse consequence is that the Company may cancel the Participant's ability to participate in the Plan or the Award and, at the

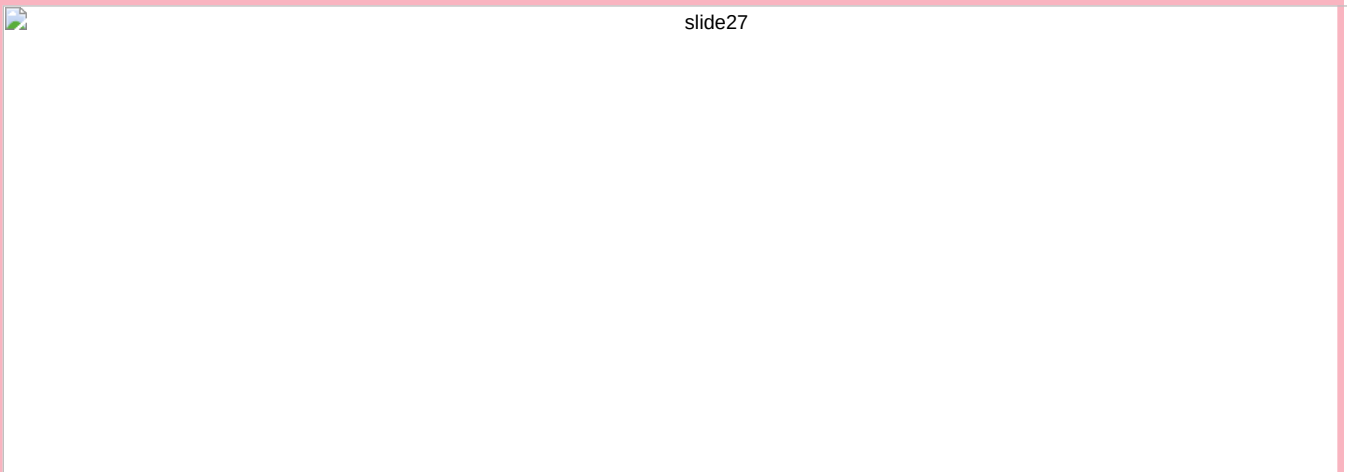


24 [AM_ACTIVE 404299250_2] Administrator's discretion, the Participant may forfeit any outstanding Awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan or the Awards. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may consult the Company's relevant privacy policies or contact his or her local human resources representative. 4. In addition to the foregoing, where the Participant is permanently located in Quebec the following provision applies and supplements Section 3.13 of the Agreement: 5. 5. The Participant understands and acknowledges that the Participant's Data may be stored and processed by the Company and its Subsidiaries and their service providers outside of Quebec including, but not limited to, in the United States, United Kingdom, European Union, Jersey, and in any other jurisdiction where the Company administers the Plan. These jurisdictions may not have data protection or other laws that are as protective as in your country of residence. In the event that Data is transferred outside of Quebec to jurisdictions including, but not limited to, the United States, United Kingdom, European Union, Jersey, and any other jurisdiction where the Company administers the Plan, it will be subject to the laws of that jurisdiction and may be disclosed to or accessed by the courts, law enforcement and governmental authorities in accordance with those laws. By participating in the Plan or the Award, the Participant consent to the transfer, processing and storage of their Data outside of Quebec, to jurisdictions including, but not limited to, the United States, United Kingdom, European Union, Jersey, and any other jurisdiction where the Company administers the Plan. This information is supplemental to and should be read in conjunction with the Notice on Employee Data Processing. European Union ("EU")/European Economic Area ("EEA") and the United Kingdom ("UK") Where the Participant is permanently located in the EU/EEA or the UK, the following provision applies and supplements Section 3.13 of the Agreement: The Participant understands and acknowledges that: 1. The data controller of the processing of Data related to implementation, administration and management of the Plan and the Award is the Company or its Subsidiaries (as applicable);



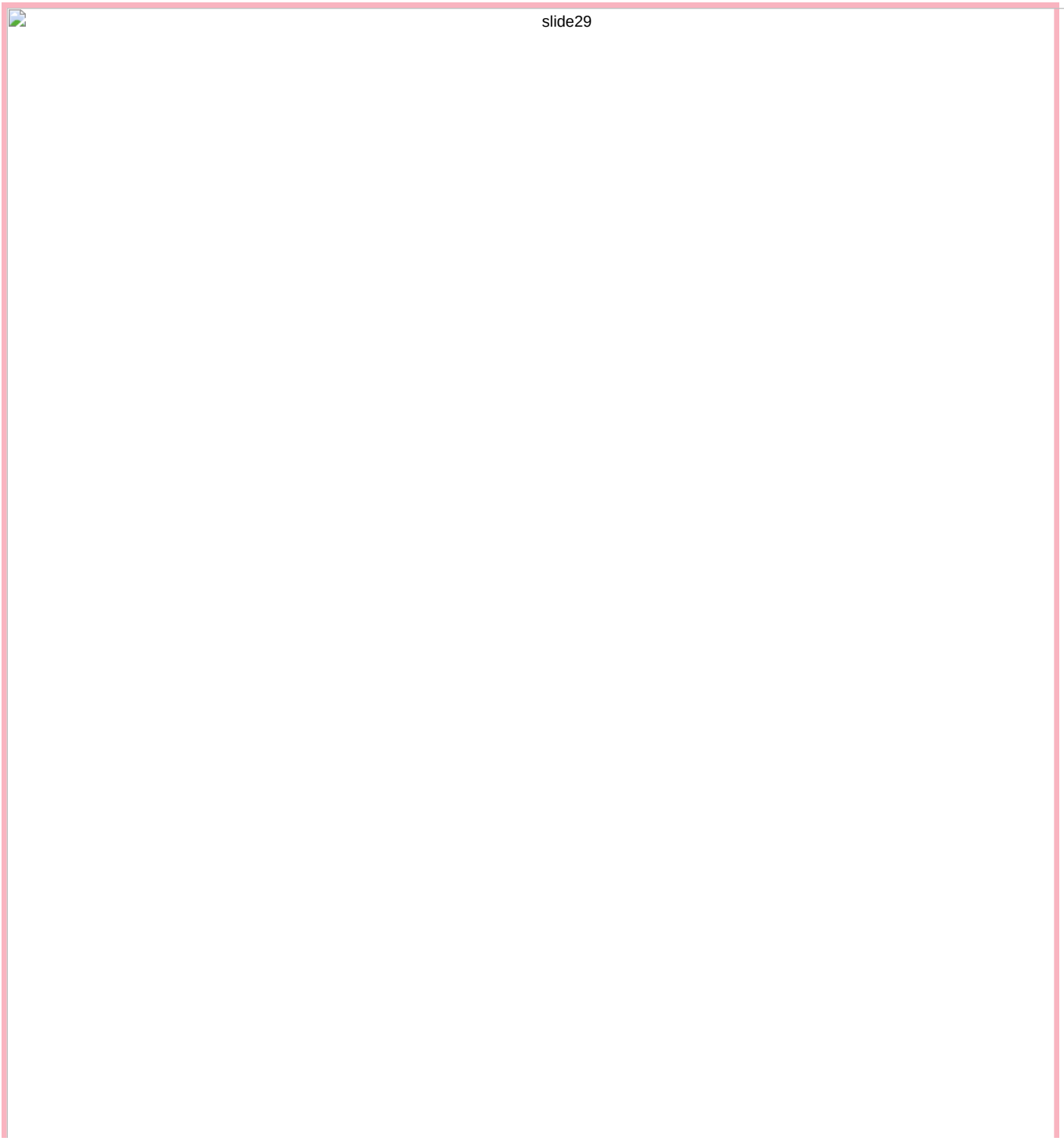
25 [AM_ACTIVE 404299250_2] 2. The legal basis for such processing of the Data (including any transfer of the Data as described in paragraph 3, below) is that the processing is necessary for the performance of a contract to which the Participant is a party (namely, this Agreement or any other Award Agreement); to the extent that it becomes necessary to process special categories of data, in particular as relates to disabilities, for the administration of the Plan or any Award, consent of the Participant will be sought; 3. Any transfer of the Data to a third party (including to the Plan Administrator or a broker or other third party with whom the Company or any of its Subsidiaries or the Participant may elect to deposit any Shares) located in a jurisdiction outside of EU/EEA or the UK (where such jurisdiction has not been deemed "adequate" for the purpose of the laws applicable to the protection of personal data in EU/EEA or the UK) will be made subject to appropriate safeguards, in compliance with applicable data protection law, further details of which shall be provided on request; 4. The Participant may, at any time, access the Participant's Data, request additional information about the storage and processing of the Data, require any necessary amendments to the Data without cost or exercise any other rights the Participant may have in relation to the Participant's Data under Applicable Law, including the right, in certain circumstances, to object to or restrict processing or request that data be erased, or the right to make a complaint to a data protection regulator in the EU/EEA or the UK; 5. In the event that the Company or its Subsidiaries (as applicable) are unable to process Data as is required for the purpose of administering, managing, or implementing the Plan of this Award, it may not be possible for the Participant to participate in the Plan or Award; 6. Queries or requests regarding the Participant's Data or the processing of such Data in connection with the Plan or this Award can be made to the Company's representative relating to the Plan, who may be contacted through the LivaNova Data Protection Portal (subject access). This information is supplemental to and should be read in conjunction with the Notice on Employee Data Processing (which may be updated from time to time and is currently located on the LivaNova Data Protection Portal).

26 [AM_ACTIVE 404299250_2] Japan Where the Participant is permanently located in the Japan, the following provision applies and supplements Section 3.13 of the Agreement: 1. The utilization purpose of the Data is to implement, administer and manage the Plan and the Award; 2. The Company and its Subsidiaries may share the Data for the purpose described in paragraph 1 above. The Company (CEO: Damien McDonald, registered address: 20 Eastbourne Terrace, London, W2 6LG, United Kingdom) is the company responsible for the management of the Data; 3. Any transfer of the Data to a third party (including to the Plan administrator or a broker or other third party with whom the Company or any of its Subsidiaries or the Participant may elect to deposit any Shares) located in a jurisdiction outside of Japan, EU/EEA or the UK (where such jurisdiction has not been deemed "adequate" for the purpose of the laws applicable to the protection of personal data in Japan) will be made subject to appropriate safeguards, in compliance with the Act on the Protection of Personal Information (the "APPI") or other applicable data protection law, if any; 4. The Participant may, at any time, access the Participant's Data, request additional information about the storage and processing of the Data, require any necessary amendments to the Data without cost or exercise any other rights the Participant may have in relation to the Data under APPI or any Applicable Law, including the right, in certain circumstances, to object to or restrict processing or request that data be erased, or the right to make a complaint to a data protection regulator in Japan; 5. In the event that the Company or its Subsidiaries (as applicable) are unable to process the Data as is required for the purpose of administering, managing, or implementing the Plan of this Award, it may not be possible for the Participant to participate in the Plan or Award; 6. Queries or requests regarding the Participant's Data or the processing of such Data in connection with the Plan or this Award can be made to the Company's representative relating to the Plan, who may be contacted through the LivaNova Data Protection Portal (subject access).



27 [AM_ACTIVE 404299250_2] This information is supplemental to and should be read in conjunction with the Notice on Employee Data Processing (which may be updated from time to time and is currently located on the LivaNova Data Protection Portal). Singapore By your participation in the Plan, you hereby consent to the collection, use and disclosure of your personal data which includes (but is not limited to): 1. terms and conditions of employment; 2. personal and emergency contact details; 3. remuneration details, bonus and share plan information; 4. taxation, banking and central provident fund details; and 5. any other information that you provide to the Company. The purposes for which the Company collects, uses and discloses this data is for use concerning the Plan and any collection, use and disclosure of such data will be in compliance with the Personal Data Protection Act 2012 of Singapore (the "PDPA"). For the purpose of the Plan, the Company may from time to time transfer your personal data to the following classes of persons (within or outside Singapore): 1. a related corporation as defined under the Companies Act 1967 of Singapore; 2. the Company's banks; 3. administrator of the Singapore Subsidiary's central provident fund scheme; 4. outside parties involved in a merger, acquisition or due diligence exercise; 5. parties involved in a dispute, litigation, investigation, proceedings or enquiry; 6. companies or third party service providers the Company engages to perform the functions listed above on the Company's behalf; 7. applicable regulators, governmental bodies, law enforcement agencies, courts and arbitral bodies, tax and customs authorities, supervisory bodies, or other industry recognized bodies located inside or outside Singapore as required by any applicable local or foreign law, rules and regulations, codes of practice or guidelines

28 [AM_ACTIVE 404299250_2] of any applicable jurisdiction or any governmental or regulatory authority in or outside Singapore; and 8. anyone you authorize. The above classes of persons are situated in Singapore as well as in locations where the Company has business operations and where its staff and data processing agents may perform duties for the Company. These locations include Europe, the Americas, and other Asia Pacific locations. For a detailed list of these locations, please refer to our website (www.livanova.com)In such cases, the Company will ensure that it complies with its obligations under the PDPA including to ensure that the recipient of your personal data is bound by legally enforceable obligations (in accordance with the applicable regulations of the PDPA) to provide to the transferred personal data a standard of protection that is at least comparable to the protection under the PDPA. You must use all reasonable endeavours to keep the Company informed of any changes to your personal data. It is the Company's policy to retain certain personal data of the Singapore Holders even when they cease to be employed and such retention of personal data will be in accordance with applicable law. This data may be required for any residual Plan related activities such as allowing the Company to fulfil any of the Company's contractual or statutory obligations. To the extent applicable law allows, you may request access to, and correction of, your personal data in relation to the Plan. For any further information, please contact our Director of Total Global Awards. This information is supplemental to and should be read in conjunction with the Notice on Employee Data Processing (which may be updated from time to time and is currently located on the LivaNova Data Protection Portal). United States Where the Participant is permanently located in the United States the following provision applies and supplements Section 5.13 of the Agreement: 1. The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's Data, including personal data, as described in the Plan and any Award Agreement by and among, as applicable, the Company and its Subsidiaries for the purpose of implementing, administering and managing the Participant's participation in the Plan or the Award.



29 [AM_ACTIVE 404299250_2] 2. The Participant authorizes the Company, its Subsidiaries, and any third parties assisting, presently or in the future, the Company and its Subsidiaries in the implementation, administration and management of the Plan, to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke his or her consent, or instructs the Company or its Subsidiaries to cease the processing of the Data, the only adverse consequence is that the Company may cancel the Participant's ability to participate in the Plan or the Award and, at the Administrator's discretion, the Participant may forfeit any outstanding Awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan or the Awards. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may consult the Company's relevant privacy policies or contact his or her local human resources representative. This information is supplemental to and should be read in conjunction with the Notice on Employee Data Processing (which may be updated from time to time and is currently located on the LivaNova Data Protection Portal). Michael Hutchinson

EXHIBIT 21.1

LIST OF SUBSIDIARIES
LivaNova PLC and Subsidiaries
As of December 31, 2022 December 31, 2023

Company	Jurisdiction of Formation
LivaNova Plc	United Kingdom
LivaNova Plc (Italian Branch)	Italy
Caisson Interventional, LLC	USA
CardiacAssist, Inc. Dba TandemLife	USA
Cyberonics Holdings, LLC	USA
Cyberonics Netherlands CV	Netherlands
ALung Technologies, Inc.	USA
ImThera Medical, Inc.	USA
LivaNova Australia PTY Limited	Australia
LivaNova Austria GmbH	Austria
LivaNova Belgium N.V.	Belgium
LivaNova Brasil Comércio e Distribuição de Equipamentos Médico-hospitalares Ltda	Brazil
LivaNova Canada, Inc.	Canada
LivaNova Cayman Limited	Cayman Islands
LivaNova Chile SpA	Chile
LivaNova (China) Medical Technology Co. Ltd	China
LivaNova Colombia Sas	Colombia
LivaNova Deutschland GmbH	Germany
LivaNova Espana, S.L.	Spain
LivaNova Finland Oy	Finland
LivaNova Holding S.r.l.	Italy
LivaNova Hong Kong Limited	Hong Kong
LivaNova Hungary Limited Liability Company	Hungary
LivaNova, Inc.	USA
LivaNova India Private Limited	India
LivaNova IP Limited	United Kingdom
LivaNova Japan K.K.	Japan
LivaNova Malaysia Sbn. Bhd.	Malaysia
LivaNova Nederland N.V.	Netherlands
LivaNova Norway AS	Norway
LivaNova Poland Sp. Z o.o.	Poland
LivaNova SAS	France
LivaNova Scandinavia AB	Sweeden
LivaNova Singapore Pte Ltd	Singapore
LivaNova Site Management S.r.l.	Italy
LivaNova Switzerland SA	Switzerland
LivaNova Taiwan Co. Ltd	Taiwan
LivaNova (Thailand) Ltd	Thailand
LivaNova Turkey Medikal Limited Sirketi	Turkey
LivaNova UK Limited	United Kingdom
LivaNova USA, Inc.	USA

Company	Jurisdiction of Formation
LIVN Irishco 2 UC	Ireland
LIVN Luxco 2 sarl	Luxembourg
LIVN UK Holdco Limited	United Kingdom
LIVN UK 2 Co. Limited	United Kingdom
LIVN US 3, LLC	USA
LIVN US 5, LLC	USA
Sorin Group Italia S.r.l.	Italy
Sorin Group Rus LLC	Russia

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-228411, 333-207478, 333-265563 and 333-265563) 333-273450) and Form S-3 (No. 333-258359) of LivaNova PLC of our report dated February 27, 2023 February 29, 2024 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Houston, Texas
February 27, 2023 29, 2024

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Damien McDonald, William A. Kozy, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 of LivaNova PLC and its consolidated subsidiaries;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act")) and internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2023 February 29, 2024

/s/ DAMIEN MCDONALD WILLIAM A. KOZY

Damien McDonald William A. Kozy

Interim Chief Executive Officer and Chair of the Board of Directors

(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Alex Shvartsburg, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 of LivaNova PLC and its consolidated subsidiaries;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act")) and internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2023 February 29, 2024

/s/ ALEX SHVARTSBURG

Alex Shvartsburg

Chief Financial Officer

(Principal Accounting and Financial Officer)

EXHIBIT 32.1

CERTIFICATION OF THE

CHIEF EXECUTIVE OFFICER AND

CHIEF FINANCIAL OFFICER

OF LIVANOVA PLC

PURSUANT TO 18 U.S.C. SECTION 1350

AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Each of Damien McDonald, William A. Kozy, Interim Chief Executive Officer and Chair of the Board of Directors of LivaNova PLC (the "Company"), and Alex Shvartsburg, Chief Financial Officer of the Company, each hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

(a) the Annual Report on Form 10-K of the Company and its consolidated subsidiaries for the year ended December 31, 2022 December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 27, 2023 February 29, 2024

/s/ DAMIEN MCDONALD WILLIAM A. KOZY

Damien McDonald William A. Kozy

Interim Chief Executive Officer and Chair of the Board of Directors

(Principal Executive Officer)

/s/ ALEX SHVARTSBURG

Alex Shvartsburg

Chief Financial Officer

(Principal Accounting and Financial Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as a part of this report or on a separate disclosure document.

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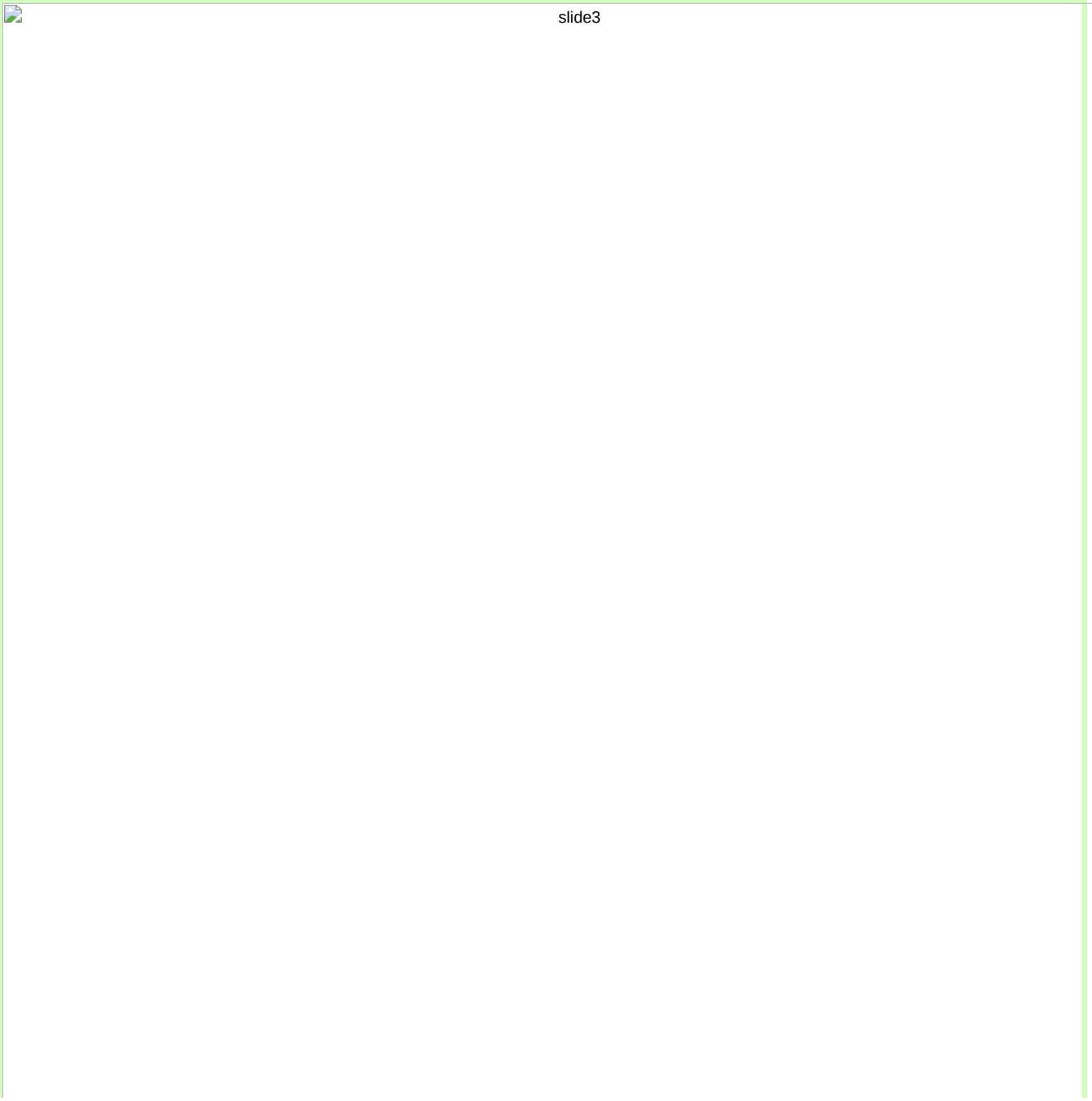
LivaNova Compensation Recoupment Policy Introduction The LivaNova Plc ("LivaNova" or the "Company") Board of Directors ("Board") believes that the success of the Company for the benefit of its members as a whole requires it to create and maintain a culture that emphasizes integrity and accountability and that reinforces the Company's pay-for-performance compensation philosophy. The Board has therefore adopted this policy (the "Policy"), which provides for the recoupment of certain executive compensation in circumstances where the Board determines that recoupment is appropriate and warranted, including the filing of a material restatement of the Company's financial results, as contemplated in Section 10D of the U.S. Securities Exchange Act of 1934. Administration This Policy shall be administered by the Compensation Committee of the Board (the "Committee"). Any determinations made by the Committee shall be final and binding on all affected individuals. Covered Executives This Policy applies to the Company's current and former members of the LivaNova Executive Leadership Team and such other senior executives or employees whom the Committee may deem subject to the Policy from time to time ("Covered Executives"). Recoupment The Company may recoup any Incentive Compensation, as defined below, awarded or paid to a Covered Executive based on: a. the achievement of financial results that are subsequently the subject of a restatement due to material noncompliance with any financial reporting requirement under either GAAP or the federal securities laws, other than as a result of changes to accounting rules and regulations, and regardless of individual fault ("Situation A"), or b. a subsequent finding by the Committee that financial information or performance metrics used to determine the amount of the Incentive Compensation are materially inaccurate, regardless of individual fault ("Situation B"), or c. significant misconduct by the Covered Executive or an employee under the supervision of the Covered Executive, resulting in a violation of a significant Company policy, law or regulation that causes material harm to the Company ("Situation C"). For purposes of this Policy, "Incentive Compensation" includes, without limitation, any of the following: annual cash bonuses and other short-term and long-term cash incentives, stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, and performance stock units. For the avoidance of doubt, the following elements of compensation are not Incentive Compensation: salaries.



Amount Subject to Recoupment In Situations A and B, the amount to be recovered, subject to the Committee's discretion, should ordinarily be the excess of the Incentive Compensation paid to the Covered Executive in the preceding three fiscal years based on the erroneous data over the Incentive Compensation that would have been paid to the Covered Executive had it been based on the restated or corrected results, as determined by the Committee. If the Committee cannot determine the amount of excess Incentive Compensation received by the Covered Executive directly from the restated or corrected results, then it will make its determination based on a reasonable estimate of the effect of the restatement or correction. In Situation C, the determination by the Committee of whether to recoup Incentive Compensation may be influenced by a variety of factors, including, but not limited to, (i) the compensation structure for the Covered Executive, (ii) pay equity factors, (iii) retention, promotion, or succession planning factors, (iv) whether the underlying conduct was an isolated occurrence, (v) feasibility and cost of implementation, (vi) legal and compliance factors, and (vii) whether other disciplinary actions have been taken against the Covered Executive. If the Committee determines that it is appropriate to recoup Incentive Compensation from the Covered Executive, the Committee shall determine in its sole discretion the amount of Incentive Compensation to recoup, provided that only Incentive Compensation paid or settled within three years prior to the discovery of the misconduct shall be subject to recoupment. Method of Recoupment The Committee will determine, in its sole discretion, the methods for recouping Incentive Compensation, which may include, without limitation: a. requiring reimbursement of cash Incentive Compensation previously paid; b. seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards; c. offsetting the recouped amount from any compensation otherwise owed by the Company to the Covered Executive; d. cancelling outstanding vested or unvested equity awards; and/or e. taking any other remedial and recovery action permitted by law, as determined by the Committee. No Indemnification or Advancement Notwithstanding the provisions of the Company's Articles of Association, or any Deeds of Indemnity granted by the Company, or any Company policy to the contrary, the Company shall not (i) indemnify any Covered Executives against the loss of any Incentive Compensation recovered pursuant to this Policy, or (ii) advance expenses for the defense of any claim or action by the Company to recoup Incentive Compensation under this Policy. Interpretation The Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy, subject to the constraints, if any, of applicable law. Effective Date This Policy shall be effective as of the date it is adopted by the Board (the "Effective Date") and shall apply to Incentive Compensation that is approved, awarded or granted to Covered Executives on or after that date.

DISCLAIMER

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