

# **Medtronic Danmark A/S**

Arne Jacobsens Allé 17, 2300 København S

CVR no. 18491370

## **Annual Report for 1 May 2023 - 30 April 2024**

Approved at the Company's annual general meeting on 30 september 2024

Mikael Philip Schmidt  
Chairman

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## MANAGEMENT'S STATEMENT

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Medtronic Danmark A/S for the financial year 1 May 2023 - 30 April 2024

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 30 April 2024 of the Company and of the results of the Company operations for 2023/2024.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 30 september 2024

Executive Board:

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Birgitte Galuzick Broe  
CEO

Board of Directors:

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Marianne Gynde  
Chairman

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Panu Samuel Lauha

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Birgitte Galuzick Broe

## **Independent Auditor's Report**

To the Shareholder of Medtronic Danmark A/S

### **Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 April 2024, and of the results of the Company's operations for the financial year 1 May 2023 - 30 April 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Medtronic Danmark A/S for the financial year 1 May 2023 - 30 April 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Statement on Management's Review**

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

### **Management's Responsibilities for the Financial Statements**

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Management's Responsibilities for the Financial Statements (continued)**

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 30 september 2024

**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
CVR No. 33771231

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Martin Lunden  
State Authorised Public Accountant  
mne32209

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Christopher Kowalczyk  
State Authorised Public Accountant  
mne47863

## **COMPANY INFORMATION**

Medtronic Danmark A/S

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### **The Company**

Medtronic Danmark A/S  
Arne Jacobsens Allé 17  
2300 København S

Company CVR: 18491370  
Financial year: 2023-05-01 - 2024-04-30  
Annual general meeting: 30 september 2024

### **Board of Directors**

Marianne Gynde, Chairman  
Panu Samuel Lauha  
Birgitte Galuzick Broe

### **Executive Board**

Birgitte Galuzick Broe

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

### **Lawyers**

Kromann Reumart  
Sundkrogsgade 5  
DK-2100 København Ø

Elmann Advokatpartnerselskab  
Stockholmsgade 41  
DK-2100 København Ø

### **Bankers**

Danske Bank  
Bernstorffsgade 40  
DK-1577 København V  
Denmark

Bank of America  
2 King Edward St.  
EC1A 1HQ London  
United Kingdom

**Financial highlights**

	2023/2024	2022/2023	2021/2022	2020/2021	2019/2020
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Revenue	592,244	582,171	560,263	552,850	602,479
Gross profit/loss	166,337	157,042	153,036	130,295	147,512
Operating profit/loss	23,088	21,370	20,634	18,460	20,692
Net financials	482	(549)	(883)	(27)	(202)
Net profit/loss for the year	17,628	15,327	14,518	13,849	8,161
Balance sheet total	300,217	285,581	261,588	309,118	266,078
Investment in property, plant and equipment	5,238	721	381	130	188
Equity	122,183	114,555	110,228	115,710	101,861
Current liabilities	164,305	152,828	134,038	171,149	149,276
	%	%	%	%	%
Financial ratios					
Return on assets	7.7	7.5	7.9	6.0	7.8
Solvency ratio	40.7	40.1	42.1	37.4	38.3
Return on equity	14.9	13.6	12.9	12.7	7.1
Current ratio	179.0	185.9	194.0	178.6	175.0

The financial ratios stated under "Financial highlights" have been calculated as follows:

**Financial highlights (continued)**

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Return on assets

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 $\text{Profit before financials} \times 100$  $\text{Total assets}$ 

Solvency ratio

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 $\text{Equity at year end} \times 100$  $\text{Total assets at year end}$ 

Return on equity

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 $\text{Net profit for the year} \times 100$  $\text{Average equity}$ 

Current ratio

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 $\text{Current assets} \times 100$  $\text{Current liabilities}$

## Review

As in prior years, Medtronic Danmark A/S' primary activities are to sell advanced Medical Technology equipment and services to public and private hospitals and clinics in Denmark..

The financial year of Medtronic Danmark A/S finishes April 26th, 2024 and includes the period from May 1st, 2023, to April 30th, 2024.

The Annual Report has been prepared under the same accounting policies as last year.

## Main activity

Medtronic's primary business activity is the sale of implants and medical technical equipment to hospitals. Additionally, the company focuses on developing new business models within its Integrated Health Solutions (IHS) business unit. The IHS unit is dedicated to advancing value added services into healthcare.

## Information about the Company

We lead global healthcare technology and boldly attack the most challenging health problems facing humanity by searching out and finding solutions. Our Mission - to alleviate pain, restore health, and extend life - unites a global team of 95,000+ passionate people. Powered by our diverse knowledge, insatiable curiosity, and desire to help all those who need it, we deliver innovative technologies that transform the lives of two people every second, every hour, every day. Expect more from us as we empower insight-driven care, experiences that put people first, and better outcomes for our world.

We work to solve unmet patient and healthcare needs by engineering extraordinary solutions and therapies that improve or redefine outcomes for more than 70 conditions. We combine a deep understanding of the human body with the power of advance computing, the smallest size solutions, and hyper-personalization to develop a range of consumable and implantable products, together with innovative tools and services. As the world continues to grapple with new and evolving healthcare challenges and a growing crisis of health inequity, our commitment is steadfast: create life-transforming technology; empower patient-centric, insight-driven care; and provide experiences that put people first to deliver better outcomes for our world.

Making healthcare better is Medtronic's priority in the belief that technology can play an even greater role in improving people's lives. In addition to developing, producing and selling advanced Medical Technology equipment, the company works in partnership with the healthcare providers to create a more efficient healthcare, to improve patient outcomes and to reduce healthcare costs.

The company represents a range of products within four Operating Portfolios, Cardiovascular Portfolio, Medical Surgical Portfolio, Neuroscience Portfolio and Diabetes Operating unit. The Medtronic business model form 18 Operating Units (OUs), each with a focus on either a narrow disease state or specialty physician type.

Across every operating unit, we encourage and enable employees to share diverse perspectives, bold thinking, and a desire to win.

## Review (continued)

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We leverage our business structure to:

- **Accelerate innovation-driven growth** - by delivering technology and services that better address patient needs.
- **Bring our technologies to emerging markets** - by providing targeted support, along with broad autonomy for regional teams to respond quickly to local needs
- **Create better experiences for patients, customers and employees** - by listening more closely to understand challenges and using that insight to shape solutions
- **Turn data, artificial intelligence, and automation into action** - by tailoring therapies in real time, facilitating remote monitoring and care delivery, and bringing robotics to more surgical suites around the world.

In the past year, Medtronic therapies improved the lives of 72 million people across the world. That's two people every second of every hour of every day - and counting. This information to be found on <https://www.medtronic.com/dk-da/our-company/key-facts.html>.

In the FY24 financial statement, Medtronic Plc had a turnover of 32.36 billion dollars more information to be found on <https://investorrelations.medtronic.com/annual-meeting-reports>.

## Financial development in the year

Gross profit for the year amounted to TDKK 166,337 compared to TDKK 157,042 in FY24.

The profit for the year before tax was TDKK 23,570. This is an increase compared to last year when the profit before tax amounted to TDKK 20,821. The primary reason for the increase in profit before tax is the higher revenue generated from successfully securing new tenders and the growing volumes in existing contracts. This combination of new business opportunities and expanded operations within current agreements has driven positive financial growth.

With consideration to the current market conditions during FY24 the results are considered satisfactory. It is not in line with the expectations outlined in last year's Annual Report. The main reason for not reaching the expected growth is that the anticipated production scale-up in hospitals did not progress as quickly as planned.

Medtronic Danmark A/S have identified opportunities for stronger growth for FY25, via value added services and efficiency programs to support the lack of resources in the hospitals.

## **Review (continued)**

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### **Significant events in the year**

In Oct 2022 - Medtronic announced intention to separate its combined Patient Monitoring and Respiratory Interventions businesses. This decision was amended during FY24.

Medtronic has decided to exit its ventilator product line and retain and combine the remaining PMRI businesses into one business unit called Acute Care and Monitoring (ACM). Exiting the increasingly unprofitable ventilator product line and combining the remaining businesses allows for increased investment in ACM with a focus on profitable growth. Given this increased investment along with an improved competitive landscape, the company has strong conviction in driving durable category leadership in this newly combined business. Medtronic will continue to honor existing ventilator contracts to serve the needs of its customers and their patients, and expects that existing manufacturers, who today account for most of the market, can meet customer demand for new ventilators moving forward.

### **Uncertainty relating to recognition and measurement**

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

## Review (continued)

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### Expectations for the year ahead

FY25 will continue to be a year with focus on growing the company. We anticipate strong organic revenue growth driven by new product launches and new business model. With focus on Enterprise Account-Strategic Account Management, we invest to accelerate long-term growth via long term partnerships.

Many contracts and tenders have been signed during FY24, which provides a stable basis for Medtronic's sales in the next couple of years.

The market which Medtronic operates in, is in constant change. The future presents some uncertainties, nevertheless the number of tender contracts that Medtronic have signed throughout FY23/24, will support Medtronic in building a good foundation for any upcoming market changes.

The revenue and profit for FY25 is expected to grow by 7%-9% compared to FY24.

The priority of Medtronic is to support the hospitals in reducing waiting lists by providing services that can help the hospitals increase the number of elective surgeries and procedures and at the same time collaborate on optimizing operations at the hospitals with our efficiency program and our material management opportunities. This work is supported by our business unit IHS - Integrated Health Solutions.

The business unit cooperates with hospitals offering new innovative solutions to boost the efficiency of hospital operations and improve patients' access to treatments. This unit is working directly with the large hospitals to support on optimizing the operations.

Value Based Healthcare (VBHC) has a continued focus where value-based procurement and value-based outcome are currently being introduced to the Danish Healthcare market. VBHC models improve patient outcomes while reducing the overall cost of care. This is achieved by collaborating with healthcare partners to integrate products and services into long-term solutions to elevate clinical and economics outcomes.

### Public-private partnerships

Public-private partnerships play an important role in increasing patient access to our products and services in the market. We pursue partnerships that address gaps in healthcare, guided by the Medtronic Public-Private Partnership Council. Our aim is to develop longer-term contracts that enables sustainable, scalable projects and programs in our four areas:

- R&D Research and Development
- Manufacturing for market access
- Clinical training and education
- Health system strengthening

## **Review (continued)**

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## **Public-private partnerships (continued)**

In response to the lessons learned from the past year, Medtronic continues to recognize the importance of being able to move swiftly and effectively in times of crisis. The company keeps the operating model that goes beyond structural changes. Which focus is on clarifying decision-making authority, streamlining processes, and aligning incentives to encourage innovation, revenue growth, and market share leadership.

The operating model is about organizational changes but also involves fostering a company culture. Medtronic aims to cultivate a culture that prioritizes speed, accountability, and decisiveness. These cultural values will support the company's ability to respond quickly to challenges, take ownership of responsibilities, and make prompt and informed decisions.

By combining an operating model with a culture that emphasizes these key attributes, Medtronic seeks to enhance its overall performance, adaptability, and effectiveness in addressing future crises or market dynamics.

## **Set-up**

The Danish organization of Medtronic is part of the Nordic cluster, which includes Denmark, Norway, Sweden, Iceland, and Finland. This cluster arrangement fosters strong cross-border and cross-business collaboration within the region. The setup enables knowledge sharing and facilitates the improvement of internal processes, particularly in tendering activities.

The Nordic support functions are centralized in the Copenhagen office, known as the Nordic HUB. This consolidation of support functions enhances the ability of the Nordic countries to work closely together, share knowledge, and exchange experiences across various functions.

The primary goal of these collaborative efforts is to meet the needs of society, customers, and patients at a high professional level. By leveraging the collective expertise and resources within the Nordic cluster, Medtronic aims to deliver effective and efficient healthcare solutions to better serve its stakeholders in the region.

The subgroup includes Medtronic Norway AS and the wholly owned subsidiaries Medtronic AB and Medtronic Danmark A/S. Medtronic Norway AS is wholly owned directly by the parent company Medtronic Holding BV which in turn is 100% indirectly owned by Medtronic Plc. The subgroup is included in the Medtronic Plc financials.

## **Subsequent events**

There are no subsequent events after closure date.

## **Social responsibility and sustainability report**

Medtronic is responsibly carrying out its mission while focusing on the health of the environment and society around us. Corporate sustainability is critical to our business performance, helping us mitigate risk, enhance quality, increase efficiency, and drive innovation globally. The full sustainability report is to be found on pages 13-24. This report contains the statutory statement of social responsibility, cf. Sections 99a, 99b and 99d of the Danish Financial Statements Act.

## **Sustainability report**

This section contains our statutory statement of social responsibility, cf. Sections 99a, 99b and 99d of the Danish Financial Statements Act.

### **Business Model**

Medtronic plc, headquartered in Dublin, Ireland, is the leading global healthcare technology company. Medtronic was founded in 1949 and today serves healthcare systems, physicians, clinicians, and patients in more than 150 countries worldwide. The company has over 95,000 employees around the world and more than 350 locations. The company develops technologies and manufactures devices to treat various health conditions, such as cardiac devices, cranial and spinal robotics, insulin pumps, surgical tools, patient monitoring systems, and more. Medtronic sells medical devices and therapies through a combination of direct sales representatives and independent distributors globally.

Medtronic's operational headquarters offices are in Minneapolis, MN, United States, and the administrative headquarters are in Dublin, Ireland. Medtronic has a global presence, with regional locations across the world. Regional locations consist of manufacturing and research facilities, in addition to commercial locations (sales, administration and other support functions).

Medtronic has one location in Denmark, Copenhagen. The legal entity is set-up as a Limited Risk Distributor - commercial organization, selling MedTech equipment to the Danish market. The Nordic division ('Medtronic Danmark A/S'), primarily engages in sales activities and engages in public tenders for hospitals and municipalities in Denmark. Medtronic Danmark A/S is the sales entity carrying out the Medtronic Mission to alleviate pain, restore health and extend life with the first and foremost priority to contribute to human welfare while focusing on the health of the environment and society, prioritizing issues, and setting strategies. Medtronic Danmark A/S works directly with the clients to follow requirements and quality standards towards sustainability and local laws.

## Sustainability report (continued)

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### Business Model (continued)

The main activities of the company are to sell advanced Medical Technology equipment to private and public hospitals and clinics in Denmark.

The Danish Medtronic organization is part of a Medtronic Nordic focused group. This group consists of sales and manufacturing operations in Norway, Denmark, Iceland, Sweden & Finland. There is strong cross-border and cross-business cooperation. This set-up provides us with the ability to leverage knowledge sharing and more efficiently rendering the Company's internal administrative processes. The support functions of the Nordic countries have been located at the Copenhagen office since 2013 - Nordic HUB. This has strengthened the possibilities of working closely together and sharing knowledge and experiences among the functions.

More information about the company and manufacturing can be found in Medtronic Plc's annual Sustainability Report from fiscal year 2023:

[https://www.medtronic.com/content/dam/medtronic-wide/public/brand-corporate-assets/resources/2023-sustainability-report\\_corpmark\\_mdt.pdf](https://www.medtronic.com/content/dam/medtronic-wide/public/brand-corporate-assets/resources/2023-sustainability-report_corpmark_mdt.pdf)

The Company's fiscal year 2024 annual Sustainability Report is expected to be published in October of 2024.

Responsibly carrying out our Mission means focusing on the health of the environment and society around us, prioritizing issues, and setting strategies. Corporate sustainability is critical to our business performance, helping us mitigate risk, enhance quality, increase efficiency, and drive innovation globally. That is why we prioritize the sustainability issues that matter most to our business and our stakeholders - keeping our company focused on being a good global corporate citizen.

Our sustainability priorities and strategies address the core aspects of our business model. They include:

- **Access to Care** - We work with health systems around the world, sharing technologies, services, resources, and expertise to remove barriers to affordable treatment of chronic diseases.
- **Product Quality** - We ensure our products and services clearly meet the highest standards of safety and reliability.
- **Product Stewardship** - We minimize the life cycle footprint of our products through innovative design.
- **Responsible Supply Management** - We collaborate with our supply chain to develop long-term relationships that enhance product quality, promote worker rights, and support small and diverse businesses.
- **Ethics in Sales and Marketing** - We lead our industry with a commitment to ensure **responsible business practices in marketing, communication, and promotion** of our products and services.

## **Sustainability report (continued)**

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### **Business Model (continued)**

Making healthcare better is a priority for Medtronic as we believe that technology can further improve the lives of patients.

Medtronic develops and produces many products focusing on delivering complete solutions to the healthcare sector to diagnose, prevent and monitor chronic diseases. Globally, our therapies improve the lives of two people every second.

Innovation and collaboration are central to Medtronic. Medtronic started as a pacemaker manufacturer, and today the company has a wide range of advanced Medical Technology equipment for cardiovascular, neurological, spinal diseases, and diabetes. The company sells a range of products across four operating portfolios, Cardiovascular, Medical Surgical, Neuroscience and Diabetes.

### **Employees and Human rights**

The safety, dignity, health, and wellbeing of our employees is an essential matter for Medtronic. We always seek to minimize the risk of workplace accidents or discrimination and work-related stress that could negatively affect our ability to attract and retain a productive, safe, engaged, and diverse workforce.

Medtronic has several policies and processes to safeguard employees' labor -and human rights and ensure that breaches, if any, are handled appropriately.

We have clear guidelines on diversity and inclusion, fair treatment, freedom from forced labor and child labor, fair compensation, and freedom of association. We implement our commitments through, e.g., our global Human Rights Program, which addresses communication, risk assessments, monitoring, and reporting human rights. We conduct regular risk assessments of our internal facilities based on the type of work performed, country laws, enforcement of laws, and other factors. Our compliance department regularly performs compliance checks of Medtronic's internal facilities to assess if they are consistent with our policies. Our policies are accessible to all employees, and employees are required to complete yearly training on Medtronic's Code of Conduct, which references our policies on human rights and labor standards.

To support our employees, Medtronic instituted Medtronic Employee Emergency Assistance Fund, which provides financial need-based grants to employees experiencing financial hardship due to a crisis, for example the COVID-19 pandemic. A Family Care Leave Policy was rolled out during FY21 year which remains active. The policy allows employees to take up to six weeks of time away from work at 100% pay for a variety of family situations. Family is an important part of life outside of work, and we recognize that sometimes you need time to dedicate your full attention to your family. To help support work/life flexibility and provide peace of mind, Family Care Leave makes it possible to step away from work without having to worry about your income.

## Sustainability report (continued)

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### Employees and Human rights (continued)

During an average workday, our employees are exposed to various safety risks, depending on their location and activity. We have employees working in functions in the office as well as Sales employees in the field. We maintain an appropriate health & safety program that includes training and reporting, tracking any accidents and near-misses through our online accident report portal, and, if necessary, carrying out root-cause analyses to understand and address our safety performance. We provide our employees with the required Personal Protective Equipment and training in how to use it. Medtronic has an Environmental Health & Safety (EHS) organization that manages, develops and evaluates appropriate health and safety programs to mitigate potential risks and provide a safe working environment for all employees.

At Medtronic we strive for diversity and inclusion, and we believe it increases innovation, strengthens our workplace culture, distinguishes us from competitors, and ultimately helps us meet global healthcare needs. Medtronic ranked second (2ndth) on the 2023 edition of DiversityInc Top 50 Companies for Diversity, earning our highest-ever ranking on the list. Moving from 33rd (2020) and 10th (2022) to 2nd on the list is one of the largest increases of any company in the Top 50.

In FY24, Medtronic's Global inclusion, diversity, and engagement (GIDE) team continued to work towards ensuring that our organization reflects the world we live and work in at every level. Medtronic Women's Network (MWN) is a global employee resource group focusing on strengthening employees' networks, professional skills, and cultural competencies. In the Medtronic Women's Network, we have both females and male members who work to achieve diversity and equality of gender, age, and race. In FY24 the network has, among many other things, helped to create awareness around some important topics, such as International Women's Day, Women in Leadership and breast cancer awareness.

In the Nordic region, there is also an active Inclusion, Diversity & Equity (ID&E) team. They are dedicated to improving this topic within the region and are focusing on four different topics (Gender, Generations, Origins and Disability). They have organized several initiatives during FY24 such as awareness events for neuro-diversity, cultural differences and insurance and pension planning for different generations and life stages.

They will continue their impactful work in the next year.

The Medtronic Pride network is another resource group with the goal to engage, empower and support Medtronic's Lesbian, Gay, Bisexual, Transgender, Transexual, Queer, Questioning, Intersexual, Pansexual, Asexual and Ally (LGBTQ+) employees and their families, and to develop a culture of inclusion and acceptance which allows every employee to bring their true selves to work every day.

Medtronic again scoring a perfect mark of 100 on the Human Rights Campaign Foundation's (HRC) 2023 Corporate Equality Index (CEI) and has earned the designation as a "Best Place to Work for LGBTQ+ Equality." The HRC CEI is a roadmap and benchmarking tool for U.S. businesses in the field of LGBTQ+ equality in the workplace. We are proud of this achievement as it reflects our values and company culture.

## Sustainability report (continued)

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### Employees and Human rights (continued)

In Medtronic Denmark A/S, the split of male and female is 60% female and 40% male. Female employees are well-represented in high-paying positions. There are however gaps in the average salary, which is something that Medtronic is working on at a global level. Gender pay gap is continuously tracked, managers are trained in pay equity and managers with pay gap in their organization are asked to take action. A special budget is set aside to address these challenges during our annual salary review process.

The salaries in Medtronic are determined by job level and job groups and is based on career stream and job structure. This is a global framework which is used to define job level and role. The current pay gap in Medtronic Denmark A/S is in average 4,5% between men and women .

In Medtronic Denmark A/S there is an initiative called 'the Future of Work' which went live during FY23. The Future of Work framework has been implemented, through a hybrid work model. This will improve the work environment for employees where they have the flexibility to work both from the office and from home.

As we are aware that this is a major change for our employees, we closely follow the results on our health surveys as well as working closely together with our appointed change ambassador group to make sure that we address any concerns regarding the new way of working.

The aim has been to create a positive culture for employees and making the experience as good as possible for our workforce. To ensure a comfortable and ergonomic workplace, our employees can purchase suitable home office furniture which is being regulated in our policy. Information regarding good ergonomics, the importance of breaks and inspiration for a more active lifestyle have been shared regularly to remind everyone of the importance of work/life balance. Managers have received support on engagement tools, for their teams.

We believe our efforts in FY24 have helped to ensure a safe and respectful workplace, and we intend to continue our efforts in FY25.

Medtronic is diligently striving to cultivate an optimal organizational culture that fosters the full engagement, acceptance, and appreciation of our diverse workforce. To make sure that the voices of our employees are being heard, we administer multiple surveys annually, spanning both local and global contexts. Subsequent to each survey, our management team agrees on strategic measures to proactively address any emerging matters.

In the FY24, we are proud to share that we have earned commendable recognition, including a "Green smiley" from 'Arbejdstilsynet', and the esteemed "Great Place To Work" certification.

Given the dynamic nature of our multicultural work environment, which occasionally presents its own set of risks, we are dedicated to enhancing the skills of our people leaders and staff. We achieve this through comprehensive training offered across diverse learning platforms. These educational initiatives include vital subjects such as Ethical Conduct, Mitigating Unconscious Bias, and Navigating Cultural Variations.

## Sustainability report (continued)

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### Employees and Human rights (continued)

The Medtronic Mission calls our employees to act with honesty and integrity. Our culture of quality, inclusion, and ethics relies on employees using their voices and speaking up to make Medtronic a better place. This is a commitment we make to our customers and patients — but also to each other. Our “Voice Your Concern” line allows employees to submit an anonymous complaint to an independent company which then reports to Medtronic. Facilitating open communication, our “Voice Your Concern” Line serves as a confidential avenue for employees to express their grievances anonymously. This process is overseen by an independent entity that subsequently provides comprehensive reports to Medtronic, reinforcing our steadfast dedication to maintaining an ethical and constructive work environment.

We respect the right to privacy, and in line with the European Union (EU) Data protection law, GDPR, Medtronic has reviewed and updated all our internal processes and procedure to ensure that all rules and regulations regarding personal and private information are followed. Keeping our customers’ and employees’ data private is a top priority for Medtronic, therefore, several processes and policies have been put in place to ensure that all private data is safe. All employees have received this information and employees that work with, or process personal identifiable or sensitive information, have been educated and made aware of their responsibility. Medtronic has a data breach response program in place that provides for a swift analysis, escalation, and response process in case of data privacy incidents.

In FY24, it is the management of Medtronic Denmark’s assessment that we continued to work and implement programs to address human rights of all employees.. Throughout FY25, we will continue working towards this to ensure all policies are followed.

For more details, visit:

<https://www.medtronic.com/us-en/privacy-statement/previous-privacy-statements.html>

For more information on our global diversity policies, initiatives and results, visit:

[www.medtronic.com/us-en/about/citizenship/supporting-a-global-workforce/inclusion-diversity.html](http://www.medtronic.com/us-en/about/citizenship/supporting-a-global-workforce/inclusion-diversity.html)

### Environment & Climate

In line with United Nations Sustainable Development Goals and in accordance with our global EHS Policy, Medtronic aims to use sustainable business practices to minimize our environmental footprint. This will be achieved by finding innovative ways to reduce our energy use, invest in renewables, and reduce our emissions intensity. This work also includes creating climate-resilient operations and supporting communities recovering from climate-change-induced natural disasters.

Medtronic recognizes that both present and future environmental challenges can be considered a risk to our business as they can disrupt our supply chain and that of our suppliers, affect factories, transport routes, and impact our employees. By working towards more climate-adapted processes we strive to manage these risks to our facilities and other assets.

## **Sustainability report (continued)**

Medtronic Danmark A/S

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### **Environment & Climate (continued)**

Medtronic is continuously looking for opportunities to improve and identify ways to reduce energy use across operations globally, through a variety of energy efficiency projects. Our new distribution center in Rolo, Italy was designed and built with the environment in mind. The 150,000 square-foot facility boasts 290 kW of solar energy generation capacity, electric vehicle charging stations, a rainwater recovery system, green areas, and energy and lighting optimization systems. Its heating, ventilation, and air conditioning system will run almost entirely on renewable energy generated on-site. This project demonstrates the many areas we target for impact reduction and highlights our commitment to environmentally conscious operations that make our business more resilient.

Medtronic has long been dedicated to sourcing and generating renewable energy, which is a key component of our path to carbon neutrality. We have invested in a diversified portfolio of low-carbon energy sources by purchasing green electricity from the grid, generating our own renewable electricity on site, leveraging renewable energy credits and carbon offsets, and pursuing virtual power-purchase agreements (VPPA).

Across our operations we are always looking for ways to reduce water use and waste generated by focusing on efficiency, minimization, and infrastructure projects. While our operations are not considered water intensive we recognize the global issue of water conservation. As a concerned and responsible steward, we track water usage at all our owned sites. All manufacturing facilities have set water reduction goals, and data analytics tools aid in tracking progress against their individual targets and our global water intensity reduction goal.

#### **Supporting the global environmental goals in Denmark**

During FY24, Medtronic Denmark A/S launched initiatives to improve environmental sustainability within its operations. As Medtronic Denmark is an LRD and does not operate any manufacturing activities, the focus has been on making an impact in areas such as waste generation, material recycling, plastic- and electrical consumption, and company-owned vehicle emissions. As we have initiated a large scale renovation of our office during FY24 we have prioritized making decisions with sustainability in mind.

The office transformation commenced in the beginning of February 2024 and has involved letting go of one third of our currently rented space. After the pandemic most of our employees changed to a hybrid (in-office vs remote) work model, which means that they are using the office less than before. Rightsizing the office after the occupancy and usage ensures a better collaboration between colleagues as well as a smaller climate footprint for Medtronic Denmark as we will be using less utilities.

To further decrease the amount of electricity used going forward, all new lamps will be switched to LED. To profit more from the natural daylight a sensor will be installed that will adjust the level of light spread from the lamps. The sensor will also be sensitive to movement which will ensure that unnecessary lights will not be left on when there are no employees present in the building.

Even though the space will be new, we will be reusing the furniture and equipment that we have today to reduce waste and minimize the environmental impact associated with producing new items. As we will be vacating a part of the space the surplus furniture has been sent to other Medtronic sites in Europe where they will be used.

## Sustainability report (continued)

Medtronic Danmark A/S

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### Environment & Climate (continued)

All waste deriving from the remodeling is sorted and disposed of in accordance with applicable regulations by the responsible sub-contractors.

Medtronic Danmark A/S ensures that all general office waste is properly sorted. In accordance with local legislation, employees separate their litter into all required categories such as plastic, organic, metal, paper, cardboard, batteries, small electrical appliances, and porcelain. Due to moving to a smaller interim office in January (awaiting the completion of the new space), with only one kitchen and fewer people on-site, our total waste decreased from 6.3 tons last year to 5.5 tons in FY24. However, in anticipation of the move and subsequent renovation, the office also underwent an extensive cleanup in December. During this cleanup, approximately 30 unweighted moving boxes of miscellaneous waste were sorted, recycled whenever possible, and then discarded. This additional waste is not included in the overall waste total for FY24 mentioned above.

During fiscal year FY23, the use of bottled water in the office was evaluated, and as a result a water filtering machine offering still and sparkling water directly from the tap was installed. The goal of this change was to lower the generation of single-use plastic water bottle waste for Medtronic Denmark by 60% during FY24. We have largely managed to achieve this goal as we have reduced our bottled water purchases from 6000 bottles in FY23 to 380 bottles in FY24 which is a decrease of 93%.

Another goal set for FY24 was to purchase sustainable durable drinking bottles for employees to use as replacement for one-time water bottles. In June 2023 we delivered on this promise when we obtained reusable water bottles with eco-impact from Ocean Bottle for all office-based employees. For each bottle, Ocean Bottle contributes to the collection of a thousand plastic bottles (see more, [www.oceanbottle.dk](http://www.oceanbottle.dk)). The initiative was very well received among the employees, who appreciated being offered a more sustainable solution.

In terms of emissions for company owned vehicles, 40% of the Danish employees utilized hybrid or electric cars in FY24 compared to 29% in previous FY. This is aligned with our FY24 target to increase the usage of hybrids and thereby reduce the average emissions which decreased from 101 g/km in FY23 to 83.6 g/km in FY24. We will continue to focus on this area to further reduce the emissions in FY25.

Bringing general awareness regarding key environmental dates is prioritized within the Danish organization. Through Medtronic's local EHS team and Global Environmental Action Group campaigns have been raised around Earth Hour in March, Earth Day in April as well as World Environmental Day in June. Through these events employees have been educated around plastic, recycling, carbon footprints and much more.

Overall, there is a high focus on the environment and working towards a sustainable community in the Nordic region. For Medtronic Denmark it is important to meet or exceed all our customer requirements not only from an environmental aspect but also including product quality, access to healthcare, environmental impacts, labor practices, and responsible supply management. This focus will continue into FY25 to eliminate any risks connected with failure to meet our customers sustainability demands.

## Sustainability report (continued)

Medtronic Danmark A/S

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### Anti-Corruption and bribery

Our company's continued success depends on maintaining relationships of mutual trust with our stakeholders. Trust is hard earned and easily lost. We recognize the risk of corruption and other unethical business behavior, and over six decades, we have earned stakeholder trust by establishing policies and practices that support strong corporate governance and define ethical behavior.

Corruption is a risk in our industry. Therefore, we have defined clear, global standards for our code of conduct which covers discounts, donations, grants, gifts, meetings, services, training, conferences and more. Our code of Conduct prohibits personnel from exchanging gifts, bribes, or facilitation payments. Through our policies, guidelines, and training programs, we clearly communicate our ethical standards to Medtronic Employees.

Every employee plays a part in safeguarding our reputation by acting ethically and with integrity. For that reason, we implement anti-corruption training to make internal and external stakeholders aware of local regulations and to explain how to address ethically challenging scenarios. All Medtronic employees, including board members, take part in yearly mandatory training on the code of conduct. In Denmark, 100% of our employees completed the mandatory training during FY24 which is comparable to previous years.

Employees can raise ethical concerns through multiple internal channels. One of these is our 'Voice Your Concern Line'.

We are not aware of any significant breaches to our code of conduct and anti-corruption efforts in our Danish operations in FY24.

In FY25, Medtronic will continue its work focusing on educating the employees and managing corruption and bribery.

For more information on our Global Code of Conduct policy, visit:  
<https://www.medtronic.com/us-en/about/corporate-governance/code-conduct.html>

## Sustainability report (continued)

Medtronic Danmark A/S

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### Data ethics

At Medtronic, we are committed to integrity, transparency, and ethical business conduct. Medtronic complies with applicable data protection laws and seeks to be a trustworthy and attractive business partner, employer and steward of consumer, patient and employee personal data by ensuring such data is always protected and used with respect towards the individual. When collecting consumer or patient data, Medtronic does so ethically, and only to an extent necessary to deliver our products and services. We are proactive in maintaining the appropriate physical, technical and administrative security standards. Our data ethics policy and principles are contained within the Medtronic Code of Conduct.

Medtronic's Global Data Protection & Privacy Policy applies to the processing of personal data and applies to all employees, agents, vendors and any other third parties. Data ethics is embedded throughout our organization, and the top management is committed to prioritizing data ethics in all decision-making.

Medtronic employees play a crucial role in safeguarding data. All employees and contingent workers are continuously trained and updated on security and privacy, so they recognize how to identify, protect, and preserve personal data.

Moving into FY25, Medtronic remains focused on further reducing the risks related to data and privacy security by continuously increasing the "data and security intelligence" of employees and continuously improving data security and privacy guidelines and trainings.

### Gender composition at Board and Management Levels

#### FY2024

##### Board members

Total 3

Females in Pct. 67%

Males in Pct. 33%

Target in pct. (45 by FY26)

##### Management

Total 32

Underrepresented gender in % 34%

Target in % 40%

Year for expected achievement of target 2027

## Sustainability report (continued)

Medtronic Danmark A/S

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### Gender composition at Board and Management Levels (continued)

Our commitment to gender diversity extends to the highest levels in the company. Medtronic Danmark A/S, at the end of FY23, had three AGM-elected Board members, with a reasonably equal split between men and women, 1 Male and 2 Females. This aligns with the equitable gender distribution defined by the Danish Business Authority.

Medtronic is a large matrix organization where the top-level management of Medtronic is placed outside of Denmark. Therefore, the 32 managers based in Denmark are considered “other management”. There are more male in management positions compared to female.

We also strive to keep an equal composition of gender throughout all management levels. This is in line with our policy of building a diverse, inclusive, and equal workplace. We continuously build and foster a strong pipeline of female talent in leadership roles through individual career development programs and internal channels such as the Danish hub of the Medtronic Women’s Network. We also encourage various workplace arrangements to promote equal opportunities and recruitment criteria, this to ensure equal gender representation.

During FY24 Medtronic Denmark will continue to build on this foundation with a focus on creating and maintaining a workplace that supports equality and fairness.

To increase the number of female managers Medtronic have in FY23 offered equality training to all employees and managers on biases. Moreover, we have mentor programs in place supporting career development of key and high potentials with the specific focus to drive increased diversity. Several specific development opportunities has been set in motion to support increased diversity - including gender diversity at the management level. This for example counts our sponsorship and development program “Lift” that accelerates the impact and leadership of diverse talent in manager-level roles.

For FY24 Medtronic Women’s Network have made several local initiatives supporting a more gender diverse management. This includes equal gender pay project and mentoring initiatives. From the global side a promotion toolkit has been promoted and made available to managers guiding them to ensure that all genders have equal opportunities to be promoted to management-level. We continuously measure and report on these numbers and aim to have 50 % female candidates in scope for any open management positions.

### Risk management

Medtronic recognizes the importance of being a good, responsible, and reliable corporate citizen. In the face of social, political, and environmental change, we constantly monitor emerging issues and agendas. We work to anticipate, adapt, and respond to evolving trends, risks, and opportunities through innovation, and partnership, and active stakeholder engagement.

We have identified the following key risks occur in the following areas to which we monitor for impact. This list is not exhaustive, as our risk management processes involve continuous monitoring and update.:

## Sustainability report (continued)

Medtronic Danmark A/S

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### Risk management (continued)

#### Climate risk and resilience

- We manage transitional risk through routine monitoring of carbon regulations, including carbon taxes, and proactively installing renewable and alternate energy sources as they become more cost-effective and readily available.
- We manage physical risk through our business continuity management, which includes hurricane readiness planning and infrastructure improvement as well as risk-exposure analyses that encompass hurricanes, earthquakes, and water scarcity.

The business impact of emerging regulations focused on human rights, supply chain due diligence, working conditions, workforce demographics, occupational health and safety, community consultation, and environmental regulations

- Our Government Affairs, Human Resources, Environmental, Health, and Safety, and Procurement groups monitor relevant regulations in global markets. Our legal and compliance teams oversee compliance with those regulations.
- We engage industry organizations and regulators to share our perspectives and prepare for potential and pending regulations.

#### Failure to meet customer sustainability requirements

- We aim to meet or exceed customer requirements on all aspects of sustainability, including product quality, access to healthcare, environmental impacts, labor practices, and responsible supply management.
- Our Global Human Rights Program and Responsible Supply Management Program ensure a consistent approach to key sustainability issues across our operations and supply chain.

#### Risk of reputational damage from unethical behavior

- We regularly train employees to comply with our Code of Conduct, and we have clear processes for reporting and acting on ethical concerns. Additional compliance training for employees in certain roles further mitigates the risk of corruption and misconduct.

**INCOME STATEMENT 1 MAY - 30 APRIL**

	Note	2023/2024 TDKK	2022/2023 TDKK
Revenue	1	592,244	582,171
Cost of sales		-425,907	-425,129
<b>Gross margin</b>		166,337	157,042
Distribution costs	2	-112,605	-105,610
Administrative expenses	2	-71,862	-70,314
<b>Operating loss</b>		-18,130	-18,882
Other operating income		41,218	40,252
<b>Profit before net financials</b>		23,088	21,370
Financial income	3	1,639	131
Finance expenses	4	-1,157	-680
<b>Profit before tax</b>		23,570	20,821
Income tax expense	5	-5,942	-5,494
<b>Net Profit for the year</b>	6	17,628	15,327

**STATEMENT OF FINANCIAL POSITION**

	<b>Note</b>	30 April 2024 TDKK	30 April 2023 TDKK
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7		
Fixtures and fittings, tools and equipment		4,570	1,452
Leasehold improvements		1,548	32
		<u>6,118</u>	<u>1,484</u>
<b>Total non-current assets</b>		<u>6,118</u>	<u>1,484</u>
<b>Current assets</b>			
Receivables			
Trade receivables		88,942	92,419
Other receivables		623	3,520
Deferred tax asset	8	1,062	541
Prepayments	9	1,211	1,970
Receivables from group enterprises		21,553	22,751
		<u>113,391</u>	<u>121,201</u>
<b>Cash</b>		<u>180,708</u>	<u>162,896</u>
<b>Total current assets</b>		<u>294,099</u>	<u>284,097</u>
<b>TOTAL ASSETS</b>		<u>300,217</u>	<u>285,581</u>
<b>Equity and liabilities</b>			
Equity			
Retained earnings		114,054	109,727
Share capital		501	501
Profit for the year		17,628	15,327
Dividends paid		-10,000	-11,000
<b>Equity holders' share of equity</b>		<u>122,183</u>	<u>114,555</u>
<b>Total equity</b>		<u>122,183</u>	<u>114,555</u>

**STATEMENT OF FINANCIAL POSITION (continued)**

	<b>Note</b>	30 April 2024 TDKK	30 April 2023 TDKK
Non-current liabilities			
Other provisions	10	3,348	6,187
Deferred income	11	240	240
Other payables		10,141	11,771
<b>Total non-current liabilities</b>		13,729	18,198
Current liabilities			
Trade payables		3,544	4,848
Payables to group enterprises		99,958	91,115
Other payables	12	53,397	47,286
Deferred income	11	2,801	5,716
Corporation tax payable		4,605	3,863
<b>Total current liabilities</b>		164,305	152,828
<b>Total liabilities</b>		178,034	171,026
<b>Total equity and liabilities</b>		300,217	285,581

**STATEMENT OF CHANGES IN EQUITY**

	Share Capital TDKK	Retained earning TDKK	Dividend proposed for the year TDKK	Total TDKK
Equity at 2023 May 01	501	114,054	0	114,555
Extraordinary dividend distribution	0	-10,000	10,000	0
Extraordinary dividend paid	0	0	-10,000	-10,000
Net profit/loss for the year	0	17,628	0	17,628
<b>Equity at 30 April 2024</b>	<b>501</b>	<b>121,682</b>	<b>0</b>	<b>122,183</b>

The share capital in Medtronic Danmark A/S totaled DKK 501,000 divided into shares of DKK 1.000 each.

**Notes to the financial statements****1. Revenue**

	<b>Note</b>	30 April 2024 TDKK	30 April 2023 TDKK
Sales		592,244	582,171

Sales are predominantly performed in the territory of Denmark.

The split of sales per business can be represented as follow:

	2024 TDKK	2023 TDKK
Cardiovascular Portfolio	138,965	138,188
Medical Surgical Portfolio	170,041	180,890
Neuroscience Portfolio	138,129	123,909
Diabetes Operating Unit	142,997	137,520
Mechanical Circulatory support Transition	109	0
	2,003	1,664
	<u>592,244</u>	<u>582,171</u>

**2. Staff**

	2024 TDKK	2023 TDKK
Wages and salaries	164,357	154,454
Pensions	13,086	12,526
Other social security costs	1,318	1,476
	<u>178,761</u>	<u>168,456</u>

Wages and salaries, pensions and other social security expenses are recognised in the following items:

Distribution costs	131,482	128,516
Administrative expenses	47,279	39,940
	<u>178,761</u>	<u>168,456</u>

**Notes to the financial statements (continued)****2. Staff (continued)**

Average number of full-time employees	201	188
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By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management has not been disclosed.

**2.1 Incentive plans**

The management is included in Medtronic Danmark A/S Company's executive compensation program, which includes stock option and share award programs.

All costs related to the stock option and share award programs are covered by other Medtronic group entities.

**3. Financial income**

	2024 TDKK	2023 TDKK
Intercompany financial income	15	43
Other financial income	1,624	88
	<u>1,639</u>	<u>131</u>

**4. Financial expenses**

	2024 TDKK	2023 TDKK
Other financial expenses	1,157	680
	<u>1,157</u>	<u>680</u>

**5. Tax on profit/loss for the year**

	2024 TDKK	2023 TDKK
Tax for the year		
Current tax for the year	5,994	5,124
Deferred tax for the year	-48	346
Adjustment of deferred tax of previous years	-474	13
Adjustment of tax concerning previous years	470	11
	<u>5,942</u>	<u>5,494</u>

## Notes to the financial statements (continued)

## 6. Appropriation of profit/loss

	30 April 2024 TDKK
Recommended appropriation of profit/loss	
Extraordinary dividend paid for the year 2022/2023	10,000
Transferred to reserves under equity	7,628
	<u>17,628</u>

## 7. Property, plant and equipment

	Fixtures and fittings, plant and equipment TDKK	Leasehold improvements TDKK	Total
Cost at 1 May 2023	5,736	3,962	9,698
Additions for the year	3,616	1,622	5,238
Disposals for the year	-130	-3,327	-3,457
	0	0	0
Cost at 30 April 2024	<u>9,222</u>	<u>2,257</u>	<u>11,479</u>
Depreciation and impairment losses at 1 May 2023	4,284	3,930	8,214
Depreciation for the year	498	106	604
Impairment and depreciation of sold assets for the year	-130	-3,327	-3,457
Depreciation and impairment losses at 30 April 2024	<u>4,652</u>	<u>709</u>	<u>5,361</u>
<b>Carrying amount at 30 April 2024</b>	<u>4,570</u>	<u>1,548</u>	<u>6,118</u>
<b>Depreciated over: 3-7 years</b>			

**Notes to the financial statements (continued)****7. Property, plant and equipment (continued)**

Depreciation and impairment of property, plant and equipment are recognised in the following items:

	30 April 2024 TDKK	30 April 2023 TDKK
Administrative expenses	603	716
	<u>603</u>	<u>716</u>

**8. Deferred tax asset/liability**

	30 April 2024 TDKK	30 April 2023 TDKK
Deferred tax at 1 May	541	899
Adjustment of the deferred tax charge	521	-358
<b>Deferred tax at 30 April</b>	<u>1,062</u>	<u>541</u>

The deferred tax charge relates to:

Property, plant and equipment	1,179	1,037
Other payables	-117	-496
	<u>1,062</u>	<u>541</u>

Deferred tax is recognised in the balance sheet as follows:

Deferred tax assets	1,062	541
<b>Carrying amount</b>	<u>1,062</u>	<u>541</u>

The deferred tax asset is estimated to be utilized in the forthcoming 1 - 3 years.

**Notes to the financial statements (continued)****9. Prepayments**

	30 April 2024 TDKK	30 April 2023 TDKK
Vendor down payments	237	746
Prepaid rent	678	947
Other	296	277
	<u>1,211</u>	<u>1,970</u>

**10. Other provisions**

	30 April 2024 TDKK	30 April 2023 TDKK
Right of return	1,472	2,640
Reestablishment cost	1,621	3,327
Lease obligation	255	220
<b>Other provisions at 30 April</b>	<u>3,348</u>	<u>6,187</u>

**11. Deferred income**

	30 April 2024 TDKK	30 April 2023 TDKK
Accruals Short term	2,801	5,716
Revenue deferral accrual Long-term	240	240
	<u>3,041</u>	<u>5,956</u>

**Notes to the financial statements (continued)****12. Other payables**

	30 April 2024 TDKK	30 April 2023 TDKK
Other Accrued Expenses	2,700	3,473
VAT Payable/Receivable	12,890	10,181
Other payables	37,807	33,632
	<u>53,397</u>	<u>47,286</u>

**13. Audit fees**

	2024 TDKK	2023 TDKK
The following fees were expensed in the Income Statement:		
Audit of the Financial Statements	294	261
Other Non-audit Services	33	30
Total fee paid to Auditor	<u>327</u>	<u>291</u>

**14. Contingent assets, liabilities and other financial obligations**

	30 April 2024 TDKK	30 April 2023 TDKK
<b>Bank Guarantees</b>		
Longer than 5 years	2,651	2,651

**Rental agreements and leases**

	30 April 2024 TDKK	30 April 2023 TDKK
Lease obligations under operating leases, Total future lease payments:		
Within 1 year	3,840	7,753
Between 1 and 5 years	3,282	3,238
	<u>7,122</u>	<u>10,991</u>

**Notes to the financial statements (continued)****14. Contingent assets, liabilities and other financial obligations (continued)**

Some of the contracts with customers include penalty clauses for late deliveries. This may have some impact on the result. Medtronic Danmark A/S has not recorded a liability in the financial statements on this regard. The Company considers various factors before recognizing a liability, including probability, historical experience and customer-specific information.

**15. Related parties and ownership**

	<b>Basis</b>
<b>Controlling interest</b>	
Medtronic Norge AS, Lysaker, Norway	Controlling shareholder
Medtronic PLC	Ultimate parent
<b>Other related parties</b>	
Marianne Gynde	Chairman of the Board of Directors
Panu Samuel Lauha	Member of the Board of Directors
Birgitte Galuzick Broe	Member of the Board of Directors

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act. However, no such transactions have taken place during the year.

The Company is currently involved in an ongoing transfer pricing case with the Danish tax authorities.

As of the date of these financial statements, the Company has engaged in discussions with the tax authorities and is actively working towards a resolution. The potential financial impact of this case is uncertain, but management believes that it has strong arguments to support its transfer pricing policies. Accordingly, no provision has been made in the financial statements for any potential tax liabilities arising from this case.

The Company will continue to monitor the situation closely and will provide updates in future financial statements as more information becomes available. Management is committed to ensuring compliance with all applicable tax regulations and will take appropriate actions to resolve this matter in a timely manner.

**Ownership**

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital: Medtronic Norge AS, Lysaker, Norway.

**Notes to the financial statements (continued)**

**16. Consolidated Financial statements**

The Company is included in the Consolidated Financial Statements of Medtronic PLC.  
The Consolidated Financial Statements of Medtronic PLC may be obtained at the following address:

Medtronic PLC  
Lower Hatch Street 20  
2 Dublin  
Ireland

**17. Subsequent Events**

There were no events after reporting date that affect the entity significantly.

**Notes to the financial statements (continued)**

**Contents of the notes to the financial statements**

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- 18.1 Recognition and measurement
- 18.2 Omission of a cash flow statement
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- 18.4 Income statement
  - (a) Revenue
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  - (e) Provisions
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**Notes to the financial statements (continued)****18. Accounting policies**

The annual report of Medtronic Danmark A/S for 2023/2024 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

The Medtronic Group has a 52-53-week financial year with year-end closing on the last Friday of April. For practical reasons, the Company's Annual Report has been prepared covering the same period. The closing day of the month was 26th April 2024, the difference from the usual 12-month statement is immaterial.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The Annual Report for 2023/2024 is presented in TDKK.

**18.1 Recognition and measurement**

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

**18.2 Omission of a cash flow statement**

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement of Medtronic PLC, Dublin, Ireland.

**Notes to the financial statements (continued)****18. Accounting policies (continued)****18.3 Financial statements****(a) Foreign currency translation**

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rate at the transaction date and the rate at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at closing rates. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Non-current assets acquired in foreign currency are measured at the exchange rate at the transaction date.

**18.4 Income statement****(a) Revenue**

Income from the sale of goods and finished goods is recognized in revenue at the time of delivery and when the risk passes to the buyer.

Revenue is measured at the consideration received and is recognized exclusive of VAT and net discounts relating to sales.

**(b) Cost of sales**

Cost of sales comprises costs of goods sold for the financial year measured at cost, adjusted for ordinary inventory write-downs.

**(c) Distribution costs**

Distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc. carried out in the year, including costs related to sales staff, advertising, recognition of sales and marketing products, exhibitions, and amortisation/depreciation.

**(d) Administrative expenses**

Administrative expenses comprise costs incurred in the year to manage and administer the Company, including expenses related to administrative staff, management, office premises, office expenses and amortisation/depreciation.

**(e) Other operating income**

Other operating income comprises items secondary to the entities' activities, including gains on disposal of intangible assets and items of property, plant and equipment.

**Notes to the financial statements (continued)****18. Accounting policies (continued)****(f) Financial income and expenses**

Financial income and expenses comprise interest income and expenses, charges in respect of finance leases, realised and unrealised gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

**(g) Tax for the year**

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

**18.5 Balance sheet****(a) Receivables**

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

**(b) Prepayments**

Prepayments recognised under current assets comprise expenses incurred concerning subsequent financial years.

**(c) Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value which is assessed annually, is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment and leasehold improvements 3-7 years

**(d) Corporation tax and deferred tax**

Current tax payables and receivables are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year, adjusted for tax on prior-year taxable income and tax paid on account.

Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

**Notes to the financial statements (continued)****18. Accounting policies (continued)****(d) Corporation tax and deferred tax (continued)**

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net assets are measured at net realisable values.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

**(e) Provisions**

Provisions are recognized and measured at the best estimate of the expenses required to settle the liabilities at the balance sheet date.

**(f) Liabilities**

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.