

Medtronic Danmark A/S

Arne Jacobsens Allé 17, 2300 København S

CVR no. 18491370

Annual Report for 1 May 2022 - 30 April 2023

Approved at the Company's annual general meeting on 22 september 2023

Mikael Philip Schmidt
Chairman

Contents

	Pages
Management's statement	1
Independent auditor's report	2-4
Management's review	5-22
Company information	5
Financial highlights	6-7
Review	8-13
Sustainability report	13-22
Financial statements	
Statement of profit or loss	23
Statement of financial position	24-25
Statement of changes in equity	26
Notes to the financial statements	27-39

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 2022 - 30 April 2023

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 2023 of the Company and of the results of the Company operations for 2022/2023.

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, 22 september 2023

Executive Board:

Birgitte Galuzick Broe
CEO

Board of Directors:

Marianne Gynde
Chairman

Panu Samuel Lauha

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 2023, and of the results of the Company's operations for the financial year 1 May 2022 - 30 April 2023 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 2022 - 30 April 2023, 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 judgment and maintain professional skepticism 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, 22 september 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No. 33771231

Martin Lunden
State Authorised Public Accountant
Mne32209

Christopher Kowalczyk
State Authorised Public Accountant
Mne47863

COMPANY INFORMATION

Medtronic Danmark A/S

5 of 39

The Company

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

Company CVR: 18491370
Financial year: 1 May - 30 April
Municipality of reg. office: Copenhagen
Annual general meeting: 22 september 2023

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
2100 København Ø

Bankers

Danske Bank
Holmens Kanal 2
1090 København
Denmark

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

Financial highlights

	2022/2023	2021/2022	2020/2021	2019/2020	2018/2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Revenue	582,171	560,263	552,850	602,479	544,571
Gross profit/loss	157,042	153,036	130,295	147,512	176,702
Operating profit/loss	21,370	20,634	18,460	20,692	21,593
Net financials	(549)	(883)	(27)	(202)	24
Net profit/loss for the year	15,327	14,518	13,849	8,161	17,204
Balance sheet total	285,581	261,588	309,118	266,078	267,986
Investment in property, plant and equipment	721	381	130	188	631
Equity	114,555	110,228	115,710	101,861	128,700
Current liabilities	152,828	134,038	171,149	149,276	134,627
	%	%	%	%	%
Financial ratios					
Return on assets	7.6	7.9	5.9	7.8	8.1
Solvency ratio	40.6	42.1	37.4	38.3	48.0
Current ratio	185.9	194.0	178.6	175.0	194.3
Return on equity	13.7	12.9	12.7	7.1	13.2

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios, "Recommendations and ratios".

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

Financial highlights (continued)

Medtronic Danmark A/S

7 of 39

Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$

Review

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-Based Health Care (VBHC) and outcome-based health care approaches.

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 90,000+ 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)

Medtronic Danmark A/S

9 of 39

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.

In the FY23 financial statement, Medtronic Plc had a turnover of 31.2 billion dollars.

Financial development in the year

Gross profit for the year amounted to TDKK 157,042 compared to TDKK 153,036 in 2021/2022.

The profit for the year before tax was TDKK 20,821. This is an increase compared to last year when the profit before tax amounted to TDKK 19,751. The main reason is the increase of revenue is due to new won tenders.

With consideration to market conditions during FY2023, the results are considered satisfactory in line with the expectations as outlined in last year's Annual Report.

Significant events in the year

In order to position Medtronic for durable growth, organizational changes were announced by CEO Geoff Martha in April 2023.

These changes were driven by both internal and external factors. The company faced challenges such as macroeconomic factors, including inflation and a strong U.S. dollar, which impacted margins and profitability. Additionally, supply chain challenges and product launch delays contributed to lower expected revenue growth.

To address these challenges, Medtronic initiated a comprehensive effort to realign the cost structure with revenue and margins. This involved evaluating tradeoffs across businesses, functions, and regions to ensure resources were aligned and critical investments were protected, particularly in technologies that hold promise for improving patient lives.

Despite these challenges, Medtronic sees immense opportunities ahead due to its deep expertise, diverse businesses, and robust pipeline. Positioned at the intersection of technology and healthcare, the company believes innovation is the key to fulfilling its purpose and serving millions of customers and patients who rely on Medtronic.

Review (continued)

Medtronic Danmark A/S

10 of 39

Significant events in the year (continued)

The impact of this announcement will be reflected in our FY24 numbers

To support its growth strategy, Medtronic announced in September 2022 the formation of a new Global Regions organization, combining the Americas, EMEA, and APAC super-regions. This change, led by Rob ten Hoedt, aims to accelerate innovation-driven growth by simplifying customer service across operating units (OUs) and bringing a more global perspective to the company's work. Greater China, with its unique and evolving market dynamics, is not included in the new Global Regions organization.

This combined region approach will better position us to accelerate innovation-driven growth by simplifying how we serve customers across OUs and bringing a more global perspective to our work.

Our current regional organizations - including Region-led Markets, Strategic and Enterprise Accounts, Commercial Operations and Customer Experience, Customer Care, Service and Repair, and Functions supporting them - will become part of the new Global Regions team.

In Oct 2022 - Medtronic announced intention to separate its combined Patient Monitoring and Respiratory Interventions businesses. The decision to pursue a separation represents an important next step in ongoing portfolio assessment by Medtronic that demonstrates its commitment to creating value for all of its stakeholders. The separation will enable greater investment focus in the areas of highest strategic priority across the company and will facilitate the execution of its leadership strategy in attractive MedTech markets that leverage the company's strengths.

Expectations for the year ahead

FY24 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 and capitalize on a long list of opportunities.

A large number of contracts and tenders have been signed during FY23, 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, will support Medtronic in building a good foundation for any upcoming market changes.

The revenue and profit for 2023/24 is expected to grow by 7%-9% compared to 2022/23 as the hospitals are in the phase of reducing back-log.

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 programme and our material management opportunities. This work is supported by our business unit called IHS.

Review (continued)

Medtronic Danmark A/S

11 of 39

Expectations for the year ahead (continued)

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 in order 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

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

This new operating model is not only about organizational changes but also involves fostering a new 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.

Review (continued)

Medtronic Danmark A/S

12 of 39

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.

COVID-19 Response

In response to the COVID-19 pandemic, the company continues measuring the Covid-situation in all its markets, to safeguard employees and their families and to support patients and healthcare professionals.

All employees employed in Medtronic Danmark A/S were allowed to return to the office May 1st 2022, after working from home since March 16th, 2020.

Medtronic Danmark A/S followed the guidelines from the Danish government and Medtronic corporate guidelines. It was the most restricted approach which applied to the daily set-up.

While we have shared many guidelines related to personal health and safety, we continuously take actions to support employees through uncertain times.

Review (continued)

Medtronic Danmark A/S

13 of 39

COVID-19 Response (continued)

Resources included:

- Medtronic Emergency Leave Pay Policy
- Medtronic Employee Assistance Program (MEAP) General Information
- MEAP COVID-19 Resources - Webinar on personal health and well being
- EMEA work from home Equipment Guidance

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 90,000 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.

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

Sustainability report (continued)

Medtronic Danmark A/S

14 of 39

Business Model (continued)

The Danish Medtronic organization is part of a Nordic Cluster. This cluster consists of Norway, Denmark, Iceland, Sweden & Finland. There is strong cross-border and cross-business cooperation. This set-up provides us with the possibility of knowledge sharing and the option of rendering more efficient the Company's internal administrative processes. The support functions of the Nordic countries have since 2013 been placed at the Copenhagen office - 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 "Integrated Performance Report" from fiscal year 2022:

https://europe.medtronic.com/content/dam/medtronic-wide/public/brand-corporate-assets/resources/2022-integrated-report_corpmark_mdt.pdf

The Company's fiscal year 2023 annual "Sustainability Report" is expected to be published in October of 2023.

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.

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.

Sustainability report (continued)

Medtronic Danmark A/S

15 of 39

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 new Family Care Leave Policy was rolled out during FY21 year which remained active through FY23. 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.

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. The safety of Medtronic employees is organized by the Environment Health & Safety (EHS) organization.

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 tenth (10th) on the 2022 edition of DiversityInc Top 50 Companies for Diversity, earning our highest-ever ranking on the list. Moving from 33rd (2020) and 11th (2021) to 10th on the list is one of the largest increases of any company in the Top 50.

Sustainability report (continued)

Medtronic Danmark A/S

16 of 39

Employees and Human rights (continued)

In FY23, 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 FY23 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 Nordics 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 FY23 such as awareness events for autism and ADHD, supporting the CPH Pride and a Student activity framework. 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 scoring a perfect mark of 100 on the Human Rights Campaign Foundation's (HRC) 2022 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.

In FY22, Medtronic Danmark A/S worked towards implementing 'the Future of Work' post-Covid-19 pandemic 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 have sent out several health surveys to make sure that they can 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.

Sustainability report (continued)

Medtronic Danmark A/S

17 of 39

Employees and Human rights (continued)

At Medtronic, we have a culture of giving back to the community. This very clearly manifests through the “Project 6”. It occurs annually in June and gives employees the right to allocate one working day to volunteer at a shared project. During FY23 Medtronic Danmark A/S worked together with the ‘Blossom Project’. This is an organization that supports vulnerable women to find their way back into society. Our volunteers made lunch packs and ‘WeCare bags’ and distributed them among the women. They also helped redecorating the venues to support comfortable surroundings.

We believe our efforts in FY23 have helped to ensure a safe and respectful workplace, and we intend to continue our efforts in FY24.

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.

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 year 2023, 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.

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. In FY23, it is the management of Medtronic Danmark A/S’s assessment that the work concerning human rights has been satisfactory. Throughout FY24, we will continue working towards this to ensure all policies are followed.

Sustainability report (continued)

Medtronic Danmark A/S

18 of 39

Employees and Human rights (continued)

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

For more information related to Human rights policy please visit:

<https://www.medtronic.com/content/dam/medtronic-com/us-en/corporate/corporate-governance/documents/global-human-rights-policy-us-english.pdf>

Environment & Climate

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.

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. For example, our Galway, Ireland site is generating 20% of its total energy demand through a rooftop solar array and our facility in Tolochenaz, Switzerland uses aqua thermal energy from a nearby lake to provide renewable heating and cooling.

Medtronic has made a long-standing commitment to sourcing and generating renewable energy which forms a key component of our path to carbon neutrality. Combining purchases of 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 (VPPAs).

Across our operations we are always looking for ways to reduce water use and waste generated by focusing on efficiency, minimization, and infrastructure projects. Although they are not generally water intensive, we recognize the global issue of water scarcity and the potential for water availability to become a critical issue in some regions. For this reason, we track water usage at all Medtronic owned sites and have set water reduction goals for all Medtronic's manufacturing facilities.

Sustainability report (continued)

Medtronic Danmark A/S

19 of 39

Environment & Climate (continued)

Supporting the global environmental goals in Denmark

During FY23, Medtronic Danmark A/S launched initiatives to improve environmental sustainability within operations.

As Medtronic Danmark A/S is an LRD and does not operate any manufacturing activities, our focus has been on making an impact in areas such as waste generation, material recycling, plastic consumption, and company-owned vehicle emissions.

In Medtronic Danmark A/S all office waste is recycled in different categories according to local regulations. As a result of the pandemic, the Danish office was closed during most of FY22 which resulted in a very low amount of waste, 3.5 tons. The Danish office reopened up in FY23 and since reopening, most employees have worked in a hybrid (in-office vs remote) work model, which has resulted in a waste increase to 6.3 tons in total during this fiscal year.

From the 1st of January 2023, Copenhagen municipality introduced new regulations for the sorting of business waste. Due to these updates, Medtronic Danmark A/S initiated a 6-month long venture to prepare for the changes. The project started in October 2022 and was led by employees from facilities and by our EHS representative. Throughout the project, the current waste streams and processes were assessed and updated. The project also included interviews with other employees and alignment with our landlord (KLP) and our cleaning company Compass to implement the needed improvements. The result has been very successful with right-sized recycling stations in the office with sufficient bin sortation to separate litter into all necessary categories. New bins have been purchased to create uniformity and deployment of employee training on how and where to recycle. To create further awareness a recycling themed event was organized where employees could socialize around the topic of environmental impact and stewardship and above all, provide valuable feedback regarding the new system to the project team.

In the beginning of April 2023, the use of bottled water in the office was evaluated. The outcome was installing of a water filtering machine that offers both still and sparkling water directly from the tap. This change helps to reduce the generation of single-use plastic bottle waste as well as the emissions emitted in from transporting single-use plastic waste bottles. This initiative also saves the energy used and emissions emitted from recycling and repurposing the plastic waste. During FY23 Medtronic Danmark A/S purchased a total of 6000 water bottles. Our aim for FY24 is to decrease that number by 60% thereby saving 3600 bottles. An additional goal for FY24 is to purchase sustainable durable drinking bottles for employees to use as a replacement.

In FY23, 29% of the Danish employees utilized hybrid cars compared to 16% in previous FY. This is aligned with our target to increase the usage of hybrids and thereby reduce the average emissions which decreased from 109.5 g/km in FY22 to 101 g/km in FY23.

We will continue to focus on this area to further reduce the emissions in FY24.

Sustainability report (continued)

Medtronic Danmark A/S

20 of 39

Environment & Climate (continued)

Medtronic Danmark A/S aims to implement local policies and responsible practices to minimize operational impacts on the environment. To support this, a new Nordic EHS Policy was introduced as an addition to the Medtronic global policy which is an important milestone.

Bringing general awareness regarding key environmental dates is prioritized within the Danish organization. Through the Northwest Europe Environmental Team 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 ocean 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 Danmark A/S 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 is focus that will continue into FY24 to eliminate any risks connected with failure to meet our customers sustainability demands.

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 employees in Medtronic including board members are taking part of a mandatory training on the code of conduct, on a yearly basis. In Denmark, 100% of our employees completed the mandatory training during FY23 which is comparable to previous years.

Sustainability report (continued)

Medtronic Danmark A/S

21 of 39

Anti-Corruption and bribery (continued)

Employees can raise ethical concerns through multiple internal channels. One of these are 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 FY23.

In FY24, 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>

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 FY23, 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.

Sustainability report (continued)

Medtronic Danmark A/S

22 of 39

Gender composition at Board and Management Levels

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.

We also strive to keep an equal composition of gender throughout all management levels. This is in line with our policy for 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.

In Denmark throughout 2022/2023 women held in average 34% of the managerial positions.

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

FY2023

Board members

Total 3

Females in Pct. 67%

Males in Pct. 33%

Target in pct. (45 by FY26)

VP and Directors

Total 9

Females in Pct. 44%

Males in Pct. 56%

Target in pct. (45 by FY26)

Management

Total 29

Females in Pct. 34%

Males in Pct. 66%

Target in pct. (45 by FY26)

INCOME STATEMENT 1 MAY- 30 APRIL

	Note	2022/2023 TDKK	2021/2022 TDKK
Revenue	1	582,171	560,263
Cost of sales		-425,129	-407,227
Gross margin		157,042	153,036
Distribution costs		-105,610	-118,138
Administrative expenses	3	-70,314	-55,821
Operating loss		-18,882	-20,923
Other operating income		40,252	41,557
Profit before net financials		21,370	20,634
Financial income	4	131	599
Finance expenses	5	-680	-1,482
Profit before tax		20,821	19,751
Income tax expense	6	-5,494	-5,233
Net Profit for the year		15,327	14,518

STATEMENT OF FINANCIAL POSITION

	Note	30 April 2023 TDKK	30 April 2022 TDKK
ASSETS			
Non-current assets			
Property, plant and equipment	8		
Fixtures and fittings, tools and equipment		1,452	1,267
Leasehold improvements		32	224
		<u>1,484</u>	<u>1,491</u>
Total non-current assets		<u>1,484</u>	<u>1,491</u>
Current assets			
Receivables			
Trade receivables		92,419	75,629
Other receivables		3,520	3,135
Deferred tax asset	9	541	899
Prepayments	10	1,970	1,367
Receivables from group enterprises		22,751	22,994
		<u>121,201</u>	<u>104,024</u>
Cash		<u>162,896</u>	<u>156,073</u>
Total current assets		<u>284,097</u>	<u>260,097</u>
TOTAL ASSETS		<u>285,581</u>	<u>261,588</u>
Equity and liabilities			
Equity			
Retained earnings [opening balance]		109,727	115,209
Share capital		501	501
Profit for the year		15,327	14,518
Dividend proposed for the year		-11,000	-20,000
Equity holders' share of equity		<u>114,555</u>	<u>110,228</u>
Total equity		<u>114,555</u>	<u>110,228</u>

STATEMENT OF FINANCIAL POSITION(continued)

	Note	30 April 2023 TDKK	30 April 2022 TDKK
Non-current liabilities			
Other provisions	11	6,187	4,623
Deferred income	13	240	21
Other payables		11,771	12,677
Total non-current liabilities		<u>18,198</u>	<u>17,321</u>
Current liabilities			
Trade payables		4,848	4,538
Payables to group enterprises		91,115	76,045
Other payables	12	47,286	43,028
Deferred income	13	5,716	6,136
Corporation tax payable		3,863	4,292
Total current liabilities		<u>152,828</u>	<u>134,039</u>
Total liabilities		<u>171,026</u>	<u>151,360</u>
Total equity and liabilities		<u>285,581</u>	<u>261,588</u>

STATEMENT OF CHANGES IN EQUITY

	Share Capital TDKK	Retained earning TDKK	Dividend proposed for the year TDKK	Total TDKK
Equity at 1 May 2022	501	109,727	0	110,228
Extraordinary dividend distribution	0	-11,000	11,000	0
Extraordinary dividend paid	0	0	-11,000	-11,000
Net profit/loss for the year	0	15,327	0	15,327
Equity at 30 April 2023	501	114,054	0	114,555

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**

	30 April 2023 TDKK	30 April 2022 TDKK
Sales	582,171	560,263

Sales are predominantly performed in the territory of Denmark.

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

	2023 TDKK	2022 TDKK
Cardiovascular Portfolio	138,188	132,711
Medical Surgical Portfolio	180,890	183,268
Neuroscience Portfolio	123,909	119,585
Diabetes Operating Unit	137,520	124,699
Transition	1,664	0
	582,171	560,263

2. Staff

	2023 TDKK	2022 TDKK
Wages and salaries	154,454	169,235
Pensions	12,526	13,541
Other social security costs	1,476	1,621
	168,456	184,397

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

Distribution costs	128,516	152,418
Administrative expenses	39,940	31,979
	168,456	184,397

Average number of full-time employees	188	198
---------------------------------------	-----	-----

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

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. Audit fees

	2023 TDKK	2022 TDKK
The following fees were expensed in the Income Statement:		
Audit of the Financial Statements	261	180
Other Non-audit Services	30	28
Total fee paid to Auditor	<u>291</u>	<u>208</u>

4. Financial income

	2023 TDKK	2022 TDKK
Intercompany financial income	43	0
Other financial income	88	599
	<u>131</u>	<u>599</u>

5. Financial expenses

	2023 TDKK	2022 TDKK
Intercompany financial expenses	0	277
Other financial expenses	680	1,205
	<u>680</u>	<u>1,482</u>

Notes to the financial statements(continued)**6. Tax on profit/loss for the year**

	2023 TDKK	2022 TDKK
Tax for the year		
Current tax for the year	5,124	5,524
Deferred tax for the year	346	(307)
Adjustment of deferred tax of previous years	12	15
Adjustment of tax concerning previous years	11	1
	<u>5,493</u>	<u>5,233</u>

7. Appropriation of profit/loss

	30 April 2023 TDKK
Recommended appropriation of profit/loss	
Extraordinary dividend paid for the year 2021/2022	11,000
Transferred to reserves under equity	4,327
	<u>15,327</u>

8. Property, plant and equipment

	Fixtures and fittings, plant and equipment TDKK	Leasehold improvements TDKK	Total
Cost at 1 May 2022	5,167	3,917	9,084
Additions for the year	655	66	721
Disposals for the year	(86)	(21)	(107)
Cost at 30 April 2023	<u>5,736</u>	<u>3,962</u>	<u>9,698</u>

Notes to the financial statements(continued)

8. Property, plant and equipment (continued)

	Fixtures and fittings, plant and equipment TDKK	Leasehold improvements TDKK	Total
Depreciation and impairment losses at 1 May 2022	3,900	3,693	7,593
Depreciation for the year	470	246	716
Impairment and depreciation of sold assets for the year	-86	(9)	-95
Depreciation and impairment losses at 30 April 2023	4,284	3,930	8,214
Carrying amount at 30 April 2023	1,452	32	1,484

Depreciated over: 3-7 years

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

	30 April 2023 TDKK	30 April 2022 TDKK
Administrative expenses	716	2,256
	<u>716</u>	<u>2,256</u>

9. Deferred tax asset/liability

	30 April 2023 TDKK	30 April 2022 TDKK
Deferred tax at 1 May	899	607
Adjustment of the deferred tax charge	-358	292
Deferred tax at 30 April	<u>541</u>	<u>899</u>

The deferred tax charge relates to:

Property, plant and equipment	1,037	998
Other payables	-496	-99
	<u>541</u>	<u>899</u>

Notes to the financial statements(continued)**9. Deferred tax asset/liability (continued)**

	30 April 2023 TDKK	30 April 2022 TDKK
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax assets	541	899
Carrying amount	541	899

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

10. Prepayments

	30 April 2023 TDKK	30 April 2022 TDKK
Vendor downpayments	746	65
Prepaid rent	947	877
Other	277	425
	1,970	1,367

11. Other provisions

	30 April 2023 TDKK	30 April 2022 TDKK
Right of return	2,640	1,149
Reestablishment cost	3,327	3,281
Lease obligation	220	193
Other provisions at 30 April	6,187	4,623

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

	30 April 2023 TDKK	30 April 2022 TDKK
Other Accrued Expenses	3,473	1,514
VAT Payable/Receivable	10,181	11,029
Other payables	33,630	30,485
	<u>47,284</u>	<u>43,028</u>

13. Deferred income

	30 April 2023 TDKK	30 April 2022 TDKK
Accruals Short term	5,716	6,136
Revenue deferral accrual Long-term	240	21
	<u>5,956</u>	<u>6,157</u>

14. Contingent assets, liabilities and other financial obligations

	30 April 2023 TDKK	30 April 2022 TDKK
Bank Guarantees		
Between 1 and 5 years	0	603
Longer than 5 years	2,651	1,806
	<u>2,651</u>	<u>2,409</u>

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

	30 April 2023	30 April 2022
	TDKK	TDKK
Rental agreements and leases		
Lease obligations under operating leases, Total future lease payments:		
Within 1 year	7,753	6,196
Between 1 and 5 years	3,238	5,146
	10,991	11,342

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

	Basis
Controlling interest	
Medtronic Norge AS, Lysaker, Norway	Controlling shareholder
Medtronic PLC	Ultimate parent
Other related parties	
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.

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.

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

Notes to the financial statements(continued)

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

- 18 Accounting policies
- 18.1 Recognition and measurement
- 18.2 Omission of a cash flow statement
- 18.3 Financial statements
 - (a) Foreign currency translation
- 18.4 Income statement
 - (a) Revenue
 - (b) Cost of sales
 - (c) Distribution costs
 - (d) Administrative expenses
 - (e) Other operating income
 - (f) Financial income and expenses
 - (g) Tax for the year
- 18.5 Balance sheet
 - (a) Receivables
 - (b) Prepayments
 - (c) Property, plant and equipment
 - (d) Corporation tax and deferred tax
 - (e) Provisions
 - (f) Liabilities

Notes to the financial statements(continued)**18. Accounting policies**

The annual report of Medtronic Danmark A/S for 2022/2023 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 28th April 2023, 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.

Certain amounts have been reclassified in the comparative figures for 2021/22 to ensure the same presentation.

The Annual Report for 2022/2023 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 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.