

# Medtronic<sup>®</sup>

**Medtronic plc**

**Irish Annual Report**

**Financial Year Ended April 26, 2024**

---

---

## TABLE OF CONTENTS

---

	<b>Page</b>
<a href="#"><u>Directors' Report</u></a>	<a href="#"><u>1</u></a>
<a href="#"><u>Independent Auditors' Report</u></a>	<a href="#"><u>36</u></a>
<a href="#"><u>Consolidated Profit and Loss Account</u></a>	<a href="#"><u>43</u></a>
<a href="#"><u>Consolidated Statement of Comprehensive Income</u></a>	<a href="#"><u>44</u></a>
<a href="#"><u>Consolidated Balance Sheet</u></a>	<a href="#"><u>45</u></a>
<a href="#"><u>Consolidated Reconciliation of Movement in Shareholders' Funds</u></a>	<a href="#"><u>46</u></a>
<a href="#"><u>Consolidated Statement of Cash Flows</u></a>	<a href="#"><u>47</u></a>
<a href="#"><u>Notes to the Consolidated Financial Statements</u></a>	<a href="#"><u>48</u></a>
<a href="#"><u>Company Balance Sheet</u></a>	<a href="#"><u>116</u></a>
<a href="#"><u>Company Statement of Changes in Equity</u></a>	<a href="#"><u>117</u></a>
<a href="#"><u>Notes to the Company Financial Statements</u></a>	<a href="#"><u>118</u></a>

# Directors' Report

## For the Financial Year Ended April 26, 2024

The directors present their report, including the audited consolidated financial statements of Medtronic plc and its subsidiaries (the Group) for the financial year ended April 26, 2024, which are set out on pages 43 to 114, and audited entity financial statements of Medtronic plc (the Company or Medtronic) for the financial year ended April 26, 2024, which are set out on pages 115 to 125.

### Statement of Directors' Responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with Irish law.

Irish law requires the directors to prepare financial statements for each financial year that give a true and fair view of the Group's and Company's assets, liabilities, and financial position as at the end of the financial year and of the profit or loss of the Group for the financial year. Under that law, the directors have prepared the consolidated financial statements in accordance with United States of America accounting standards, as defined in Section 279(1) of the Companies Act 2014, to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of the Companies Act, or of any regulations made thereunder, and the Company financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the UK Financial Reporting Council, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and Irish law).

Under Irish law, the directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the Group's and Company's assets, liabilities, and financial position as at the end of the financial year and the profit or loss of the Group for the financial year.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state that the consolidated financial statements of the Group comply with accounting principles generally accepted in the United States of America (U.S.) (U.S. GAAP) to the extent that it does not contravene Irish Company Law, and that the entity financial statements of the Company comply with accounting standards issued by the UK Financial Reporting Council and Irish Law; and
- prepare the Group and Company financial statements on the going concern basis, unless it is inappropriate to presume the Group and Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the Group and Company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the Group and Company to be determined with reasonable accuracy; and
- enable the directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website ([www.medtronic.com](http://www.medtronic.com)). Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Accounting Records

The measures taken by the directors to secure compliance with the Company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at the Group's registered office at Building Two, Parkmore Business Park West, Galway, Ireland.

### Directors' Compliance Statement

As required by Section 225 of the Companies Act 2014, the directors acknowledge they are responsible for securing compliance by the Company with its Relevant Obligations as defined in the Companies Act 2014 (hereinafter called the Relevant Obligations).

The directors confirm the Company (i) has drawn up and adopted a compliance policy statement setting out the Company’s policies that, in the directors' opinion, are appropriate to the Company respecting compliance by the Company with its Relevant Obligations; and (ii) has put in place appropriate arrangements or structures that are, in the directors' opinion, designed to secure material compliance with the Company’s Relevant Obligations.

A review of the arrangements and structures in place to ensure compliance with the Company's Relevant Obligations has been conducted in the financial year to which this report relates.

### Basis of Presentation

The following discussion and analysis provides information the directors believe to be relevant to understanding the financial condition and results of operations of the Group. The directors have elected to prepare the consolidated financial statements in accordance with Section 279 of the Companies Act 2014, which provides that a true and fair view of the assets and liabilities, financial position and profit or loss may be given by preparing the financial statements in accordance with U.S. GAAP, as defined in that section to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of Part 6 of the Companies Act 2014.

We report our results based on a 52/53 week fiscal year, ending the last Friday of April. The financial years ended April 26, 2024 (fiscal year 2024) and April 28, 2023 (fiscal year 2023) were 52-week fiscal years. Amounts reported in millions within this Irish annual report are computed based on the amounts in thousands, and therefore, the sum of the components may not equal the total amount reported in millions due to rounding. Additionally, certain columns and rows within tables may not sum due to rounding.

### Principal Activities



Medtronic plc, headquartered in Galway, 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. We remain committed to a mission written by our founder in 1960 that directs us “to contribute to human welfare by the application of biomedical engineering in the research, design, manufacture, and sale of products to alleviate pain, restore health, and extend life.”

Our Mission — to alleviate pain, restore health, and extend life — empowers insight-driven care and better outcomes for our world. We remain committed to being recognized as a company of dedication, honesty, integrity, and service. Building on this strong foundation, we are embracing our role as a healthcare technology leader and evolving our business strategy in four key areas:

- Leveraging our pipeline to accelerate turnover growth: The combination of our end markets, recent product launches and robust pipeline is expected to continue accelerating our growth over both the near-and long-term. We aim to bring inventive and disruptive technology to large healthcare opportunities which enables us to better meet patient needs. Patients around the world deserve access to our life-saving products, and we are driven to use our local presence and scale to increase the adoption of our products and services in markets around the globe.
- Serving more patients by accelerating innovation driven growth and delivering shareholder value: We listen to our patients and customers to better understand the challenges they face. From the patient journey, to creating agile partnerships that produce novel solutions, to making it easier for our customers to deploy our therapies — what we do is anchored in deep insight, and creates simpler, superior experiences.
- Creating and disrupting markets with our technology: We are confident in our ability to maximize new technology, artificial intelligence (AI), and data and analytics to tailor therapies in real-time, facilitating remote monitoring and care delivery that conveniently manages conditions, and creates new standards of care.
- Empowering our operating units to be more nimble and more competitive: Our operating model is organized to accelerate decision making, improve commercial execution, and more effectively leverage the scale of our Group.

We have four reportable segments that primarily develop, manufacture, distribute, and sell device-based medical therapies and services: the Cardiovascular Portfolio, the Neuroscience Portfolio, the Medical Surgical Portfolio, and the Diabetes Operating Unit.

**Cardiovascular Portfolio** The Cardiovascular Portfolio is made up of the Cardiac Rhythm & Heart Failure, Structural Heart & Aortic, and Coronary & Peripheral Vascular divisions. The primary medical specialists who use our Cardiovascular products include electrophysiologists, implanting cardiologists, heart failure specialists, cardiovascular, cardiothoracic, and vascular surgeons, and interventional cardiologists and radiologists.

**Neuroscience Portfolio** The Neuroscience Portfolio is made up of the Cranial & Spinal Technologies, Specialty Therapies, and Neuromodulation divisions. The primary medical specialists who use the products of this group include spinal surgeons, neurosurgeons, neurologists, pain management specialists, anesthesiologists, orthopedic surgeons, urologists, urogynecologists, interventional radiologists, and ear, nose, and throat specialists.

**Medical Surgical Portfolio** The Medical Surgical Portfolio includes the Surgical & Endoscopy and Acute Care & Monitoring divisions. Products and therapies of this group are used primarily by healthcare systems, physicians' offices, ambulatory care centers, and other alternate site healthcare providers. While less frequent, some products and therapies are also used in home settings.

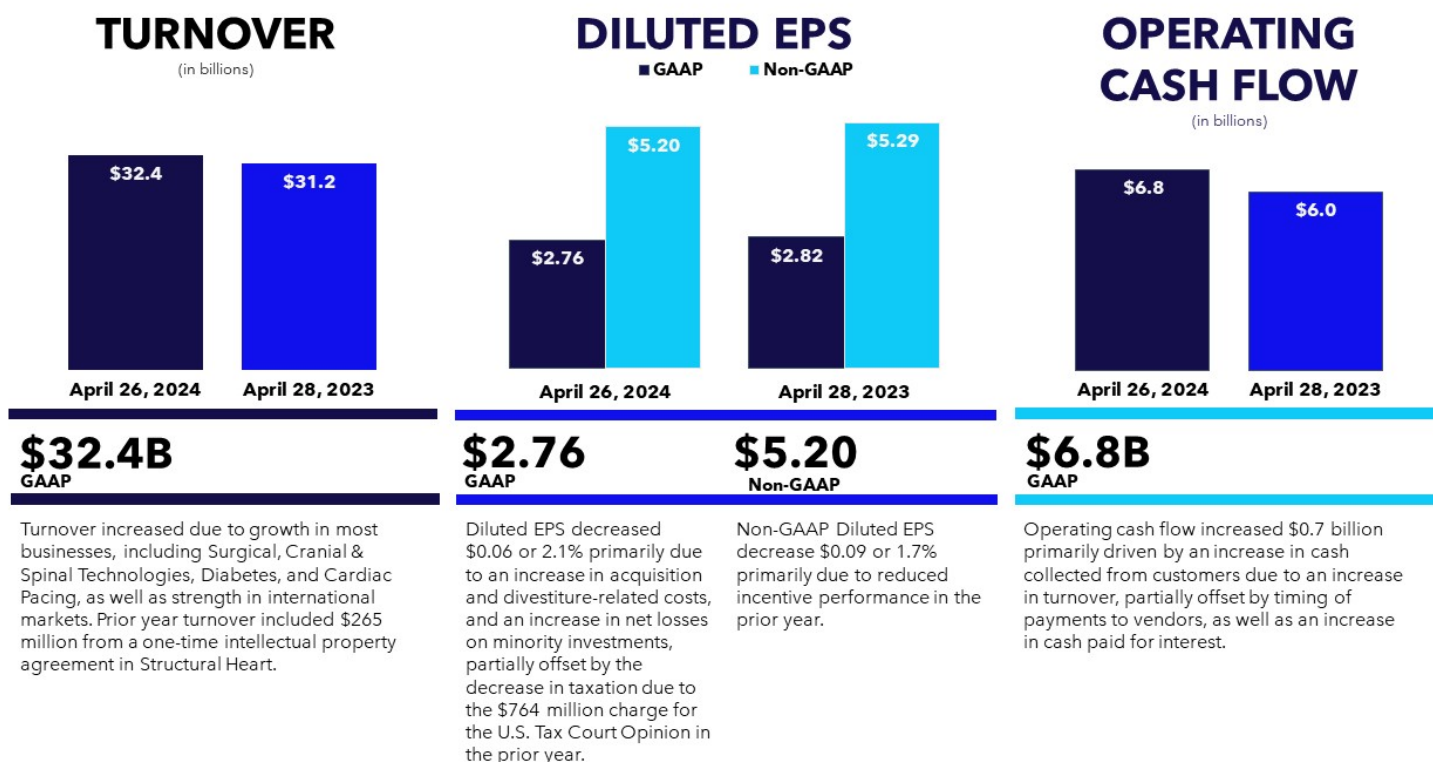
**Diabetes Operating Unit** The Diabetes Operating Unit develops, manufactures, and markets products and services for the management of Type 1 and Type 2 diabetes. The primary medical specialists who use and/or prescribe our Diabetes products are endocrinologists and primary care physicians.

## Business Review

### Key Performance Indicators

#### Consolidated Results of Operations

The following is a summary of turnover, diluted earnings per share (diluted EPS), and cash flow for fiscal years 2024 and 2023:



## GAAP to Non-GAAP Reconciliations

The tables below present reconciliations of our non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with U.S. GAAP for fiscal years 2024 and 2023.

(in millions, except per share data)	Fiscal year ended April 26, 2024				
	Profit Before Taxation	Taxation	Profit for the Financial Year	Diluted EPS	Effective Tax Rate
<b>GAAP</b>	\$ 4,837	\$ 1,133	\$ 3,676	\$ 2.76	23.4 %
Non-GAAP Adjustments:					
Amortization of intangible assets	1,693	258	1,435	1.08	15.2
Restructuring and associated costs <sup>(1)</sup>	389	66	323	0.24	17.0
Acquisition and divestiture-related items <sup>(2)</sup>	777	113	664	0.50	14.5
Certain litigation charges, net	149	31	118	0.09	20.8
(Gain)/loss on minority investments <sup>(3)</sup>	308	2	305	0.23	0.6
Medical device regulations <sup>(4)</sup>	119	22	97	0.07	18.5
Certain tax adjustments, net <sup>(5)</sup>	—	(299)	299	0.22	—
<b>Non-GAAP</b>	<u>\$ 8,273</u>	<u>\$ 1,327</u>	<u>\$ 6,918</u>	<u>\$ 5.20</u>	<u>16.0 %</u>

(in millions, except per share data)	Fiscal year ended April 28, 2023				
	Profit Before Taxation	Taxation	Profit for the Financial Year	Diluted EPS	Effective Tax Rate
<b>GAAP</b>	\$ 5,364	\$ 1,580	\$ 3,758	\$ 2.82	29.5 %
Non-GAAP Adjustments:					
Amortization of intangible assets	1,698	255	1,443	1.08	15.0
Restructuring and associated costs <sup>(1)</sup>	647	139	507	0.38	21.5
Acquisition and divestiture-related items <sup>(6)</sup>	345	29	316	0.24	8.4
Certain litigation charges <sup>(7)</sup>	(30)	(8)	(23)	(0.02)	26.7
(Gain)/loss on minority investments <sup>(3)</sup>	(33)	2	(29)	(0.02)	(6.1)
Medical device regulations <sup>(4)</sup>	150	30	120	0.09	20.0
Debt redemption premium and other charges <sup>(8)</sup>	53	11	42	0.03	20.8
Certain tax adjustments, net <sup>(9)</sup>	—	(910)	910	0.68	—
<b>Non-GAAP</b>	<u>\$ 8,194</u>	<u>\$ 1,128</u>	<u>\$ 7,045</u>	<u>\$ 5.29</u>	<u>13.8 %</u>

- Associated costs include costs incurred as a direct result of the restructuring program, such as salaries for employees supporting the program, consulting expenses, and asset write-offs.
- The charges predominantly include \$439 million of charges related to the February 20, 2024 decision to exit the Group's ventilator product line, which primarily includes long-lived intangible asset impairments and inventory write-downs. In addition, other charges primarily consist of changes in fair value of contingent consideration and associated costs related to the previously contemplated separation of the Patient Monitoring & Respiratory (PMRI) businesses.
- We exclude unrealized and realized gains and losses on our minority investments as we do not believe that these components of profit or expense have a direct correlation to our ongoing or future business operations.
- The charges represent incremental costs of complying with the new European Union medical device regulations for previously registered products and primarily include charges for contractors supporting the project and other direct third-party expenses. We consider these costs to be duplicative of previously incurred costs and/or one-time costs, which are limited to a specific time period.
- The net charge primarily relates to an income tax reserve adjustment associated with the June 2023, Israeli Central-Lod District Court decision and the establishment of a valuation allowance against certain net operating losses which were partially offset by a benefit from the change in a Swiss Cantonal tax rate associated with previously established deferred tax assets from intercompany intellectual property transactions and the step up in tax basis for Swiss Cantonal purposes.
- The charges predominantly include non-cash pre-tax impairments, primarily related to goodwill, changes in the carrying value of the disposal group, and other associated costs, as a result of the April 2023 sale of half of the Group's Renal Care Solutions (RCS) business; business combination costs, and associated costs related to the previously contemplated separation of the PMRI businesses.
- Certain litigation includes \$35 million income related to the one-time payment received as a result of the Intellectual Property Agreement entered into with Edwards Lifesciences in April 2023.
- The charges relate to the early redemption of approximately \$2.3 billion of debt and were recorded within interest expense, net within the consolidated profit and loss account.

- (9) The charge primarily relates to a \$764 million reserve adjustment that was a direct result of the U.S. Tax Court opinion, issued in August 2022, on the previously disclosed litigation regarding the allocation of income between Medtronic, Inc. and its wholly owned subsidiary operating in Puerto Rico. Additional charges relate to the reduction of deferred tax assets due to the disallowance of certain interest deductions and the change in the reporting currency for certain carryover attributes, and the amortization on previously established deferred tax assets from intercompany intellectual property transactions.

### Free Cash Flow

Free cash flow, a non-GAAP financial measure, is calculated by subtracting additions to tangible assets from net cash provided by operating activities. Management uses this non-GAAP financial measure, in addition to U.S. GAAP financial measures, to evaluate our operating results. Free cash flow should be considered supplemental to, and not a substitute for, our reported financial results prepared in accordance with U.S. GAAP. Reconciliations between net cash provided by operating activities (the most comparable U.S. GAAP measure) and free cash flow are as follows:

(in millions)	Fiscal Year	
	2024	2023
Net cash provided by operating activities	\$ 6,787	\$ 6,039
Additions to tangible assets	(1,587)	(1,459)
Free cash flow	\$ 5,200	\$ 4,580

### Turnover

Prior period turnover has been recast to reflect the new reporting structure. The activity of the Group's Renal Care Solutions business and the ventilator product line were moved out of Medical Surgical and into the Other line, and the retained Patient Monitoring & Respiratory Interventions (PMRI) businesses were combined into one business unit called Acute Care & Monitoring in Medical Surgical. Refer to Note 23 to the consolidated financial statements for additional information regarding the Group's new reporting structure. The table below includes turnover by segment and division for fiscal years 2024 and 2023:

(in millions)	Turnover by Fiscal Year		
	2024	2023	Percent Change
Cardiac Rhythm & Heart Failure	\$ 5,995	\$ 5,783	4 %
Structural Heart & Aortic	3,358	3,363	—
Coronary & Peripheral Vascular	2,478	2,375	4
Cardiovascular	11,831	11,522	3
Cranial & Spinal Technologies	4,756	4,451	7
Specialty Therapies	2,905	2,815	3
Neuromodulation	1,746	1,693	3
Neuroscience	9,406	8,959	5
Surgical & Endoscopy	6,508	6,152	6
Acute Care & Monitoring	1,908	1,837	4
Medical Surgical	8,417	7,989	5
Diabetes	2,488	2,262	10
Reportable segment turnover	32,142	30,731	5
Other operating segment <sup>(1)</sup>	221	495	(55)
Total	\$ 32,364	\$ 31,227	4 %

- (1) Includes historical operations and ongoing transition agreements from businesses the Group has exited or divested, which primarily includes the Group's ventilator product line and the Renal Care Solutions business.

The table below includes turnover by market geography for each of our segments for fiscal years 2024 and 2023:

(in millions)	U.S. <sup>(1)</sup>			Non-U.S. Developed Markets <sup>(2)</sup>			Emerging Markets <sup>(3)</sup>		
	Fiscal Year 2024	Fiscal Year 2023	% Change	Fiscal Year 2024	Fiscal Year 2023	% Change	Fiscal Year 2024	Fiscal Year 2023	% Change
Cardiovascular	\$ 5,597	\$ 5,796	(3)%	\$ 3,857	\$ 3,564	8 %	\$ 2,377	\$ 2,161	10 %
Neuroscience	6,305	6,018	5	1,739	1,658	5	1,362	1,283	6
Medical Surgical	3,717	3,549	5	3,049	2,917	5	1,650	1,522	8
Diabetes	852	849	—	1,284	1,106	16	352	307	15
Reportable segment turnover	16,471	16,212	2	9,929	9,245	7	5,742	5,273	9
Other operating segment <sup>(4)</sup>	91	160	(43)	50	163	(69)	81	172	(53)
<b>Total</b>	<b>\$ 16,562</b>	<b>\$ 16,373</b>	<b>1 %</b>	<b>\$ 9,979</b>	<b>\$ 9,408</b>	<b>6 %</b>	<b>\$ 5,823</b>	<b>\$ 5,446</b>	<b>7 %</b>

(1) U.S. includes the United States and U.S. territories.

(2) Non-U.S. developed markets include Japan, Australia, New Zealand, Korea, Canada, and the countries within Western Europe.

(3) Emerging markets include the countries of the Middle East, Africa, Latin America, Eastern Europe, and the countries of Asia that are not included in the non-U.S. developed markets, as defined above.

(4) Includes historical operations and ongoing transition agreements from businesses the Group has exited or divested, which primarily includes the Group's ventilator product line and the Renal Care Solutions business.

The increase in turnover for fiscal year 2024 was driven by growth in most businesses, including Surgical, Cranial & Spinal Technologies, Diabetes, and Cardiac Pacing, as well as strength in international markets. The turnover increase was partially offset by a \$265 million one-time payment received in the fourth quarter of fiscal year 2023 as a result of an intellectual property agreement, as further discussed in the Cardiovascular turnover section below.

Looking ahead, a number of macro-economic and geopolitical factors could negatively impact our Group, including without limitation:

- Competitive product launches and pricing pressure, geographic macro-economic risks including fluctuations in currency exchange rates, general price inflation, changes in interest rates, reimbursement challenges, impacts from changes in the mix of our product offerings, delays in product registration approvals, replacement cycle challenges, and supply chain challenges from time to time;
- National and provincial tender pricing for certain products, particularly in China;
- The sanctions and other measures being imposed in response to the Russia-Ukraine conflict are having and could continue to have impacts on turnover and supply chain. The financial impact of the conflict in fiscal year 2024, including on trade debtors and inventory reserves, was not material. For fiscal year 2024, the business of the Group in these countries represented less than 1% of the Group's consolidated turnover and assets. Although the implications of this conflict are difficult to predict at this time, the ongoing conflict may increase pressure on the global economy and supply chains, resulting in increased future volatility risk for our business operations and performance.
- Although the long-term implications of Israel's conflict are difficult to predict at this time, the financial and operational impact of the conflict in fiscal year 2024, including on trade debtors and inventory reserves, was not material. As of April 26, 2024, the Group had 6 facilities and approximately 1,500 employees in Israel. For fiscal year 2024, the business of the Group in Israel represented less than 1% of the Group's consolidated turnover and assets.

## Cardiovascular

Cardiovascular products include pacemakers, insertable cardiac monitors, cardiac resynchronization therapy devices, implantable cardioverter defibrillators, leads and delivery systems, electrophysiology catheters, products for the treatment of atrial fibrillation, information systems for the management of patients with Cardiac Rhythm & Heart Failure devices, products designed to reduce surgical site infections, coronary and peripheral stents and related delivery systems, balloons and related delivery systems, endovascular stent graft systems, heart valve replacement technologies, cardiac tissue ablation systems, and open heart and coronary bypass grafting surgical products. Cardiovascular also includes Care Management Services and Cath Lab Managed Services (CLMS) within the Cardiac Rhythm & Heart Failure division. Cardiovascular turnover for fiscal year 2024 was \$11.8 billion, an increase of 3 percent as compared to fiscal year 2023. The turnover increase was primarily due to the strong performance of Micra, transcatheter aortic valve replacement (TAVR), and Perfusion.

Cardiac Rhythm & Heart Failure turnover for fiscal year 2024 increased 4 percent as compared to fiscal year 2023. The turnover increase was driven by continued adoption of Micra AV2 and Micra VR2 and growth from the launch of the PulseSelect pulsed field ablation (PFA) system and the Aurora extravascular implantable cardioverter defibrillator (EV-ICD) system.



Structural Heart & Aortic turnover for fiscal year 2024 was flat as compared to fiscal year 2023. Turnover was impacted by the \$265 million one-time payment received in the fourth quarter of fiscal year 2023 as a result of the intellectual property agreement entered into with Edwards Lifesciences, offset by growth in TAVR, including strong growth in Western Europe and Japan from adoption of Evolut FX TAVR system, and in Cardiac Surgery driven by growth of Perfusion, particularly in the U.S.

Coronary & Peripheral Vascular turnover for fiscal year 2024 increased 4 percent as compared to fiscal year 2023. The turnover increase was driven by growth from guide catheters, balloons, as well as growth in Vascular Embolization products.

## **Neuroscience**

Neuroscience's products include various spinal implants, bone graft substitutes, biologic products, image-guided surgery and intra-operative imaging systems, robotic guidance systems used in the robot-assisted spine procedures, and systems that incorporate advanced energy surgical instruments. Neuroscience's products also focus on therapies to treat the diseases of the vasculature in and around the brain, including coils, neurovascular stents, and flow diversion products, as well as products to treat ear, nose, and throat (ENT), and the treatment of overactive bladder and urinary retention. Neuroscience also manufactures products related to implantable neurostimulation therapies and drug delivery systems for the treatment of chronic pain, movement disorders, and epilepsy. Neuroscience's turnover for fiscal year 2024 was \$9.4 billion, an increase of 5 percent as compared to fiscal year 2023. The turnover increase was primarily due to growth in Cranial & Spinal Technologies and ENT.

Cranial & Spinal Technologies turnover for fiscal year 2024 increased 7 percent as compared to fiscal year 2023. The turnover increase was driven by growth of AiBLE spinal ecosystem capital and Core Spine and Biologics product pull-through.

Specialty Therapies turnover for fiscal year 2024 increased 3 percent as compared to fiscal year 2023. The turnover increase was driven by growth in ENT.

Neuromodulation turnover for fiscal year 2024 increased 3 percent as compared to fiscal year 2023. The turnover increase was driven by growth within Brain Modulation, including growth from the Western European launch of the Percept RC neurostimulator, as well as Pain Stim growth in the U.S.

## **Medical Surgical**

Medical Surgical's products span the entire continuum of patient care from diagnosis to recovery, with a focus on diseases within thoracic, colorectal, gynecology, bariatric, hernia, and preventable complications. The products include those for advanced and general surgical products, surgical stapling devices, vessel sealing instruments, wound closure, electrosurgery products, hernia mechanical devices, mesh implants, advanced ablation, interventional lung, airway products, and sensors and monitors for pulse oximetry, capnography, level of consciousness and cerebral oximetry. Medical Surgical's turnover for fiscal year 2024 was \$8.4 billion, an increase of 5 percent as compared to fiscal year 2023. The turnover increase was primarily driven by strength across both Surgical & Endoscopy and Acute Care & Monitoring.

Surgical & Endoscopy turnover for fiscal year 2024 increased 6 percent as compared to fiscal year 2023. The turnover increase was predominantly attributable to growth in Advanced Surgical Technologies and General Surgical Technologies, primarily driven by supply expansion, as well as continued growth in Advanced Energy, Wound Management, Electrosurgery, GI Genius, and EndoFlip.

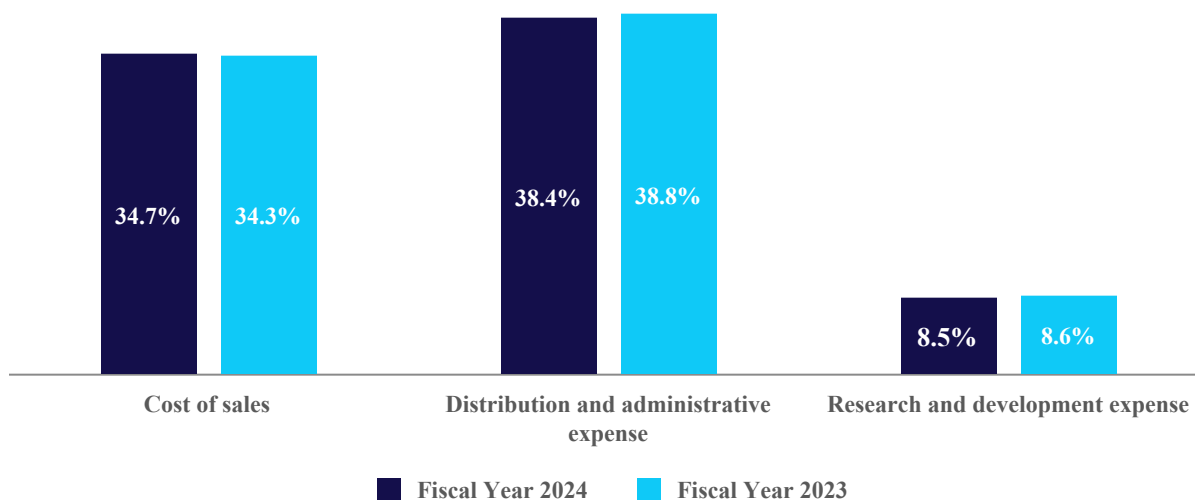
Acute Care & Monitoring turnover for fiscal year 2024 increased 4 percent as compared to fiscal year 2023. The turnover increase was primarily driven by growth in Nellcor pulse oximetry products and McGRATH MAC video laryngoscopes.

## **Diabetes**

Diabetes' products include insulin pumps, continuous glucose monitoring (CGM) systems, and consumables. Diabetes' turnover for fiscal year 2024 was \$2.5 billion, an increase of 10 percent as compared to fiscal year 2023. The increase in turnover was primarily driven by strong international growth as a result of the continued international expansion of the MiniMed 780G insulin pump system and integrated CGM. The launch of the MiniMed 780G insulin pump system in the U.S., during the first quarter of fiscal year 2024, also contributed to the turnover growth.

## Cost and Expenses

The following is a summary of cost of sales, distribution and administrative expense, and research and development expense as a percent of turnover:



**Cost of Sales** Cost of sales for fiscal year 2024 was \$11.2 billion as compared to \$10.7 billion for fiscal year 2023. The increase in cost of sales as a percentage of turnover was primarily attributable to increased labor and direct material manufacturing costs, predominantly due to inflationary pressures, as well as \$70 million of inventory write-downs associated with our February 2024 decision to exit our ventilator product line. For additional information about the ventilator inventory write-down, refer to Note 9 of the consolidated financial statements.

**Distribution and Administrative Expense** Our goal is to continue to leverage distribution and administrative expense management initiatives. Distribution and administrative expense primarily consists of salaries and wages, other administrative costs, such as professional fees and marketing expenses, amortization of intangible assets, certain acquisition and divestiture-related costs, and restructuring associated expenses. Distribution and administrative expense for fiscal year 2024 was \$12.4 billion as compared to \$12.1 billion for fiscal year 2023. The increase in distribution and administrative expense as a percentage of turnover was primarily due to reduced incentive performance in the prior year.

**Research and Development Expense** We remain committed to deliver the best possible experiences for patients, physicians, and caregivers we serve; to create technologies that expand what's possible across the human body to transform lives; to turn data and insights into real action to serve patient needs, improving care; and to expand healthcare access and deliver positive outcomes. Research and development expense was \$2.7 billion for fiscal years 2024 and 2023.

The following is a summary of other costs and expenses (profit):

(in millions)	Fiscal Year	
	2024	2023
Restructuring charges, net	\$ 226	\$ 375
Certain litigation charges, net	149	(30)
Other operating expense (income), net	464	(131)
Other non-operating income, net	(412)	(515)
Interest payable and similar expenses, net	719	636

## Restructuring Charges, Net

In fiscal year 2024, restructuring costs primarily related to employee termination benefits and facility consolidations to support cost reduction initiatives. In fiscal year 2023, restructuring charges primarily related to the Enterprise Excellence and Simplification restructuring programs, both of which were substantially completed as of the end of fiscal year 2023. Enterprise Excellence was designed to leverage our global size and scale to focus on global operations, and functional and commercial optimization, and had total cumulative pre-tax charges of \$1.8 billion. Simplification was designed to focus the organization on accelerating innovation, enhancing customer experience, driving revenue growth and winning market share, and had total cumulative pre-tax charges of \$0.5 billion. In addition, in the fourth quarter of fiscal year 2023, we incurred \$0.3 billion of restructuring charges primarily related to employee termination benefits to support cost reduction initiatives. These charges were incremental to charges incurred under our Enterprise Excellence and Simplification programs noted above.

For additional information about our restructuring programs, refer to Note 3 of the consolidated financial statements.

**Certain Litigation Charges, Net** We classify specified certain litigation charges and gains related to significant legal matters as *certain litigation charges, net* in the consolidated profit and loss account. During fiscal years 2024 and 2023, we recognized a net \$149 million of certain litigation charges and \$30 million of certain litigation profit, respectively, related to probable and estimable damages for significant legal matters.

**Other Operating Expense (Income), Net** Other operating expense (income), net primarily includes royalty expense, currency remeasurement and derivative gains and losses, Puerto Rico excise taxes, changes in the fair value of contingent consideration, certain acquisition and divestiture-related items, income from funded research and development arrangements, and commitments to the Medtronic Foundation and Medtronic LABS.

The change in other operating expense (income), net was largely driven by an increase in acquisition and divestiture-related expenses in fiscal year 2024. In fiscal year 2024, there were \$369 million of charges related to the Group's decision to exit the ventilator product line in the fourth quarter of fiscal year 2024, which primarily included intangible asset impairments of \$295 million and other charges for contract cancellation costs and severance. Fiscal year 2023 included non-cash charges of \$136 million, primarily related to impairments of goodwill and changes in the carrying value of the disposal group, as a result of the April 1, 2023 sale of half of the Group's RCS business. Also contributing to the increase in acquisition and divestiture related expenses was a change in the fair value of contingent consideration, which resulted in \$156 million of expense in fiscal year 2024 as compared to \$24 million of profit in fiscal year 2023.

The change in other operating expense (income), net was also driven by the net currency impact of remeasurement expense and our hedging programs, which resulted in a net gain of \$68 million combined for fiscal year 2024 as compared to a net gain of \$465 million for fiscal year 2023, partially offset by a decrease of \$94 million in Puerto Rico Excise Taxes. As a result of newly enacted tax legislation in Puerto Rico, the Group is no longer subject to Puerto Rico Excise Tax, but is now subject to a higher withholding tax, which is recorded in *taxation* in the consolidated profit and loss account. Fiscal year 2023 also included \$70 million in commitments to the Medtronic Foundation and Medtronic LABS.

Additional information regarding the acquisition and divestiture-related charges is described in Note 9 of the consolidated financial statements.

**Other Non-Operating Income, Net** Other non-operating income, net includes the non-service component of net periodic pension and postretirement benefit cost, investment gains and losses, and interest receivable and similar income.

The decrease in other non-operating income, net for fiscal year 2024 is primarily attributable to an increase in net losses on our minority investment portfolio, partially offset by an increase in interest receivable and similar income driven by higher returns on cash at bank and in hand and short-term investments. Net losses on minority investments were \$308 million for fiscal year 2024 as compared to a net gain of \$33 million for fiscal year 2023. Interest receivable and similar income was \$597 million and \$386 million for fiscal year 2024 and 2023, respectively.

**Interest Payable and Similar Expenses, Net** Interest payable and similar expenses, net includes interest incurred on our outstanding borrowings, amortization of debt issuance costs and debt premiums or discounts, amortization of amounts excluded from the effectiveness assessment of certain net investment hedges, and charges recognized in connection with the early redemption of senior notes.

The increase in interest payable and similar expenses, net for fiscal year 2024 was primarily driven by increased rates on our global liquidity structures, the impact of higher coupons on Senior Notes issued in the second quarter of fiscal year 2023, and the higher outstanding commercial paper balance. Partially offsetting the increase for fiscal year 2024 was \$197 million in after-tax unrealized gains representing amounts excluded from the effectiveness assessment of certain net investment hedges as compared to \$107 million for fiscal year 2023. Also partially offsetting the increase in interest payable and similar expenses, net was the \$53 million charge incurred as a result of the early redemption of approximately \$2.3 billion of senior notes during the first quarter of fiscal year 2023.

## Certain Tax Adjustments

During fiscal year 2024, the net cost from certain tax adjustments of \$299 million, recognized in *taxation* in the consolidated profit and loss account, included the following:

- A cost of \$187 million associated with a reserve adjustment related to the Israeli Central-Lod District Court decision with respect to a deemed taxable transfer of intellectual property.
- A cost of \$124 million related to a change in valuation allowance on previously recorded net operating losses.
- A benefit of \$95 million related to a Swiss Cantonal tax rate change on previously recorded deferred tax assets.
- A cost of \$50 million associated with the amortization of the previously established deferred tax assets from intercompany intellectual property transactions.
- A cost of \$33 million associated with a change in the Group's permanent reinvestment assertion on certain historical earnings.

During fiscal year 2023, the net cost from certain tax adjustments of \$910 million, recognized in *taxation* in the consolidated profit and loss account, included the following:

- A net cost of \$764 million associated with a reserve adjustment that was a direct result of the U.S. Tax Court opinion, issued in August 2022, on the prior year previously disclosed litigation regarding the allocation of profit between Medtronic, Inc. and its wholly owned subsidiary operating in Puerto Rico.
- A cost of \$55 million related to the disallowance of certain interest deductions.
- A cost of \$30 million related to the change in reporting currency for certain carryover attributes.
- A cost of \$28 million associated with the amortization of the previously established deferred tax assets from intercompany intellectual property transactions.
- A net cost of \$33 million primarily associated with the sale of half of the Group's RCS business.

Certain tax adjustments will affect the comparability of our operating results between periods. Therefore, we consider these Non-GAAP Adjustments. Refer to the "Key Performance Indicators" section of this Directors' Report for further discussion of these adjustments.

The Organization for Economic Co-operation and Development (OECD) published Pillar Two Model Rules defining the global minimum tax, which calls for the taxation of large multinational corporations at a minimum rate of 15% in each jurisdiction in which the group operates. A number of countries, including Ireland, have enacted legislation to implement the core elements of Pillar Two, which will be effective for the Group in fiscal year 2025. The Group is continuing to evaluate the potential impacts of proposed and enacted legislative changes as new guidance becomes available. There are no impacts of this global minimum tax in the consolidated financial statements for the fiscal year ended April 26, 2024.

## Liquidity and Capital Resources

We are currently in a strong financial position, and we believe our balance sheet and liquidity as of April 26, 2024 provide us with flexibility, and our cash at bank and in hand and current investments, along with our credit facility and related commercial paper programs will satisfy our foreseeable operating needs.

Our liquidity and capital structure are evaluated regularly within the context of our annual operating and strategic planning processes. We consider the liquidity necessary to fund our operations, which includes working capital needs, investments in research and development, tangible assets, and other operating costs. We also consider capital allocation alternatives that balance returning value to shareholders through dividends and share redemptions, satisfying maturing debt, and acquiring businesses and technology.

### Summary of Cash Flows

The following is a summary of cash provided by (used in) operating, investing, and financing activities, the effect of exchange rate changes on cash at bank and in hand, and the net change in cash at bank and in hand:

(in millions)	Fiscal Year	
	2024	2023
<b>Cash provided by (used in):</b>		
Operating activities	\$ 6,787	\$ 6,039
Investing activities	(2,366)	(3,493)
Financing activities	(4,450)	(4,960)
Effect of exchange rate changes on cash at bank and in hand	(230)	243
Net change in cash at bank and in hand	<u>\$ (259)</u>	<u>\$ (2,171)</u>

**Operating Activities** The \$748 million increase in net cash provided was primarily driven by an increase in cash collected from customers due to an increase in turnover. The increase in net cash was partially offset by timing of payments to vendors, as well as an increase in cash paid for interest and litigation. For more information on litigation payments, refer to Note 4 of the consolidated financial statements.

**Investing Activities** The \$1.1 billion decrease in net cash used was primarily attributable to a decrease in cash paid for acquisitions of \$1.7 billion, partially offset by an increase in net purchases of short-term investments of \$136 million and cash paid for additions to tangible assets of \$128 million. For more information on the acquisitions, refer to Note 9 of the consolidated financial statements.

**Financing Activities** There was a \$510 million decrease in net cash used primarily due to proceeds from commercial paper in the current year and prior year net debt repayments, partially offset by increased share redemptions. In the current period, there was an increase in commercial paper that was issued and outstanding at year-end of \$1.1 billion. This increase in cash provided by financing activities was offset by an increase in share redemptions of \$1.5 billion. In the fourth quarter of fiscal year 2023, the Group issued two tranches of USD-denominated Senior Notes resulting in cash proceeds of approximately \$2.0 billion, net of discounts and issuance costs. The Group used the net proceeds to repay in full the ¥297 billion Fiscal 2023 Loan Agreement discussed below for \$2.3 billion of total consideration. In the second quarter of fiscal year 2023, the Group issued four tranches of Euro-denominated Senior Notes for approximately \$3.4 billion. The Group used a portion of the net proceeds to repay at maturity €750 million of Medtronic Global Holdings S.C.A (Medtronic Luxco) Senior Notes for \$772 million of total consideration in December 2022 and €2.8 billion of Medtronic Luxco Senior Notes for \$2.9 billion of total consideration in March 2023. In the first quarter of fiscal year 2023, the Group issued short-term borrowings of approximately \$2.3 billion under the Fiscal 2023 Loan Agreement and used the proceeds to fund the early redemption of senior notes for total consideration of \$2.3 billion. For more information on the issuance and redemption of senior notes and the Term Loan, refer to the Debt and Capital section.

### Debt and Capital

Our capital structure consists of equity and interest-bearing debt. We primarily utilize unsecured senior debt obligations to meet our financing needs and, to a lesser extent, bank borrowings. From time to time, we may redeem our outstanding debt obligations in the open market or through privately negotiated transactions.

Total debt at April 26, 2024 was \$25.0 billion, as compared to \$24.4 billion at April 28, 2023. The increase in total debt was driven by commercial paper outstanding of \$1.1 billion, partially offset by fluctuations in exchange rates.

In May 2022, we entered into a term loan agreement (Fiscal 2023 Loan Agreement) with Mizuho Bank, Ltd. for an aggregate principal amount of up to ¥300 billion with a term of 364 days. In May and June 2022, Medtronic Luxco borrowed an aggregate of ¥297 billion, or approximately \$2.3 billion, of the term loan, under the Fiscal 2023 Loan Agreement. The Group used the net proceeds of the borrowings to fund the early redemption of \$1.9 billion of Medtronic Inc. Senior Notes for \$1.9 billion of total consideration, and \$368 million of Medtronic Luxco Senior Notes for \$376 million of total consideration. The Group recognized a total loss on debt extinguishment of \$53 million within *interest payable and similar expenses, net* in the consolidated profit and loss account during fiscal year 2023, which primarily

included cash premiums and accelerated amortization of deferred financing costs and debt discounts and premiums. During the fourth quarter of fiscal year 2023, the Group repaid the term loan in full, including interest.

In September 2022, we issued four tranches of Euro-denominated Senior Notes with an aggregate principal of €3.5 billion, with maturities ranging from fiscal year 2026 to 2035, resulting in cash proceeds of approximately \$3.4 billion, net of discounts and issuance costs. The Group used the net proceeds to repay at maturity €750 million of 0.000% Medtronic Luxco Senior Notes for \$772 million of total consideration in December 2022 and €1.5 billion of 0.375% Medtronic Luxco Senior Notes and €1.25 billion of 0.000% Medtronic Luxco Senior Notes for \$2.9 billion of total consideration in March 2023.

In March 2023, Medtronic Luxco issued two tranches of USD-denominated Senior Notes with an aggregate principal of \$2.0 billion, with maturities ranging from 2028 to 2033, resulting in cash proceeds of approximately \$2.0 billion, net of discounts and issuance costs. The Group used the net proceeds supplemented by additional cash to repay the ¥297 billion Fiscal 2023 Loan Agreement discussed above for \$2.3 billion of total consideration.

Subsequent to year-end, on June 3, 2024, Medtronic Inc. issued four tranches of EUR-denominated Senior Notes with an aggregate principal of €3.0 billion, with maturities ranging from fiscal year 2030 to 2054, resulting in cash proceeds of approximately \$3.2 billion, net of discounts and issuance costs. In anticipation of the Euro-denominated debt issuance, the Group entered into forward currency exchange rate contracts to manage the exposure to exchange rate movements. These contracts were settled in conjunction with the issuance of the June 2024 Notes.

We redeem our ordinary shares on occasion as part of our focus on returning value to our shareholders. In March 2019, the Directors authorized the redemption of \$6.0 billion of the Group's ordinary shares. In March 2024, the Directors authorized the redemption of an incremental \$5.0 billion of the Group's ordinary shares. There is no specific time period associated with these redemption authorizations. During fiscal years 2024 and 2023, we redeemed a total of 25 million and 6 million shares, respectively, under these programs at an average price of \$83.04 and \$91.31, respectively. At April 26, 2024, we had approximately \$5.3 billion remaining under the share redemption program authorized by our Directors.

For more information on credit arrangements, see Note 17 of the consolidated financial statements.

## **Liquidity**

Our liquidity sources at April 26, 2024 included \$1.3 billion of cash at bank and in hand and \$6.7 billion of short-term investments. Additionally, we maintain commercial paper programs and a Credit Facility.

Our investments primarily include available-for-sale debt securities, including U.S. and non-U.S. government and agency securities, corporate debt securities, mortgage-backed securities, certificates of deposit, and other asset-backed securities. See Note 12 to the consolidated financial statements for additional information.

We maintain multicurrency commercial paper programs for short-term financing, which allow us to issue unsecured commercial paper notes on a private placement basis up to a maximum aggregate amount outstanding at any time of \$3.5 billion. At April 26, 2024 and April 28, 2023, we had \$1.1 billion and no commercial paper outstanding, respectively. The issuance of commercial paper reduces the amount of credit available under our existing line of credit, as explained below.

We also have a \$3.5 billion five-year syndicated credit facility (Credit Facility), which expires in December 2028. At each anniversary date of the Credit Facility, we can request a one-year extension of the maturity date. The Credit Facility provides backup funding for the commercial paper programs and may also be used for general corporate purposes. The Credit Facility provides us with the ability to increase our borrowing capacity by an additional \$1.0 billion at any time during the term of the agreement. At April 26, 2024 and April 28, 2023, no amounts were outstanding under the Credit Facility.

Interest rates on advances of our Credit Facility are determined by a pricing matrix based on our long-term debt ratings assigned by Standard & Poor's Ratings Services (S&P) and Moody's Investors Service (Moody's). Facility fees are payable on the Credit Facility and are determined in the same manner as the interest rates. We are in compliance with all covenants related to the Credit Facility.

The following table is a summary of our S&P and Moody's long-term debt ratings and short-term debt ratings:

	Agency Rating <sup>(1)</sup>	
	April 26, 2024	April 28, 2023
<b>Standard &amp; Poor's Ratings Services</b>		
Long-term debt	A	A
Short-term debt	A-1	A-1
<b>Moody's Investors Service</b>		
Long-term debt	A3	A3
Short-term debt	P-2	P-2

(1) Agency ratings are subject to change, and there may be no assurance that an agency will continue to provide ratings and/or maintain its current ratings. A security rating is not a recommendation to buy, sell or hold securities, and may be subject to revision or withdrawal at any time by the rating agency, and each rating should be evaluated independently of any other rating.

S&P and Moody's long-term debt ratings and short-term debt ratings at April 26, 2024 were unchanged as compared to the ratings at April 28, 2023. We do not expect the S&P and Moody's ratings to have a significant impact on our liquidity or future flexibility to access additional liquidity given our balance sheet, Credit Facility, and related commercial paper programs.

### Financial Risk Management

**Currency Exchange Rate Risk** Due to the global nature of our operations, we are exposed to currency exchange rate changes which may cause fluctuations in profit and cash flows. Fluctuations in the currency exchange rates of currency exposures that are unhedged, such as in certain emerging markets, may result in future profit and cash flow volatility. The gross notional amount of all currency exchange rate derivative instruments outstanding at April 26, 2024 and April 28, 2023 was \$23.7 billion and \$22.0 billion, respectively. At April 26, 2024, these contracts were in a net unrealized gain position of \$593 million. Additional information regarding our currency exchange rate derivative instruments is included in Note 15 to the consolidated financial statements.

A sensitivity analysis of changes in the fair value of all currency exchange rate derivative contracts at April 26, 2024 and April 28, 2023 indicates that, if the U.S. dollar uniformly strengthened/weakened by 10 percent against all currencies, the fair value of these contracts would increase/decrease by approximately \$1.7 billion and \$1.6 billion, respectively. Any gains and losses on the fair value of derivative contracts would generally be offset by gains and losses on the underlying transactions. These offsetting gains and losses are not reflected in the above analysis.

**Interest Rate Risk** We are subject to interest rate risk on our short-term investments and our borrowings. We manage interest rate risk in the aggregate, while focusing on our immediate and intermediate liquidity needs. Our debt portfolio at April 26, 2024 was comprised of debt predominantly denominated in U.S. dollars and Euros, which is primarily fixed rate debt. We are also exposed to interest rate changes affecting our investments in interest rate sensitive instruments, which include our marketable debt securities.

A sensitivity analysis of the impact on our interest rate-sensitive financial instruments of a hypothetical 50 basis point change in interest rates, as compared to interest rates at April 26, 2024 and April 28, 2023, indicates that the fair value of these instruments would change by \$64 million and \$61 million, respectively.

For a discussion of current market conditions and the impact on our financial condition and results of operations, see the "Liquidity" section of the Directors Report in this Annual Report. For additional discussion of market risk, see Notes 12 and 15 to the consolidated Irish financial statements.

### Principal Risks and Uncertainties

Investing in our securities involves a variety of risks and uncertainties, known and unknown, including, among others, those discussed below. Each of the following risks should be carefully considered. Furthermore, additional risks and uncertainty not presently known to us or that we currently believe to be immaterial may also adversely affect our business. Our business, results of operations, financial condition, and cash flow and prospects could be materially and adversely affected by any of these risks or uncertainties.

## **Business and Operational Risks**

***We operate in a highly competitive industry and we may be unable to compete effectively.***

We compete in both the therapeutic and diagnostic medical markets in more than 150 countries throughout the world. These markets are characterized by rapid change resulting from technological advances, innovations and scientific discoveries. In the product lines in which we compete, we face a range of competitors from large companies with multiple business lines to small, specialized manufacturers that offer a limited selection of niche products. Development by other companies of new or improved products, processes, technologies, or the introduction of reprocessed products or generic versions when our proprietary products lose their patent protection may make our existing or planned products less competitive. In addition, we face competition from providers of alternative medical therapies, such as pharmaceutical companies, including those producing GLP-1s.

We believe our ability to compete depends upon many factors both within and beyond our control, including:

- product performance and reliability,
- product technology and innovation,
- product quality and safety,
- breadth of product lines,
- product support services,
- supplier and supply availability and performance,
- customer support,
- cost-effectiveness and price,
- reimbursement approval from healthcare insurance providers, and
- changes to the regulatory environment.

Competition may increase as additional companies enter our markets or modify their existing products to compete directly with ours. In addition, academic institutions, governmental agencies and other public and private research organizations also may conduct research, seek patent protection and establish collaborative arrangements for discovery, research, clinical development and marketing of products similar to ours. These companies and institutions compete with us in recruiting and retaining qualified scientific and management personnel, as well as in acquiring necessary product technologies. From time to time we have lost, and may in the future lose, market share in connection with product problems, physician advisories, safety alerts and publications about our products, which highlights the importance of product quality, product efficacy and quality systems to our business. In the current environment of managed care, consolidation among healthcare providers, increased competition, declining reimbursement rates, and national and provincial tender pricing, as recently experienced in China, competitively priced product offerings are essential to our success.

***Our success depends on our ability to differentiate our product and keep pace with emerging technologies.***

Our continued growth and success depend on our ability to develop, acquire and market new and differentiated products, technologies and intellectual property, and as a result we also face competition for marketing, distribution, and collaborative development agreements, establishing relationships with academic and research institutions and licenses to intellectual property. In order to continue to compete effectively, we must continue to create, invest in or acquire advanced technology, incorporate this technology into our proprietary products, obtain regulatory approvals in a timely manner, and manufacture and successfully market our products. For example, data science, machine learning and AI are all impacting our products and operations and the competitive landscape in which we operate, and the application of these technologies is rapidly evolving at the same time as new laws and regulations of AI are being developed in jurisdictions around the world. Compliance with developing regulations may require significant expenditures or may limit our ability to effectively use these technologies. There can be no assurance that the application of AI in our products and operations will be successful, or that we will not experience data security and privacy incidents in connection with our use of these technologies. Given these factors, we cannot guarantee that we will be able to compete effectively or continue our level of success.

***Reduction or interruption in supply or other manufacturing difficulties may adversely affect our manufacturing operations and related product turnover.***

The manufacture of our products requires the timely delivery of a sufficient amount of quality components and materials and is highly exacting and complex, due in part to complex trade and strict regulatory requirements. We manufacture the majority of our products and procure critical third-party services, such as sterilization services, at numerous facilities worldwide. We purchase many of the components, raw materials and services needed to manufacture these products from numerous suppliers in various countries. We seek to maintain continuity of supply by use of multiple options for sourcing where possible. We have generally been able to obtain adequate supplies of such raw materials, components and services, although global shortages of certain components such as semiconductors and resins have recently caused, and may in the future cause, disruptions to our product manufacturing supply chain. In addition, for reasons of quality assurance, cost effectiveness, or availability, certain components, raw materials and services needed to manufacture our products are obtained from sole suppliers. Although we work closely with our suppliers to try to ensure continuity of supply while maintaining high quality and reliability, the supply of these components, raw materials and services may, at times, be interrupted or insufficient. In addition,



due to the stringent regulations and requirements of trade and regulatory agencies, including the U.S. FDA, regarding the manufacture of our products, we may not be able to quickly establish additional or replacement sources. Additionally, many regulatory agencies are imposing new and evolving regulatory requirements on safe use of chemicals, including ethylene oxides (EtOs) and polyfluoroalkyl substances (PFAS), and their potential impact on health and the environment which also may impact supply constraints. Furthermore, the prices of commodities and other materials used in our products, which are often volatile and outside of our control, could adversely impact our supply. We use resins, other petroleum-based materials and pulp as raw materials in some of our products, and the prices of oil and gas also significantly affect our costs for freight and utilities. A reduction or interruption in supply, and an inability to develop alternative sources for such supply, could adversely affect our ability to manufacture our products in a timely or cost-effective manner and could result in lost turnover.

Other disruptions in the manufacturing process or product turnover, trade and fulfillment systems for any reason, including infrastructure, information and equipment malfunction, failure to follow specific protocols and procedures, supplier or Group facility shut-downs, defective raw materials, labor shortages, natural disasters such as hurricanes, tornadoes, earthquakes, or wildfires, property damage or facility closures from riots or public protests, and other environmental factors and the impact of epidemics, pandemics, or other public health crises, and actions by businesses, communities and governments in response, could lead to launch delays, product shortages, unanticipated costs, lost turnover and damage to our reputation. For example, in the past we have experienced a global information technology systems interruption that affected our customer ordering, distribution, and manufacturing processes, and we were adversely impacted by the global COVID-19 pandemic, and may in the future be adversely impacted by COVID-19 resurgence or other pandemics and the related responses of governments and of our partners, including suppliers, manufacturers, distributors and other businesses. Furthermore, any failure to identify and address manufacturing problems prior to the release of products to our customers could result in quality or safety issues.

In addition, many of our products require sterilization before sale and several of our key products are manufactured or sterilized at a particular facility, with constrained capacity and limited options for alternate sterilization facilities. If an event occurs that causes damage to or closure of one or more of such facilities, such as the Illinois Environmental Protection Agency's decision to close a supplier's sterilization facility in February 2019, we may be unable to manufacture or sterilize relevant products to the required quality specifications or at all. Due to the time required to approve and license a manufacturing or sterilization facility, a third-party may not be available on a timely basis to replace production capacity in the event manufacturing or sterilization capacity is reduced or lost.

***Public health crises have had, and may continue to have, an adverse effect on certain aspects of our business, results of operations, financial condition, and cash flows. The nature and extent of future impacts are highly uncertain and unpredictable.***

Our global operations and interactions with healthcare systems, providers and patients around the world expose us to risks associated with public health crises, including epidemics and pandemics such as COVID-19. Public health crises may continue to have an adverse impact on certain aspects of our Group and business, including the demand for and supply of certain of our products, operations, supply chains and distribution systems, and our ability to generate cash flow.

***Our research and development efforts rely upon investments and investment collaborations, and we cannot guarantee that any previous or future investments or investment collaborations will be successful.***

Our Mission is to provide a broad range of therapies to restore patients to fuller, healthier lives, which requires a wide variety of technologies, products and capabilities. The rapid pace of technological development in the medical industry and the specialized expertise required in different areas of medicine make it difficult for one company alone to develop a broad portfolio of technological solutions. In addition to internally generated growth through our research and development efforts, historically we have relied, and expect to continue to rely, upon investments and investment collaborations to provide us access to new technologies both in areas served by our existing businesses as well as in new areas.

We expect to make future investments where we believe that we can stimulate the development or acquisition of new technologies and products to further our strategic objectives and strengthen our existing businesses. Investments and investment collaborations in and with medical technology companies are inherently risky, and we cannot guarantee that any of our previous or future investments or investment collaborations will be successful or will not materially adversely affect our business, results of operations, financial condition, and cash flows.

***The continuing development of many of our products depends upon us maintaining strong relationships with healthcare professionals.***

If we fail to maintain our working relationships with healthcare professionals, many of our products may not be developed and marketed in line with the needs and expectations of the professionals who use and support our products, which could cause a decline in our profitability. The research, development, marketing and turnover of many of our new and improved products depends on our maintaining working relationships with healthcare professionals. We rely on these professionals to provide us with considerable knowledge and experience regarding the development, marketing and sale of our products. Healthcare professionals assist us as researchers, marketing and product consultants, inventors, trainers, and public speakers. If we are unable to maintain strong relationships with these professionals, the

development and marketing of our products could suffer, which could have a material adverse effect on our business, results of operations, financial condition, and cash flows.

***We have debt obligations that create risk.***

We are required to use a portion of our operating cash flow to pay interest or principal on our outstanding indebtedness instead of for other corporate purposes, including funding future expansion of our business. We may also incur additional indebtedness in the future to supplement our existing liquidity and cash generated from operations to satisfy our needs for working capital and capital expenditures, to pursue growth initiatives, and to make returns of capital to shareholders. Changes in business and economic conditions will impact interest rates and can cause periods of tightened credit availability and volatility in borrowing terms. In addition, there can be no assurance that we will be able to maintain our credit rating. At the time we may incur such additional indebtedness, or refinance or restructure existing indebtedness, we may be unable to obtain capital market financing with similar terms and currency denomination to our existing indebtedness, or at all, which could have a material adverse effect on our business and results of operations. At any time, the fair value of our debt outstanding will fluctuate based on several factors including foreign currency exchange rate and interest rate movements, credit conditions and our credit rating.

***Failure to integrate acquired businesses into our operations successfully, or challenges related to the Group's strategic initiatives, including divestitures and third-party funding arrangements, as well as liabilities or claims relating to such acquired businesses, divestitures, or arrangements could adversely affect our business.***

As part of our strategy to develop and identify new products and technologies and optimize our portfolio of products, we have made several significant acquisitions, divestitures and third-party research and development funding arrangements in recent years, and may make additional acquisitions, divestitures and arrangements in the future. Our integration of the operations of acquired businesses, or a divestiture of part of our existing businesses, requires significant efforts, including the coordination of information technologies, research and development, sales and marketing, operations, manufacturing, and finance. These efforts result in additional expenses and involve significant amounts of management's time that cannot then be dedicated to other projects. Our failure to manage and coordinate the growth of acquired companies successfully could also have an adverse impact on our business. Further, acquired businesses may have liabilities, or be subject to claims, litigation or investigations that we did not anticipate or which exceed our estimates at the time of the acquisition. In addition, we cannot be certain that the businesses we acquire will become profitable or remain so. Factors that will affect the success of our acquisitions include:

- the presence or absence of adequate internal controls and/or significant fraud in the financial systems of acquired companies,
- our ability or inability to integrate information technology systems of acquired companies in a secure and reliable manner,
- liabilities, claims, litigation, investigations, or other adverse developments relating to acquired businesses or the business practices of acquired companies, including investigations by governmental entities, potential Foreign Corrupt Practices Act (FCPA) or product liability claims, intellectual property disputes, earnout or other contingent payment disputes, or other unanticipated liabilities,
- any decrease in customer loyalty and product orders caused by dissatisfaction with the combined companies' product lines and turnover and marketing practices, including price increases,
- our ability to retain key employees, and
- the ability to achieve synergies among acquired companies, such as increasing turnover of the integrated company's products, achieving cost savings, and effectively combining technologies to develop new products.

We also could experience negative effects on our business, results of operations, financial condition, and cash flows from acquisition-related charges, amortization of intangible assets and asset impairment charges.

In addition, the potential exists that expected strategic benefits from any planned or completed divestiture, or third-party funding arrangement, by the Group may not be realized or may take longer to realize than expected, and there can be no assurance that disputes will not arise under the Group's third-party funding arrangements, or transition service agreements that have or may be executed as part of a divestiture.

## Legal and Regulatory Risks

***We are subject to extensive and complex laws and governmental regulations and any adverse regulatory action may materially adversely affect our financial condition and business operations.***

Our medical devices and technologies, as well as our business activities, are subject to a complex set of regulations and rigorous enforcement, including by the U.S. FDA, U.S. Department of Justice, Health and Human Services Office of the Inspector General, and numerous other federal, state, and non-U.S. governmental authorities. To varying degrees, each of these agencies requires us to comply with laws and regulations governing the development, testing, manufacturing, labeling, marketing and distribution of our products. As a part of the regulatory process of obtaining marketing clearance for new products and new indications for existing products, we conduct and participate in numerous clinical trials with a variety of study designs, patient populations, and trial endpoints. Unfavorable clinical data from existing or future clinical trials may adversely impact our ability to obtain product approvals, our position in, and share of, the markets in which we participate, and our business, results of operations, financial condition, and cash flows. We cannot guarantee that we will be able to obtain or maintain marketing clearance for our new products or enhancements or modifications to existing products, and the failure to maintain approvals or obtain approval or clearance could have a material adverse effect on our business, results of operations, financial condition, and cash flows. Even if we are able to obtain approval or clearance, it may:

- take a significant amount of time,
- require the expenditure of substantial resources,
- involve stringent clinical and pre-clinical testing, as well as increased post-market surveillance,
- involve modifications, repairs or replacements of our products, and
- limit the proposed uses of our products.

Both before and after a product is commercially released, we have ongoing responsibilities under the U.S. FDA and other applicable non-U.S. government agency regulations. For instance, many of our facilities and procedures and those of our suppliers are also subject to periodic inspections by the U.S. FDA to assess compliance with applicable regulations. The results of these inspections can include, and have in the past included, inspectional observations on the U.S. FDA's Form 483, warning letters, or other forms of enforcement, such as a consent decree. If the U.S. FDA were to conclude that we are not in compliance with applicable laws or regulations, or that any of our medical products are ineffective or pose an unreasonable health risk, the U.S. FDA could detain or seize adulterated or misbranded medical products, order a recall, repair, replacement, or refund of such products, refuse to grant pending pre-market approval applications or require certificates of non-U.S. governments for exports, and/or require us to notify health professionals and others that the devices present unreasonable risks of substantial harm to the public health, and in certain rare circumstances, ban medical devices. The U.S. FDA and other non-U.S. government agencies may also assess civil or criminal penalties against us, our officers or employees and impose operating restrictions on a company-wide basis. The U.S. FDA may also recommend prosecution to the U.S. Department of Justice. Any adverse regulatory action, depending on its magnitude, may restrict us from effectively marketing and selling our products and limit our ability to obtain future pre-market clearances or approvals, and could result in a substantial modification to our business practices and operations. Furthermore, we occasionally receive subpoenas or other requests for information from various governmental agencies around the world, and while these investigations typically relate primarily to financial arrangements with healthcare providers, regulatory compliance and product promotional practices, we cannot predict the timing, outcome or impact of any such investigations. Any adverse outcome in one or more of these investigations could include the commencement of civil and/or criminal proceedings, substantial fines, penalties, and/or administrative remedies, including exclusion from government reimbursement programs and/or entry into Corporate Integrity Agreements (CIAs) with governmental agencies. In addition, resolution of any of these matters could involve the imposition of additional, costly compliance obligations. These potential consequences, as well as any adverse outcome from government investigations, could have a material adverse effect on our business, results of operations, financial condition, and cash flows.

In addition, the U.S. FDA has taken the position that device manufacturers are prohibited from promoting their products other than for the uses and indications set forth in the approved product labeling, and any failure to comply could subject us to significant civil or criminal exposure, administrative obligations and costs, and/or other potential penalties from, and/or agreements with, the federal government.

Governmental regulations in the U.S. and outside the U.S. are constantly changing and may become increasingly stringent. In the E.U, for example, the Medical Device Regulation which became effective in May 2021 includes significant additional pre-market and post-market requirements. Penalties for regulatory non-compliance could be severe, including fines and revocation or suspension of a company's business license, mandatory price reductions and criminal sanctions. The development and implementation of future laws and regulations may have a material adverse effect on us.

***Quality problems have in the past and could in the future lead to recalls or safety alerts, product liability claims, reputational harm, adverse verdicts or costly settlements, and could have a material adverse effect on our business, results of operations, financial condition, and cash flows.***

Quality is extremely important to us and our customers due to the impact on patients, and the serious and potentially costly consequences of adverse product performance. Our business exposes us to potential product liability risks that are inherent in the design, manufacture, and

marketing of medical devices. In addition, many of our products are often used in intensive care settings with seriously ill patients and some of the medical devices we manufacture and sell are designed to be implanted in the human body for long periods of time or indefinitely. Component failures, manufacturing nonconformances, design issues, off-label use, or inadequate disclosure of product-related risks or product-related information with respect to our products, could result in an unsafe condition or injury to, or death of, a patient. These problems have in the past and could in the future lead to recall of, or issuance of a safety alert relating to, our products, as well as product liability claims and lawsuits, including class actions, which could ultimately result, in certain cases, in the removal from the body of such products and claims regarding costs associated therewith. Due to the strong name recognition of the Medtronic brand, a material adverse event involving one of our products could result in diminished market acceptance and demand for all products within that brand, and could harm our reputation and ability to market products in the future.

Strong product quality is critical to the success of our goods and services. If we fall short of these standards and our products are the subject of recalls or safety alerts, our reputation could be damaged, we could lose customers and our turnover and results of operations could decline. Our success also can depend on our ability to manufacture to exact specification precision-engineered components, subassemblies and finished devices from multiple materials. If our components fail to meet these standards or fail to adapt to evolving standards, our reputation, competitive advantage and market share could be harmed. In certain situations, we may undertake a voluntary recall of products or temporarily shut down production lines based on performance relative to our own internal safety and quality monitoring and testing data.

Any of the foregoing problems, including future product liability claims or recalls, regardless of their ultimate outcome, could harm our reputation and have a material adverse effect on our business, results of operations, financial condition, and cash flows.

***Our failure to comply with laws and regulations relating to reimbursement of healthcare goods and services may subject us to penalties and adversely impact our reputation, business, results of operations, financial condition, and cash flows.***

Our devices, products and therapies are purchased principally by hospitals or physicians that typically bill various third-party payors, such as governmental healthcare programs (e.g., Medicare, Medicaid and comparable non-U.S. programs), private insurance plans and managed care plans, for the healthcare services provided to their patients. The ability of our customers to obtain appropriate reimbursement for products and services from third-party payors is critical because it affects which products customers purchase and the prices they are willing to pay. As a result, our devices, products and therapies are subject to regulation regarding quality and cost by HHS, including the Centers for Medicare & Medicaid Services (CMS), as well as comparable state and non-U.S. agencies responsible for reimbursement and regulation of health care goods and services, including laws and regulations related to fair competition, kickbacks, false claims, self-referrals and healthcare fraud. Many states have similar laws that apply to reimbursement by state Medicaid and other funded programs as well as in some cases to all payors. In certain circumstances, insurance companies attempt to bring a private cause of action against a manufacturer for causing false claims. In addition, as a manufacturer of U.S. FDA-approved devices reimbursable by federal healthcare programs, we are subject to the Physician Payments Sunshine Act, which requires us to annually report certain payments and other transfers of value we make to U.S. licensed physicians, certain allied health professionals, and U.S. teaching hospitals. Any failure to comply with these laws and regulations could subject us or our officers and employees to criminal and civil financial penalties.

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

***We are substantially dependent on patent and other proprietary rights and failing to protect such rights or to be successful in litigation related to our rights or the rights of others may result in our payment of significant monetary damages and/or royalty payments, negatively impacting our ability to sell current or future products.***

We are substantially dependent on patent and other proprietary rights and rely on a combination of patents, trademarks, tradenames, copyrights, trade secrets, and agreements (such as employee and non-disclosure) to protect our business and proprietary intellectual property. We also operate in an industry characterized by extensive intellectual property litigation. Intellectual property litigation can result in significant damage awards and injunctions that could prevent our manufacture and sale of affected products or require us to pay significant royalties in order to continue to manufacture or sell affected products. At any given time, we are generally involved as both a plaintiff and a defendant in a number of intellectual property actions, the outcomes of which may not be known for prolonged periods of time. While it is not possible to predict the outcome of intellectual property litigation, it is possible that the results of such litigation could require us to pay significant monetary damages and/or royalty payments, negatively impact our ability to sell current or future products, or that enforcement actions to protect our patent and proprietary rights against others could be unsuccessful, any of which could have a material adverse impact on our business, results of operations, financial condition, and cash flows. In addition, any public announcements related to litigation or administrative proceedings initiated or threatened against us could cause our stock price to decline.

While we intend to defend against any threats to our intellectual property, our patents, trademarks, tradenames, copyrights, trade secrets or agreements (such as employee, non-disclosure and non-competition agreements) may not adequately protect our intellectual property. Further, pending patent applications may not result in patents being issued to us, patents issued to or licensed by us may be challenged or

circumvented by competitors and such patents may be found invalid, unenforceable or too limited in scope to protect our technology or provide us with any competitive advantage. In addition, our patents will expire over time, our ability to protect novel business models is uncertain, and infringement may go undetected. Third parties could obtain patents that may require us to negotiate licenses to conduct our business, and such licenses may not be available on reasonable terms or at all. In addition, license agreements could be terminated. We also rely on non-disclosure and non-competition agreements with certain employees, consultants and other parties to protect, in part, trade secrets and other proprietary rights. We cannot be certain that these agreements will not be breached, that such provisions will be enforceable, that we will have adequate remedies for any breach, that others will not independently develop substantially equivalent proprietary information, or that third parties will not otherwise gain access to our trade secrets or proprietary knowledge. Moreover, in the U.S. the Federal Trade Commission and various states have adopted laws and regulations that purport to ban or severely restrict the use of non-competition agreements, which may limit our ability to use and enforce non-competition agreements with employees.

In addition, the laws of certain countries in which we market or manufacture some of our products do not protect our intellectual property rights to the same extent as the laws of the U.S., which could make it easier for competitors to capture market position. For example, business in China comprises approximately seven percent of our total turnover. This may increase our vulnerability to our technology being reverse engineered or our trade secrets being compromised. If we are unable to protect our intellectual property in China or other countries, it could have a material adverse effect on our business, results of operations, financial condition, and cash flows. Competitors also may harm our turnover by designing products that substantially mirror the capabilities of our products or technology without infringing our intellectual property rights.

***Healthcare policy changes may have a material adverse effect on us.***

There have been and continue to be actions and proposals by several governments, regulators and third-party payors globally, including the U.S. federal and state governments and the government in China, to control healthcare costs and, more generally, to reform healthcare systems. Certain of these actions and proposals, among other things, limit the prices we are able to charge for our products or the amounts of reimbursement available for our products, increase the importance of our ability to compete on cost, and could limit the acceptance and availability of our products. These actions and proposals could have a material adverse effect on our business, results of operations, financial condition, and cash flows.

***We rely on the proper function, security and availability of our information technology systems and data, as well as those of third parties throughout our global supply chain and our customer and payor base, to operate our business, and a breach, cyber-attack or other disruption to these systems or data could materially and adversely affect our business, results of operations, financial condition, cash flows, reputation or competitive position.***

We are increasingly dependent on sophisticated information technology systems to operate our business. That technology includes systems that could be used to process, transmit and store sensitive data. Additionally, many of our products and services include integrated software and information technology that collects data regarding patients or connects to other internal systems. One of the most prevalent attacks on large organizations has been ransomware which can have a devastating impact on an organization's operations. Our ransomware readiness program has required and will continue to require investment and will not guarantee that we will be immune from an incident or be able to respond rapidly enough to prevent a negative impact on our business. Like all organizations, we routinely experience attempted interference with the integrity of, and interruptions in, our technology systems via events such as cyber-attacks, malicious intrusions, or other breakdowns. The consequences could mean data breaches, interference with the integrity of our products and data, compromise of intellectual property or other proprietary information, or other significant disruptions. Furthermore, we rely on third-party vendors to supply and/or support certain aspects of our information technology systems and resulting products, and customers and payors use information technology systems to process payments relating to our products and services. These third-party systems could also become vulnerable to cyber-attack, malicious intrusions, breakdowns, interference, or other significant disruptions, and may contain defects in design or manufacture or other problems that could result in system disruption or compromise the information security of our own systems. In addition, our global profile and international operations expose us to geopolitical events or issues which may increase cybersecurity risks on a global basis. Lastly, we continue to grow in part through new business acquisitions and, as a result, may face risks associated with defects and vulnerabilities in acquired businesses' systems, or difficulties or other breakdowns or disruptions in connection with the integration of the acquisitions into our information technology systems.

Our worldwide operations mean that we are subject to laws and regulations, including data protection and cybersecurity laws and regulations, in many jurisdictions. The variety of U.S. and international privacy and cybersecurity laws and regulations impacting our operations are described in "Item 1. Business" – *Other Factors Impacting Our Operations – Data Privacy and Security Laws and Regulations*. Any data security breaches, cyber-attacks, malicious intrusions or significant disruptions could result in actions by regulatory bodies and/or civil litigation, any of which could materially and adversely affect our business, results of operations, financial condition, cash flows, reputation, or competitive position.

In addition, our information technology systems require an ongoing commitment of significant resources to maintain, protect, and enhance existing systems and develop new systems. We experience continuing changes in information processing technology, legal and regulatory standards, patient and customer information use cases, techniques used to obtain unauthorized access to data and information systems, and

the information technology needs associated with our changing products and services. We also face business and regulatory risks relating to our use of AI systems in our business operations and products. These systems are susceptible to flaws, biases, malfunctions or manipulations, which may disrupt our operations, result in erroneous decision-making, elevate our cyber risk profile, or expose us to penalties from non-compliance with emerging regulations. There can be no assurance that our efforts to keep pace with continuing changes in information processing technologies, including AI systems, and to deploy these technologies to our business operations and products will be successful or that additional systems issues will not arise in the future.

If our information technology systems, products or services or sensitive data are compromised, there are many consequences that could result. Consequences include, but are not limited to, patients or employees being exposed to financial or medical identity theft or suffering a loss of product functionality, losing existing customers or have difficulty attracting new customers, experiencing difficulty preventing, detecting, and controlling fraud, being exposed to the loss or misuse of confidential information, having disputes with customers, physicians, and other healthcare professionals, suffering regulatory sanctions or penalties under federal laws, state laws, or the laws of other jurisdictions, experiencing increases in operating expenses or an impairment in our ability to conduct our operations, incurring expenses or losing turnover as a result of a data privacy breach, product failure, information technology outages or disruptions, or suffering other adverse consequences including lawsuits or other legal action and damage to our reputation.

***The failure to comply with anti-corruption laws could materially adversely affect our business and result in civil and/or criminal sanctions.***

The U.S. FCPA, the Irish Criminal Justice (Corruption Offences) Act 2018, and similar anti-corruption laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business and to ensure adequate internal controls, books, and records. Because of the predominance of government-administered healthcare systems in many jurisdictions around the world, many of our customer relationships outside of the U.S. are with governmental entities and are therefore potentially subject to such laws. We also participate in public-private partnerships and other commercial and policy arrangements with governments around the globe.

Global enforcement of anti-corruption laws has increased in recent years, including investigations and enforcement proceedings leading to assessment of significant fines and penalties against companies and individuals. Our international operations create a risk of unauthorized payments or offers of payments by one of our employees, consultants, sales agents, or distributors. We maintain various controls aligned with legal requirements to prevent and prohibit improper practices, including policies, programs, and training for our employees and third-party intermediaries acting on our behalf. However, existing safeguards and any future improvements may not always be effective, and our employees, consultants, sales agents or distributors may engage in conduct for which we could be held responsible. In addition, regulators could seek to hold us liable for conduct committed by companies in which we invest or that we acquire. Any alleged or actual violations of these regulations may subject us to government scrutiny, criminal or civil sanctions and other liabilities, including exclusion from government contracting, and could disrupt our business, adversely affect our reputation and result in a material adverse effect on our business, results of operations, financial condition, and cash flows.

***Laws and regulations governing international business operations could adversely impact our business.***

The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) and the U.S. Commerce Department's Bureau of Industry and Security (BIS) administer certain laws and regulations that restrict U.S. persons and, in some instances, non-U.S. persons, in conducting activities, transacting business with, or making investments in, certain countries, governments, entities and individuals subject to U.S. economic sanctions or export restrictions. Our international operations subject us to these laws and regulations, which are complex, restrict our business dealings with certain countries, governments, entities, and individuals, and are constantly changing. Further restrictions may be enacted, amended, enforced or interpreted in a manner that materially impacts our operations.

From time to time, certain of our subsidiaries have limited business dealings in countries subject to comprehensive sanctions, including Iran, Syria, Cuba, and the region of Crimea, as well as Russia and Belarus. Certain of our subsidiaries sell medical devices, and may provide related services, to distributors and other purchasing bodies in such countries or regions. These business dealings represent an insignificant amount of our consolidated turnover and profit, but expose us to a heightened risk of violating applicable sanctions regulations. Violations of these regulations are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts and revocations or restrictions of licenses, as well as criminal fines and imprisonment. We have established policies and procedures designed to assist with our compliance with such laws and regulations. However, such regulations may impact our ability to continue operations in certain countries and require additional licenses which we may not be able to obtain or maintain. There can be no assurance that our policies and procedures will prevent us from violating these regulations in every transaction in which we may engage, and such a violation could adversely affect our reputation, business, results of operations, financial condition, and cash flows.

***Climate change, or legal, regulatory or market measures to address climate change may materially adversely affect our financial condition and business operations.***

Climate change resulting from increased concentrations of carbon dioxide and other greenhouse gases in the atmosphere presents risks to our current and future operations. We face current and long-term operational risks and have in the past experienced business interruptions

from severe weather events and other natural conditions, such as hurricanes, tornadoes, droughts, extreme temperatures, wildfires or flooding. Such severe weather events caused by or related to climate change or other conditions caused by natural disasters have in the past and could in the future increase our operational costs, pose physical risks to our facilities and adversely impact our supply chain, including: manufacturing and distribution networks, the availability and cost of raw materials and components, energy supply, transportation, or other inputs necessary for the operation of our business. The impacts of climate change on global water resources may result in water scarcity, which could impact our ability to access sufficient quantities of water in certain locations and result in increased costs. Although it is difficult to predict and adequately prepare to meet the challenges to our business posed by climate change, concerns over climate change also could result in new laws or regulations that are more stringent than current legal or regulatory requirements, and we may experience increased compliance burdens and costs to meet the regulatory obligations as well as adverse impacts on raw material sourcing, manufacturing operations and the distribution of our products.

***We are subject to environmental laws and regulations and the risk of environmental liabilities, violations and litigation.***

We are subject to environmental, health, and safety laws, and regulations concerning, among other things, the generation, handling, transportation, and disposal of hazardous substances or wastes, the remediation of hazardous substances or materials at various sites, and emissions or discharges into the land, air or water. We are further subject to numerous laws and regulations concerning, among other things, chemical constituents in medical products and end-of-life disposal and take-back programs for medical devices. Our operations and those of certain third-party suppliers involve the use of substances subject to these laws and regulations, primarily those used in manufacturing and sterilization processes. If we or our suppliers violate these environmental laws and regulations, facilities could be shut down and violators could be fined, or otherwise sanctioned. New laws and regulations, violations of these laws or regulations, stricter enforcement of existing requirements, or the discovery of previously unknown contamination could require us to incur costs or could become the basis for new or increased liabilities that could be material.

***We are subject to risks related to our environmental, social and governance (ESG) practices and initiatives.***

There is continued focus from our stakeholders, as well as regulatory authorities in the U.S., E.U. and other global jurisdictions in which we operate, on ESG practices and disclosure. If we do not succeed in meeting or are perceived as not meeting, stated goals and objectives, in any number of ESG matters, such as environmental stewardship, ID&E initiatives, supply chain practices, good corporate governance, workplace conduct and support for local communities, or if we do not effectively respond to new or revised legal, regulatory or reporting requirements concerning climate change or other sustainability concerns, we may be subject to regulatory fines and penalties, our reputation or the reputation of our brands may suffer, we may be unable to attract and retain top talent, and our stock price may be negatively affected. In addition, enhanced and sometimes conflicting ESG laws, regulations and expectations in the jurisdictions in which we do business may increase compliance burdens and costs for third parties throughout our global supply chain, which could cause disruption in the sourcing, manufacturing and distribution of our products and adversely affect our business, financial condition or results of operations.

Further, we have made several public disclosures of objectives and targets (targets) relating to product stewardship, ID&E, patient safety and product quality, access and innovation, and climate stewardship, including our ambition to be carbon neutral in our operations by 2030 and to achieve net zero emissions by 2045. Although we intend to achieve these targets, we may be required to expend significant resources to do so, which could increase our operational costs. In addition, there can be no assurance of the extent to which any of our targets will be achieved, or that any future investments we make to achieve such targets will meet investor, legal and/or any other regulatory expectations and requirements. If we are unable to meet our targets, we may face litigation and could incur regulatory fines and penalties or adverse publicity and reaction from investors, advocacy groups or other stakeholders that may adversely impact our business, demand for our products and services, and/or our financial condition and results of operations.

***Our insurance program may not be adequate to cover future losses.***

We have elected to self-insure most of our insurable risks across the Group, and we made this decision based on cost and availability factors in the insurance marketplace. We manage and maintain a portion of our self-insured program through a wholly-owned captive insurance company. We continue to maintain a directors and officers liability insurance policy with third-party insurers that provides coverage for the directors and officers of the Group. We continue to monitor the insurance marketplace to evaluate the value of obtaining insurance coverage for other categories of losses in the future. Although we believe, based on historical loss trends, that our self-insurance program accruals and our existing insurance coverage will be adequate to cover future losses, historical trends may not be indicative of future losses. The absence of third-party insurance coverage for other categories of losses increases our exposure to unanticipated claims and these losses could have a material adverse impact on our business, results of operations, financial condition, and cash flows.

***Changes in tax laws or exposure to additional income tax provisions could have a material impact on our business, results of operations, financial condition and cash flows.***

The Organization for Economic Co-operation and Development (OECD) published Pillar Two Model Rules defining the global minimum tax, which calls for the taxation of large multinational corporations at a minimum rate of 15% in each jurisdiction in which the Group operates. The OECD has since issued administrative guidance providing transition and safe harbor rules around the implementation of the Pillar Two global minimum tax. A number of countries, including Ireland, have enacted legislation to implement the core elements of Pillar

Two, which will be effective for Medtronic in fiscal year 2025. We continue to evaluate the impacts of the enacted Pillar Two legislation. The tax laws, inclusive of Pillar Two legislation, in the U.S., Ireland and other countries in which we and our affiliates do business could change on a prospective or retroactive basis, and any such changes could have a material impact on our business, results of operations, financial condition, and cash flows.

We are subject to ongoing tax audits in the various jurisdictions in which we operate. Tax authorities may disagree with certain positions we have taken and assess additional taxes. We regularly assess the likely outcomes of these audits in order to determine the appropriateness of our tax provision. However, there can be no assurance that we will accurately predict the outcomes of these audits, and the actual outcomes of these audits could have a material impact on our business, results of operations, financial condition, and cash flows.

We have recorded reserves for potential payments of tax to various tax authorities related to uncertain tax positions. However, the calculation of such tax provisions involves the application of complex tax laws, regulations and treaties (where applicable) in many jurisdictions. Therefore, any dispute with a tax authority may result in a payment that is significantly different from current estimates. If payment of these amounts ultimately proves to be less than the recorded amounts, the reversal of the provisions generally would result in tax benefits being recognized in the period when we determine the provisions are no longer necessary. If our estimate of tax provisions proves to be less than the amount for which it is ultimately liable, we would incur additional charges, and such charges could have a material adverse effect on our business, results of operations, financial condition, and cash flows.

***The outcome of Medtronic, Inc.'s U.S. tax litigation could have a material adverse impact on our financial condition.***

In March 2009, the IRS issued its audit report for Medtronic, Inc. for fiscal years 2005 and 2006. Medtronic, Inc. reached agreements with the IRS on some, but not all matters related to these fiscal years. The remaining unresolved issue for fiscal years 2005 and 2006 relates to the allocation of profit between Medtronic, Inc. and its wholly-owned subsidiary operating in Puerto Rico, which is one of our key manufacturing sites. The Tax Court issued its opinion in August 2022, the IRS filed a Notice of Appeal to the U.S. Court of Appeals for the Eighth Circuit in September 2023, and Medtronic subsequently filed a cross-appeal in October 2023. An adverse outcome in this matter could materially and adversely affect our business, results of operations, financial condition, and cash flows. See Note 4 to the consolidated financial statements for further information.

***Future potential changes to the U.S. tax laws could result in us being treated as a U.S. corporation for U.S. federal tax purposes, and the IRS may not agree with the conclusion that we should be treated as a foreign corporation for U.S. federal taxation purposes.***

Because Medtronic plc is organized under the laws of Ireland, we would generally be classified as a foreign corporation under the general rule that a corporation is considered tax resident in the jurisdiction of its organization or incorporation for U.S. federal taxation purposes. Even so, the IRS may assert that we should be treated as a U.S. corporation (and, therefore, a U.S. tax resident) for U.S. federal taxation purposes pursuant to Section 7874 of the U.S. Internal Revenue Code of 1986, as amended (the Code). In addition, a retroactive change to U.S. tax laws in this area could change this classification. If we were to be treated as a U.S. corporation for federal taxation purposes, we could be subject to substantially greater U.S. tax provision than currently contemplated as a non-U.S. corporation.

***Legislative or other governmental action relating to the denial of U.S. federal or state governmental contracts to U.S. companies that redomicile abroad could adversely affect our business.***

Various U.S. federal and state legislative proposals that would deny governmental contracts to U.S. companies that move their corporate location abroad may affect us. We are unable to predict the likelihood that, or final form in which, any such proposed legislation might become law, the nature of the regulations that may be promulgated under any future legislative enactments, or the effect such enactments and increased regulatory scrutiny may have on our business.

**Risks Relating to Our Jurisdiction of Incorporation**

***We are incorporated in Ireland, and Irish law differs from the laws in effect in the U.S. and may afford less protection to holders of our securities.***

Our shareholders may have more difficulty protecting their interests than would shareholders of a corporation incorporated in a jurisdiction of the United States. It may not be possible to enforce court judgments obtained in the U.S. against us in Ireland based on the civil liability provisions of the U.S. federal or state securities laws. In addition, there is some uncertainty as to whether the courts of Ireland would recognize or enforce judgments of U.S. courts obtained against us or our directors or officers based on the civil liabilities provisions of the U.S. federal or state securities laws or hear actions against us or those persons based on those laws. We have been advised that the U.S. currently does not have a treaty with Ireland providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any U.S. federal or state court based on civil liability, whether or not based solely on U.S. federal or state securities laws, would not automatically be enforceable in Ireland.

As an Irish company, we are governed by the Irish Companies Act 2014, which differs in some material respects from laws generally applicable to U.S. corporations and shareholders, including, among others, differences relating to interested director and officer transactions and shareholder lawsuits. Likewise, the duties of directors and officers of an Irish company generally are owed to the company only.



Shareholders of Irish companies generally do not have a personal right of action against directors or officers of the company and may exercise such rights of action on behalf of the company only in limited circumstances. Accordingly, holders of our securities may have more difficulty protecting their interests than would holders of securities of a corporation incorporated in the U.S.

***As an Irish public limited company, certain capital structure decisions require shareholder approval, which may limit Medtronic's flexibility to manage its capital structure.***

Under Irish law, our authorized share capital can be increased by an ordinary resolution of our shareholders and the directors may issue new ordinary or preferred shares, without shareholder approval, once authorized to do so by our articles of association or by an ordinary resolution of our shareholders. Additionally, subject to specified exceptions, Irish law grants statutory preemption rights to existing shareholders where shares are being issued for cash consideration but allows shareholders to disapply such statutory preemption rights either in our articles of association or by way of special resolution. Such disapplication can either be generally applicable or be in respect of a particular allotment of shares. Accordingly, at our 2023 Annual General Meeting, our Shareholders authorized our Board of Directors to issue up to 20% of our issued ordinary shares and further authorized our Board of Directors to issue such shares for cash without first offering them to our existing shareholders. Both of these authorizations will expire on April 19, 2025, unless renewed by shareholders for a further period. We anticipate seeking new authorizations at our 2024 Annual General Meeting and in subsequent years. We cannot provide any assurance that these authorizations will always be approved, which could limit our ability to issue equity and thereby adversely affect the holders of our securities.

***A transfer of our shares, other than ones effected by means of the transfer of book-entry interests in the Depository Trust Company, may be subject to Irish stamp duty.***

Transfers of our shares effected by means of the transfer of book entry interests in the Depository Trust Company (DTC) will not be subject to Irish stamp duty. However, if a shareholder holds our shares directly rather than beneficially through DTC, any transfer of shares could be subject to Irish stamp duty (currently at the rate of 1% of the higher of the price paid or the market value of the shares acquired). Payment of Irish stamp duty is generally a legal obligation of the transferee. The potential for stamp duty could adversely affect the price of shares.

***In certain limited circumstances, dividends we pay may be subject to Irish dividend withholding tax and dividends received by Irish residents and certain other shareholders may be subject to Irish income tax.***

In certain limited circumstances, dividend withholding tax (currently at a rate of 25%) may arise in respect of dividends paid on our shares. A number of exemptions from dividend withholding tax exist such that shareholders resident in the U.S. and other specified countries that have a tax treaty with Ireland may be entitled to exemptions from dividend withholding tax.

Shareholders resident in the U.S. that hold their shares through DTC will not be subject to dividend withholding tax, provided the addresses of the beneficial owners of such shares in the records of the brokers holding such shares are recorded as being in the U.S. (and such brokers have further transmitted the relevant information to a qualifying intermediary appointed by us). However, other shareholders may be subject to dividend withholding tax, which could adversely affect the price of their shares.

Shareholders entitled to an exemption from Irish dividend withholding tax on dividends received from us will not be subject to Irish income tax in respect of those dividends unless they have some connection with Ireland other than their shareholding in our Group (for example, they are resident in Ireland). Shareholders who are not resident nor ordinarily resident in Ireland, but who receive dividends subject to Irish dividend withholding tax, will generally have no further liability to Irish income tax on those dividends.

***Our shares received by means of a gift or inheritance could be subject to Irish capital acquisitions tax.***

Irish capital acquisitions tax (CAT) could apply to a gift or inheritance of our shares irrespective of the place of residence, ordinary residence or domicile of the parties. This is because our shares will be regarded as property situated in Ireland. The person who receives the gift or inheritance has primary liability for CAT. Gifts and inheritances passing between spouses are exempt from CAT. Children currently have a tax-free threshold of €335,000 in respect of taxable gifts or inheritances received from their parents.

## **Economic and Industry Risks**

***Changes in the prices of our goods and services, customer purchasing patterns and stocking dynamics, and/or inflationary costs may have a material adverse effect on our business, results of operations, financial condition, and cash flows.***

We have had, and may continue to have, periods when prices for certain of our goods and services decrease due to pricing pressure from managed care organizations and other third-party payors on our customers; increased market power of our customers as the healthcare industry consolidates; periodic variation in timing, volume, and pricing associated with customer purchasing patterns and stocking dynamics; and increased competition among medical engineering and manufacturing services providers. We have also recently experienced, and may continue to experience, rising costs due to inflation. If the prices for our goods and services change for any reason or inflation

continues to rise, we may be unable to sufficiently reduce our expenses or offset rising costs through increased prices to customers. As a result, our business, results of operations, financial condition, and cash flows may be adversely affected.

***We are subject to a variety of risks associated with global operations that could adversely affect our profitability and operating results.***

We develop, manufacture, distribute and sell our products globally. We intend to continue to expand our operations and to pursue growth opportunities outside the U.S., especially in emerging markets. Operations in different countries including emerging markets could expose us to additional and greater risks and potential costs, including:

- fluctuations in currency exchange rates,
- healthcare reform legislation,
- the need to comply with different regulatory regimes worldwide that are subject to change and that could restrict our ability to manufacture and sell our products,
- local product preferences and product requirements,
- longer-term receivables than are typical in the U.S.,
- economic sanctions, export controls, trade protection measures, tariffs and other border taxes, and import or export licensing requirements,
- less intellectual property protection in some countries outside the U.S. than exists in the U.S.,
- different labor regulations and workforce instability,
- political and economic instability, including as a result of armed conflicts and insurrections,
- restrictions on local currency conversion or cash extraction,
- potentially negative consequences from changes in or interpretations of tax laws, and
- economic instability and inflation, recession or interest rate fluctuations.

The ongoing global economic competition and trade tensions between the U.S. and China present risk to Medtronic. Although we have been able to mitigate some of the impact on Medtronic from increased duties imposed by both sides (through petitioning both governments for tariff exclusions and other mitigations), the risk remains of additional tariffs and other kinds of restrictions. Tariff exclusions awarded to Medtronic by the U.S. Government require periodic renewal, and policies for granting exclusions could shift. The U.S. and China, which comprises approximately seven percent of our total turnover, could impose other types of restrictions such as limitations on government procurement or technology export restrictions, which could affect Medtronic's access to the markets.

The Russia-Ukraine conflict and resulting sanctions and export restrictions are creating barriers to doing business in Russia and Belarus and adversely impacting global supply chains. While we have no manufacturing, distribution or direct material suppliers in the region, we continue to closely monitor the potential raw material/sub-tier supplier impact in both Russia and Ukraine including materials like palladium and neon, which are both dependent on Russia supply. Additional sanctions, export restrictions, and potential countermeasures within Russia, along with geopolitical shifts in Asia and disruptions relating to Israel's conflict in Gaza, may lead to greater uncertainty that could cause additional adverse impacts on global supply chains and our business, results of operations, financial condition, and cash flows.

More generally, several governments including the U.S. have raised the possibility of policies to induce "re-shoring" of supply chains, less reliance on imported supplies, and greater national production. Examples include potential "Buy America" requirements in the U.S. If such steps triggered retaliation in other markets restricting access to foreign products in purchases by their government-owned healthcare systems, the result could be a significant impact on Medtronic.

Other significant changes or disruptions to international trade arrangements, such as termination or modifications of other existing trade agreements, may adversely affect our business, results of operations, financial condition, and cash flows. In addition, a significant amount of our trade debtors are with national healthcare systems in many countries. Repayment of these trade debtors is dependent upon the political and financial stability of those countries. In light of these global economic fluctuations, we continue to monitor the creditworthiness of customers. Failure to receive payment of all or a significant portion of our trade debtors' balances could adversely affect our business, results of operations, financial condition, and cash flows.

Finally, changes in currency exchange rates may impact the reported value of our turnover, expenses, and cash flows. In addition, the impact of currency devaluations in countries experiencing significant currency exchange fluctuations could negatively impact the Group's operating results. We cannot predict changes in currency exchange rates, the impact of exchange rate changes, nor the degree to which we will be able to manage the impact of currency exchange rate changes.

***Market disruptions resulting in diminished liquidity, or healthcare professional and staff strikes or other work stoppages, could adversely affect our turnover, results of operation, or financial condition.***

Disruptions in international markets and supporting financial services and uncertainty about economic conditions (for instance, resulting from credit scarcity, geopolitical risks and sovereign debt deterioration), have in the past caused periods of tightened credit availability and increased volatility in liquidity and borrowing terms. If these conditions were to recur or worsen, we may experience reduced demand for a number of our products. We also could experience reduced turnover and profits due to delayed payments or the insolvency of healthcare professionals, hospitals and other customers, suppliers and vendors who experience liquidity issues, including as a result of cybersecurity incidents impacting private and government health insurance payors. In addition, healthcare professional and staff strikes or other work stoppages have in the past and may in the future cause reduced demand for our products. As a result, our business, results of operations, financial condition, and cash flows could be adversely affected.

***Consolidation in the healthcare industry and the growing prevalence of ambulatory surgery centers (ASCs) could have an adverse effect on our turnover and results of operations.***

Many healthcare industry companies, including healthcare systems, distributors, manufacturers, providers, and insurers, are consolidating or have formed strategic alliances. As the healthcare industry consolidates, competition to provide goods and services to industry participants will become more intense. Further, this consolidation creates larger enterprises with greater negotiating power, which can be used to negotiate price concessions. In addition, the movement of procedures to ASCs could also create downward pricing pressure. If we must reduce our prices because of industry consolidation or ASC procedures, or if we lose customers as a result of consolidation or ASC procedures, our business, results of operations, financial condition, and cash flows could be adversely affected.

***Healthcare industry cost-containment measures could result in reduced turnover of our medical devices and medical device components.***

Most of our customers, and the healthcare providers to whom our customers supply medical devices, rely on third-party payors, including government programs and private health insurance plans, to reimburse some or all of the cost of the procedures in which medical devices that incorporate components we manufacture or assemble are used. The continuing efforts of governmental authorities, insurance companies and other payors of healthcare costs to contain or reduce these costs could lead to patients being unable to obtain approval for payment from these third-party payors. If third-party payor payment approval cannot be obtained by patients, turnover of finished medical devices that include our components may decline significantly and our customers may reduce or eliminate purchases of our components. The cost-containment measures that healthcare providers are instituting, both in the U.S. and outside of the U.S., could harm our ability to operate profitably. For example, managed care organizations have successfully negotiated volume discounts for pharmaceuticals, and GPOs and IDNs have also concentrated purchasing decisions for some customers, which has led to downward pricing pressure for medical device companies, including us.

## **Directors**

Craig Arnold, Scott C. Donnelly, Lidia Fonseca, Andrea J. Goldsmith, Randall J. Hogan, III, Gregory P. Lewis, Kevin E. Lofton, Geoffrey S. Martha, Elizabeth G. Nabel, Denise M. O'Leary, and Kendall J. Powell served as directors of the Group during fiscal year 2024, and each of their terms expire at the 2024 annual general meeting of shareholders. Mr. Lewis' and Ms. Fonseca's service as directors of the Group became effective during fiscal year 2024 and 2023, respectively. Richard H. Anderson's service ended on October 19, 2023. There were no other changes in directors holding office in fiscal years 2024 or 2023.

## Directors' and Corporate Secretary's Interests in Shares

The interests of the Directors and corporate secretary holding office at April 26, 2024 and April 28, 2023 in the ordinary shares of the Group were as follows:

	April 26, 2024		April 28, 2023	
	Ordinary Shares	Options/Share Units <sup>(1)</sup>	Ordinary Shares	Options/Share Units <sup>(1)</sup>
<b>Directors:</b>				
Richard H. Anderson <sup>(2)</sup>	—	—	85,138	33,607
Craig Arnold	34,307	1,997	32,722	1,754
Scott C. Donnelly	13,167	4,468	11,101	4,134
Lidia Fonseca	—	1,680	—	—
Andrea J. Goldsmith	4,339	1,997	2,745	1,754
Randall J. Hogan, III	41,119	1,997	39,534	1,754
Gregory P. Lewis <sup>(3)</sup>	—	—	—	—
Kevin E. Lofton	2,262	1,997	677	1,754
Geoffrey S. Martha	55,524	1,569,472	30,359	1,275,798
Elizabeth G. Nabel	11,706	1,997	10,121	1,754
Denise M. O'Leary	37,593	37,494	36,009	36,070
Kendall J. Powell	17,487	26,386	15,902	25,332
<b>Corporate Secretary:</b>				
Ivan K. Fong	11,553	388,606	7,126	333,386

- (1) Includes unvested and vested stock options, unvested restricted stock units, unvested performance share units, and deferred stock units. For the performance share units, the number of shares earned at the end of the three-year period will vary, based on actual performance, from 0% to 200% of the target number of performance share units granted. Refer to Note 21 of the consolidated financial statements for more information.
- (2) Mr. Anderson served as a director until October 19, 2023, and as such, his April 26, 2024 balances disclose zero interests as he was not a director at the end of fiscal year 2024.
- (3) Mr. Lewis became a director of the Group on June 26, 2023. Mr. Lewis did not have any awards during fiscal year 2024.

## Audit Committee

The Company has an audit committee and therefore meets the requirements of Section 167 of the Companies Act 2014.

## Disclosure of Information to Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's statutory auditor is unaware, and
- that director has taken all steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's statutory auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 330 of the Companies Act 2014.

## Political Donations

No political contributions that require disclosure under Irish law were made during fiscal years 2024 or 2023.

## Dividends

Ordinary cash dividends declared and paid during fiscal years 2024 and 2023 were \$3.7 billion and \$3.6 billion, respectively. On a per share basis, ordinary cash dividends declared and paid totaled \$0.69 per share for each quarter of fiscal year 2024 and \$0.68 per share for each quarter of fiscal year 2023. The timing, declaration, and payment of future dividends to holders of the Group's ordinary shares falls within the discretion of the Directors and depends upon many factors, including the statutory requirements of Irish law, the Group's profit and financial condition, the capital requirements of the Group's businesses, industry practice and any other factors the Directors deem relevant.

## Ordinary Share Redemptions

In March 2019, the Directors authorized \$6.0 billion for redemption of the Group's ordinary shares. In March 2024, the Company's Board of Directors authorized an incremental \$5.0 billion for share redemption. There is no specific time-period associated with these authorizations. The Group's redemption of ordinary shares is part of our commitment to return capital to shareholders. At April 26, 2024, we had approximately \$5.3 billion remaining under the share redemption program. Upon redemption, shares are cancelled by us, therefore, we did not hold any treasury shares at April 26, 2024 or April 28, 2023.

The following redemptions were made under the share redemption plan during fiscal year 2024:

Fiscal Year 2024	Total Number of Ordinary Shares Purchased	Nominal Value (in millions)	Average Price Paid per Share	Total Consideration Paid (in millions)	Maximum Approximate Dollar Value of Shares that may yet be Purchased Under the Program
Quarter 1	1,696,668	\$ —	\$ 87.35	\$ 148	2,229,920,199
Quarter 2	2,337,732	—	80.68	189	2,041,307,423
Quarter 3	1,598,724	—	77.66	124	1,917,143,426
Quarter 4	19,467,421	—	83.39	1,623	5,293,724,420
Total	<u>25,100,545</u>	<u>\$ —</u>		<u>\$ 2,084</u>	

## Going Concern

The Directors have formed a judgment at the time of approving the financial statements that there is a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for at least the next twelve-month period extending from the time of approving the financial statements. The Directors have considered uncertainties driven by certain macro-economic and geopolitical factors in its impact in their going concern assessment as these could negatively impact our business.

These uncertainties include, but are not limited to, demand for our products, customers' and suppliers' financial condition, supply chain challenges from time to time, levels of liquidity, the availability of credit facilities, and our ongoing compliance with debt covenants. The Group prepared cash flow forecasts covering a period of at least twelve months from the date of approval of these financial statements in assessing the potential impact of these uncertainties on our liquidity. This assessment included consideration of the forecasted business performance, the cash and financial facilities available to the Group, and certain macro-economic and geopolitical factors listed above. The Group continues to expect that existing cash at bank and in hand, the cash generated by our operations, our available credit facility, as well as our expected ability to access the capital and debt markets will be sufficient to fund the Group's operating and capital needs for at least the next twelve months. To their knowledge, the Directors reasonably believe that these uncertainties would not have a material impact on our ability to continue as a going concern as of the financial statements' approval date.

Having regard to the Group's assessment of its ability to fund its expected operating and capital needs the Directors are satisfied that it is appropriate that the going concern basis continues to be adopted in the preparation of the Consolidated Financial Statements and the Company Financial Statements. The Directors understand the importance of continuing to monitor future developments related to certain macro-economic and geopolitical factors listed above.

## Future Developments

As a global healthcare technology leader, we are evolving our business strategy in four key areas, as further defined in the Principal Activities section of this Directors' Report. Refer to the Principal Activities section for more information.

## Significant Events Since Year End

Subsequent events have been evaluated through August 27, 2024, the date this report was approved by the Directors and the Group's Audit Committee. There were no adjustments made to the consolidated financial statements based on subsequent events.

Subsequent to year-end, on June 3, 2024, Medtronic Inc. issued four tranches of EUR-denominated Senior Notes with an aggregate principal of €3.0 billion, with maturities ranging from fiscal year 2030 to 2054, resulting in cash proceeds of approximately \$3.2 billion, net of discounts and issuance costs. Refer to Note 17 for further information on the issuance.

## Subsidiary Companies and Branches

Information regarding subsidiary undertakings, including information regarding branches, is provided in Note 26 to the consolidated financial statements.

## **Auditors**

The statutory Auditor, PricewaterhouseCoopers, Chartered Accountants and Statutory Audit Firm, has indicated their willingness to continue in office and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

## **Non-Financial Statement**

These non-financial information disclosures are included for the purpose of complying with European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017, Statutory Instrument 360 of 2017, as amended by Statutory Instrument 410 of 2018.

### ***Business Model***

Information regarding the Group's business model is presented in the Principal Activities section of this Directors' Report.

### ***Human Capital***

#### **Medtronic Workforce Overview**

The Group's employees deliver on our Mission every day. We empower insight-driven care, experiences that put people first, and better outcomes for our world. In everything we do, we are engineering the extraordinary. We strive to be the employer of choice for the best and brightest global talent, where employees can grow and develop fulfilling careers. We aspire to create a truly inclusive, diverse, and equitable workplace that fosters innovation and creativity, and where every employee feels a sense of belonging and well-being. The Group has 95,000+ full-time employees, of which 44% are based in the U.S. or Puerto Rico.

#### **Inclusion, Diversity & Equity**

We believe that improving health for people from all walks of life depends on our ability to unleash the creative power of our diverse global employees. By breaking down barriers to Inclusion, Diversity and Equity (ID&E), we open doors for everyone, driving progress and prosperity around the world. We integrate ID&E principles throughout the Group to ensure every operating unit, team, and leader recognizes and celebrates the value of diverse experiences and backgrounds. As of the end of fiscal year 2024, 41% of our U.S. workforce is ethnically diverse; women comprise 51% of our global workforce; 44% of our manager and above employees are women; and 28% of our U.S. managers are ethnically diverse. Additionally, the Group employee resource groups (ERGs) are employee-led affinity groups that provide career development and networking opportunities for members and strengthen ties between employees of many different backgrounds, cultures, and interests. In fiscal year 2024, there were 13 ERGs and Diversity Networks across 300+ Network and ERG chapters in over 65 countries with more than 35,000 members involved.

#### **Pay Equity**

In our most recent reported period available, in the United States, we have achieved 100% pay equity for gender and ethnically diverse employees. Globally we have achieved 99% pay equity for gender. We are actively working to resolve any remaining pay inequities by continuing to expand the annual pay equity analyses for each country we operate in.

#### **Workforce Compensation**

Our compensation framework is designed to celebrate the value and contributions of our employees. We are committed to transparent communications on compensation. Our competitive approach to compensation reflects industry benchmarks and local market standards. Our programs include annual and long-term equity-based incentives that provide the means to share in the Group's success, based on business and individual performance. To attract and retain the best leaders, we offer competitive benefits and cash and equity incentives. We reward high-performing employees with an ownership stake in the Group through restricted stock, and employees have the opportunity to purchase stock at a significant discount through our Employee Stock Purchase Plan.

#### **Learning & Development**

The skills and dedication of our employees drive our business performance. Our comprehensive professional development programs empower our people to build rewarding careers and help us attract world-class talent from global and diverse populations. Our suite of professional development programs ensures that our employees, regardless of level, location, language or learning preferences, have access to opportunities to develop and grow.

In recent years, we have shifted away from degree requirements to focus on skills-based certification for certain roles within the Group. Additionally, as members of the Multiple Pathways Initiative, we have used a skills-based approach to offering opportunities to expanded pools of external talent that have previously been held back due to lack of access to undergraduate education. Internally, eligible U.S. and Puerto Rico employees can now participate through MAPS (Medtronic Advancement Pathways and Skill-building) in undergraduate

courses from top-tier universities to enhance or obtain new skills, at no cost to the employee. Our change in approach has opened opportunities for employees who have been otherwise restricted from career advancement due to degree requirements.

## **Employee Engagement and Culture**

Through our Organizational Health Survey, we gain valuable insight into the Group employee experience and identify where we can improve in key priority areas: 1) Employee Engagement, 2) Inclusion, 3) Innovation, 4) Ethics and 5) Quality culture as part of our commitment to Put Patients First in our everyday decisions and actions. In our most recent survey ending in the fourth quarter of fiscal year 2024, more than 87% of our employees responded. The Group carefully reviews and implements actions based on employee feedback in order to partner and create an inclusive, innovative and supportive environment.

Our culture, how we show up and get things done, is critical to achieving our vision. The Medtronic Mindset builds on our core values of integrity, quality, inclusion, and collaboration. It urges us to act boldly, compete to win, move with speed and decisiveness, foster belonging, and deliver results... the right way. Our culture helps us meet the needs of our patients and customers, and ensures our Mission endures for many years to come.

## **Health & Safety**

As a large, global employer, our ability to attract and retain talent is based in part on our commitment to maintain a safe workplace and support the well-being of our employees. The Group has a comprehensive approach to providing robust support for our employees and their families in natural disasters, public health crises, civil unrest and armed conflicts, bereavement, and other challenging events. Along with other programs, the Medtronic Employee Assistance Program and the Medtronic Employee Emergency Assistance Fund have historically supported employees and their families when faced with difficult times by providing a variety of services such as mental health, safety, and financial resources and support at no cost. These programs have proven invaluable in navigating our employees through unique challenges, including in fiscal year 2024. The Medtronic Employee Emergency Assistance Fund is supported by donations from employees and the Medtronic Foundation, and over the last five years has provided \$4 million in grants to employees experiencing unexpected events creating a financial hardship.

For more information on Human Capital Management at Medtronic, please refer to our 2023 Sustainability Report as well as Medtronic's 2023 Global Inclusion, Diversity and Equity Report available on our company website.

## **Trade Unions**

We comply with global laws regarding freedom of association and collective bargaining agreements, including participation in work councils. Approximately 9 percent of our workforce were covered by collective bargaining agreements.

The non-financial information included in the following sections is based on our fiscal year 2023 performance disclosed in the 2023 Sustainability Report.

## ***Sustainability Matters***

Every action we take impacts our employees, Group, communities and planet. Our environmental, social, and governance (ESG) strategy guides our broader sustainability efforts, and we prioritize action on our key issues, supported by robust governance, risk assessment, accountability, and ongoing dialogue with our stakeholders.

We embed sustainability throughout our operations, guided by our Sustainability Steering Committee (SSC). Our SSC is led by our CFO and comprises executive committee members from across the Group who oversee our ESG issues. They are joined by vice presidents who lead ESG focus areas or whose work is informed by ESG.

We focus on issues that are aligned with our mission, are important to our stakeholders, and have the potential to significantly impact our business growth, finances, or reputation. Based on this definition, we identified the following sustainability priorities and focus areas where we have a particular opportunity to make a difference:

- **Access & Innovation:** We are increasing the availability of treatment by expanding access through capacity building, infrastructure improvement, regulatory approval, and remote diagnosis or treatment.
- **Patient Safety and Product Quality:** We take our responsibility to patients and caregivers seriously. Our robust quality management system ensures we maintain high-quality manufacturing practices and all new products adhere to rigorous internal and external regulatory standards for design, testing, and safety.
- **Inclusion, Diversity & Equity:** We are advancing the fair treatment and adequate representation of ethnicities and genders through equitable professional opportunities and pay and proactive inclusion of groups facing barriers.

- **Climate and Product Stewardship:** We are committed to implementing policies and responsible practices to minimize our impacts on the climate and play our part in safeguarding the planet. We do this by reducing energy and water use as well as the life cycle impacts of our products and packaging.

In addition to proactively managing our sustainability priorities, we proactively manage the following sustainability risks:

Risks from product quality and patient safety issues:

- Aligned with our commitment to produce safe and effective healthcare technologies for patients, we examined end-to-end quality performance and are making sustainable improvements to ensure we deliver on our Mission.
- We work with a sense of purpose and ownership, knowing that there is a human life on the other side of every decision. In FY23, we launched our Put Patients First initiative with this idea as its core mission, further embedding quality and patient safety into our culture.

Risks from climate change:

- We manage transitional risks by monitoring climate change regulation and treaties, as well as regulations on carbon emissions (including carbon taxes), and continue to install renewable and alternative energy sources as they become more cost-effective and readily available. In preparation for the global transition to a zero-carbon economy, we announced our ambition to be net zero across our value chain by fiscal year 2045. In FY23, we committed to set near-term science-based emissions reduction targets and long-term net-zero targets for validation by the Science Based Targets initiative (SBTi). These new goals, which we plan to submit by end of FY25, will align with our strategy with the Paris Agreement's 1.5°C warming scenario.
- We manage physical location risks through business continuity management, including hurricane readiness planning, infrastructure improvement, and risk-exposure analyses that encompass hurricanes, earthquakes, and water stress impacts.

Risks from unforeseen ethical, social, and environmental regulations:

- Our Government Affairs; Human Resources; Communications; Environmental, Health and Safety; and Procurement groups monitor relevant regulations in global markets. Our Legal and Compliance teams advise on compliance. We share our perspectives with industry organizations and regulators and prepare for potential and emerging regulations. For example, in FY23, we held a leadership role on a National Academy of Medicine (NAM) working group to help drive the decarbonization of the health sector.

Risk of failure to meet stakeholder or regulatory expectations of our ESG performance:

- We strive to meet or surpass expectations and requirements of our ESG and sustainability performance. We actively solicit input from stakeholders concerning our performance related to product stewardship, human rights, ethical conduct, environmental responsibility, climate change, healthcare access, ID&E, and more.
- Annual and transparent communications on our ESG performance are key to meeting stakeholder expectations. During the development of our annual Sustainability Report, we assess our ESG disclosures for alignment with best practices and evolving stakeholder needs. We are enhancing our data collection and reporting processes in preparation to meet emerging regulatory expectations.

We also disclose key non-financial performance indicators related to the Group's most impactful sustainability issues, risks and opportunities in our annual Sustainability Report. These disclosures are based on global standards and frameworks for reporting and disclosure issued by the Global Reporting Initiative, the IFRS Foundation's ISSB and SASB, and the Task Force on Climate-related Financial Disclosures.

A full listing of our principal risks and uncertainties are set out on pages 13 to 25 of this report.

### ***Environmental Matters***

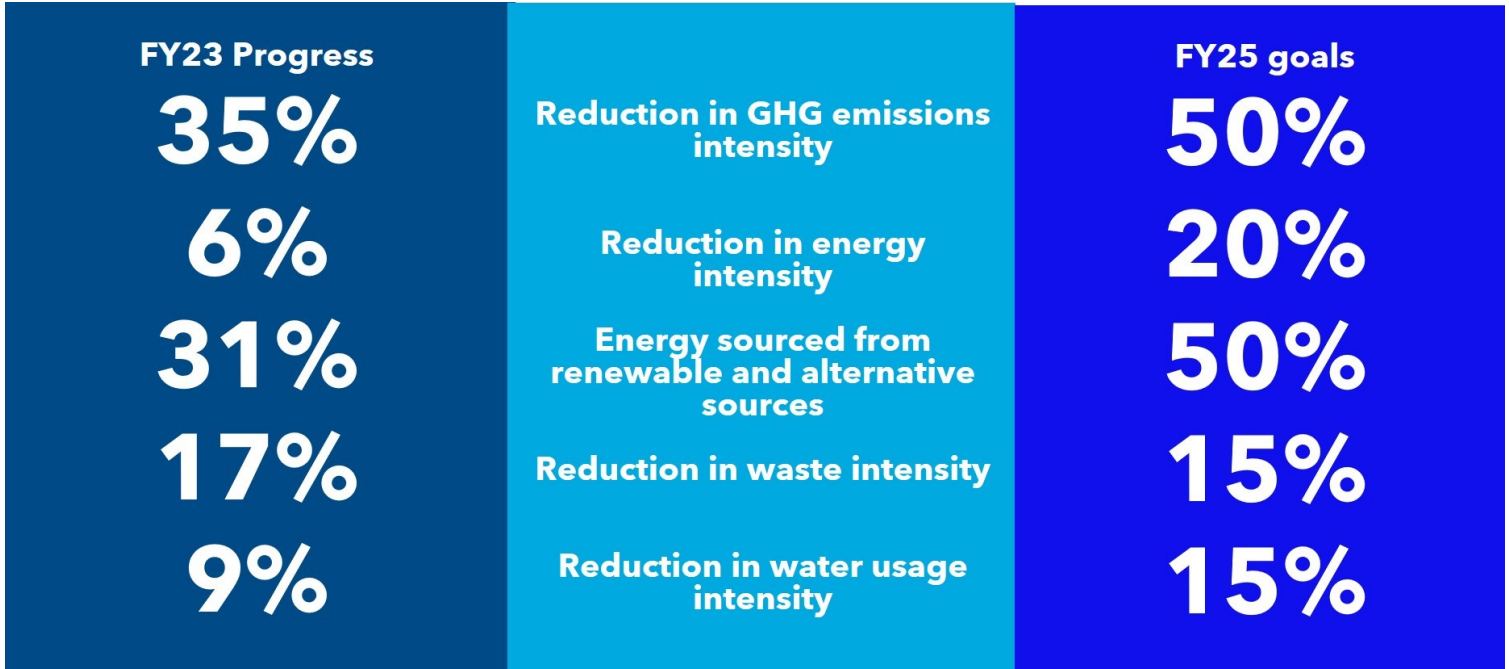
Our global Environmental Health and Safety (EHS) Policy establishes a performance management system to set goals, measure progress, and integrate sustainability into decision-making. Our corporate EHS team oversees our environmental management, compliance, remediation, health and safety, and training. They also collaborate with leaders who are responsible for policy and programs across our global regions. Manufacturing facilities account for most of our energy consumption, water use, and waste generation. We track EHS performance at these sites with management systems based on the ISO 14001 and OHSAS 18001 standards. Our impacts are detailed in our publicly available CDP response.



The Group has fiscal year 2025 environmental performance goals that will be measured against a fiscal year 2020 baseline for energy use, greenhouse gas (GHG) emissions, water use, and waste. These emissions and energy goals move us toward our ambition of being carbon neutral in our operations by fiscal year 2030. These goals are as follows:

- 50 percent reduction in GHG emissions intensity
- 20 percent reduction in energy intensity
- 50 percent increase in energy sourced from renewable and alternative sources
- 15 percent reduction in waste intensity
- 15 percent reduction in water use intensity

The table below illustrates the Group's progress against our fiscal year 2025 Environmental Performance Goals.



A full listing of our regulatory environmental risks is included within the principal risks and uncertainties section on pages 13-25 of this report.

***Climate Resilience and Business Continuity***

Unexpected events such as political turmoil, extreme weather, and civil unrest can disrupt our Group and prevent us from serving those who need our products and therapies. Our Enterprise Risk & Continuity team helps us remain resilient in the face of unexpected events. We stay nimble and prepared through three key programs:

- Enterprise risk management (ERM): The ERM team oversees the organization-wide approach to ensure that risk management activities are consistent and effective across Medtronic. We identify and closely monitor our most critical risks, and then report risk and mitigation information to our Enterprise Risk Management Steering Committee and Board Audit Committee on a quarterly basis. Medtronic continues to embed our ERM framework within our strategic planning and other core business processes and functions to continue to sharpen our focus on risk mitigation activities.
- Business continuity management: We prioritize critical products and services based on patient impact and our strategic priorities. End-to-end mapping of our value stream enables us to quickly identify and effectively manage key operational risks, with a strong focus on resiliency. Our business continuity efforts have been recognized by external entities. Most recently, we were one of eight organizations awarded the Healthcare Industry Resilience Collaborative (HIRC) Transparency Badge.
- Crisis management (CM): The CM team prioritizes and coordinates our response, including resource allocation, to crises that affect our people, operations, or reputation. The executive committee sponsors the CM program, with more support provided from the Medtronic Global Command Center, leadership, and the cross-functional teams dedicated to crisis management.

***Human Rights***

We comply with all relevant human rights regulations. Our Global Human Rights and Labor Standards Policy applies to all of the Group’s locations and personnel and any third-party labor agencies providing employees on our behalf. We strive to ensure our suppliers adhere to the minimum standards outlined within this policy and to conduct our business in a manner that demonstrates a respect for internationally

recognized human rights and the dignity of all people. Our Global Supplier Standards describe the minimum social, ethical, and environmental requirements and expectations of our suppliers. We incorporate these standards into supplier selection and management processes, supplier agreements, and purchase order terms and conditions.

Our Global Supplier Standards Compliance Program is a key mechanism for identifying and mitigating the potential risks in our supply chain. This approach helps us meet regulatory requirements, such as the Organisation for Economic Co-operation and Development (OECD) and the United Nations Guiding Principles on Business and Human Rights, and ensure our supply chain conforms with customer expectations.

We encourage our suppliers to report publicly on their social and environmental goals and performance. In our fiscal year 2023 review, we assessed the top 229 suppliers by spend and confirmed that 38 percent of those publish sustainability reports, 11 percent have published public sustainability goals, and 29 percent had information relating to sustainability on their website.

We also promote inclusive sourcing through employee business unit annual plans, and sponsorship of organizations that develop and promote small and diverse suppliers in the U.S. We have integrated supplier diversity procedures as standard work across the sourcing and procurement process. In fiscal year 2023, we directed an increase of approximately 31 percent, or \$3.5 billion, of our U.S. supplier spend to small and diverse companies since 2022.

### ***Conflict Minerals***

Some of our products contain tin, tungsten, tantalum, or gold. In the Democratic Republic of Congo and neighboring countries, the mining and processing of these metals have been linked to the funding of armed conflict. To promote the use of responsibly sourced minerals, we continue to support the U.S. Dodd-Frank Act, which requires companies to disclose the use of any such conflict minerals. Additionally, we require suppliers to comply with the law and uphold responsible sourcing practices, and we reference conflict minerals requirements in supplier agreements and purchase orders. We follow the Organization for Economic Cooperation and Development (OECD) guidance on conflict minerals, including surveying suppliers to collect data on the smelters in their supply chains, as well as participate in the Responsible Minerals Initiative. We report our supplier survey results to the U.S. Securities and Exchange Commission annually in a dedicated Conflict Minerals Report. For calendar year 2023, 59 of our suppliers reported red-flag smelters or refineries in their supply chain, compared with 63 suppliers reported for calendar year 2022. In such instances, we request that the supplier work to eliminate the red-flag smelters from their supply chain.

More information on our approach is available in our Conflict Minerals Policy. Our Conflict Minerals Reports can be accessed at [www.sec.gov](http://www.sec.gov), and our Conflict Minerals Policy is available on [www.medtronic.com](http://www.medtronic.com).

### ***Customer Relations***

Our relationship with healthcare professionals is instrumental to our success, as our partners at universities, hospitals, and healthcare systems help keep us focused on patient needs throughout the innovation and healthcare delivery processes. Enduring customer relationships are built on trust, aligned values, and shared goals. Sales and marketing employees are ambassadors for the Group, and we place the highest importance in ensuring integrity is at the core of their work. We promote our products based on their approved use, and employees must adhere to the policies made explicit in our Code of Conduct and AdvaMed's Code of Ethics on Interactions with Healthcare Professionals. Our requirements for product marketing are also included in our Global Business Conduct Standards Policy and our Physician Collaboration policy. Our policies emphasize appropriate interactions and transparency, including the disclosure of payments to physicians, physician-owned entities, and healthcare organizations. In the United States, payment disclosures are published on the U.S. Centers for Medicare and Medicaid Services open payments site. We also maintained the Capital Equipment Optimization Project, which delivers consistent training and other guidance on appropriate practices governing capital equipment lending programs.

We require our employees to uphold our high ethical standards, whether interacting with customers in person or remotely. We also have the Internal Investigation program, managed by the Medtronic Office of Ethics and Compliance (OEC), which is a critical part of our system for ensuring that our marketing practices comply with our policies and external regulations.

### ***Anti-Corruption***

The Directors oversee our Anti-Bribery and Anti-Corruption (ABAC) program. The program is strengthened by feedback from regulators, third-party auditing, and benchmarks of other companies. We implement anti-corruption training to make internal and external stakeholders aware of relevant regulations and to explain how ethically challenging scenarios should be addressed. Anti-corruption training is covered in our required Code of Conduct training cycle. Our process ensures that new hires receive anti-corruption training upon joining the Group and when employees transition into customer-facing roles.

In some cases, we partner with third-party entities to distribute our products to customers. We hold these organizations to the same standards to which we hold ourselves and require them to implement their own anti-corruption programs. To ensure that distributors adhere to our ethical standards, we deliver annual anti-corruption training that covers our Distributor Code of Conduct, support and monitor compliance, conduct onsite monitoring, and assess corruption potential prior to renewing or entering contracts. We also establish a

commercial Distributor Relationship Owner (DRO) who is responsible for holding distributors accountable to our anti-corruption requirements. The table below illustrates key metrics in our anti-corruption training efforts.

	Fiscal Year	
	2023	2022
Full-time equivalent employees supporting anti-corruption efforts	174	179
Third-party distributors receiving anti-corruption training	99 %	99 %

We also engage and educate our employees on ethics through our Code of Conduct annual review process, employee communications, Ethics Circles, and Ethics & Integrity Week. Our global Code of Conduct provides our employees with clear guidance on everyday actions. We provide versions of the Code of Conduct in 22 languages, allowing 99 percent of our employees the ability to read it in their first language. We also deliver multilingual Code of Conduct training for new employees and those joining the Group through acquisitions. Each year, we retrain employees on the Code of Conduct and require employees to certify their understanding of its contents. The table below illustrates key metrics related to our Code of Conduct training efforts:

	Fiscal Year	
	2023	2022
Employees receiving code of conduct training and certification	99 %	99 %

When employees require ethical guidance or have concerns about potential violations, we strongly encourage them to speak up through one of several available channels:

- Their manager
- Human Resources
- Legal or Compliance representatives
- The Directors' email inbox
- Our third-party Voice Your Concern Line
- Exit interviews

If our investigations confirm any employee misconduct, we take corrective action including coaching, discussion during performance reviews, change in job responsibilities (such as demotion), and, in serious cases, dismissal.

### ***Patient Safety***

Patients trust us to deliver products that are safe, effective, and reliable, and we pay close attention to quality across our entire value chain — design, manufacturing, pre-clinical and clinical trials, and post-market surveillance. Our operating units (OUs) continuously monitor for potential product quality issues through post-market surveillance processes and engage independent advisory panels to assist in evaluating, communicating, and minimizing risks to patients.

### ***Product Quality***

Our cross-functional, enterprise-wide product quality drives consistency and accountability across the Group, ensuring we deliver on our Mission to alleviate pain, restore health, and extend life. The plan focuses on increasing consistency and rigor across the areas of risk assessment, product design, and quality systems. The Group utilizes the Medtronic Design, Reliability, Manufacturability (DRM) methodology as our set of best practices for ensuring product quality, safety, and reliability throughout product design and development. Our engineers use DRM to carry out predictive engineering, a process for simulating product use to forecast performance and identify areas for improvement. These measurements enable continuous improvement and reduce the time to market for vital treatments by helping us reach our quality, cost, and performance targets. We continually improve our predictive capabilities by refining our design practices and measuring predictive engineering outcomes for every new product.

We embed quality in our manufacturing processes using a set of standardized strategies, which include First Time Quality (FTQ), and Supplier Optimization and Risk Reduction (SOAR). Our quality management systems are aligned to ISO 13485. FTQ has demonstrated a significant positive impact in reducing manufacturing nonconformances at our sites. Our FTQ methodology reduces high-business-impact risks and quality instabilities on targeted workflows.

### ***Customer Data Security***

Protecting information is critically important for the Group, our customers, and most importantly, the patients who use our products. We have designed our security programs to safeguard data in a rapidly evolving environment. In a time of rapid adoption of connected data devices and powerful data analysis, big data is contributing to innovative products and faster research. It is critical to our business to protect information.

Our Global Cybersecurity program is designed to reflect ISO/IEC 27001 standard and the National Institute of Standards of Technology Cybersecurity Framework, as well as other relevant international security standards. To advance security practices, we collaborate with third-party organizations such as the Health Information Center (H-ISAC), AdvaMed, and the European Union Agency for Cybersecurity. We also contribute to global product security and cybersecurity standards in collaboration with the U.S. Food and Drug Administration and other regulatory advocacy groups.

The Group's employees and contingent workers play a crucial role in safeguarding data. We train all employees and contingent workers on data privacy and security to ensure they understand their role in identifying, protecting and preserving sensitive data and prevent cyber intrusions. We continue to expand and improve our global trainings to raise employee awareness of privacy and security obligations. We provided E.U. General Data Protection Regulation training for global corporate employees and non-corporate E.U. employees. We also delivered Privacy by Design training for employees in key global functions, such as Legal and IT, as well as the vast majority of E.U. employees. U.S. employees completed additional trainings on U.S. privacy laws. When we acquire a company, we conduct privacy and security due diligence and implement an integration plan that includes training as well as policy and procedure standardization. Vendors must also adhere to our data security and privacy standards, and we evaluate privacy and security risks as part of our vendor assessment process.

***Clinical Trials***

Clinical trials are a key component in establishing the effectiveness and safety for our products. We are committed to robust, ethical practices in our studies, delivered by our team of more than 2,250 clinical employees. In addition to following our Code of Conduct and the Global Business Conduct Standards Policy, we adhere to all relevant laws and regulations relating to clinical trials.

Our internal Code of Conduct and Global Business Conduct Standards Policy guide our approach to clinical trials. We adhere to all relevant laws and regulations, including the E.U. Medical Device Regulation and the revised ISO14155:2020 standard for clinical research.

***Community Investment***

Through the first tenet of our mission, we aim to alleviate pain, restore health, and extend life. Our philanthropy extends these benefits to the underserved and their communities who lack access to healthcare. We partner with local stakeholders to determine the resources we can provide to strengthen their health efforts. These include financial contributions (including contributions to the Medtronic Foundation), product donations, volunteerism, and charitable third-party medical education.

We have donated more than \$1 billion throughout the years to support philanthropic efforts, including our contributions to the Medtronic Foundation. The table below illustrates the Group's contributions by fiscal year:

(in millions)	Fiscal Year	
	2024	2023
Corporate cash donations	\$ 53	\$ 53
Product donations	15	16

Approved by the Board of Directors and signed on its behalf on August 27, 2024 by:

/s/ Denise M. O'Leary \_\_\_\_\_  
Director

/s/ Geoff Martha \_\_\_\_\_  
Director

## PART II



## ***Independent auditors' report to the members of Medtronic plc***

### **Report on the audit of the financial statements**

---

#### **Opinion**

In our opinion:

- Medtronic plc's consolidated financial statements and company financial statements (the "financial statements") give a true and fair view of the group's and the company's assets, liabilities and financial position as at April 26, 2024 and of the group's profit and cash flows for the period then ended;
- the consolidated financial statements have been properly prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), as defined in Section 279 of the Companies Act 2014, to the extent that the use of those principles in the preparation of consolidated financial statements does not contravene any provision of Part 6 of the Companies Act 2014;
- the company financial statements have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Irish law); and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

We have audited the financial statements, included within the Irish Annual Report, which comprise:

- the consolidated balance sheet as at April 26, 2024;
- the company balance sheet as at April 26, 2024;
- the consolidated profit and loss account and consolidated statement of comprehensive income for the period then ended;
- the consolidated statement of cash flows for the period then ended;
- the consolidated reconciliation of movement in shareholders' funds for the period then ended;
- the company statement of changes in equity for the period then ended; and
- the notes to the financial statements, which include a description of the accounting policies.

---

#### **Basis for opinion**

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

#### ***Independence***

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



## Our audit approach

### Overview

	<p>Overall materiality</p> <ul style="list-style-type: none"> <li>• \$300 million (2023: \$300 million) - Consolidated financial statements.</li> <li>• Equates to circa 1% of turnover.</li> <li>• \$567 million (2023: \$378 million) - Company financial statements. Financial statement line items that do not eliminate on consolidation have been audited to overall materiality for the consolidated financial statements.</li> <li>• Based on circa 0.5% of net assets.</li> </ul> <p>Performance materiality</p> <ul style="list-style-type: none"> <li>• \$225 million (2023: \$225 million) - Consolidated financial statements.</li> <li>• \$425 million (2023: \$283.5 million) - Company financial statements.</li> </ul>
	<p>Audit scope</p> <ul style="list-style-type: none"> <li>• One component was identified as a significant component and a full scope audit was performed on this component.</li> <li>• Audit procedures were performed on specific account balances or classes of transactions in 15 other components.</li> <li>• Additionally, certain other activities controlled and managed centrally from Corporate such as acquisitions, intangible asset and goodwill accounting, investments, debt, derivative instruments, litigation contingencies, retirement benefit obligations and income taxes were audited centrally by PwC U.S. as the global engagement team.</li> <li>• Overall, the components at which audit work was performed accounted for circa 90% of consolidated total assets and circa 75% of consolidated turnover.</li> </ul>
	<p>Key audit matters</p> <ul style="list-style-type: none"> <li>• Income tax reserves for uncertain tax positions related to Puerto Rico manufacturing.</li> </ul>

### The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

### Key audit matters

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



***Key audit matter***

***Income tax reserves for uncertain tax positions related to Puerto Rico manufacturing***

**Refer to Note 4 “Commitments and Contingencies - Taxation”, Note 6 “Taxation” and Note 16 “Creditors”**

As described in Notes 4, 6 and 16 to the consolidated financial statements, the Group records reserves for uncertain tax positions related to unresolved matters with the Internal Revenue Service (IRS) of the United States (U.S.) and other taxing authorities. A significant remaining unresolved issue with the IRS at the balance sheet date, for which the Group has recorded a reserve, relates to the allocation of income for fiscal years 2005 and 2006 between Medtronic, Inc. and its wholly owned subsidiary operating in Puerto Rico, which is one of the Group's manufacturing sites. This dispute is the subject of a U.S. Tax Court case.

We determined the Group's accounting for income tax reserves for uncertain tax positions related to Puerto Rico manufacturing to be a key audit matter due to the significant judgement exercised by management when determining the reserve, including a high degree of estimation uncertainty relative to the unresolved issue with the IRS involving one of the Group's manufacturing sites.

***How our audit addressed the key audit matter***

We evaluated management's process for determining the Puerto Rico reserve for uncertain tax positions.

We tested the effectiveness of controls relating to the recognition and measurement of the Puerto Rico reserve for uncertain tax positions.

We evaluated the relevant documents, status and results of the related U.S. Tax Court case.

We evaluated the reasonableness of the underlying assumptions used in management's calculations to determine the reserves recorded, including whether the methodology and assumptions used by the Group are consistent with the Tax Court's ruling as described in Note 4 to the consolidated financial statements.

Professionals with specialized skill and knowledge were used to assist in evaluating the application of tax laws related to the ruling and the underlying assumptions used in management's calculations.

We also considered the disclosures in relation to these matters in the financial statements.

***How we tailored the audit scope***

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

The group functions in four operating segments, Cardiovascular Portfolio, Medical Surgical Portfolio, Neuroscience Portfolio and Diabetes Operating Unit. Reporting components are legal entities with the majority of these components supported by shared service centres within the group.

In determining our audit scope we first focused on individual reporting components and determined the type of work that needed to be performed by us at the reporting components, as the Irish group engagement team, PwC U.S. as the global engagement team or other component auditors within other PwC network firms. One component was identified as a significant component and a full scope audit was performed on this component. Based on our risk assessment, audit procedures were performed on specific account balances or classes of transactions in 15 other components. Additionally, certain other activities controlled and managed centrally from Corporate such as acquisitions, intangible asset and goodwill accounting, investments, debt, derivative instruments, litigation contingencies, retirement benefit obligations and income taxes were audited centrally by PwC U.S. as the global engagement team. Overall, the components at which audit work was performed accounted for circa 90% of consolidated total assets and circa 75% of consolidated turnover.

We determined the level of involvement we needed to have in the audit work of those reporting components to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the financial statements as a whole.

We allocated materiality levels and issued instructions to each component auditor. In addition to the audit report from each of the component auditors, we received memoranda of examination on work performed and relevant findings which supplemented our understanding of the component, its results and the audit findings and we participated in a number of meetings with the component teams. In addition to this, we reviewed certain audit working papers of the significant component. These, together with the additional procedures performed at a group level, gave us the evidence we needed for our opinion on the financial statements as a whole.





*Materiality*

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

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

	<b>Consolidated financial statements</b>	<b>Company financial statements</b>
<b>Overall materiality</b>	\$300 million (2023: \$300 million).	\$567 million (2023: \$378 million).
	Equates to circa 1% of turnover.	Based on circa 0.5% of net assets.
<b>Rationale for benchmark applied</b>	<p>We considered a number of materiality benchmarks including “turnover”, “profit before taxation” and “profit before taxation adjusted for impairment charges and the change in fair value of the minority investment and contingent consideration” in calculating our overall materiality level.</p> <p>In considering the materiality levels calculated by reference to the various benchmarks we considered a materiality level of \$300 million to be appropriate. We also considered the reasonableness of the amount of overall materiality calculated by reference to the materiality used in the prior period.</p>	<p>As the Company is a holding company whose main activity is the management of investments in subsidiaries, net assets is considered the most appropriate benchmark.</p> <p>Financial statement line items that do not eliminate on consolidation have been audited to overall materiality for the consolidated financial statements.</p>

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to \$225 million (group audit) and \$425 million (company audit).

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

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above \$25 million (consolidated and company financial statements) (2023: \$25 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

**Conclusions relating to going concern**

Our evaluation of the directors’ assessment of the group and company’s ability to continue to adopt the going concern basis of accounting included:

- obtaining management’s going concern assessment for a period of at least twelve months from the date on which the financial statements are authorised for issue;
- agreeing that the cash flow projections underlying management’s going concern assessment are materially consistent with the board approved forecasts, assessing how these forecasts are compiled, and evaluating the key assumptions;
- considering available facilities and the maturity profile of the group’s debt to assess liquidity and considering expected compliance with debt covenants for the going concern assessment period; and
- assessing the going concern disclosures within note 1 of the consolidated and company financial statements.



Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's or the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

---

### **Reporting on other information**

The other information comprises all of the information in the Irish Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 (excluding the information included in the "Non Financial Statement" as defined by that Act on which we are not required to report) have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report (excluding the information included in the "Non Financial Statement" on which we are not required to report) for the period ended April 26, 2024 is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements.
- Based on our knowledge and understanding of the group and company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report (excluding the information included in the "Non Financial Statement" on which we are not required to report).

---

### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities set out on page 1, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.



### *Auditors' responsibilities for the audit of the financial statements*

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the U.S. Foreign Corrupt Practices Act, anti-bribery legislation and breaches of healthcare laws and regulations and product safety (including but not limited to the US Food & Drug Administration regulations), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2014 and relevant tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and potential management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with the Audit Committee, senior management and internal audit including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading the meeting minutes of the Board of Directors and Audit Committee and other relevant committees;
- Challenging assumptions made by senior management in its significant accounting estimates, particularly in relation to the key audit matter and evaluating whether there was evidence of management bias;
- Identifying and testing journal entries based on our risk assessment which included unexpected account combinations and all material consolidation journals; and
- Designing audit procedures to incorporate elements of unpredictability into our audit approach.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

[https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf)

This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



---

## Other required reporting

---

### Companies Act 2014 opinions on other matters

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the company financial statements to be readily and properly audited.
- The Company Balance Sheet is in agreement with the accounting records.

---

### Other exception reporting

#### *Directors' remuneration and transactions*

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

#### *Prior financial period Non Financial Statement*

We are required to report if the company has not provided the information required by Regulation 5(2) to 5(7) of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 in respect of the prior financial period. We have nothing to report arising from this responsibility.

A handwritten signature in black ink, appearing to read 'P. Barrie', with a long horizontal flourish extending to the right.

Paul Barrie  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
Dublin  
27 August 2024

**Medtronic plc**  
**Consolidated Profit and Loss Account**

(in millions, except per share data)	Note	Fiscal Year	
		2024	2023
Turnover	2	\$ 32,364	\$ 31,227
Cost of sales		11,216	10,719
<b>Gross Profit</b>		<b>21,148</b>	<b>20,508</b>
Distribution and administrative expense		12,429	12,113
Research and development expense		2,735	2,696
Restructuring charges, net	3	226	375
Certain litigation charges, net	4	149	(30)
Other operating expense (income), net		464	(131)
<b>Operating profit</b>		<b>5,144</b>	<b>5,485</b>
Other non-operating income, net		(412)	(515)
Interest payable and similar expenses, net	5	719	636
<b>Profit before taxation</b>		<b>4,837</b>	<b>5,364</b>
Taxation	6	1,133	1,580
<b>Profit after taxation</b>		<b>3,705</b>	<b>3,784</b>
<b>Noncontrolling interests</b>		<b>(28)</b>	<b>(26)</b>
<b>Profit for the financial year</b>		<b>\$ 3,676</b>	<b>\$ 3,758</b>
<b>Basic earnings per ordinary share</b>	7	<b>\$ 2.77</b>	<b>\$ 2.83</b>
<b>Diluted earnings per ordinary share</b>	7	<b>\$ 2.76</b>	<b>\$ 2.82</b>

**Medtronic plc**  
**Consolidated Statement of Comprehensive Income**

(in millions)	Fiscal Year	
	2024	2023
<b>Profit after taxation</b>	\$ 3,705	\$ 3,784
<b>Other comprehensive income (loss), net of taxation:</b>		
Unrealized gain (loss) on investment securities	46	(49)
Translation adjustment	(848)	(240)
Net investment hedge	633	(596)
Net change in retirement obligations	212	32
Unrealized gain (loss) on cash flow hedges	136	(381)
<b>Other comprehensive income (loss)</b>	178	(1,234)
<b>Comprehensive income including noncontrolling interests</b>	3,883	2,549
Comprehensive income attributable to noncontrolling interests	(27)	(26)
<b>Comprehensive income attributable to Medtronic</b>	<u>\$ 3,856</u>	<u>\$ 2,524</u>

**Medtronic plc**  
**Consolidated Balance Sheet**

(in millions)	Note	April 26, 2024	April 28, 2023
<b>Fixed assets</b>			
Intangible assets	8	\$ 54,211	\$ 56,269
Tangible assets	10	6,131	5,569
Right of use assets	11	1,012	1,041
Financial assets	12	1,294	1,641
<b>Total fixed assets</b>		<b>62,647</b>	<b>64,520</b>
<b>Current assets</b>			
Inventories	13	5,217	5,293
Debtors	14	14,111	13,176
Short-term investments	12	6,721	6,416
Cash at bank and in hand		1,284	1,543
<b>Total current assets</b>		<b>27,334</b>	<b>26,428</b>
Creditors (amounts falling due within one year)	16	9,022	7,299
<b>Net current assets</b>		<b>18,312</b>	<b>19,129</b>
<b>Total assets less current liabilities</b>		<b>80,959</b>	<b>83,649</b>
Creditors (amounts falling due after more than one year)	16	27,412	28,452
Provisions for liabilities	18	3,127	3,532
<b>Net assets</b>		<b>\$ 50,420</b>	<b>\$ 51,665</b>
<b>Capital and reserves</b>			
Called-up share capital presented as equity	20	\$ —	\$ —
Share premium account		38,439	38,208
Accumulated other comprehensive loss	22	(3,318)	(3,499)
Profit and loss account		15,094	16,775
<b>Total shareholders' equity</b>		<b>50,214</b>	<b>51,483</b>
<b>Noncontrolling interests</b>		<b>206</b>	<b>182</b>
<b>Total equity</b>		<b>\$ 50,420</b>	<b>\$ 51,665</b>

Approved by the Board of Directors and signed on its behalf on August 27, 2024 by:

/s/ Denise M. O'Leary  
 Director

/s/ Geoff Martha  
 Director

**Medtronic plc**
**Consolidated Reconciliation of Movement in Shareholders' Funds**

(in millions)	Ordinary Share Number	Called-up Share Capital Presented as Equity	Share Premium Account	Profit and Loss Account	Accumulated Other Comprehensive Loss	Total Shareholders' Equity	Noncontrolling Interests	Total Equity
<b>April 29, 2022</b>	1,331	\$ —	\$ 37,967	\$ 16,849	\$ (2,265)	\$ 52,551	\$ 171	\$ 52,722
Profit for the financial year	—	—	—	3,758	—	3,758	26	3,784
Other comprehensive loss	—	—	—	—	(1,234)	(1,234)	—	(1,234)
Dividends to shareholders (\$2.72 per ordinary share)	—	—	—	(3,616)	—	(3,616)	—	(3,616)
Issuance of shares under stock purchase and award plans	6	—	236	—	—	236	—	236
Redemption and cancellation of ordinary shares	(6)	—	—	(571)	—	(571)	—	(571)
Stock-based compensation	—	—	—	355	—	355	—	355
Changes to noncontrolling ownership interests	—	—	5	—	—	5	(15)	(10)
<b>April 28, 2023</b>	1,331	\$ —	\$ 38,208	\$ 16,775	\$ (3,499)	\$ 51,483	\$ 182	\$ 51,665
Profit for the financial year	—	—	—	3,676	—	3,676	28	3,705
Other comprehensive income (loss)	—	—	—	—	180	180	(2)	178
Dividends to shareholders (\$2.76 per ordinary share)	—	—	—	(3,666)	—	(3,666)	—	(3,666)
Issuance of shares under stock purchase and award plans	6	—	231	—	—	231	—	231
Redemption and cancellation of ordinary shares	(25)	—	—	(2,084)	—	(2,084)	—	(2,084)
Stock-based compensation	—	—	—	393	—	393	—	393
Changes to noncontrolling ownership interests	—	—	—	—	—	—	(2)	(2)
<b>April 26, 2024</b>	1,311	\$ —	\$ 38,439	\$ 15,094	\$ (3,318)	\$ 50,214	\$ 206	\$ 50,420



**Medtronic plc**  
**Consolidated Statement of Cash Flows**

(in millions)	Fiscal Year	
	2024	2023
<b>Operating Activities:</b>		
Profit after taxation	\$ 3,705	\$ 3,784
Adjustments to reconcile profit for the financial year to net cash provided by operating activities:		
Depreciation and amortization	2,647	2,697
Provision for doubtful debtors	90	73
Deferred taxation	(508)	(226)
Stock-based compensation	393	355
Loss on debt extinguishment	—	53
Asset impairments and related inventory write-downs	371	—
Other, net	573	270
Change in operating assets and liabilities, net of acquisitions and divestitures:		
Trade debtors	(391)	(576)
Inventories, net	(139)	(939)
Creditors and provisions	391	696
Other operating assets and liabilities	(345)	(148)
<b>Net cash provided by operating activities</b>	<b>6,787</b>	<b>6,039</b>
<b>Investing Activities:</b>		
Acquisitions, net of cash acquired	(211)	(1,867)
Additions to tangible assets	(1,587)	(1,459)
Purchases of short-term investments and financial assets	(7,748)	(7,514)
Sales and maturities of short-term investments and financial assets	7,441	7,343
Other investing activities, net	(261)	4
<b>Net cash used in investing activities</b>	<b>(2,366)</b>	<b>(3,493)</b>
<b>Financing Activities:</b>		
Change in current debt obligations	1,073	—
Proceeds from short-term borrowings (maturities greater than 90 days)	—	2,284
Repayments from short-term borrowings (maturities greater than 90 days)	—	(2,279)
Issuance of long-term debt	—	5,409
Payments on long-term debt	—	(6,012)
Dividends to shareholders	(3,666)	(3,616)
Issuance of ordinary shares	284	308
Redemption of ordinary shares	(2,138)	(645)
Other financing activities	(3)	(409)
<b>Net cash used in financing activities</b>	<b>(4,450)</b>	<b>(4,960)</b>
Effect of exchange rate changes on cash at bank and in hand	(230)	243
<b>Net change in cash at bank and in hand</b>	<b>(259)</b>	<b>(2,171)</b>
Cash at bank and in hand at beginning of period	1,543	3,714
<b>Cash at bank and in hand at end of period</b>	<b>\$ 1,284</b>	<b>\$ 1,543</b>
<b>Supplemental Cash Flow Information</b>		
Cash paid for:		
Taxation	\$ 1,622	\$ 1,548
Interest	826	606

*The accompanying notes are an integral part of these consolidated financial statements.*

## Medtronic plc

### Notes to the Consolidated Financial Statements

#### 1. Summary of Significant Accounting Policies

**Nature of Operations** Medtronic plc and its subsidiaries (the Group) is the leading global healthcare technology company – alleviating pain, restoring health, and extending life for millions of people around the world. The Group provides innovative products and therapies to serve healthcare systems, physicians, clinicians, and patients. The Group was founded in 1949 and is headquartered in Galway, Ireland. Medtronic plc is incorporated as a company limited by shares in the Republic of Ireland (registration number 545333). The address of its registered office is Building Two, Parkmore Business Park West, Galway, Ireland.

**Basis of Presentation** The Directors have elected to prepare the consolidated financial statements in accordance with Section 279 of the Companies Act 2014, which provides that a true and fair view of the state of affairs and profit or loss may be given by preparing the financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), as defined in Section 279(1) of the Companies Act 2014, to the extent that the use of those principles in the preparation of the consolidated financial statements does not contravene any provision of Part 6 of the Companies Act 2014 or any regulations made thereunder.

Consolidated financial statements and notes prepared in accordance with U.S. GAAP were included in the Group's Annual Report on Form 10-K for the year ended April 26, 2024, filed with the United States (U.S.) Securities and Exchange Commission (SEC). These consolidated financial statements were prepared in accordance with Irish Company Law, to present to the shareholders of the Group and to file with the Companies Registration Office in Ireland. Accordingly, these consolidated financial statements include presentation and additional disclosures required by the Companies Act 2014, in addition to those disclosures required under U.S. GAAP.

Rather than utilizing the terminology set out under Irish Company Law, some terminology typically utilized in a set of U.S. GAAP financial statements has been retained for the benefit of those users of these financial statements who also access the Group's Form 10-K U.S. GAAP financial statements. The following Irish Company Law references have the same meaning as the corresponding U.S. GAAP references throughout this report:

U.S. GAAP Terminology	Irish Company Law Terminology
Net sales	Turnover
Accounts receivable	Trade debtors
Property, plant, & equipment	Tangible assets
Liabilities	Creditors/Provision
Selling, general, and administrative expense	Distribution and administration expense
Consolidated Statements of Income	Consolidated Profit and Loss Account
Income tax provision	Taxation
Interest expense	Interest payable and similar expenses

Irish Company Law contains specific requirements for the classification of any liability uncertain as to the amount at which it will be settled or as to the date on which it will be settled. These liabilities are classified as provisions. Refer to Note 18 for those liabilities which meet the provision classification requirements under Irish Company Law.

The consolidated financial statements include the accounts of Medtronic plc, its wholly-owned subsidiaries, entities for which the Group has a controlling financial interest, and variable interest entities for which the Group is the primary beneficiary. Intercompany transactions and balances have been fully eliminated in consolidation. Certain reclassifications have been made to prior year financial statements to conform to classifications used in the current year. Amounts reported in millions within this Irish annual report are computed based on the amounts in thousands, and therefore, the sum of the components may not equal the total amount reported in millions due to rounding. Additionally, certain columns and rows within tables may not sum due to rounding.

**Use of Estimates** The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States (U.S.) (U.S. GAAP) requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Estimates are used when accounting for items such as taxation, contingencies, goodwill, intangible asset, equity investment, and liability valuations. Actual results may or may not differ from those estimates.

**Going Concern** The Directors have formed a judgment at the time of approving the financial statements that there is a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for at least the next twelve-month period extending from the time of approving the financial statements. The Directors have considered uncertainties driven by certain macro-economic and geopolitical factors in its impact in its going concern assessment as these could negatively impact the business.

**Medtronic plc****Notes to the Consolidated Financial Statements**

These uncertainties include, but are not limited to, demand for our products, customers' and suppliers' financial condition, supply chain challenges from time to time, levels of liquidity, the availability of credit facilities, and our ongoing compliance with debt covenants. The Group prepared cash flow forecasts covering a period of at least twelve months from the date of approval of these financial statements in assessing the potential impact of these uncertainties on its liquidity. This assessment included consideration of the forecasted business performance, the cash and financial facilities available to the Group, and certain macro-economic and geopolitical factors listed above. The Group continues to expect that existing cash at bank and in hand, the cash generated by operations, the available credit facility, as well as the expected ability to access the capital and debt markets will be sufficient to fund the Group's operating and capital needs for at least the next twelve months. To its knowledge, the Directors reasonably believe that these uncertainties would not have a material impact on the Group's ability to continue as a going concern as of the financial statements' approval date.

Having regard to the Group's assessment of its ability to fund its expected operating and capital needs, the Directors are satisfied that it is appropriate that the going concern basis continues to be adopted in the preparation of the Consolidated Financial Statements and the Company Financial Statements. The Directors understand the importance of continuing to monitor future developments related to certain macro-economic and geopolitical factors listed above.

**Fiscal Year-End** The Group utilizes a 52/53-week fiscal year, ending the last Friday in April, for the presentation of its consolidated financial statements and related notes thereto at April 26, 2024 and April 28, 2023 and for each of the fiscal years ended April 26, 2024 (fiscal year 2024) and April 28, 2023 (fiscal year 2023).

**Cash at Bank and in Hand** The Group considers highly liquid investments with maturities of three months or less from the date of purchase to be cash at bank and in hand. These investments are carried at cost, which approximates fair value.

**Investments** The Group invests in marketable debt and equity securities, investments for which the Group has elected the fair value option, investments that do not have readily determinable fair values, and investments accounted for under the equity method.

Marketable debt securities are classified and accounted for as available-for-sale. These investments are recorded at fair value in the consolidated balance sheet. The change in fair value for available-for-sale securities is recorded, net of taxation, as a component of *accumulated other comprehensive loss* on the consolidated balance sheet. The Group determines the appropriate classification of its investments in marketable debt securities at the time of purchase and reevaluates such determinations at each balance sheet date. The classification of marketable debt securities as short-term or financial assets is based on the nature of the securities and the availability for use in current operations consistent with the Group's management of its capital structure and liquidity.

Certain of the Group's investments in marketable equity securities and other securities are long-term, strategic investments in companies that are in various stages of development and are primarily included in *financial assets* on the consolidated balance sheet. Marketable equity securities are recorded at fair value in the consolidated balance sheet. The change in fair value of marketable equity securities is recognized within *other non-operating income, net* in the consolidated profit and loss account. At each reporting period, the Group makes a qualitative assessment considering impairment indicators to evaluate whether the investment is impaired. Equity method investments for which the Group has elected the fair value option are valued using a discounted cash flow methodology, taking into consideration various assumptions including discount rate and all pertinent financial information available related to the investees, including the timing of anticipated product launches, historical financial results, and projections of future cash flows. Equity investments that do not have readily determinable fair values are measured using the measurement alternative at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer. Equity securities accounted for under the equity method are initially recorded at the amount of the Group's investment and are adjusted each period for the Group's share of the investee's profit or loss and dividends paid. Securities accounted for under the equity method are reviewed quarterly for changes in circumstance or the occurrence of events that suggest other than temporary impairment has occurred.

**Trade Debtors** The Group grants credit to customers in the normal course of business and maintains an allowance for doubtful accounts for potential credit losses. When evaluating allowances for doubtful accounts, the Group considers various factors, including historical experience and customer-specific information. Uncollectible accounts are written off against the allowance when it is deemed that a customer account is uncollectible.

**Inventories** Inventories are stated at the lower of cost or net realizable value, with cost determined on a first-in, first-out basis. The Group reduces the carrying value of inventories for items that are potentially excess, obsolete, or slow-moving based on changes in customer demand, technology developments, or other economic factors.

## Medtronic plc

### Notes to the Consolidated Financial Statements

**Tangible Assets** Tangible assets are stated at cost and depreciated over the useful lives of the assets using the straight-line method. Additions and improvements that extend the lives of the assets are capitalized, while expenditures for repairs and maintenance are expensed as incurred. The Group assesses tangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of tangible asset groupings may not be recoverable. The cost of interest that is incurred in connection with significant ongoing construction projects is capitalized using a weighted average interest rate. These costs are included in tangible assets and amortized over the useful life of the related asset. Upon retirement or disposal of tangible assets, the costs and related amounts of accumulated depreciation or amortization are eliminated from the asset and accumulated depreciation accounts. The difference, if any, between the net asset value and the proceeds, is recognized in profit and loss. The Group utilizes the following estimated useful lives (in years):

Equipment	Generally 2-10, up to 15
Computer software	Up to 10
Land and land improvements	Up to 20
Buildings and leasehold improvements	Up to 40

**Goodwill and Intangible Assets** Goodwill is the excess of the purchase price over the estimated fair value of identified net assets of acquired businesses. Irish Company Law requires goodwill and indefinite-lived intangible assets to be amortized. However, the Group does not believe this gives true and fair view, as not all goodwill and intangible assets decline in value, and goodwill is not amortized under U.S. GAAP. In addition, as goodwill that does decline in value rarely does so on a straight-line basis, straight-line amortization of goodwill and indefinite-lived intangible assets over an arbitrary period does not reflect the economic reality. Therefore, goodwill and indefinite-lived intangible assets are not amortized. The Group assesses goodwill for impairment annually in the third quarter of the fiscal year and whenever an event occurs or circumstances change that would indicate the carrying amount may be impaired. Impairment testing for goodwill is performed at a reporting unit level. The Group calculates the excess of each reporting unit's fair value over its carrying amount, including goodwill, utilizing a discounted cash flow analysis and turnover and earnings multiples using comparable public company information. The test for impairment of goodwill requires the Group to make several estimates related to projected future cash flows and appropriate multiples to determine the fair value of the goodwill reporting units. Significant assumptions used in the reporting unit fair value measurements include forecasted cash flows, including turnover and expense growth rates, discount rates, and turnover and earnings multiples. An impairment loss is recognized when the carrying amount of the reporting unit's net assets exceeds the estimated fair value of the reporting unit.

Intangible assets include patents, trademarks, tradenames, customer relationships, purchased technology, and in-process research and development (IPR&D). Intangible assets with a definite life are amortized on a straight-line basis with estimated useful lives typically ranging from three to 20 years. Amortization is recognized within *distribution and administrative expense* in the consolidated profit and loss account. Intangible assets with a definite life are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group, which includes intangible assets, may not be recoverable. When events or changes in circumstances indicate that the carrying amount of an asset group, which includes intangible assets, may not be recoverable, the Group calculates the excess of an asset group's carrying value over its undiscounted future cash flows. If the carrying value is not recoverable, an impairment loss is recognized based on the amount by which the carrying value exceeds the fair value. The fair value of an asset group, which includes intangible assets, is estimated by utilizing a discounted cash flow analysis.

Acquired IPR&D represents the fair value assigned to those research and development projects that were primarily acquired in a business combination for which the related products have not received regulatory approval and have no alternative future use. IPR&D is capitalized at its fair value as an indefinite-lived intangible asset, and any development costs incurred after the acquisition are expensed as incurred. The fair value of IPR&D is determined by estimating the future cash flows of each project and discounting the net cash flows back to their present values. Upon achieving regulatory approval or commercial viability for the related product, the indefinite-lived intangible asset is accounted for as a definite-lived asset and is amortized on a straight-line basis over the estimated useful life. If the project is not completed or is terminated or abandoned, the Group may have an impairment related to the IPR&D, which is charged to expense. Indefinite-lived intangible assets are tested for impairment annually in the third quarter of the fiscal year, prior to moving to definite lived, and whenever events or changes in circumstances indicate that the carrying amount may be impaired. Impairment is calculated as the excess of the asset's carrying value over its fair value. Fair value is generally determined using a discounted future cash flow analysis. IPR&D with no alternative future use acquired outside of a business combination is expensed immediately.

**Contingent Consideration** Certain of the Group's business combinations involve potential payment or receipt of future consideration that is contingent upon the achievement of certain product development milestones and/or contingent on the acquired business reaching certain performance milestones. The Group records contingent consideration at fair value at the date of acquisition or divestiture based on the consideration expected to be transferred, estimated as the probability-weighted future cash flows, discounted back to present value. The fair value of contingent consideration is measured using projected payment dates, discount rates, probabilities of payment, and projected

## Medtronic plc Notes to the Consolidated Financial Statements

turnover (for turnover-based considerations). Projected turnover is based on the Group's most recent internal operational budgets and long-range strategic plans. The discount rate used is determined at the time of measurement in accordance with accepted valuation methodologies. Changes in projected turnover, probabilities of payment, discount rates, and projected payment dates may result in adjustments to the fair value measurements. Contingent consideration is remeasured each reporting period using Level 3 inputs, and the change in fair value, including accretion for the passage of time, is recognized as profit or expense within *other operating expense (income), net* in the consolidated profit and loss account. Contingent consideration payments made or received soon after the acquisition date are classified as investing activities in the consolidated statement of cash flows. Contingent consideration payments not made or received soon after the acquisition date that are related to the acquisition date fair value are reported as financing activities in the consolidated statement of cash flows, and amounts paid or received in excess of the original acquisition date fair value are reported as operating activities in the consolidated statement of cash flows.

**Self-Insurance** The Group self-insures the majority of its insurable risks, including medical and dental costs, disability coverage, physical loss to property, business interruptions, workers' compensation, comprehensive general, and product liability. Insurance coverage is obtained for risks required to be insured by law or contract. The Group uses claims data and historical experience, as applicable, to estimate liabilities associated with the exposures that the Group has self-insured.

**Retirement Benefit Plan Assumptions** The Group sponsors various retirement benefit plans, including defined benefit pension plans, post-retirement medical plans, defined contribution savings plans, and termination indemnity plans, covering substantially all U.S. employees and many employees outside the U.S. See Note 19 for assumptions used in determining pension and post-retirement benefit costs and liabilities.

**Derivatives** The Group recognizes all derivative financial instruments in its consolidated financial statements at fair value in accordance with authoritative guidance on derivatives and hedging, and presents assets and liabilities associated with derivative financial instruments on a gross basis in the consolidated financial statements. For derivative instruments that are designated and qualify as hedging instruments, the hedging instrument must be designated as a cash flow hedge or hedges of net investments, based upon the exposure being hedged. See Note 15 for more information on the Group's derivative instruments and hedging programs.

**Fair Value Measurements** The Group follows the authoritative guidance on fair value measurements and disclosures with respect to assets and liabilities that are measured at fair value on both a recurring and nonrecurring basis. Fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. The authoritative guidance also establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs market participants would use in valuing the asset or liability, based on market data obtained from sources independent of the Group. Unobservable inputs are inputs that reflect the Group's assumptions about the factors market participants would use in valuing the asset or liability developed based upon the best information available in the circumstances. The categorization of financial assets and financial liabilities within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The hierarchy is broken down into three levels defined as follows:

- Level 1 — Inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 — Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs (other than quoted prices) that are observable for the asset or liability, either directly or indirectly.
- Level 3 — Inputs are unobservable for the asset or liability.

Financial assets that are classified as Level 1 securities include highly liquid government bonds within U.S. government and agency securities, mutual funds, short-term investments, and equity securities for which quoted market prices are available. In addition, the Group classifies currency forward contracts as Level 1 since they are valued using quoted market prices in active markets which have identical assets or liabilities.

The valuation for most fixed maturity securities are classified as Level 2. Financial assets that are classified as Level 2 include corporate debt securities, government and agency securities, other asset-backed securities, certificates of deposits, and mortgage-backed securities whose value is determined using inputs that are observable in the market or may be derived principally from, or corroborated by, observable market data such as pricing for similar securities, recently executed transactions, cash flow models with yield curves, and benchmark securities. In addition, total return swaps are included in Level 2 as the Group uses inputs other than quoted prices that are observable for the asset. The Level 2 derivative instruments are primarily valued using standard calculations and models that use readily observable market data as their basis.

## Medtronic plc

### Notes to the Consolidated Financial Statements

Financial assets are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies, or similar techniques, and at least one significant model assumption or input is unobservable. Financial assets that are classified as Level 3 include certain investment securities for which there is limited market activity such that the determination of fair value requires significant judgment or estimation, equity method investments for which the Group has elected the fair value option, and auction rate securities. The investment securities with limited market activity are valued using third-party pricing sources that incorporate transaction details such as contractual terms, maturity, timing, and amount of expected future cash flows, as well as assumptions about liquidity and credit valuation adjustments by market participants. The fair value of auction rate securities is estimated by the Group using a discounted cash flow model, which incorporates significant unobservable inputs. The significant unobservable inputs used in the fair value measurement of the Group's auction rate securities are years to principal recovery and the illiquidity premium that is incorporated into the discount rate. Valuation techniques for investments valued using the fair value option are included in the "Investments" section above. For goodwill, other intangible assets, and IPR&D, inputs used in the fair value analysis fall within Level 3 of the fair value hierarchy due to the use of significant unobservable inputs to determine fair value.

Certain investments for which the fair value is measured using the net asset value per share (or its equivalent) practical expedient are excluded from the fair value hierarchy. Financial assets for which the fair value is measured using the net asset value per share practical expedient include equity and fixed income commingled trusts, partnership units, and registered investment companies.

**Turnover** The Group sells its products through direct sales representatives and independent distributors. Additionally, a portion of the Group's turnover is generated from consignment inventory maintained at hospitals and royalty and intellectual property arrangements. The Group recognizes turnover when control is transferred to the customer. For products sold through direct sales representatives and independent distributors, control is typically transferred upon shipment or upon delivery, based on the contract terms and legal requirements. For consignment inventory, control is transferred when the product is used or implanted. Payment terms vary depending on the country of sale, type of customer, and type of product.

If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on relative standalone selling price. Shipping and handling is treated as a fulfillment activity rather than a promised service, and therefore, is not considered a performance obligation. Taxes assessed by a governmental authority that are both imposed on, and concurrent with, a specific turnover producing transaction and collected by the Group from customers (for example, sales, use, value added, and some excise taxes) are not included in turnover. For contracts that have an original duration of one year or less, the Group uses the practical expedient applicable to such contracts and does not adjust the transaction price for the time value of money.

The amount of turnover recognized reflects turnover rebates and returns, which are estimated based on sales terms, historical experience, and trend analysis. In estimating rebates, the Group considers the lag time between the point of sale and the payment of the rebate claim, the stated rebate rates, and other relevant information. The Group records adjustments to rebates and returns reserves as increases or decreases of turnover.

The Group records a deferred revenue liability if a customer pays consideration, or the Group has the right to invoice, before the Group transfers a good or service to the customer. Deferred revenue primarily represents remote monitoring services and equipment maintenance, for which consideration is received at the same time as consideration for the device or equipment. Turnover related to remote monitoring services and equipment maintenance is recognized over the service period as time elapses.

**Shipping and Handling** Shipping and handling costs incurred to physically move product from the Group's premises to the customer's premises are recognized in *distribution and administrative expense* in the consolidated profit and loss account and were \$341 million and \$351 million in fiscal years 2024 and 2023, respectively. Other shipping and handling costs incurred to store, move, and prepare products for shipment are recognized in *cost of sales* in the consolidated profit and loss account.

**Research and Development** Research and development costs are expensed when incurred. Research and development costs include costs of research, engineering, and technical activities to develop a new product or service or make significant improvement to an existing product or manufacturing process. Research and development costs also include pre-approval regulatory and clinical trial expenses and license payments for technology not yet approved by regulators.

**Contingencies** The Group records a liability in the consolidated financial statements on an undiscounted basis for loss contingencies related to legal actions when a loss is known or considered probable, and the amount may be reasonably estimated. If the reasonable estimate of a known or probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. If a loss is reasonably possible but not known or probable, and may be reasonably estimated, the estimated loss or range of loss is disclosed.

## Medtronic plc Notes to the Consolidated Financial Statements

**Taxation** The Group has deferred taxation that arise as a result of the different treatment of transactions for U.S. GAAP and taxation accounting, known as temporary differences. The Group records the tax effect of these temporary differences as deferred tax assets and deferred tax provisions. Deferred tax assets generally represent items that may be used as a tax deduction or credit in a tax return in future years for which the Group has already recognized the tax benefit in the consolidated profit and loss account. The Group establishes valuation allowances for deferred tax assets when the amount of expected future taxable profit is not likely to support the use of the deduction or credit. Deferred tax provisions generally represent taxation recognized in the consolidated financial statements for which payment has been deferred or expense has already been taken as a deduction on the Group's tax return but has not yet been recognized as an expense in the consolidated profit and loss account. See Note 6 for more information on the Group's uncertain tax positions and tax policies.

**Other Operating Expense (Income), Net** Other operating expense (income), net primarily includes royalty expense, currency remeasurement and derivative gains and losses, Puerto Rico excise taxes, changes in fair value of contingent consideration, certain acquisition and divestiture-related items, profit from funded research and development arrangements, and commitments to the Medtronic Foundation and Medtronic LABS.

**Other Non-Operating Income, Net** Other non-operating income, net includes the non-service component of net periodic pension and post-retirement benefit cost, investment gains and losses, and interest income.

**Currency Translation** Assets and liabilities of non-U.S. dollar functional currency entities are translated to U.S. dollars at period-end exchange rates, and the currency impacts arising from the translation of the assets and liabilities are recorded as a cumulative translation adjustment, a component of *accumulated other comprehensive loss*, on the consolidated balance sheet. Elements of the consolidated profit and loss account are translated at the average monthly currency exchange rates in effect during the period. Currency transaction gains and losses are included in *other operating expense (income), net* in the consolidated profit and loss account.

**Comprehensive Income and Accumulated Other Comprehensive Loss** In addition to profit for the financial year, comprehensive income includes changes in currency exchange rate translation adjustments, gains and losses on derivative instruments and foreign currency denominated debt designated as net investment hedges, unrealized gains and losses on currency exchange rate derivative contracts and interest rate derivative instruments qualifying and designated as cash flow hedges, net changes in retirement obligation funded status, and unrealized gains and losses on investment securities. See Note 22 for discussion regarding taxation on cumulative translation adjustments.

**Stock-Based Compensation** The Group measures stock-based compensation expense at the grant date based on the fair value of the award and recognizes the compensation expense over the requisite service period, which is generally the vesting period. The amount of stock-based compensation expense recognized during a period is based on the portion of the awards that are expected to vest. The Group estimates pre-vesting forfeitures at the time of grant and revises the estimates in subsequent periods.

### Recently Adopted Accounting Standards

#### *Supplier Finance Programs*

In September 2022, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2022-04, Liabilities—Supplier Finance Programs (Subtopic 405-50), which requires that a buyer in a supplier finance program disclose sufficient information about the program to allow a user of financial statements to understand the program's nature, activity during the period, changes from period to period, and potential magnitude. The Group adopted this guidance on April 29, 2023. The adoption of this standard did not have a material impact on the Group's consolidated financial statements.

### Not Yet Adopted Accounting Standards

#### *Segment Reporting*

In November 2023, the FASB issued ASU 2023-07, Improvements to Segment Reporting (Topic 280), which requires incremental disclosures on reportable segments, primarily through enhanced disclosures on significant segment expenses. The Group will adopt this guidance beginning in the fourth quarter of fiscal year 2025 for our annual report. We are currently evaluating the potential effect that the updated standard will have on our financial statement disclosures.

#### *Income Taxes*

In December 2023, the FASB issued ASU 2023-09, Improvements to Income Tax Disclosures (Topic 740), which requires incremental annual disclosures on income taxes, including rate reconciliations, income taxes paid, and other disclosures. The Group will adopt this guidance beginning in the fourth quarter of fiscal year 2026 for our annual report. We are currently evaluating the potential effect that the updated standard will have on our financial statement disclosures.

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

**2. Turnover**

The Group's turnover is principally derived from device-based medical therapies and services related to cardiac rhythm disorders, cardiovascular disease, neurological disorders and diseases, spinal conditions and musculoskeletal trauma, chronic pain, urological and digestive disorders, ear, nose, and throat conditions, and diabetes conditions as well as advanced and general surgical care products, respiratory and monitoring solutions, and neurological surgery technologies. The Group's primary customers include healthcare systems, clinics, third-party healthcare providers, distributors, and other institutions, including governmental healthcare programs and group purchasing organizations. Prior period turnover has been recast to reflect the new reporting structure. The activity of the Group's Renal Care Solutions (RCS) business and the ventilator product line were moved out of Medical Surgical and into the Other line, and the retained Patient Monitoring & Respiratory Interventions (PMRI) businesses were combined into one business unit called Acute Care & Monitoring in Medical Surgical. Refer to Note 23 for additional information regarding the Group's reporting structure.

The table below illustrates turnover by segment and division for fiscal years 2024 and 2023.

(in millions)	Turnover by Fiscal Year	
	2024	2023
Cardiac Rhythm & Heart Failure	\$ 5,995	\$ 5,783
Structural Heart & Aortic	3,358	3,363
Coronary & Peripheral Vascular	2,478	2,375
Cardiovascular	11,831	11,522
Cranial & Spinal Technologies	4,756	4,451
Specialty Therapies	2,905	2,815
Neuromodulation	1,746	1,693
Neuroscience	9,406	8,959
Surgical & Endoscopy	6,508	6,152
Acute Care & Monitoring	1,908	1,837
Medical Surgical	8,417	7,989
Diabetes	2,488	2,262
Reportable segment net turnover	32,142	30,731
Other operating segment <sup>(1)</sup>	221	495
Total	\$ 32,364	\$ 31,227

(1) Includes historical operations and ongoing transition agreements from businesses the Group has exited or divested, which primarily includes the Group's ventilator product line and the Renal Care Solutions business.

The table below illustrates turnover by market geography and segment for fiscal years 2024 and 2023.

(in millions)	U.S. <sup>(1)</sup>		Non-U.S. Developed Markets <sup>(2)</sup>		Emerging Markets <sup>(3)</sup>	
	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2023
Cardiovascular	\$ 5,597	\$ 5,796	\$ 3,857	\$ 3,564	\$ 2,377	\$ 2,161
Neuroscience	6,305	6,018	1,739	1,658	1,362	1,283
Medical Surgical	3,717	3,549	3,049	2,917	1,650	1,522
Diabetes	852	849	1,284	1,106	352	307
Reportable segment net turnover	16,471	16,212	9,929	9,245	5,742	5,273
Other operating segment <sup>(4)</sup>	91	160	50	163	81	172
Total	\$ 16,562	\$ 16,373	\$ 9,979	\$ 9,408	\$ 5,823	\$ 5,446

(1) U.S. includes the United States and U.S. territories.

(2) Non-U.S. developed markets include Japan, Australia, New Zealand, Korea, Canada, and the countries within Western Europe.

(3) Emerging markets include the countries of the Middle East, Africa, Latin America, Eastern Europe, and the countries of Asia that are not included in the non-U.S. developed markets, as defined above.

(4) Includes historical operations and ongoing transition agreements from businesses the Group has exited or divested, which primarily includes the Group's ventilator product line and the Renal Care Solutions business.



**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

The amount of turnover recognized is reduced by rebates and returns. Adjustments to rebates and returns reserves are recorded as increases or decreases to turnover. At April 26, 2024, \$1.0 billion of rebates were classified as *provisions for liabilities*, and \$574 million of rebates were classified as a reduction of *debtors* in the consolidated balance sheet. At April 28, 2023, \$1.1 billion of rebates were classified as *provisions for liabilities*, and \$555 million of rebates were classified as a reduction of *debtors* in the consolidated balance sheet. During fiscal year 2024, adjustments to rebate and return reserves recognized in turnover that were included in the rebate and return reserves at the beginning of the period were not material.

**Deferred Revenue and Remaining Performance Obligations**

Deferred revenue at April 26, 2024 and April 28, 2023 was \$453 million and \$405 million, respectively. At April 26, 2024 and April 28, 2023, \$352 million and \$314 million was included in *creditors (amounts falling due within one year)*, respectively, and \$101 million and \$91 million was included in *creditors (amounts falling due after more than one year)*, respectively. During the fiscal year ended April 26, 2024, the Group recognized \$324 million of turnover that was included in deferred revenue as of April 28, 2023. During the fiscal year ended April 28, 2023, the Group recognized \$240 million of turnover that was included in deferred revenue at April 29, 2022.

Remaining performance obligations include goods and services that have not yet been delivered or provided under existing, noncancellable contracts with minimum purchase commitments. At April 26, 2024, the estimated turnover expected to be recognized in future periods related to unsatisfied performance obligations for executed contracts with an original duration of one year or more was approximately \$0.5 billion. The Group expects to recognize turnover on the majority of these remaining performance obligations over the next two years.

**3. Restructuring Charges**

In fiscal year 2024, the Group incurred \$389 million of restructuring and associated costs primarily related to employee termination benefits and facility consolidations to support cost reduction initiatives. In fiscal year 2023, restructuring costs primarily related to Enterprise Excellence and Simplification restructuring programs, both of which were substantially completed as of the end of fiscal year 2023. Enterprise Excellence was designed to leverage the Group’s global size and scale to focus on global operations, and functional and commercial optimization, and had total cumulative pre-taxation charges of \$1.8 billion. Simplification was designed to focus the organization on accelerating innovation, enhancing customer experience, driving turnover growth and winning market share, and had total cumulative pre-taxation charges of \$0.5 billion. In addition, in the fourth quarter of fiscal year 2023, the Group incurred \$0.3 billion of restructuring charges primarily related to employee termination benefits to support cost reduction initiatives. These charges were incremental to charges incurred under our Enterprise Excellence and Simplification programs noted above.

Employee-related costs primarily consist of termination benefits provided to employees who have been involuntarily terminated and voluntary early retirement benefits in fiscal year 2023. Associated costs primarily include salaries and wages of employees that are fully-dedicated to restructuring programs, consulting fees, and asset write-offs.

The following table presents the classification of restructuring costs in the consolidated profit and loss account:

(in millions)	Fiscal year	
	2024	2023
Cost of sales	\$ 55	\$ 97
Distribution and administrative expense	108	173
Restructuring charges, net <sup>(1)</sup>	226	375
Total restructuring and associated costs	\$ 389	\$ 647

(1) In fiscal year 2023, restructuring charges, net included \$94 million of incremental defined benefit, defined contribution, and post-retirement related expenses for employees that accepted voluntary early retirement packages.

## Medtronic plc

### Notes to the Consolidated Financial Statements

The following table summarizes the activity related to restructuring programs for fiscal years 2024 and 2023:

(in millions)	Employee Termination Benefits <sup>(1)</sup>	Associated and Other Costs	Total
April 29, 2022	\$ 81	\$ 28	\$ 110
Charges	285	279	564
Cash payments	(150)	(281)	(433)
Provision adjustments <sup>(3)</sup>	(11)	(1)	(12)
April 28, 2023	204	25	230
Charges	233	163	396
Cash payments	(292)	(161)	(453)
Settled non-cash	—	(16)	(16)
Provision adjustments <sup>(3)</sup>	(8)	—	(8)
April 26, 2024	\$ 136	\$ 11	\$ 147

- (1) In fiscal year 2023, restructuring charges, net included \$94 million of incremental defined benefit, defined contribution, and post-retirement related expenses for employees that accepted voluntary early retirement packages. These costs are not included in the table summarizing restructuring charges above, as they are associated with costs that are accounted for under the pension and post-retirement rules.
- (2) Provision adjustments relate to certain employees identified for termination finding other positions within the Group or contract terminations being settled for less than originally estimated.

#### 4. Commitments and Contingencies

##### Legal Matters

The Group and its affiliates are involved in a number of legal actions from time to time involving product liability, employment, intellectual property and commercial disputes, shareholder related matters, environmental proceedings, tax disputes, and governmental proceedings and investigations, including those described below. With respect to governmental proceedings and investigations, like other companies in our industry, the Group is subject to extensive regulation by national, state, and local governmental agencies in the United States and in other jurisdictions in which the Group and its affiliates operate. As a result, interaction with governmental agencies is ongoing. The Group's standard practice is to cooperate with regulators and investigators in responding to inquiries. The outcomes of legal actions are not within the Group's complete control and may not be known for prolonged periods of time. In some actions, the enforcement agencies or private claimants seek damages, as well as other civil or criminal remedies (including injunctions barring the sale of products that are the subject of the proceeding), that could require significant expenditures, result in lost turnover, or limit the Group's ability to conduct business in the applicable jurisdictions.

The Group records a provision in the consolidated financial statements on an undiscounted basis for loss contingencies related to legal actions when a loss is known or considered probable and the amount may be reasonably estimated. If the reasonable estimate of a known or probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. If a loss is reasonably possible but not known or probable, and may be reasonably estimated, the estimated loss or range of loss is disclosed. When determining the estimated loss or range of loss, significant judgment is required. Estimates of probable losses resulting from litigation and governmental proceedings involving the Group are inherently difficult to predict, particularly when the matters are in early procedural stages with incomplete scientific facts or legal discovery, involve unsubstantiated or indeterminate claims for damages, potentially involve penalties, fines or punitive damages, or could result in a change in business practice. The Group classifies certain specified litigation charges and gains related to significant legal matters as *certain litigation charges, net* in the consolidated profit and loss account. During fiscal years 2024 and 2023, the Group recognized \$149 million of certain litigation charges and \$30 million of certain litigation profit, respectively. At April 26, 2024 and April 28, 2023, accrued litigation was approximately \$0.2 billion and \$0.3 billion, respectively. The ultimate cost to the Group with respect to accrued litigation could be materially different than the amount of the current estimates and provisions and could have a material adverse impact on the Group's consolidated profit, financial position, and/or cash flows. The Group includes accrued litigation in *provisions for liabilities* on the consolidated balance sheet. While it is not possible to predict the outcome for most of the legal matters discussed below, the Group believes it is possible that the costs associated with these matters could have a material adverse impact on the Group's consolidated profit, financial position, and/or cash flows.

## **Medtronic plc**

### **Notes to the Consolidated Financial Statements**

#### *Intellectual Property Matters*

At any given time, the Group is involved in litigation relating to patents, trademarks, copyrights, trade secrets, and other intellectual property (IP) rights, and licenses, acquisitions or other agreements relating to such rights. This litigation includes, but is not limited to, alleged infringement or misappropriation of IP rights, or breach of obligations related to IP rights, or other claims asserted by competitors, individuals, or, consistent with a growing trend across technology-intensive industries, other entities created specifically to fund IP litigation. While the outcome of these litigation matters is inherently uncertain, it is possible that the results of such litigation could require the Group to pay significant monetary damages and/or royalty payments, and negatively impact the Group's ability to sell current or future products, which could have a material adverse impact on the Group's business, results of operations, financial condition, and cash flows.

#### Colibri

The Group is a defendant in patent litigation brought by Colibri Heart Valve LLC (Colibri) in the U.S. District Court for the Central District of California. Colibri alleges infringement of one patent by the Group's Evolut family of transcatheter aortic valve replacement devices. The patent asserted by Colibri has expired. On February 8, 2023, a jury returned a verdict against the Group for approximately \$106 million. In July 2023, the Group filed its appeal with the U.S. Court of Appeals for the Federal Circuit. The Group has not recognized an expense in connection with this matter because it does not currently believe a loss is probable.

#### *Product Liability Matters*

##### Hernia Mesh Litigation

Starting in fiscal year 2020, plaintiffs began filing lawsuits against certain subsidiaries of the Group in U.S. state and federal courts that allege personal injury from hernia mesh products sold by those subsidiaries. As of August 1, 2024, the Group and certain of its subsidiaries have been named as defendants in lawsuits filed on behalf of approximately 8,600 individual plaintiffs, and certain plaintiffs' law firms have advised the Group that they may file additional cases in the future. Approximately 6,800 plaintiffs have pending lawsuits in a coordinated proceeding in Massachusetts state court, where they have been consolidated before a single judge. Approximately 500 plaintiffs have pending lawsuits in a coordinated action in Minnesota state court, and there are approximately 1,350 actions coordinated in a federal Multidistrict Litigation in the U.S. District Court for the District of Massachusetts plus six one-off cases filed in other courts. The pending lawsuits relate almost entirely to hernia mesh products that have not been subject to recalls, withdrawals, or other adverse regulatory action. The Group has not recorded an expense related to damages in connection with these matters because any potential loss is not currently probable and reasonably estimable. Additionally, the Group is unable to reasonably estimate the range of loss, if any, that may result from these matters.

##### Diabetes Pump Retainer Ring Litigation

Starting in fiscal year 2021, plaintiffs began filing lawsuits against the Diabetes operating unit in U.S. state and federal courts alleging personal injury from Series 600 insulin pumps with allegedly defective clear retainer rings that were subject to field corrective actions in 2019 and 2021. As of July 26, 2024, 26 lawsuits have been filed on behalf of a total of 106 individual plaintiffs, and certain plaintiffs' law firms have notified the Group that they may file additional lawsuits in the future on behalf of thousands of additional claimants. Most of the filed suits are coordinated in California state court. The Group has not recorded an expense related to damages in connection with these matters because any potential loss is not currently probable and reasonably estimable. Additionally, the Group is unable to reasonably estimate the range of loss, if any, that may result from these matters.

#### *Environmental Proceedings*

The Group is a successor to several investigation and cleanup actions at various stages related to environmental remediation matters at a number of sites, including in Orrington, Maine. These projects relate to a variety of activities, including removal of solvents, metals and other hazardous substances from soil and groundwater. The ultimate cost of site cleanup and timing of future cash flows is difficult to predict given uncertainties regarding the extent of the required cleanup, the interpretation of applicable laws and regulations, and alternative cleanup methods.

The Group is also a successor to a party named in a lawsuit filed in the U.S. District Court for the District of Maine in the early 2000's by the Natural Resources Defense Council and the Maine People's Alliance relating to mercury contamination of the Penobscot River and Bay and options for remediating such contamination. In March 2021, the parties notified the court that they had agreed on a settlement in principle of all issues in this matter, and in September 2022, the parties filed a joint motion for final approval by the court. In October 2022, the court issued a final order approving the settlement and the parties are working with consultants on implementation of remedial activities. The final court order did not result in a change to the Group's previous accrual for this matter.

## **Medtronic plc**

### **Notes to the Consolidated Financial Statements**

The Group's provisions for these various environmental proceedings are included within accrued litigation as discussed above.

#### *Anti-Corruption Matters*

The Group has regular and ongoing interactions with governmental agencies, and its practice is to cooperate with such inquiries. In addition, from time to time, the Group self-discloses potential concerns to governmental regulators. Like many in the medical device industry or with international operations, the Group engages in periodic discussions with the U.S. Securities and Exchange Commission, U.S. Department of Justice, and various authorities in China regarding certain activities, including in China. The Group is committed to regularly evaluating and, as appropriate, strengthening its anti-corruption compliance programs and practices. Any possible future determination that certain of our operations and activities, and/or those of our third-party distributors, are not in compliance with existing laws could result in the imposition of fines, penalties, and equitable remedies in the United States or in other jurisdictions. The Group has not recorded an expense in connection with these matters because any potential loss is not currently probable and reasonably estimable. Additionally, the Group is unable to reasonably estimate the range of loss, if any, that may result from these matters.

#### **Taxation**

In March 2009, the IRS issued its audit report on Medtronic, Inc. for fiscal years 2005 and 2006. Medtronic, Inc. reached agreement with the IRS on some, but not all matters related to these fiscal years. The remaining unresolved issue for fiscal years 2005 and 2006 relates to the allocation of profit between Medtronic, Inc. and its wholly-owned subsidiary operating in Puerto Rico, which is one of the Group's key manufacturing sites. The U.S. Tax Court (Tax Court) reviewed this dispute, and in June 2016, issued an opinion with respect to the allocation of profit between the parties for fiscal years 2005 and 2006 whereby it generally rejected the IRS's position, but also made certain modifications to the Medtronic, Inc. tax returns as filed. In April 2017, the IRS filed a Notice of Appeal to the U.S. Court of Appeals for the Eighth Circuit regarding the Tax Court opinion. The U.S. Court of Appeals issued its opinion in August 2018 and remanded the case back to the Tax Court for additional factual findings. The Tax Court issued its second opinion in August 2022, the IRS filed a Notice of Appeal to the U.S. Court of Appeals for the Eighth Circuit in September 2023, and Medtronic subsequently filed a cross-appeal in October 2023.

The IRS has issued its audit reports on Medtronic, Inc. for fiscal years 2007 through 2016. Medtronic, Inc. and the IRS have reached agreement on all significant issues except for the allocation of profit between Medtronic, Inc. and its wholly-owned subsidiary operating in Puerto Rico for the businesses that are the subject of the U.S. Tax Court matter for fiscal years 2005 and 2006.

Medtronic, Inc.'s fiscal years 2017, 2018, and 2019 U.S. federal income tax returns are currently being audited by the IRS.

Covidien LP (a wholly owned subsidiary of Medtronic plc) has either reached agreement with the IRS or the statute of limitations has lapsed on its U.S. federal income tax returns through fiscal year 2020.

Although it is not possible to predict the outcome for most of the taxation matters discussed above, the Group believes it is possible that charges associated with these matters could have a material adverse impact on the Group's consolidated profit, financial position, and/or cash flows.

Refer to Note 6 for additional discussion of taxation.

#### **Guarantees**

For the purpose of Section 357 of the Companies Act 2014, the Group has undertaken to indemnify the creditors of the following subsidiaries incorporated in the Republic of Ireland, in respect of commitments entered into by those subsidiaries, including amounts shown as liabilities in their statutory financial statements as referred to in Section 357 of the Companies Act 2014 for the financial year ending on April 26, 2024 or any amended financial period incorporating the said financial year.

- Makani II Unlimited Company
- Covidien Limited
- Covidien Ireland Limited (FKA Covidien Services Europe Limited)
- Medtronic Vascular Galway Unlimited Company
- Nellcor Puritan Bennett Ireland Holdings Unlimited Company
- Nellcor Puritan Bennett Ireland Unlimited Company
- Mallinckrodt Medical Unlimited Company
- Medtronic Ireland Limited
- Medtronic Ireland Manufacturing Unlimited Company

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

In the normal course of business, the Group and/or its affiliates periodically enter into agreements that require one or more of the Group and/or its affiliates to indemnify customers or suppliers for specific risks, such as claims for injury or property damage arising as a result of the Group or its affiliates' products, the negligence of the Group's personnel, or claims alleging that the Group's products infringe on third-party patents or other intellectual property. The Group also offers warranties on various products. The Group's maximum exposure under these guarantees is unable to be estimated. Historically, the Group has not experienced significant losses on these types of guarantees.

The Group believes the ultimate resolution of the above guarantees is not expected to have a material effect on the Group's consolidated profit, financial position, and/or cash flows.

*Other Commitments*

The Group has various commitments and contractual obligations that are not reflected in the Group's consolidated balance sheet at April 26, 2024, primarily related to funding of minority investments, royalty and milestone payments, interest on debt obligations, and other commitments and contractual obligations.

At April 26, 2024, aggregate obligations for commitments related to the funding of minority investments, estimated milestone payments, and royalty obligations was \$270 million, of which \$115 million relates to fiscal year 2025. The Group acquires assets still in development, enters into research and development arrangements, and sponsors certain clinical trials that often require milestone and/or royalty payments to a third-party, contingent upon the occurrence of certain future events. In situations where the Group has no ability to influence the achievement of the milestone or otherwise avoid the payment, the milestone or minimum royalty payments have been included in the aggregate obligation. The majority of the arrangements give the Group the discretion to unilaterally make the decision to stop development of a product or cease progress of a clinical trial, which would allow the Group to avoid making the contingent payments. Due to the contingent nature of these payments, they are not included in the disclosed amount of contractual obligations.

The Group has contractual interest payments on outstanding debt obligations totaling \$6.7 billion at April 26, 2024, of which \$487 million relates to fiscal year 2025. See Note 17 for additional discussion of debt obligations.

The Group has other commitments and contractual obligations that include inventory purchase commitments, research and development arrangements, and other arrangements that are legally binding and specify minimum purchase quantities or spending amounts. These commitments do not include open purchase orders with a remaining term of less than one year and do not exceed the Group's projected requirements. At April 26, 2024, aggregate obligations for these commitments was \$2.1 billion, of which \$634 million relates to fiscal year 2025.

**5. Interest Payable and Similar Expenses, Net**

Interest payable and similar expenses, net is comprised of the following:

(in millions)	Fiscal Year	
	2024	2023
Interest charges related to financing arrangements <sup>(1)</sup>	\$ 719	\$ 583
Loss on debt extinguishment and redemption	—	53
<b>Interest payable and similar expenses, net</b>	<b>\$ 719</b>	<b>\$ 636</b>

<sup>(1)</sup> Includes the derivative activity noted in the below paragraph.

Interest payable and similar expenses, net includes interest incurred on outstanding borrowings, amortization of debt issuance costs and debt premiums or discounts, amortization of amounts excluded from the effectiveness assessment of certain net investment hedges, and charges recognized in connection with the early redemption of senior notes. During the twelve months ended April 26, 2024 and April 28, 2023, the Group recognized \$197 million and \$107 million, respectively, in after-tax unrealized gains representing amounts excluded from the effectiveness assessment of certain net investment hedges in *interest payable and similar expenses, net* on the consolidated profit and loss account.

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

**6. Taxation**

Taxation is based on profit before taxation reported for financial statement purposes. The components of profit before taxation, based on tax jurisdiction, are as follows:

(in millions)	Fiscal Year	
	2024	2023
U.S.	\$ 750	\$ 1,295
International	4,087	4,069
Profit before taxation	<u>\$ 4,837</u>	<u>\$ 5,364</u>

Taxation consists of the following:

(in millions)	Fiscal Year	
	2024	2023
<b>Current taxation:</b>		
U.S.	\$ 756	\$ 1,303
International	905	530
Total current taxation	1,661	1,833
<b>Deferred (benefit) taxation:</b>		
U.S.	(435)	(336)
International	(93)	83
Net deferred taxation benefit	(528)	(253)
Taxation	<u>\$ 1,133</u>	<u>\$ 1,580</u>

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

Tax assets (deferred tax provisions), shown before jurisdictional netting of debtors (provisions for liabilities), are comprised of the following:

(in millions)	April 26, 2024	April 28, 2023
<b>Deferred tax assets:</b>		
Net operating loss, capital loss, and credit carryforwards	\$ 11,775	\$ 10,803
Intangible assets	2,858	2,259
Capitalization of research and development	1,255	971
Other accrued liabilities	404	458
Accrued compensation	374	312
Pension and post-retirement benefits	—	66
Stock-based compensation	147	141
Inventory	138	135
Deferred revenue	172	37
Lease obligations	157	150
Federal and state benefit on uncertain tax positions	21	79
Interest limitation	608	377
Unrealized gain on available-for-sale securities and derivative financial instruments	13	39
Other	355	240
Gross deferred tax assets	18,277	16,067
Valuation allowance	(13,271)	(11,311)
Total deferred tax assets	5,006	4,756
<b>Deferred tax provisions:</b>		
Intangible assets	(1,406)	(1,551)
Realized loss on derivative financial instruments	(70)	(70)
Right of use leases	(149)	(147)
Accumulated depreciation	(110)	(109)
Outside basis difference of subsidiaries	(90)	(119)
Pension and post-retirement benefits	(45)	—
Other	(90)	(80)
Total deferred tax provisions	(1,960)	(2,076)
Prepaid income taxes	520	480
Income tax receivables	406	494
<b>Tax assets, net</b>	<b>\$ 3,972</b>	<b>\$ 3,654</b>
<b>Reported as (after valuation allowance and jurisdictional netting):</b>		
Debtors	\$ 4,487	\$ 4,362
Provisions for liabilities	(515)	(708)
<b>Tax assets, net</b>	<b>\$ 3,972</b>	<b>\$ 3,654</b>

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

Deferred taxation activity for fiscal year 2024 was as follows:

(in millions)	Deferred Taxation
April 28, 2023	\$ 3,654
Provisions	527
Acquisitions	(13)
Charges to equity	(127)
Currency translation and other	(69)
April 26, 2024	<u>\$ 3,972</u>

No deferred taxation has been provided on the approximately \$86.3 billion and \$83.7 billion of undistributed profits of the Group's subsidiaries at April 26, 2024 and April 28, 2023, respectively, since these profits have been, and under current plans will continue to be, permanently reinvested in these subsidiaries. Due to the number of legal entities and jurisdictions involved, the complexity of the legal entity structure of the Group, and the complexity of the tax laws in the relevant jurisdictions, the Group believes it is not practicable to estimate, within any reasonable range, the amount of additional taxation which may be payable upon distribution of these undistributed profits.

At April 26, 2024, the Group had approximately \$11.3 billion of tax effected net operating loss carryforwards in certain non-U.S. jurisdictions, of which \$5.1 billion have no expiration, and the remaining \$6.2 billion will expire during fiscal years 2025 through 2041. Included in these net operating loss carryforwards are \$4.0 billion of tax effected net operating losses generated in fiscal year 2008 as a result of the receipt of a favorable tax ruling from certain non-U.S. taxing authorities; and \$5.1 billion of tax effected net operating losses generated during fiscal year 2023 as a result of an intercompany reorganization. The Group has recorded a full valuation allowance against these net operating losses, as management does not believe that it is more likely than not that these net operating losses will be utilized. Certain of the remaining non-U.S. net operating loss carryforwards of \$2.2 billion have a valuation allowance recorded against the carryforwards, as management does not believe that it is more likely than not that these net operating losses will be utilized.

At April 26, 2024, the Group had \$81 million of tax effected U.S. federal net operating loss carryforwards, of which \$56 million have no expiration. The remaining loss carryforwards will expire during fiscal years 2025 through 2036. For U.S. state purposes, the Group had \$90 million of tax effected net operating loss carryforwards at April 26, 2024, \$12 million of which have no expiration. The remaining U.S. state loss carryforwards will expire during fiscal years 2025 through 2042.

At April 26, 2024, the Group also had \$292 million of tax credits available to reduce future income taxes payable, of which \$122 million have no expiration. The remaining credits will expire during fiscal years 2025 through 2043.

The Group has established valuation allowances of \$13.3 billion and \$11.3 billion at April 26, 2024 and April 28, 2023, respectively, primarily related to the uncertainty of the utilization of certain deferred tax assets which are primarily comprised of tax loss and credit carryforwards in various jurisdictions. The increase in the valuation allowance during fiscal year 2024 is primarily related to the finalization of certain tax returns as well as an increase in the Swiss Cantonal tax rate applied to previously recorded deferred tax assets and associated valuation allowances. These valuation allowances would result in a taxation reduction in the consolidated profit and loss account if they are ultimately not required.



**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

The Group's effective income tax rate varied from the U.S. federal statutory tax rate as follows:

	Fiscal Year	
	2024	2023
U.S. federal statutory tax rate	21.0 %	21.0 %
<b>Increase (decrease) in tax rate resulting from:</b>		
U.S. state taxes, net of federal tax benefit	0.2	0.1
Research and development credit	(2.2)	(1.9)
Puerto Rico excise tax	—	(1.0)
International	(6.7)	(8.0)
Stock based compensation	0.3	0.2
Uncertain tax positions and interest	1.3	1.2
Base erosion anti-abuse tax	0.3	—
Foreign derived intangible income benefit	(1.7)	(1.2)
Certain tax adjustments	6.2	17.0
U.S. tax on foreign profit	3.5	2.5
Other, net	1.2	(0.4)
Effective tax rate	<u>23.4 %</u>	<u>29.5 %</u>

The Israeli Central-Lod District Court issued its decision in Medtronic Ventor Technologies Ltd (Ventor) v. Kfar Saba Assessing Office in June 2023. The court determined that there was a deemed taxable transfer of intellectual property. As a result, the Group recorded a \$187 million income tax charge during fiscal year 2024 and filed an appeal with the Supreme Court of Israel.

During fiscal year 2024, the net cost from certain tax adjustments of \$299 million, recognized in *taxation* in the consolidated profit and loss account, included the following:

- A cost of \$187 million associated with a reserve adjustment related to the Israeli Central-Lod District Court decision with respect to a deemed taxable transfer of intellectual property.
- A cost of \$124 million related to a change in valuation allowance on previously recorded net operating losses.
- A benefit of \$95 million related to a Swiss Cantonal tax rate change on previously recorded deferred tax assets.
- A cost of \$50 million associated with the amortization of the previously established deferred tax assets from intercompany intellectual property transactions.
- A cost of \$33 million associated with a change in the Group's permanent reinvestment assertion on certain historical earnings.

During fiscal year 2023, the net benefit from certain tax adjustments of \$910 million, recognized in *taxation* in the consolidated profit and loss account, included the following:

- A net cost of \$764 million associated with the August 18, 2022 U.S. Tax Court (Tax Court) Opinion on the previously disclosed litigation regarding the allocation of profit between Medtronic, Inc. and its wholly-owned subsidiary operating in Puerto Rico for fiscal years 2005 and 2006 (Opinion). While the Opinion rejected the IRS's position and the Tax Court determined the methodology advanced by Medtronic was appropriate for purposes of determining the intercompany royalty rate between Puerto Rico and the U.S., it determined that the royalty rate should be higher, thereby increasing profit allocated to the U.S. and consequently subject to U.S. taxation. This case relates only to fiscal years 2005 and 2006. The Group has assumed the Tax Court findings will be applied for all years following fiscal year 2006.
- A cost of \$55 million related to the disallowance of certain interest deductions.
- A cost of \$30 million related to the change in reporting currency for certain carryover attributes.
- A cost of \$28 million associated with the amortization of the previously established deferred tax assets from intercompany intellectual property transactions.
- A net cost of \$33 million primarily associated with the sale of half of the Group's RCS business.

## Medtronic plc

### Notes to the Consolidated Financial Statements

Currently, the Group's operations in Puerto Rico, Singapore, Dominican Republic, Costa Rica, and China have various tax holidays and tax incentive grants. The tax reductions as compared to the local statutory rate favorably impacted profit by \$229 million and \$115 million in fiscal years 2024 and 2023, respectively, and diluted earnings per share by \$0.17 and \$0.09 in fiscal years 2024 and 2023, respectively. The tax holidays are conditional upon the Group meeting certain thresholds required under statutory law. The tax incentive grants, unless extended, will expire between fiscal years 2025 and 2049. The tax incentive grants which expired during fiscal year 2024 did not have a material impact on the Group's consolidated financial statements.

The Organization for Economic Co-operation and Development (OECD) published Pillar Two Model Rules defining the global minimum tax, which calls for the taxation of large multinational corporations at a minimum rate of 15% in each jurisdiction in which the group operates. A number of countries, including Ireland, have enacted legislation to implement the core elements of Pillar Two, which will be effective for the Group in fiscal year 2025. The Group is continuing to evaluate the potential impacts of proposed and enacted legislative changes as new guidance becomes available. There are no impacts of this global minimum tax in the consolidated financial statements for the fiscal year ended April 26, 2024.

The Group had \$2.8 billion and \$2.7 billion of gross unrecognized tax benefits at April 26, 2024 and April 28, 2023, respectively. A reconciliation of the beginning and ending amount of unrecognized tax benefits for fiscal years 2024 and 2023 is as follows:

(in millions)	Fiscal Year	
	2024	2023
Gross unrecognized tax benefits at beginning of fiscal year	\$ 2,682	\$ 1,661
<b>Gross increases:</b>		
Prior year tax positions	121	980
Current year tax positions	85	89
<b>Gross decreases:</b>		
Prior year tax positions	(2)	(12)
Settlements	(55)	(4)
Statute of limitation lapses	(7)	(32)
Gross unrecognized tax benefits at end of fiscal year	2,824	2,682
Cash advance paid to taxing authorities	(934)	(918)
Gross unrecognized tax benefits at end of fiscal year, net of cash advance	\$ 1,890	\$ 1,764

If all of the Group's unrecognized tax benefits at April 26, 2024 and April 28, 2023 were recognized, \$2.7 billion and \$2.5 billion would impact the Group's effective tax rate, respectively. Although the Group believes that it has adequately reserved for liabilities resulting from tax assessments by taxing authorities, positions taken by these tax authorities could have a material impact on the Group's effective tax rate in future periods. The Group has recorded gross unrecognized tax benefits, net of cash advance, of \$1.8 billion as a noncurrent liability. The Group estimates that within the next 12 months it is reasonably possible that its uncertain tax positions, excluding interest, could decrease by as much as \$15 million, net as a result of statute of limitation lapses.

The Group recognizes interest and penalties related to income tax matters in *taxation* in the consolidated profit and loss account and records the liability in *creditors (amounts falling due within one year)* and *creditors (amounts falling due after more than one year)* in the consolidated balance sheet, as appropriate. During fiscal years 2024 and 2023, the Group recognized gross interest payable and similar expenses of \$134 million and \$86 million, respectively, in *taxation* in the consolidated profit and loss account. The Group had \$19 million and \$61 million of accrued gross interest and penalties at April 26, 2024 and April 28, 2023, respectively.

The Group reserves for uncertain tax positions related to unresolved matters with the IRS and other taxing authorities. These reserves are subject to a high degree of estimation and management judgment. Resolution of these significant unresolved matters, or positions taken by the IRS or other tax authorities during future tax audits, could have a material impact on the Group's financial results in future periods. The Group continues to believe that its reserves for uncertain tax positions are appropriate and that it has meritorious defenses for its tax filings and will vigorously defend them during the audit process, appellate process, and through litigation in courts, as necessary.

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

The major tax jurisdictions where the Group conducts business which remain subject to examination are as follows:

<b>Jurisdiction</b>	<b>Earliest Year Open</b>
United States - federal and state	2005
Australia	2023
Brazil	2018
Canada	2013
China	2015
Costa Rica	2020
Dominican Republic	2020
France	2021
Germany	2017
India	2002
Ireland	2020
Israel	2010
Italy	2019
Japan	2020
Korea	2022
Luxembourg	2019
Mexico	2018
Puerto Rico	2014
Singapore	2019
Switzerland	2010
United Kingdom	2020

See Note 4 for additional information regarding the status of current tax audits and proceedings.

**7. Earnings Per Share**

Basic earnings per share is computed based on the weighted average number of ordinary shares outstanding. Diluted earnings per share is computed based on the weighted number of ordinary shares outstanding, increased by the number of additional shares that would have been outstanding had the potentially dilutive ordinary shares been issued, and reduced by the number of shares the Group could have redeemed with the proceeds from issuance of the potentially dilutive shares. Potentially dilutive ordinary shares include stock-based awards granted under stock-based compensation plans and shares committed to be purchased under the employee stock purchase plan.

## Medtronic plc

### Notes to the Consolidated Financial Statements

The table below sets forth the computation of basic and diluted earnings per share:

(in millions, except per share data)	Fiscal Year	
	2024	2023
<b>Numerator:</b>		
Profit for the financial year attributable to ordinary shareholders	\$ 3,676	\$ 3,758
<b>Denominator:</b>		
Basic – weighted average shares outstanding	1,327.7	1,329.8
Effect of dilutive securities:		
Employee stock options	0.7	1.5
Employee restricted stock units	1.4	1.0
Employee performance share units	0.4	0.5
Diluted – weighted average shares outstanding	<u>1,330.2</u>	<u>1,332.8</u>
Basic earnings per ordinary share	\$ 2.77	\$ 2.83
Diluted earnings per ordinary share	\$ 2.76	\$ 2.82

The calculation of weighted average diluted shares outstanding excludes options to purchase approximately 28 million and 23 million ordinary shares in fiscal years 2024 and 2023, respectively, because their effect would have been anti-dilutive on the Group's earnings per share.

## 8. Intangible Assets

Indefinite-lived intangible asset activity for fiscal year 2024 was as follows:

(in millions)	Goodwill	Acquired IPR&D	Total
April 28, 2023	\$ 41,425	\$ 232	\$ 41,657
Additions as a result of acquisitions	131	156	287
Transfers	—	(2)	(2)
Impairments	—	(1)	(1)
Purchase accounting adjustments	(5)	—	(5)
Currency translation and other	(565)	—	(565)
April 26, 2024	<u>\$ 40,986</u>	<u>\$ 385</u>	<u>\$ 41,371</u>

As further described in Note 23, the Group had changes to the operating segments during fiscal year 2024. As of the beginning of fiscal year 2024, the Medical Surgical portfolio was separated into two operating segments, and each new operating segment was considered a standalone reporting unit as of the beginning of fiscal year 2024. As a result of this change, the Group allocated all goodwill that was previously assigned to the Medical Surgical reporting unit to the Surgical/Endoscopy reporting unit and the Patient Monitoring/Respiratory Interventions reporting unit using a relative fair value allocation approach. The effected reporting units were tested for impairment before and after the alignment. No goodwill impairment was identified in either test as of the beginning of the fiscal year 2024.

Additionally, during the fourth quarter of fiscal year 2024, the Group's operating segments changed again resulting in the two reporting units created in the first quarter to be combined into the Medical Surgical reporting unit. All goodwill that was previously assigned to the two reporting units was combined into the Medical Surgical reporting unit.

The Group did not recognize any goodwill impairment charges during fiscal year 2024. As a result of the agreement with DaVita, as disclosed in Note 9, the Group allocated \$208 million of goodwill to the RCS business that met the criteria to be classified as held for sale during the first quarter of fiscal year 2023 and was subsequently sold on April 1, 2023. Upon allocation, a goodwill impairment test was performed for the RCS business, and the Group recognized \$61 million of goodwill impairment charges during fiscal year 2023. The goodwill impairment charges are recognized in *other operating expense (income), net* in the consolidated profit and loss account.

## Medtronic plc

### Notes to the Consolidated Financial Statements

Indefinite-lived intangible asset impairment charges were not significant for fiscal year 2024 or 2023. Due to the nature of IPR&D projects, the Group may experience future delays or failures to obtain regulatory approvals to conduct clinical trials, failures of such clinical trials, delays or failures to obtain required market clearances, other failures to achieve a commercially viable product, or the discontinuation of certain projects, and as a result, may recognize impairment losses in the future.

The following table presents the changes in the carrying amount of goodwill by segment:

(in millions)	Cardiovascular	Neuroscience	Medical Surgical	Diabetes	Total
April 28, 2023	\$ 7,873	\$ 11,718	\$ 19,579	\$ 2,255	\$ 41,425
Goodwill as a result of acquisitions	131	—	—	—	131
Purchase accounting adjustments	(5)	—	—	—	(5)
Currency translation and other	(33)	(74)	(458)	—	(565)
April 26, 2024	<u>\$ 7,966</u>	<u>\$ 11,644</u>	<u>\$ 19,121</u>	<u>\$ 2,255</u>	<u>\$ 40,986</u>

**Definite-Lived Intangible Asset Carrying Value** The following table presents the changes in gross carrying amount and accumulated amortization of definite-lived intangible assets:

(in millions)	Customer-related	Purchased Technology and Patents	Trademarks and Tradenames	Other	Total
<b>Cost:</b>					
April 28, 2023	\$ 16,956	\$ 11,659	\$ 486	\$ 116	\$ 29,217
Additions as a result of acquisitions	1	85	—	141	226
Impairments	(420)	(175)	(60)	—	(655)
Currency translation and other	(20)	(12)	(2)	(1)	(35)
April 26, 2024	<u>\$ 16,518</u>	<u>\$ 11,557</u>	<u>\$ 424</u>	<u>\$ 256</u>	<u>\$ 28,755</u>
<b>Accumulated Amortization:</b>					
April 28, 2023	\$ (7,979)	\$ (6,277)	\$ (280)	\$ (69)	\$ (14,605)
Amortization expense	(965)	(695)	(14)	(19)	(1,693)
Impairments	244	94	18	—	356
Currency translation and other	10	9	2	4	24
April 26, 2024	<u>\$ (8,689)</u>	<u>\$ (6,868)</u>	<u>\$ (274)</u>	<u>\$ (84)</u>	<u>\$ (15,915)</u>
<b>Net Book Value:</b>					
April 28, 2023	\$ 8,977	\$ 5,382	\$ 206	\$ 47	\$ 14,612
April 26, 2024	7,829	4,689	150	172	12,840

During fiscal year 2024, the Group recognized \$295 million of definite-lived intangible asset impairment charges in connection with the decision to exit its ventilator product line. The intangible asset impairment charges primarily related to purchased technology, customer-related intangibles, and trade names. The intangible asset impairment charges are recognized in *other operating expense (income), net* in the consolidated profit and loss account. Refer to Note 9 for additional information on what led to the impairment. The Group did not recognize any definite-lived intangible asset impairment charges during fiscal year 2023.

## Medtronic plc

### Notes to the Consolidated Financial Statements

#### Definite-Lived Intangible Asset Amortization

Intangible asset amortization expense was \$1.7 billion for fiscal years 2024 and 2023. Estimated aggregate amortization expense by fiscal year based on the current carrying value and remaining estimated useful lives of definite-lived intangible assets at April 26, 2024, excluding any possible future amortization associated with acquired IPR&D which has not met technological feasibility, is as follows:

(in millions)	Amortization Expense
2025	\$ 1,635
2026	1,623
2027	1,600
2028	1,550
2029	1,471

#### 9. Acquisitions and Dispositions

##### Acquisition Activity

The Group had acquisitions during fiscal years 2024 and 2023 that were accounted for as business combinations. The assets and liabilities of the businesses acquired were recorded and consolidated on the acquisition date at their respective fair values. Goodwill resulting from business combinations is largely attributable to future, yet to be defined technologies, new customer relationships, existing workforce of the acquired businesses, and synergies expected to arise after the Group's acquisition of these businesses. The results of operations of acquired businesses have been included in the Group's consolidated profit and loss account since the date each business was acquired. The results of operations of acquired businesses and the pro forma impact of the acquisitions during fiscal years 2024 and 2023 was not significant, either individually or in the aggregate, to the consolidated results of the Group. Purchase price allocation adjustments for fiscal years 2024 and 2023 business combinations were not significant.

##### Fiscal Year 2024

The acquisition date fair value of net assets acquired during the fiscal year ended April 26, 2024 was \$335 million. Based on preliminary valuations, assets acquired were primarily comprised of \$131 million of goodwill, \$150 million of IPR&D and \$29 million of technology-based intangible assets with estimated useful lives of 10 years. For tax purposes, \$51 million of goodwill is deductible while \$80 million is not deductible. The Group recognized \$30 million of non-cash contingent consideration liabilities in connection with these business combinations during the fiscal year ended April 26, 2024, which are comprised of turnover and product development milestone-based payments.

##### Fiscal Year 2023

###### *Intersect ENT*

On May 13, 2022, the Group acquired Intersect ENT, a global ear, nose, and throat (ENT) medical technology leader. The acquisition expands the Neuroscience segment portfolio of products used during ENT procedures, and combined with the Group's navigation, powered instruments, and existing tissue health products, offers a broader suite of solutions to assist surgeons treating patients who suffer from chronic rhinosinusitis (CRS). Total consideration, net of cash acquired, for the transaction, in which the Group acquired all outstanding shares of Intersect ENT for \$28.25 per share, was \$1.2 billion consisting of \$1.1 billion of cash and \$98 million previously held investments in Intersect ENT. The Group acquired \$615 million of goodwill, \$635 million of technology-based intangible assets, \$35 million of customer-related intangible assets, and \$13 million of tradenames with estimated useful lives of 20 years. The goodwill is not deductible for tax purposes. Turnover and net loss attributable to Intersect ENT since the date of acquisition as well as costs incurred in connection with the acquisition included in the consolidated profit and loss account were not significant for fiscal year 2023.

## Medtronic plc

### Notes to the Consolidated Financial Statements

#### *Affera, Inc.*

On August 30, 2022, the Group acquired Affera, Inc. (Affera) a privately-held company focused on the development of cardiac mapping and navigation systems and catheter-based cardiac ablation technologies. The acquisition expands the Cardiovascular segment suite of advanced cardiac ablation products and accessories, including its first cardiac mapping and navigation platform. Total consideration, net of cash acquired for the transaction, was \$904 million. The Group acquired \$660 million of goodwill and \$300 million of IPR&D, which was capitalized into intangible assets during the fourth quarter of fiscal year 2023. The goodwill is not deductible for tax purposes. The Group recognized \$201 million of non-cash contingent consideration liabilities in connection with the acquisition, which are comprised of product development milestone-based payments. Turnover and net loss attributable to Affera since the date of acquisition as well as costs incurred in connection with the acquisition included in the consolidated profit and loss account were not significant for fiscal year 2023.

The acquisition date fair values of the assets acquired and liabilities assumed were as follows:

(in millions)	Intersect ENT	Affera
Cash at bank and in hand	\$ 39	\$ 66
Inventory	32	—
Goodwill	615	660
Other intangible assets	683	300
Other assets	40	1
Total assets acquired	1,408	1,027
Current liabilities	63	2
Deferred tax provision	51	53
Other liabilities	18	1
Total liabilities assumed	131	56
Net assets acquired	\$ 1,277	\$ 970

#### *Other Acquisitions*

For acquisitions other than Intersect ENT and Affera, the acquisition date fair value of net assets acquired during fiscal year 2023 was \$123 million. Assets acquired were primarily comprised of \$66 million of goodwill and \$57 million of technology-based intangible assets with estimated useful lives of 16 years. The goodwill is deductible for tax purposes. The Group recognized \$73 million of non-cash contingent consideration liabilities in connection with these acquisitions during fiscal year 2023, which are comprised of turnover and product development milestone-based payments.

#### **Disposal Activity**

##### *Ventilator Product Line Exit*

On February 20, 2024, the Group announced the decision to exit its ventilator product line and retain and combine the remaining Patient Monitoring and Respiratory Interventions (PMRI) businesses into one business unit called Acute Care and Monitoring (ACM). In connection with this decision, the Group recorded pre-tax charges of \$439 million, including \$369 million recognized within *other operating expense (income), net* and \$70 million recognized in *cost of sales* in the consolidated profit and loss account in fiscal year 2024. The charges included \$371 million of non-cash impairments and write-downs primarily related to \$295 million of long-lived intangible asset impairments and \$70 million of inventory-write downs. The other charges primarily related to contract cancellation costs and severance. The Group will continue to honor existing ventilator contracts to serve the needs of its customers and their patients.

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

*Renal Care Solutions (RCS) Disposition*

On May 25, 2022, the Group and DaVita Inc. (DaVita) entered into a definitive agreement for the Group to sell half of its RCS business, and on April 1, 2023, completed the transaction. This sale is part of an agreement between Medtronic and DaVita to form a new, independent kidney care-focused medical device company (“Mozarc Medical” or “Mozarc”) with equal equity ownership. At closing, the Group received \$45 million cash consideration, recorded non-cash contingent consideration receivables valued at \$195 million, made an additional cash investment of \$224 million, and retained a 50% non-controlling equity interest in Mozarc valued at \$307 million. For the contingent consideration receivables, the maximum consideration the Group could receive in the future is \$300 million based on the achievement of certain milestones, as further described below. The Group recorded non-cash pre-tax charges of \$136 million in fiscal year 2023, primarily related to impairment of goodwill and changes in the carrying amount of the disposal group, recognized in *other operating expense (income), net* in the consolidated profit and loss account. Refer to Note 8 for additional information on the goodwill impairment. Refer to Note 12 for additional information on the Group’s retained 50% equity investment in Mozarc as a result of this transaction.

The Group determined that the sale of the RCS business did not meet the criteria to be classified as discontinued operations.

**Contingent Consideration**

Certain of the Group’s business combinations involve potential payment of future consideration that is contingent upon the achievement of certain product development milestones and/or contingent on the acquired business reaching certain performance milestones. A liability is recorded for the estimated fair value of the contingent consideration on the acquisition date. The fair value of the contingent consideration is remeasured at each reporting period, and the change in fair value is recognized within *other operating expense (income), net* in the consolidated profit and loss account.

The fair value of contingent consideration at April 26, 2024 and April 28, 2023 was \$149 million and \$206 million, respectively, and recorded in *provisions for liabilities* on the consolidated balance sheet.

The following table provides a reconciliation of the beginning and ending balances of contingent consideration:

(in millions)	Fiscal Year	
	2024	2023
Beginning Balance	\$ 206	\$ 119
Purchase price contingent consideration	30	274
Payments	(104)	(154)
Change in fair value	18	(24)
Divestiture-related and other	—	(8)
Ending Balance	\$ 149	\$ 206

The recurring Level 3 fair value measurements of contingent consideration for which a provision is recorded include the following significant unobservable inputs:

(in millions)	Fair Value at April 26, 2024	Unobservable Input	Range	Weighted Average <sup>(1)</sup>
Turnover and other performance-based payments	\$ 80	Discount rate	16.5% - 28.2%	20.3%
		Projected fiscal year of payment	2025 - 2030	2027
Product development and other milestone-based payments	\$ 69	Discount rate	5.5%	5.5%
		Projected fiscal year of payment	2025 - 2027	2026

(1) Unobservable inputs were weighted by the relative fair value of the contingent consideration liability. For projected fiscal year of payment, the amount represents the median of the inputs and is not a weighted average.



## Medtronic plc

### Notes to the Consolidated Financial Statements

In connection with the sale of our RCS business as further discussed above, the Group may be entitled to receive additional consideration based on the achievement of certain turnover, regulatory, and profitability milestones, with potential payouts starting in fiscal year 2025 through 2029. The fair value of the contingent consideration receivable at April 26, 2024 and April 28, 2023 was \$58 million and \$195 million, respectively, and was recorded in *debtors* in the consolidated balance sheet.

The following table provides a reconciliation of the beginning and ending balances of the Level 3 measurement of contingent consideration receivable:

(in millions)	Fiscal Year	
	2024	2023
Beginning balance	\$ 195	\$ —
Purchase price contingent consideration	—	195
Change in fair value	(138)	—
Ending balance	\$ 58	\$ 195

## 10. Tangible Assets

Tangible assets activity for fiscal year 2024 was as follows:

(in millions)	Land and Land Improvements	Buildings and Leasehold Improvements	Equipment	Computer Software	Construction in Progress	Total Tangible Assets
<b>Cost:</b>						
April 28, 2023	\$ 162	\$ 2,487	\$ 6,707	\$ 2,952	\$ 1,754	\$ 14,062
Additions	—	2	416	1	1,274	1,693
Disposals	(3)	(71)	(1,108)	(411)	(25)	(1,618)
Acquisitions	—	—	2	—	—	2
Transfers	—	124	421	332	(877)	—
Currency translation and other	—	(36)	(42)	(2)	(7)	(87)
April 26, 2024	\$ 159	\$ 2,506	\$ 6,396	\$ 2,872	\$ 2,119	\$ 14,052
<b>Accumulated depreciation:</b>						
April 28, 2023	\$ (32)	\$ (1,383)	\$ (5,069)	\$ (2,009)	\$ —	\$ (8,493)
Depreciation expense	(1)	(109)	(569)	(275)	—	(954)
Disposals	1	61	1,033	408	—	1,503
Currency translation and other	—	5	13	4	—	22
April 26, 2024	\$ (32)	\$ (1,426)	\$ (4,592)	\$ (1,872)	\$ —	\$ (7,922)
<b>Net book value:</b>						
April 28, 2023	\$ 130	\$ 1,104	\$ 1,638	\$ 943	\$ 1,754	\$ 5,569
April 26, 2024	127	1,080	1,804	1,000	2,119	6,131

Capital expenditures are expected to be approximately \$1.8 billion in fiscal year 2025.

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

**11. Leases**

The Group leases office, manufacturing, and research facilities and warehouses, as well as transportation, data processing, and other equipment. The Group determines whether a contract is a lease or contains a lease at inception date. Upon commencement, the Group recognizes a right-of-use asset and lease liability. Right-of-use assets represent the Group's right to use the underlying asset for the lease term. Lease liabilities are the Group's obligation to make the lease payments arising from a lease. As the Group's leases typically do not provide an implicit rate, the Group's lease liabilities are measured on a discounted basis using the Group's incremental borrowing rate. Lease terms used in the recognition of right-of-use assets and lease liabilities include only options to extend the lease that are reasonably certain to be exercised. Additionally, lease terms underlying the right-of-use assets and lease liabilities consider terminations that are reasonably certain to be executed.

The Group's lease agreements include leases that have both lease and associated nonlease components. The Group has elected to account for lease components and the associated nonlease components as a single lease component. The consolidated balance sheet does not include recognized assets or liabilities for leases that, at the commencement date, have a term of twelve months or less and do not include an option to purchase the underlying asset that is reasonably certain to be exercised. The Group recognizes such leases in the consolidated profit and loss account on a straight-line basis over the lease term. Additionally, the Group recognizes variable lease payments not included in its lease liabilities in the period in which the obligation for those payments is incurred. Variable lease payments for fiscal year 2024 and 2023 were not material.

The Group's lease agreements include leases accounted for as operating leases and those accounted for as finance leases. The right-of-use assets, lease liabilities, lease costs, cash flows, and lease maturities associated with the Group's finance leases were not material to the consolidated financial statements at April 26, 2024 or April 28, 2023 or for fiscal year 2024 or 2023. Finance lease right-of-use assets are included in *tangible assets*, and finance lease liabilities are included in *creditors (amounts falling due within one year)* and *creditors (amounts falling due after more than one year)* on the consolidated balance sheet.

The following table summarizes the balance sheet classification of the Group's operating leases and amounts of the right-of-use assets and lease liabilities at April 26, 2024 and April 28, 2023:

(in millions)	Balance Sheet Classification	April 26, 2024	April 28, 2023
Right-of-use assets	Right of use assets	\$ 1,012	\$ 1,041
Current liability	Creditors (amounts falling due within one year)	183	180
Non-current liability	Creditors (amounts falling due after more than one year)	840	869

The following table summarizes the weighted-average remaining lease term and weighted-average discount rate for the Group's operating leases at April 26, 2024 and April 28, 2023:

	April 26, 2024	April 28, 2023
Weighted-average remaining lease term	8.8 Years	9.1 Years
Weighted-average discount rate	3.4%	2.4%

The following table summarizes the components of total operating lease cost for fiscal year 2024 and 2023:

(in millions)	Fiscal Year	
	2024	2023
Operating lease cost	\$ 232	\$ 211
Short-term lease cost	41	62
<b>Total operating lease cost</b>	<b>\$ 273</b>	<b>\$ 273</b>

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

Right of use asset activity for fiscal year 2024 was as follows:

(in millions)	Fiscal Year	
	2024	
April 28, 2023	\$	1,041
Additions		220
Amortization		(241)
Currency translation and other		(8)
April 26, 2024	\$	1,012

The following table summarizes the cash paid for amounts included in the measurement of operating lease liabilities and right-of-use assets obtained in exchange for operating lease liabilities for fiscal year 2024 and 2023:

(in millions)	Fiscal Year	
	2024	2023
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 232	\$ 210
Right-of-use assets obtained in exchange for operating lease liabilities	220	417

The following table summarizes the maturities of the Group's operating leases at April 26, 2024:

(in millions)	Operating Leases	
Fiscal Year		
2025	\$	203
2026		178
2027		151
2028		113
2029		88
Thereafter		444
<b>Total expected lease payments</b>		<b>1,177</b>
Less: Imputed interest		(154)
<b>Total lease liability</b>	\$	<b>1,024</b>

The Group makes certain products available to customers under lease arrangements, including arrangements whereby equipment is placed with customers who then purchase consumable products to accompany the use of the equipment. Profit arising from arrangements where the Group is the lessor is recognized within *turnover* in the consolidated profit and loss account and the Group's net investments in sales-type leases are included in *debtors* in the consolidated balance sheet. Lessor profit and the related assets and lease maturities were not material to the consolidated financial statements at or for the fiscal year ended April 26, 2024 and April 28, 2023.

**12. Financial Assets/Fair Value Measurement**

**Debt Securities**

The Group holds investments in marketable debt securities that are classified and accounted for as available-for-sale and are remeasured on a recurring basis. The following tables summarize the Group's investments in available-for-sale debt securities by significant investment category and the related consolidated balance sheet classification at April 26, 2024 and April 28, 2023:

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

(in millions)	April 26, 2024					
	Valuation				Balance Sheet Classification	
	Cost	Unrealized Gains	Unrealized Losses	Fair Value	Short-term Investments	Financial Assets
<b>Level 1:</b>						
U.S. government and agency securities	\$ 494	\$ —	\$ (22)	\$ 472	\$ 472	\$ —
<b>Level 2:</b>						
Corporate debt securities	3,953	4	(125)	3,832	3,832	—
U.S. government and agency securities	847	—	(43)	804	804	—
Mortgage-backed securities	692	1	(50)	643	643	—
Non-U.S. government and agency securities	5	—	—	5	5	—
Other asset-backed securities	941	2	(9)	934	934	—
Total Level 2	6,438	7	(227)	6,218	6,218	—
<b>Level 3:</b>						
Auction rate securities	36	—	(3)	33	—	33
Total available-for-sale debt securities	\$ 6,968	\$ 7	\$ (252)	\$ 6,723	\$ 6,690	\$ 33

(in millions)	April 28, 2023					
	Valuation				Balance Sheet Classification	
	Cost	Unrealized Gains	Unrealized Losses	Fair Value	Short-term Investments	Financial Assets
<b>Level 1:</b>						
U.S. government and agency securities	\$ 527	\$ —	\$ (22)	\$ 505	\$ 505	\$ —
<b>Level 2:</b>						
Corporate debt securities	4,140	6	(162)	3,984	3,984	—
U.S. government and agency securities	879	—	(45)	834	834	—
Mortgage-backed securities	560	—	(54)	506	506	—
Non-U.S. government and agency securities	15	—	—	15	15	—
Certificates of deposit	10	—	—	10	10	—
Other asset-backed securities	580	—	(19)	561	561	—
Total Level 2	6,185	6	(281)	5,911	5,911	—
<b>Level 3:</b>						
Auction rate securities	36	—	(3)	33	—	33
Total available-for-sale debt securities	\$ 6,748	\$ 6	\$ (305)	\$ 6,449	\$ 6,416	\$ 33

The amortized cost of debt securities excludes accrued interest, which is reported in *debtors* in the consolidated balance sheet.

The following tables present the gross unrealized losses and fair values of the Group's available-for-sale debt securities that have been in a continuous unrealized loss position deemed to be temporary, aggregated by investment category at April 26, 2024 and April 28, 2023:

(in millions)	April 26, 2024			
	Less than 12 months		More than 12 months	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Corporate debt securities	\$ 661	\$ (10)	\$ 2,448	\$ (116)
U.S. government and agency securities	177	(4)	730	(61)
Mortgage-backed securities	—	—	582	(50)
Other asset-backed securities	—	—	502	(9)
Auction rate securities	—	—	33	(3)
Total	\$ 838	\$ (14)	\$ 4,296	\$ (238)

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

(in millions)	April 28, 2023			
	Less than 12 months		More than 12 months	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Corporate debt securities	\$ 286	\$ (4)	\$ 2,901	\$ (158)
U.S. government and agency securities	89	(3)	821	(64)
Mortgage-backed securities	26	(1)	460	(53)
Other asset-backed securities	—	—	545	(19)
Auction rate securities	—	—	33	(3)
Total	<u>\$ 401</u>	<u>\$ (8)</u>	<u>\$ 4,760</u>	<u>\$ (297)</u>

The Group reviews the fair value hierarchy classification on a quarterly basis. Changes in the ability to observe valuation inputs may result in a reclassification of levels for certain securities within the fair value hierarchy. There were no transfers into or out of Level 3 during the fiscal years ended April 26, 2024 and April 28, 2023. When a determination is made to classify an asset or liability within Level 3, the determination is based upon the significance of the unobservable inputs to the overall fair value measurement.

Activity related to the Group's available-for-sale debt securities portfolio is as follows:

(in millions)	April 26, 2024	April 28, 2023
Proceeds from sales	\$ 7,359	\$ 7,321
Gross realized gains	24	10
Gross realized losses	(26)	(43)

The contractual maturities of available-for-sale debt securities at April 26, 2024 are shown in the following table. Within the table, maturities of mortgage-backed securities have been allocated based upon timing of estimated cash flows assuming no change in the current interest rate environment. Actual maturities may differ from contractual maturities because the issuers of the securities may have the right to prepay obligations without prepayment penalties.

(in millions)	Amortized Cost	Fair Value
Due in one year or less	\$ 1,548	\$ 1,534
Due after one year through five years	3,644	3,479
Due after five years through ten years	758	744
Due after ten years	1,019	967
Total	<u>\$ 6,968</u>	<u>\$ 6,723</u>

Interest receivable and similar income is recognized in *other non-operating income, net* in the consolidated profit and loss account. For fiscal years 2024 and 2023, there was \$597 million and \$386 million of interest receivable and similar income, respectively.

**Equity Securities, Equity Method Investments, and Other Investments**

The Group holds investments in equity securities with readily determinable fair values, equity method investments for which the Group has elected the fair value option, equity investments without readily determinable fair values, investments accounted for under the equity method, and other investments. Equity securities with readily determinable fair values are included in Level 1 of the fair value hierarchy, as they are measured using quoted market prices. Equity method investments for which the Group has elected the fair value option are included within Level 3 of the fair value hierarchy due to the use of significant unobservable inputs to determine fair value. To determine the fair value of these investments, the Group uses a discounted cash flow methodology, taking into consideration various assumptions including discount rate, and all pertinent financial information available related to the investees, including the timing of anticipated product launches, historical financial results, and projections of future cash flows. Equity investments that do not have readily determinable fair values, and that are not accounted for via the fair value option, are included within Level 3 of the fair value hierarchy, as they are measured using the measurement alternative at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer.

## Medtronic plc

### Notes to the Consolidated Financial Statements

The following table summarizes the Group's equity and other investments at April 26, 2024 and April 28, 2023. At April 26, 2024, \$1.2 billion was classified as *financial assets*, and \$31 million was classified as *short-term investments* in the consolidated balance sheet. At April 28, 2023, \$1.6 billion was classified as *financial assets* in the consolidated balance sheet.

(in millions)	April 26, 2024	April 28, 2023
Investments with readily determinable fair value (marketable equity securities)	\$ 28	\$ 115
Investments for which the fair value option has been elected	311	531
Investments without readily determinable fair values	859	872
Equity method and other investments	84	89
<b>Total equity and other investments</b>	<b>\$ 1,282</b>	<b>\$ 1,607</b>

Gains and losses on the Group's portfolio of equity and other investment are recognized in *other non-operating income, net* in the consolidated profit and loss account. During the fiscal year ended April 26, 2024, there were \$291 million of net unrealized losses on equity securities and other investments still held at April 26, 2024. During the fiscal year ended April 28, 2023, there were \$56 million of net unrealized gains on equity securities and other investments still held at April 28, 2023.

#### Mozarc Medical Investment

As further described in Note 9, on April 1, 2023 the Group sold half of its RCS business to Mozarc, and as a result of the transaction the Group retained a 50% equity interest in Mozarc. Although the equity investment provides the Group with the ability to exercise significant influence over Mozarc, the Group has elected the fair value option to account for this equity investment. The Group believes the fair value option best reflects the economics of the underlying transaction.

Under the fair value option, changes in the fair value of the investment are recognized through profit each reporting period in *other non-operating income, net* in the consolidated profit and loss account. During the fiscal year ended April 26, 2024, the Group recognized a loss of \$220 million, primarily driven by the timing of anticipated product launches, historical financial results, and projections of future cash flows.

The following table provides a reconciliation of the beginning and ending balances of the Mozarc investment for which the fair value option has been elected:

(in millions)	Fiscal Year	
	2024	2023
Beginning Balance	\$ 531	\$ —
Initial valuation	—	307
Additional cash investment	—	224
Change in fair value	(220)	—
<b>Ending Balance</b>	<b>\$ 311</b>	<b>\$ 531</b>

Financial assets and short-term investments activity for fiscal year 2024 was as follows:

(in millions)	Debt	Equity	Total
April 28, 2023	\$ 6,449	\$ 1,607	\$ 8,056
Purchases	7,603	145	7,748
Proceeds from sales	(7,359)	(82)	(7,441)
Realized (losses) gains, net	(2)	(231)	(233)
Impairments	—	(32)	(32)
Unrealized gains, net	54	—	54
Other	(22)	(125)	(147)
April 26, 2024	<b>\$ 6,723</b>	<b>\$ 1,282</b>	<b>\$ 8,005</b>

## Medtronic plc

### Notes to the Consolidated Financial Statements

#### 13. Inventories

Inventory balances were as follows:

(in millions)	April 26, 2024	April 28, 2023
Finished goods	\$ 3,668	\$ 3,440
Work-in-process	642	789
Raw materials	907	1,063
Total	<u>\$ 5,217</u>	<u>\$ 5,293</u>

#### 14. Debtors

Debtors consisted of the following:

(in millions)	April 26, 2024	April 28, 2023
<b>Amounts falling due within one year:</b>		
Trade debtors, less allowances and credit losses of \$173 and \$176, respectively	\$ 6,128	\$ 5,998
Tax assets (note 6)	830	885
Derivative contracts receivable (note 15)	383	335
Interest receivable	48	42
Other debtors and prepayments	1,324	1,163
Total amounts falling due within one year	<u>8,712</u>	<u>8,423</u>
<b>Amounts falling due after more than one year:</b>		
Long-term tax assets (note 6)	3,657	3,477
Derivative contracts receivable (note 15)	276	33
Other debtors	1,465	1,243
Total amounts falling due after more than one year	<u>5,399</u>	<u>4,753</u>
Total debtors	<u>\$ 14,111</u>	<u>\$ 13,176</u>

#### 15. Derivatives and Currency Exchange Risk Management

The Group uses derivative instruments and foreign currency denominated debt to manage the impact that currency exchange rate and interest rate changes have on reported financial statements. The Group does not enter into derivative contracts for speculative purposes.

##### Cash Flow Hedges

The Group uses foreign currency forward and option contracts designated as cash flow hedges to manage its exposure to the variability of future cash flows that are denominated in a foreign currency.

At inception, foreign currency forward and option contracts are designated as a cash flow hedge. Changes in the fair value of these derivatives are reported as a component of *accumulated other comprehensive loss* until the hedged transaction affects profit. When the hedged transaction affects profit, the gain or loss on the derivative is reclassified to profit. Amounts excluded from the measurement of hedge effectiveness are recognized in profit on a straight-line basis over the term of the hedge. Cash flows are reported as operating activities in the consolidated statement of cash flows.

The Group's cash flow hedges will mature within the subsequent three-year period. At April 26, 2024 and April 28, 2023, the Group had \$229 million and \$93 million in after-tax unrealized gains, respectively, associated with cash flow hedging instruments recorded in *accumulated other comprehensive loss*. The Group expects that \$158 million of after-tax net unrealized gains at April 26, 2024 will be recognized in the consolidated profit and loss account over the next 12 months.

##### Net Investment Hedges

The Group uses derivative instruments and foreign currency denominated debt to manage foreign currency risk associated with its net investment in foreign operations. The derivative instruments that the Group uses for this purpose may include foreign currency forward exchange contracts used on a standalone basis or in combination with option collars and standalone cross currency interest rate contracts.

## Medtronic plc

### Notes to the Consolidated Financial Statements

For instruments that are designated as net investment hedges, the gains or losses are reported as a component of *accumulated other comprehensive loss*. The gains or losses are reclassified into profit upon a liquidation event or deconsolidation of the foreign subsidiary. Amounts excluded from the assessment of effectiveness are recognized in *interest payable and similar expenses, net* on a straight-line basis over the term of the hedge. During the twelve months ended April 26, 2024 and April 28, 2023, the Group recognized \$197 million and \$107 million, respectively, of after-tax unrealized gains related to excluded components in *interest payable and similar expenses, net*. The cash flows related to the Group's derivative instruments designated as net investment hedges are reported as investing activities in the consolidated statement of cash flows. Cash flows attributable to amounts excluded from the assessment of effectiveness are reported as operating activities in the consolidated statement of cash flows.

#### Undesignated Derivatives

The Group uses foreign currency forward exchange contracts to offset the Group's exposure to the change in the value of non-functional currency denominated assets, liabilities, and cash flows.

These foreign currency forward exchange rate contracts are not designated as hedges at inception, and therefore, changes in the fair value of these contracts are recognized in the consolidated profit and loss account. Cash flows related to the Group's undesignated derivative contracts are reported in the consolidated statement of cash flows based on the nature of the derivative instrument.

#### Outstanding Instruments

The following table presents the contractual amounts of the Group's outstanding instruments:

(in billions)	Designation	As of	
		April 26, 2024	April 28, 2023
Currency exchange rate contracts	Cash flow hedge	\$ 10.4	\$ 9.1
Currency exchange rate contracts <sup>(1)</sup>	Net investment hedge	7.4	7.2
Foreign currency-denominated debt <sup>(2)</sup>	Net investment hedge	17.1	17.6
Currency exchange rate contracts	Undesignated	5.9	5.8

(1) At April 26, 2024, includes derivative contracts with a notional value of €5.0 billion, or \$5.4 billion, designated as hedges of a portion of our net investment in certain European operations and derivative contracts with a notional value of ¥322 billion, or \$2.1 billion, designated as hedges of a portion of our net investment in certain Japanese operations. These derivative contracts mature in fiscal years 2025 through 2033.

(2) At April 26, 2024, includes €16.0 billion, or \$17.1 billion, of outstanding Euro-denominated debt designated as hedges of a portion of our net investment in foreign operations. This debt matures in fiscal years 2026 through 2051.

#### Gains and Losses on Hedging Instruments and Derivatives not Designated as Hedging Instruments

The amount of the gains and losses on hedging instruments and the classification of those gains and losses within our consolidated financial statements for fiscal years 2024 and 2023 were as follows:

(in millions)	(Gain) Loss Recognized in Accumulated Other Comprehensive Loss		(Gain) Loss Reclassified into Profit		Location of (Gain) Loss in Consolidated Profit and Loss Account
	Fiscal Year		Fiscal Year		
	2024	2023	2024	2023	
<b>Cash flow hedges</b>					
Currency exchange rate contracts	\$ (416)	\$ (161)	\$ (312)	\$ (703)	Other operating expense (income), net
Currency exchange rate contracts	(124)	(79)	(57)	(3)	Cost of sales
<b>Net investment hedges</b>					
Foreign currency-denominated debt	(431)	524	—	—	N/A
Currency exchange rate contracts	(202)	73	—	—	N/A
Total	<u>\$ (1,173)</u>	<u>\$ 356</u>	<u>\$ (369)</u>	<u>\$ (706)</u>	



**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

The amount of the gains and losses on our derivative instruments not designated as hedging instruments and the classification of those gains and losses within our consolidated profit and loss account for fiscal years 2024 and 2023 were as follows:

(in millions)	(Gain) Loss Recognized in Profit		Location of (Gain) Loss in Consolidated Profit and Loss Account
	Fiscal Year		
	2024	2023	
Currency exchange rate contracts	\$ 136	\$ 31	Other operating expense (income), net

**Balance Sheet Presentation**

The following tables summarize the balance sheet classification and fair value of derivative instruments included in the consolidated balance sheet at April 26, 2024 and April 28, 2023. The fair value amounts are presented on a gross basis, and are segregated between derivatives that are designated and qualify as hedging instruments and those that are not designated and do not qualify as hedging instruments, and are further segregated by type of contract within those two categories.

(in millions)	Fair Value - Assets			Fair Value - Liabilities		
	April 26, 2024	April 28, 2023	Balance Sheet Classification	April 26, 2024	April 28, 2023	Balance Sheet Classification
<b>Derivatives designated as hedging instruments</b>						
Currency exchange rate contracts	\$ 368	\$ 318	Debtors	\$ 37	\$ 109	Creditors (amounts falling due within one year)
Currency exchange rate contracts	276	33	Debtors	17	117	Creditors (amounts falling due after more than one year)
Total derivatives designated as hedging instruments	644	351		54	226	
<b>Derivatives not designated as hedging instruments</b>						
Currency exchange rate contracts	15	17	Debtors	12	10	Creditors (amounts falling due within one year)
Total derivatives	\$ 659	\$ 368		\$ 66	\$ 236	

The following table provides information by level for the derivative assets and liabilities that are measured at fair value on a recurring basis:

(in millions)	April 26, 2024		April 28, 2023	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
Level 1	\$ 659	\$ 66	\$ 368	\$ 236

The Group has elected to present the fair value of derivative assets and liabilities within the consolidated balance sheet on a gross basis, even when derivative transactions are subject to master netting arrangements and may otherwise qualify for net presentation. The cash flows related to collateral posted and received are reported gross as investing and financing activities, respectively, in the consolidated statement of cash flows.

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

The following tables provide information as if the Group had elected to offset the asset and liability balances of derivative instruments, netted in accordance with various criteria as stipulated by the terms of the master netting arrangements with each of the counterparties. Derivatives not subject to master netting arrangements are not eligible for net presentation.

(in millions)	April 26, 2024			
	Gross Amount of Recognized Assets (Liabilities)	Gross Amount Not Offset on the Balance Sheet		Net Amount
		Financial Instruments	Cash Collateral (Received) Posted	
<b>Derivative assets:</b>				
Currency exchange rate contracts	\$ 659	\$ (66)	\$ (101)	\$ 492
<b>Derivative liabilities:</b>				
Currency exchange rate contracts	(66)	66	—	—
<b>Total</b>	<b>\$ 593</b>	<b>\$ —</b>	<b>\$ (101)</b>	<b>\$ 492</b>

(in millions)	April 28, 2023			
	Gross Amount of Recognized Assets (Liabilities)	Gross Amount Not Offset on the Balance Sheet		Net Amount
		Financial Instruments	Cash Collateral (Received) Posted	
<b>Derivative assets:</b>				
Currency exchange rate contracts	\$ 368	\$ (189)	\$ (11)	\$ 168
<b>Derivative liabilities:</b>				
Currency exchange rate contracts	(236)	189	—	(48)
<b>Total</b>	<b>\$ 132</b>	<b>\$ —</b>	<b>\$ (11)</b>	<b>\$ 121</b>

**Concentrations of Credit Risk**

Financial instruments, which potentially subject the Group to significant concentrations of credit risk, consist principally of interest-bearing investments, derivative contracts, and trade debtors. Global concentrations of credit risk with respect to trade debtors are limited due to the large number of customers and their dispersion across many geographic areas. The Group monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business.

The Group maintains cash at bank and in hand, investments, and certain other financial instruments (including currency exchange rate and interest rate derivative contracts) with various major financial institutions. The Group performs periodic evaluations of the relative credit standings of these financial institutions and limits the amount of credit exposure with any one institution. In addition, the Group has collateral credit agreements with its primary derivatives counterparties. Under these agreements, either party is required to post eligible collateral when the market value of transactions covered by the agreement exceeds specific thresholds, thus limiting credit exposure for both parties. As of April 26, 2024 and April 28, 2023 the Group received net cash collateral of \$101 million and \$11 million, respectively, from its counterparties. Cash collateral posted is recorded as a reduction in *cash at bank and in hand*, with the offset recorded as an increase in *debtors* in the consolidated balance sheet. Cash collateral received is recorded as an increase in *cash at bank and in hand* with the offset recorded in *creditors (amounts falling due within one year)* in the consolidated balance sheet.

## Medtronic plc

### Notes to the Consolidated Financial Statements

#### 16. Creditors

Creditors consisted of the following:

(in millions)	April 26, 2024	April 28, 2023
<b>Amounts falling due within one year:</b>		
Financing arrangements (note 17)	\$ 1,092	\$ 20
Trade creditors	2,410	2,662
Accrued payroll and employee benefits	2,218	1,797
Income taxes payable (note 6)	1,330	840
Deferred revenue (note 2)	352	314
Operating lease liabilities (note 11)	183	180
Payables on derivatives and hedges (note 15)	49	119
Accrued interest	184	181
Other creditors including tax and social insurance <sup>(1)</sup>	1,204	1,187
<b>Total amounts falling due within one year</b>	<b>\$ 9,022</b>	<b>\$ 7,299</b>
<b>Amounts falling due after more than one year:</b>		
Financing arrangements (note 17)	\$ 23,932	\$ 24,344
Income taxes payable (note 6)	1,859	2,360
Operating lease liabilities (note 11)	840	869
Accrued employee benefits	581	556
Deferred revenue (note 2)	101	91
Payables on derivatives and hedges (note 15)	17	117
Accruals and other creditors	82	115
<b>Total amounts falling due after more than one year</b>	<b>\$ 27,412</b>	<b>\$ 28,452</b>

<sup>(1)</sup> Includes amounts for value added and other non-income related taxes of approximately \$217 million and \$199 million as well as social insurance of approximately \$66 million and \$70 million for fiscal years 2024 and 2023, respectively.

#### 17. Financing Arrangements

Financing arrangements falling due within one year consisted of the following:

(in millions)	April 26, 2024	April 28, 2023
Bank borrowings	\$ 13	\$ 13
Finance lease obligations	6	7
Commercial paper	1,073	—
Financing arrangements	\$ 1,092	\$ 20

**Commercial Paper** On January 26, 2015, Medtronic Global Holdings S.C.A. (Medtronic Luxco), an entity organized under the laws of Luxembourg, entered into various agreements pursuant to which Medtronic Luxco may issue United States Dollar-denominated unsecured commercial paper notes (the 2015 CP Program) on a private placement basis, and on January 31, 2020 Medtronic Luxco entered into various agreements pursuant to which Medtronic Luxco may issue Euro-denominated unsecured commercial paper notes (the 2020 CP Program) on a private placement basis. The maximum aggregate amount outstanding at any time under the 2015 CP Program and the 2020 CP Program together may not exceed the equivalent of \$3.5 billion. The Group and Medtronic, Inc. have guaranteed the obligations of Medtronic Luxco under the 2015 CP Program and the 2020 CP Program.

There was \$1.1 billion commercial paper outstanding at April 26, 2024. During fiscal year 2024, the weighted average original maturity of the commercial paper outstanding was approximately 20 days and the weighted average interest rate was 5.45 percent. There was no commercial paper outstanding at April 28, 2023. During fiscal year 2023, the weighted average original maturity of the commercial paper outstanding was approximately 22 days and the weighted average interest rate was 4.34 percent. The issuance of commercial paper reduces the amount of credit available under the Group's existing credit facility, defined below.

**Medtronic plc**

**Notes to the Consolidated Financial Statements**

**Line of Credit** On December 12, 2023, Medtronic Luxco, as borrower, entered into an amendment to its amended and restated credit agreement (Credit Facility), by and among Medtronic, Medtronic, Inc., Medtronic Luxco, the lenders from time to time party thereto, and Bank of America, N.A., as administrative agent and issuing bank, extending the maturity date of the Credit Facility to December 2028.

The Credit Facility provides for a \$3.5 billion five-year unsecured revolving credit facility (Credit Facility). At each anniversary date of the Credit Facility, we can request a one-year extension of the maturity date. The Credit Facility provides the Group with the ability to increase its borrowing capacity by an additional \$1.0 billion at any time during the term of the agreement. The Group and Medtronic, Inc. have guaranteed the obligations of the borrowers under the Credit Facility, and Medtronic Luxco will also guarantee the obligations of any designated borrower. The Credit Facility includes a multi-currency borrowing feature for certain specified foreign currencies. At April 26, 2024 and April 28, 2023, no amounts were outstanding under the Credit Facility.

Interest rates on advances on the Credit Facility are determined by a pricing matrix based on the Group's long-term debt ratings, assigned by Standard & Poor's Ratings Services and Moody's Investors Service. Facility fees are payable on the Credit Facility and are determined in the same manner as the interest rates. The Group is in compliance with all covenants related to the Credit Facility.

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

Financing arrangements falling due after one year consisted of the following:

(in millions, except interest rates)	Maturity by Fiscal Year	April 26, 2024		April 28, 2023	
		Amount	Effective Interest Rate	Amount	Effective Interest Rate
0.250 percent six-year 2019 senior notes	2026	\$ 1,070	0.44 %	\$ 1,097	0.44 %
2.625 percent three-year 2022 senior notes	2026	535	2.86	549	2.86
0.000 percent five-year 2020 senior notes	2026	1,070	0.23	1,097	0.23
1.125 percent eight-year 2019 senior notes	2027	1,606	1.25	1,646	1.25
4.250 percent five-year 2023 senior notes	2028	1,000	4.42	1,000	4.42
3.000 percent six-year 2022 senior notes	2029	1,070	3.10	1,097	3.09
0.375 percent eight-year 2020 senior notes	2029	1,070	0.51	1,097	0.51
1.625 percent twelve-year 2019 senior notes	2031	1,070	1.75	1,097	1.75
1.000 percent twelve-year 2019 senior notes	2032	1,070	1.06	1,097	1.06
3.125 percent nine-year 2022 senior notes	2032	1,070	3.25	1,097	3.25
0.750 percent twelve-year 2020 senior notes	2033	1,070	0.81	1,097	0.81
4.500 percent ten-year 2023 senior notes	2033	1,000	4.62	1,000	4.62
3.375 percent twelve-year 2022 senior notes	2035	1,070	3.44	1,097	3.44
4.375 percent twenty-year 2015 senior notes	2035	1,932	4.47	1,932	4.47
6.550 percent thirty-year 2007 CIFSA senior notes	2038	253	4.67	253	4.67
2.250 percent twenty-year 2019 senior notes	2039	1,070	2.34	1,097	2.34
6.500 percent thirty-year 2009 senior notes	2039	158	6.56	158	6.56
1.500 percent twenty-year 2019 senior notes	2040	1,070	1.58	1,097	1.58
5.550 percent thirty-year 2010 senior notes	2040	224	5.58	224	5.58
1.375 percent twenty-year 2020 senior notes	2041	1,070	1.46	1,097	1.46
4.500 percent thirty-year 2012 senior notes	2042	105	4.54	105	4.54
4.000 percent thirty-year 2013 senior notes	2043	305	4.09	305	4.09
4.625 percent thirty-year 2014 senior notes	2044	127	4.67	127	4.67
4.625 percent thirty-year 2015 senior notes	2045	1,813	4.69	1,813	4.69
1.750 percent thirty-year 2019 senior notes	2050	1,070	1.87	1,097	1.87
1.625 percent thirty-year 2020 senior notes	2051	1,070	1.75	1,097	1.75
Finance lease obligations	2026-2036	55	10.17	57	9.91
Debt discount, net	2026-2051	(55)	—	(64)	—
Deferred financing costs	2026-2051	(110)	—	(124)	—
Financing arrangements		<u>\$ 23,932</u>		<u>\$ 24,344</u>	

**Senior Notes** The Group has outstanding unsecured senior obligations, described as senior notes in the tables above (collectively, the Senior Notes). The Senior Notes rank equally with all other unsecured and unsubordinated indebtedness of the Group. The Group is in compliance with all covenants related to the Senior Notes.

In September 2022, Medtronic Luxco issued four tranches of Euro-denominated Senior Notes with an aggregate principal of €3.5 billion, with maturities ranging from fiscal year 2026 to 2035, resulting in cash proceeds of approximately \$3.4 billion, net of discounts and issuance costs. The Group used the net proceeds to repay at maturity €750 million of Medtronic Luxco Senior Notes for \$772 million of total consideration in December 2022 and €2.8 billion of Medtronic Luxco Senior Notes for \$2.9 billion of total consideration in March 2023.

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

In March 2023, Medtronic Luxco issued two tranches of USD-denominated Senior Notes with an aggregate principal of \$2.0 billion, with maturities ranging from fiscal year 2028 to 2033, resulting in cash proceeds of approximately \$2.0 billion, net of discounts and issuance costs. The Group used the net proceeds supplemented by additional cash to repay the ¥297 billion Fiscal 2023 Loan Agreement discussed below for \$2.3 billion of total consideration.

Subsequent to year-end, on June 3, 2024, Medtronic Inc. issued four tranches of EUR-denominated Senior Notes with an aggregate principal of €3.0 billion, with maturities ranging from fiscal year 2030 to 2054, resulting in cash proceeds of approximately \$3.2 billion, net of discounts and issuance costs. In anticipation of the Euro-denominated debt issuance, the Group entered into forward currency exchange rate contracts to manage the exposure to exchange rate movements. These contracts were settled in conjunction with the issuance of the June 2024 Notes.

The Euro-denominated debt issued in September 2022 is designated as a net investment hedge of certain of the Group's European operations. Refer to Note 15 for additional information regarding the net investment hedge.

**Term Loan Agreements** In May 2022, Medtronic Luxco entered into a term loan agreement (Fiscal 2023 Loan Agreement) by and among Medtronic Luxco, Medtronic plc, Medtronic, Inc., and Mizuho Bank, Ltd. as administrative agent and as lender. The Fiscal 2023 Loan Agreement provides an unsecured term loan in an aggregate principal amount of up to ¥300 billion with a term of 364 days. Borrowings under the Fiscal 2023 Loan Agreement bear interest at the TIBOR Rate (as defined in the Fiscal 2023 Loan Agreement) plus a margin of 0.40% per annum. Medtronic plc and Medtronic, Inc. have guaranteed the obligations of Medtronic Luxco under the Fiscal 2023 Loan Agreement. In May and June 2022, Medtronic Luxco borrowed an aggregate of ¥297 billion, or approximately \$2.3 billion, of the term loan, under the Fiscal 2023 Loan Agreement. The Group used the net proceeds of the borrowings to fund the early redemption of \$1.9 billion of Medtronic Inc.'s 3.500% Senior Notes due 2025 for \$1.9 billion of total consideration, and \$368 million of Medtronic Luxco's 3.350% Senior Notes due 2027 for \$376 million of total consideration. The Group recognized a total loss on debt extinguishment of \$53 million in the quarter ended July 29, 2022, which primarily included cash premiums and accelerated amortization of deferred financing costs and debt discounts and premiums. The loss was recognized in *interest payable and similar expenses, net* in the consolidated profit and loss account. During the fourth quarter of fiscal year 2023, the Group repaid the term loan in full, including interest.

Contractual maturities of debt for the next five fiscal years and thereafter, excluding deferred financing costs and debt discount, net, are as follows:

(in millions)	
2025	\$ 1,092
2026	2,684
2027	1,612
2028	1,006
2029	2,146
Thereafter	16,649
<b>Total</b>	<b>\$ 25,189</b>

**Financial Instruments Not Measured at Fair Value** At April 26, 2024, the estimated fair value of the Group's Senior Notes was \$21.2 billion compared to a principal value of \$24.0 billion. At April 28, 2023 the estimated fair value was \$21.7 billion compared to a principal value of \$24.5 billion. The fair value was estimated using quoted market prices for the publicly registered Senior Notes, which are classified as Level 2 within the fair value hierarchy. The fair values and principal values consider the terms of the related debt and exclude the impacts of debt discounts and hedging activity.

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

**18. Provisions for Liabilities**

Provisions for liabilities were as follows:

(in millions)	April 26, 2024	April 28, 2023
Rebates	\$ 1,036	\$ 1,066
Deferred taxes, as adjusted (note 6)	515	708
Retirement benefit obligations (note 19)	521	526
Accrued certain litigation charges	229	259
Warranty obligations	112	126
Contingent consideration liabilities (note 9)	149	206
Right of return	92	104
Restructuring reserves (note 3)	136	213
Other provisions	337	325
Total provision for liabilities	<u>\$ 3,127</u>	<u>\$ 3,532</u>

Provisions activity for fiscal year 2024 was as follows:

(in millions)	Rebates	Accrued Certain Litigation Charges	Warranty Obligations	Right of Return	Other <sup>(1)</sup>
April 28, 2023	\$ 1,066	\$ 259	\$ 126	\$ 104	\$ 325
Provisions	2,003	149	72	185	762
Utilization and payments	(2,018)	(168)	(86)	(192)	(750)
Currency translation and other	(14)	(10)	—	(4)	—
April 26, 2024	<u>\$ 1,036</u>	<u>\$ 229</u>	<u>\$ 112</u>	<u>\$ 92</u>	<u>\$ 337</u>

<sup>(1)</sup> The provisions and utilization/payments primarily relate to insurance reserves for medical and dental.

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

**19. Retirement Benefit Obligations**

Pension and similar obligations, net were as follows:

(in millions)	April 26, 2024	April 28, 2023
U.S. defined benefit pension plan assets (obligations), net	\$ 357	\$ (53)
Non-U.S. defined benefit pension plan assets, net	54	115
Post-retirement benefit plan assets, net	73	41
Other	(33)	(31)
Total retirement benefit assets, net <sup>(1)</sup>	<u>\$ 451</u>	<u>\$ 72</u>

<sup>(1)</sup> Includes the net impact of total retirement benefit plan assets of approximately \$1.0 billion and \$627 million for fiscal years 2024 and 2023, respectively. These plan assets are categorized as *debtors* within the consolidated balance sheet.

The Group sponsors various retirement benefit plans, including defined benefit pension plans, post-retirement medical plans, defined contribution savings plans, and termination indemnity plans, covering substantially all U.S. employees and many employees outside the U.S. The net expense related to these plans was \$451 million and \$494 million in fiscal years 2024 and 2023, respectively.

In the U.S., the Group maintains qualified pension plans designed to provide guaranteed minimum retirement benefits to all eligible U.S. participants. Pension coverage for non-U.S. employees is provided, to the extent deemed appropriate, through separate plans. In addition to the benefits provided under the qualified pension plan, retirement benefits associated with wages in excess of the IRS allowable limits are provided to certain employees under a non-qualified plan. U.S. and Puerto Rico employees are also eligible to receive a medical benefit component, in addition to normal retirement benefits, through the Group's post-retirement benefits.

The amounts included in the Group's financial statements are based on the most recent actuarial valuations, which are generally as of the end of the fiscal year. The actuarial valuations are performed by the individual plan's independent and professionally qualified actuaries. The actuarial reports are not available for public inspection.

At April 26, 2024 and April 28, 2023, the funded status of the Group's benefit plans was \$484 million overfunded and \$103 million overfunded, respectively.

During fiscal year 2023, the Group offered certain eligible U.S. employees voluntary early retirement packages, resulting in charges of \$94 million, primarily related to U.S. pension benefits. The charges were recognized in *restructuring charges, net* in the consolidated profit and loss account. See Note 3 for additional information on restructuring charges.



**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

**Defined Benefit Pension Plans** The change in benefit obligation and funded status of the Group's U.S. and Non-U.S. pension benefits are as follows:

(in millions)	U.S. Pension Benefits <sup>(1)</sup>		Non-U.S. Pension Benefits	
	Fiscal Year		Fiscal Year	
	2024	2023	2024	2023
<b>Accumulated benefit obligation at end of year:</b>	\$ 3,144	\$ 3,348	\$ 1,513	\$ 1,422
<b>Change in projected benefit obligation:</b>				
Projected benefit obligation at beginning of year	\$ 3,451	\$ 3,526	\$ 1,499	\$ 1,740
Service cost	61	77	42	43
Interest cost	162	142	53	38
Employee contributions	—	—	9	9
Plan curtailments, settlements, and amendments	—	(19)	(10)	(8)
Actuarial (gain) loss <sup>(2)</sup>	(245)	(210)	116	(303)
Benefits paid	(234)	(140)	(65)	(63)
Special termination benefits <sup>(3)</sup>	—	74	—	—
Currency exchange rate changes and other	—	—	(41)	43
Projected benefit obligation at end of year	<u>\$ 3,194</u>	<u>\$ 3,451</u>	<u>\$ 1,604</u>	<u>\$ 1,499</u>
<b>Change in plan assets:</b>				
Fair value of plan assets at beginning of year	\$ 3,398	\$ 3,559	\$ 1,614	\$ 1,732
Actual return on plan assets	356	(43)	103	(163)
Employer contributions	32	22	40	57
Employee contributions	—	—	9	9
Plan settlements	—	—	(7)	(8)
Benefits paid	(234)	(140)	(65)	(63)
Currency exchange rate changes and other	—	—	(36)	50
Fair value of plan assets at end of year	<u>\$ 3,551</u>	<u>\$ 3,398</u>	<u>\$ 1,659</u>	<u>\$ 1,614</u>
<b>Funded status at end of year:</b>				
Fair value of plan assets	\$ 3,551	\$ 3,398	\$ 1,659	\$ 1,614
Benefit obligations	3,194	3,451	1,604	1,499
Over (under) funded status of the plans	357	(53)	54	115
Recognized asset (liability)	<u>\$ 357</u>	<u>\$ (53)</u>	<u>\$ 54</u>	<u>\$ 115</u>
<b>Amounts recognized on the consolidated balance sheet consist of:</b>				
Debtors falling due after one year	\$ 617	\$ 221	\$ 296	\$ 350
Provisions for liabilities	(30)	(24)	(7)	(6)
Provisions falling due after one year	(230)	(250)	(235)	(228)
Recognized asset (liability)	<u>\$ 357</u>	<u>\$ (53)</u>	<u>\$ 54</u>	<u>\$ 115</u>
<b>Amounts recognized in accumulated other comprehensive loss:</b>				
Prior service (credit) cost	\$ (16)	\$ (19)	\$ (3)	\$ (3)
Net actuarial loss	534	891	161	76
Ending balance	<u>\$ 517</u>	<u>\$ 873</u>	<u>\$ 158</u>	<u>\$ 73</u>

- As of April 24, 2020, the Group announced the freezing of the U.S. pension benefits beginning Plan year 2028. Employees will continue to earn benefits as required by the Medtronic Retirement Plan until April 30, 2027, after which date benefits will no longer be earned and employees will earn benefits through the Medtronic Savings and Investment Plan.
- Actuarial gains and losses result from changes in actuarial assumptions (such as changes in the discount rate and revised mortality rates). The actuarial gains and losses were primarily driven by increases and decreases in discount rates, respectively.
- This represents a portion of the total voluntary early retirement package charges for fiscal year 2023.

## Medtronic plc

### Notes to the Consolidated Financial Statements

In certain countries outside the U.S., fully funding pension plans is not a common practice, as funding provides no income tax benefit. Consequently, certain pension plans were partially funded at April 26, 2024 and April 28, 2023. U.S. and non-U.S. pension plans with accumulated benefit obligations in excess of plan assets consist of the following:

(in millions)	Fiscal Year	
	2024	2023
Accumulated benefit obligation	\$ 773	\$ 731
Projected benefit obligation	809	772
Plan assets at fair value	334	301

U.S. and non-U.S. pension plans with projected benefit obligations in excess of plan assets consist of the following:

(in millions)	Fiscal Year	
	2024	2023
Projected benefit obligation	\$ 1,321	\$ 1,285
Plan assets at fair value	819	776

The net periodic benefit cost of the plans includes the following components:

(in millions)	U.S. Pension Benefits		Non-U.S. Pension Benefits	
	Fiscal Year		Fiscal Year	
	2024	2023	2024	2023
Service cost	\$ 61	\$ 77	\$ 42	\$ 43
Interest cost	162	142	53	38
Expected return on plan assets	(261)	(224)	(72)	(58)
Amortization of prior service cost	(2)	—	(1)	(1)
Amortization of net actuarial loss (gain)	18	20	(1)	2
Settlement and curtailment (gain) loss	—	—	(3)	2
Special termination benefits	—	74	—	—
Net periodic benefit (credit) cost	\$ (22)	\$ 89	\$ 18	\$ 26

Components of net periodic benefit cost other than the service component are recognized in *other non-operating income, net* in the consolidated profit and loss account.

The other changes in plan assets and projected benefit obligations recognized in *other comprehensive (loss) income* for fiscal year 2024 are as follows:

(in millions)	U.S. Pension Benefits	Non-U.S. Pension Benefits
Net actuarial (gain) loss	\$ (339)	\$ 86
Prior service credit	—	(1)
Amortization of prior service credit	2	1
Amortization and settlement recognition of actuarial (gain) loss	(18)	3
Effect of exchange rates	—	(3)
Total recognized in other comprehensive (loss) income	(355)	85
Total recognized in net periodic benefit cost and other comprehensive (loss) income	\$ (378)	\$ 103

## Medtronic plc

### Notes to the Consolidated Financial Statements

The actuarial assumptions are as follows:

	U.S. Pension Benefits		Non-U.S. Pension Benefits	
	Fiscal Year		Fiscal Year	
	2024	2023	2024	2023
<b>Critical assumptions – projected benefit obligation:</b>				
Discount rate	5.54% - 5.75%	4.73% - 4.99%	1.40% - 26.40%	1.30% - 10.70%
Rate of compensation increase	3.90%	3.90%	2.85%	2.75%
<b>Critical assumptions – net periodic benefit cost:</b>				
Discount rate – benefit obligation	4.73% - 4.99%	4.23% - 4.48%	1.30% - 10.70%	0.60% - 25.40%
Discount rate – service cost	4.68% - 5.07%	4.12% - 4.51%	1.30% - 10.70%	0.60% - 25.40%
Discount rate – interest cost	4.73% - 4.90%	3.90% - 4.23%	1.30% - 10.70%	0.60% - 25.40%
Expected return on plan assets	6.40% - 8.10%	5.30% - 7.20%	4.07%	3.48%
Rate of compensation increase	3.90%	3.90%	2.75%	2.70%

The Group utilizes a full yield curve approach methodology to estimate the service and interest cost components of net periodic pension cost and net periodic post-retirement benefit cost for the Group's pension and other post-retirement benefits. The full yield curve approach applies specific spot rates along the yield curve to their underlying projected cash flows in estimation of the cost components. The current yield curves represent high quality, long-term fixed income instruments.

The expected long-term rate of return on plan assets assumptions are determined using a building block approach, considering historical averages and real returns of each asset class. In certain countries, where historical returns are not meaningful, consideration is given to local market expectations of long-term returns.

**Retirement Benefit Plan Investment Strategy** The Group sponsors trusts that hold the assets for U.S. pension plans and other U.S. post-retirement benefit plans, primarily retiree medical benefits. For investment purposes, the Medtronic U.S. pension and other U.S. post-retirement benefit plans employ similar investment strategies with different asset allocation targets.

The Group has a Qualified Plan Committee (the Plan Committee) that sets investment guidelines for U.S. pension plans and other U.S. post-retirement benefit plans with the assistance of external consultants. These guidelines are established based on market conditions, risk tolerance, funding requirements, and expected benefit payments. The Plan Committee also oversees the investment allocation process, selects the investment managers, and monitors asset performance. As pension liabilities are long-term in nature, the Group employs a long-term total return approach to maximize the long-term rate of return on plan assets for a prudent level of risk. An annual analysis on the risk versus the return of the investment portfolio is conducted to justify the expected long-term rate of return assumption.

The investment portfolios contain a diversified allocation of investment categories, including equities, fixed income securities, hedge funds, and private equity. Securities are also diversified in terms of domestic and international, short- and long-term, growth and value styles, large cap and small cap stocks, and active and passive management.

Outside the U.S., pension plan assets are typically managed by decentralized fiduciary committees. There is significant variation in policy asset allocation from country to country. Local regulations, funding rules, and financial and tax considerations are part of the funding and investment allocation process in each country. The weighted average target asset allocations at April 26, 2024 for the plans are 42% equity securities, 34% debt securities, and 24% other.

The plans did not hold any investments in the Group's ordinary shares at April 26, 2024 or April 28, 2023.

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

The Group's U.S. plans target asset allocations at April 26, 2024, compared to the U.S. plans actual asset allocations at April 26, 2024 and April 28, 2023 by asset category, are as follows:

***U.S. Plans***

	Target Allocation	Actual Allocation	
	April 26, 2024	April 26, 2024	April 28, 2023
<b>Asset Category:</b>			
Equity securities	34 %	39 %	36 %
Debt securities	51	40	46
Other	15	21	19
<b>Total</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>

Strong performance on equity securities during the fiscal year resulted in asset allocations different than targets. Management expects to move the allocations closer to target over the intermediate term.

**Retirement Benefit Plan Asset Fair Values** The following is a description of the valuation methodologies used for retirement benefit plan assets measured at fair value:

*Short-term investments:* Short-term investments include money market funds. These investments are valued at the closing price reported in the active markets in which the individual security is traded.

*Mutual funds:* Comprised of investments in equity and fixed income securities held in pooled investment vehicles. The valuations of mutual funds are based on the respective net asset values which are determined by the fund daily at market close. The net asset values are calculated based on the valuation of the underlying assets which are determined using observable inputs. The net asset values are publicly reported.

*Equity commingled trusts:* Comprised of investments in equity securities held in pooled investment vehicles. The valuations of equity commingled trusts are based on the respective net asset values which are determined by the fund daily at market close. The net asset values are calculated based on the valuation of the underlying assets which are determined using observable inputs. The net asset values are not publicly reported, and funds are valued at the net asset value practical expedient.

*Fixed income commingled trusts:* Comprised of investments in fixed income securities held in pooled investment vehicles. The valuations of fixed income commingled trusts are based on the respective net asset values which are determined by the fund, either daily or monthly depending on the investment, at market close. The net asset values are reported by the investment manager based on the valuation of the underlying assets held by the fund, less its liabilities. The net asset values are not publicly reported, and funds are valued at the net asset value practical expedient.

*Partnership units:* Partnership units include investment partnerships that provide exposure to long/short equity, absolute return strategies, private equity investments, and real estate investments. The net asset values are reported by the investment manager based on the valuation of the underlying assets held by the partnerships, less its liabilities. The net asset values are not publicly reported, and funds are valued at the net asset value practical expedient.

*Registered investment companies:* Valued at net asset values which are not publicly reported. The net asset values are calculated based on the valuation of the underlying assets. The underlying assets are valued at the quoted market prices of shares held by the plan at year-end in the active market on which the individual securities are traded.

*Insurance contracts:* Comprised of investments in collective (group) insurance contracts, consisting of individual insurance policies. The policyholder is the employer, and each member is the owner/beneficiary of their individual insurance policy. These policies are a part of the insurance company's general portfolio and participate in the insurer's profit-sharing policy on an excess yield basis.

Measurement using net asset value as a practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported net asset value.

The methods described above may produce fair values that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Group believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

The following tables provide information by level for the retirement benefit plan assets that are measured at fair value, as defined by U.S. GAAP. Certain investments for which the fair value is measured using the net asset value per share (or its equivalent) practical expedient are not presented within the fair value hierarchy. The fair value amounts presented for these investments are intended to permit reconciliation to the total fair value of plan assets at April 26, 2024 and April 28, 2023.

***U.S. Pension Benefits***

(in millions)	Fair Value at April 26, 2024	Fair Value Measurements Using Inputs Considered as			Investments Measured at Net Asset Value
		Level 1	Level 2	Level 3	
Short-term investments	\$ 80	\$ 80	\$ —	\$ —	\$ —
Mutual funds	106	106	—	—	—
Equity commingled trusts	942	—	—	—	942
Fixed income commingled trusts	1,273	—	—	—	1,273
Partnership units	1,151	—	—	—	1,151
	<u>\$ 3,551</u>	<u>\$ 186</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 3,366</u>

(in millions)	Fair Value at April 28, 2023	Fair Value Measurements Using Inputs Considered as			Investments Measured at Net Asset Value
		Level 1	Level 2	Level 3	
Short-term investments	\$ 114	\$ 114	\$ —	\$ —	\$ —
Mutual funds	114	114	—	—	—
Equity commingled trusts	1,211	—	—	—	1,211
Fixed income commingled trusts	968	—	—	—	968
Partnership units	992	—	—	992	—
	<u>\$ 3,398</u>	<u>\$ 227</u>	<u>\$ —</u>	<u>\$ 992</u>	<u>\$ 2,179</u>

The following tables provide a reconciliation of the beginning and ending balances of U.S. pension benefit assets measured at fair value that used significant unobservable inputs (Level 3):

(in millions)	Partnership Units
April 29, 2022	\$ 1,011
Total realized gains, net	67
Total unrealized gains, net	151
Purchases and sales, net	(238)
April 28, 2023	<u>\$ 992</u>

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**
**Non-U.S. Pension Benefits**

(in millions)	Fair Value at April 26, 2024	Fair Value Measurements Using Inputs Considered as			Investments Measured at Net Asset Value
		Level 1	Level 2	Level 3	
Registered investment companies	\$ 1,617	\$ —	\$ —	\$ —	\$ 1,617
Insurance contracts	42	—	—	42	—
	<u>\$ 1,659</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 42</u>	<u>\$ 1,617</u>

(in millions)	Fair Value at April 28, 2023	Fair Value Measurements Using Inputs Considered as			Investments Measured at Net Asset Value
		Level 1	Level 2	Level 3	
Registered investment companies	\$ 1,571	\$ —	\$ —	\$ —	\$ 1,571
Insurance contracts	44	—	—	44	—
	<u>\$ 1,614</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 44</u>	<u>\$ 1,571</u>

Non-U.S. pension benefit assets that are valued using significant unobservable inputs (Level 3) was \$42 million and \$44 million as of April 26, 2024 and April 28, 2023, respectively.

The Group reviews the fair value hierarchy classification on an annual basis. During the year, the Group reclassified certain investments in the U.S. pension plan from Level 3 to investments measured using net asset value as a practical expedient. Outside of the reclassification, there were no transfers into or out of Level 3 for both the U.S. and non-U.S. pension plans during the fiscal years ended April 26, 2024 and April 28, 2023.

**Retirement Benefit Plan Funding** It is the Group's policy to fund retirement costs within the limits of allowable tax deductions. During fiscal year 2024, the Group made discretionary contributions of approximately \$32 million to the U.S. pension plan. Internationally, the Group contributed approximately \$40 million for pension benefits during fiscal year 2024. The Group anticipates that it will make contributions of \$30 million and \$45 million to its U.S. pension benefit plans and non-U.S. pension benefit plans, respectively, in fiscal year 2025. Based on the guidelines under the U.S. Employee Retirement Income Security Act of 1974 and the various guidelines which govern the plans outside the U.S., the majority of anticipated fiscal year 2025 contributions will be discretionary. The Group believes that pension assets, returns on invested pension assets, and Group contributions will be able to meet its pension and other post-retirement obligations in the future.

Retiree benefit payments, which reflect expected future service, are anticipated to be paid as follows:

(in millions)	Fiscal Year	Gross Payments	
		U.S. Pension Benefits	Non-U.S. Pension Benefits
	2025	\$ 184	\$ 71
	2026	193	61
	2027	201	66
	2028	211	68
	2029	218	74
	2030 – 2034	1,165	417

**Post-retirement Benefit Plans** The net periodic benefit cost associated with the Group's post-retirement benefit plans was profit of \$16 million and \$11 million in fiscal years 2024 and 2023, respectively. The Group's projected benefit obligation for all post-retirement benefit plans was \$235 million and \$261 million at April 26, 2024 and April 28, 2023, respectively. The Group's fair value of plan assets for all post-retirement benefit plans was \$308 million and \$302 million at April 26, 2024 and April 28, 2023, respectively. The post-retirement benefit plan assets at both April 26, 2024 and April 28, 2023 primarily comprised of equity and fixed commingled trusts, consistent with the U.S. retirement benefit plan assets outlined in the fair value leveling tables above.

**Defined Contribution Savings Plans** The Group has defined contribution savings plans that cover substantially all U.S. employees and certain non-U.S. employees. The general purpose of these plans is to provide additional financial security during retirement by providing employees with an incentive to make regular savings. Group contributions to the plans are based on employee contributions and Group performance. Expense recognized under these plans was \$471 million and \$390 million in fiscal years 2024 and 2023, respectively.

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

**20. Shareholders' Equity**

Authorized and allotted shares were as follows:

(in millions, except share data)	April 26, 2024		April 28, 2023	
	Shares	Amount	Shares	Amount
<b>Authorized:</b>				
Ordinary Shares, \$0.0001 par value	2,600,000,000	\$ —	2,600,000,000	\$ —
Euro Deferred Shares, €1.00 par value	40,000	—	40,000	—
Preferred Shares, \$0.20 par value	127,500,000	26	127,500,000	26
A Preferred Shares, \$1.00 par value	500,000	1	500,000	1
Total authorized		<u>\$ 27</u>		<u>\$ 27</u>
<b>Allotted, called up and fully paid:</b>				
Ordinary Shares, \$0.0001 par value	1,311,337,531	\$ —	1,330,809,036	\$ —
Total allotted, called up and fully paid		<u>\$ —</u>		<u>\$ —</u>

**Dividends** The timing, declaration, and payment of future dividends to holders of the Group's ordinary shares falls within the discretion of the Directors and depends upon many factors, including the statutory requirements of Irish law, the Group's profit and financial condition, the capital requirements of the Group's businesses, industry practice and any other factors the Directors deem relevant.

**Ordinary Share Redemptions** Shares are redeemed on occasion to support the Group's stock-based compensation programs and to return capital to shareholders. During fiscal years 2024 and 2023, the Group redeemed approximately 25 million and 6 million shares, respectively, at an average price of \$83.04 and \$91.31, respectively.

In March 2019, the Group's Directors authorized \$6.0 billion for redemption of the Group's ordinary shares. In March 2024, the Group's Directors authorized an incremental \$5.0 billion for redemptions. There is no specific time-period associated with these authorizations. At April 26, 2024, the Group had used \$5.7 billion of the \$11.0 billion authorized under the program, leaving approximately \$5.3 billion available for future redemptions. The Group accounts for redemptions of ordinary shares using the par value method, and shares redeemed are cancelled. The par value of the shares redeemed, cancelled, and transferred to the other undenominated capital reserve was insignificant at April 26, 2024 and April 28, 2023.

**Profit and Loss Account** The profit and loss account refers to the portion of profit for the financial year which is retained by the Group rather than being distributed to shareholders as dividends, which is recorded in profit and loss account within the consolidated balance sheet.

**Share Premium** The share premium account reflects the fair value of consideration received in excess of the par value of shares issued for stock option exercises, vesting of restricted stock units and other issuances of shares and is recorded in share premium account within the consolidated balance sheet.

**21. Stock Purchase and Award Plans**

In fiscal year 2024, the Group granted stock awards under the 2021 Medtronic plc Long Term Incentive Plan (2021 Plan). The 2021 Plan provides for the grant of non-qualified and incentive stock options, stock appreciation rights, restricted stock, restricted stock units, performance awards, and other stock and cash-based awards. At April 26, 2024, there were approximately 88 million shares available for future grants under the 2021 Plan.

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

**Stock-Based Compensation Expense** The following table presents the components and classification of stock-based compensation expense recognized for stock options, restricted stock, performance share units, and employee stock purchase plan (ESPP) in fiscal years 2024 and 2023:

(in millions)	Fiscal Year	
	2024	2023
Stock options	\$ 76	\$ 77
Restricted stock	184	166
Performance share units	97	74
Employee stock purchase plan	36	38
Total stock-based compensation expense	<u>\$ 393</u>	<u>\$ 355</u>
Cost of sales	\$ 35	\$ 36
Research and development expense	47	39
Distribution and administrative expense	310	280
Total stock-based compensation expense	393	355
Taxation	(64)	(60)
Total stock-based compensation expense, net of taxation	<u>\$ 329</u>	<u>\$ 295</u>

**Stock Options** Options are granted at the exercise price, which is equal to the closing price of the Group's ordinary shares on the grant date. The majority of the Group's options are non-qualified options with a ten-year life and a four-year ratable vesting term. The Group uses the Black-Scholes option pricing model (Black-Scholes model) to determine the fair value of stock options at the grant date. The fair value of stock options under the Black-Scholes model requires management to make assumptions regarding projected employee stock option exercise behaviors, risk-free interest rates, volatility of the Group's stock price, and expected dividends. Expected volatility is based on a blend of historical volatility and an implied volatility of the Group's ordinary shares. Implied volatility is based on market traded options of the Group's ordinary shares.

The following table provides the weighted average fair value of options granted to employees and the related assumptions used in the Black-Scholes model:

	Fiscal Year	
	2024	2023
Weighted average fair value of options granted	\$ 18.49	\$ 17.76
Assumptions used:		
Expected life (years)	6.1	6.0
Risk-free interest rate	4.16 %	2.70 %
Volatility	24.29 %	24.05 %
Dividend yield	3.18 %	2.92 %



**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

The following table summarizes stock option activity during fiscal year 2024:

	Options (in thousands)	Wtd. Avg. Exercise Price	Wtd. Avg. Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Outstanding at April 28, 2023	30,866	\$ 93.30		
Granted	4,823	86.86		
Exercised	(1,445)	65.07		
Expired/Forfeited/Cancelled	(1,905)	98.12		
Outstanding at April 26, 2024	<u>32,339</u>	93.32	4.9	\$ 30
Expected to vest at April 26, 2024	<u>8,914</u>	95.62	8.4	2
Exercisable at April 26, 2024	<u>22,746</u>	92.46	3.4	28

The following table summarizes the total cash received from the issuance of new shares upon stock option award exercises, the total intrinsic value of options exercised, and the related tax benefit during fiscal years 2024 and 2023:

(in millions)	Fiscal Year	
	2024	2023
Cash proceeds from options exercised	\$ 78	\$ 77
Intrinsic value of options exercised	28	42
Tax benefit related to options exercised	6	9

Unrecognized compensation expense related to outstanding stock options at April 26, 2024 was \$90 million and is expected to be recognized over a weighted average period of 2.4 years.

**Restricted Stock** Restricted stock units are expensed over the vesting period and are subject to forfeiture if employment terminates prior to the lapse of the restrictions. The expense recognized for restricted stock units is equal to the grant date fair value, which is equal to the closing stock price on the date of grant. The majority of the Group's restricted stock units either have a four-year ratable vesting term or cliff vest after three years. Restricted stock units are not considered issued or outstanding ordinary shares of the Group. Dividend equivalent units are accumulated on restricted stock units during the vesting period.

The following table summarizes restricted stock activity during fiscal year 2024:

	Units (in thousands)	Wtd. Avg. Grant Price
Nonvested at April 28, 2023	5,189	\$ 102.34
Granted	3,297	82.80
Vested	(1,819)	102.17
Forfeited/Cancelled	(526)	99.34
Nonvested at April 26, 2024	<u>6,142</u>	92.57

The following table summarizes the weighted-average grant date fair value of restricted stock granted, total fair value of restricted stock vested and related tax benefit during fiscal years 2024 and 2023:

(in millions, except per share data)	Fiscal Year	
	2024	2023
Weighted-average grant-date fair value per restricted stock	\$ 82.80	\$ 91.83
Fair value of restricted stock vested	186	256
Tax benefit related to restricted stock vested	29	45

Unrecognized compensation expense related to restricted stock as of April 26, 2024 was \$361 million and is expected to be recognized over a weighted average period of 2.6 years.

## Medtronic plc

### Notes to the Consolidated Financial Statements

**Performance Share Units** Performance share units typically cliff vest after three years. The awards include three metrics: relative total shareholder return (rTSR), turnover growth, and return on investor capital (ROIC). rTSR is considered a market condition metric, and the expense is determined at the grant date and will not be adjusted even if the market condition is not met. Turnover growth and ROIC are considered performance metrics, and the expense is recorded over the performance period, which will be reassessed each reporting period based on the probability of achieving the various performance conditions. The number of shares earned at the end of the three-year period will vary, based on only actual performance, from 0% to 200% of the target number of performance share units granted. Performance share units are subject to forfeiture if employment terminates prior to the lapse of the restrictions. Performance share units are not considered issued or outstanding ordinary shares of the Group. Dividend equivalent units are accumulated on performance share units for each component of the award during the vesting period.

The Group calculates the fair value of the performance share units for each component individually. The fair value of the rTSR metric will be determined using the Monte Carlo valuation model. The fair value of the turnover growth and ROIC metrics are equal to the closing stock price on the grant date.

The following table summarizes performance share unit activity during fiscal year 2024:

	Units (in thousands)	Wtd. Avg. Grant Price
Nonvested at April 28, 2023	2,043	\$ 119.88
Granted	1,283	104.78
Vested	(249)	129.49
Performance adjustments <sup>(1)</sup>	(455)	147.92
Forfeited/Cancelled	(200)	113.57
Nonvested at April 26, 2024	<u>2,422</u>	106.50

(1) Performance adjustments are adjustments to grants where the performance period has ended and actual performance is known.

The following table summarizes the weighted-average grant date fair value of performance share units granted, total fair value of performance share units vested and related tax benefit during fiscal year 2024 and 2023:

(in millions, except per share data)	Fiscal Year	
	2024	2023
Weighted-average grant-date fair value per performance share units	\$ 104.78	\$ 98.17
Fair value of performance share units vested	78	—
Tax benefit related to performance share units vested	3	—

Unrecognized compensation expense related to performance share units as of April 26, 2024 was \$89 million and is expected to be recognized over a weighted average period of 1.6 years.

**Employees Stock Purchase Plan** The Group's shareholders approved the Medtronic plc 2024 Employee Stock Purchase Plan (2024 Plan) on October 19, 2023, which provides for a maximum of 30 million ordinary shares to be purchased by participating employees. The 2024 Plan replaced the Medtronic plc Amended and Restated 2014 Employees Stock Purchase Plan (2014 Plan) starting January 1, 2024. The 2024 Plan allows participating employees to purchase the Group's ordinary shares at a discount through payroll deductions. The expense recognized for shares purchased under the Group's 2014 Plan and 2024 Plan is equal to the 15 percent discount the employee receives. Employees purchased 3 million shares at an average price of \$71.10 per share in fiscal year 2024. At April 26, 2024, approximately 29 million ordinary shares were available for future purchase under the 2024 Plan.

## Medtronic plc

### Notes to the Consolidated Financial Statements

#### 22. Accumulated Other Comprehensive Loss

The following table provides changes in AOCI, net of taxation and by component:

(in millions)	Unrealized (Loss) Gain on Investment Securities	Cumulative Translation Adjustments	Net Investment Hedges	Net Change in Retirement Obligations	Unrealized (Loss) Gain on Cash Flow Hedges	Total Accumulated Other Comprehensive (Loss) Income
April 29, 2022	\$ (209)	\$ (2,599)	\$ 841	\$ (773)	\$ 474	\$ (2,265)
Other comprehensive income (loss) before reclassifications	(78)	(240)	(596)	26	184	(704)
Reclassifications	29	—	—	6	(565)	(530)
Other comprehensive income (loss)	(49)	(240)	(596)	32	(381)	(1,234)
April 28, 2023	(258)	(2,839)	245	(741)	93	(3,499)
Other comprehensive income (loss) before reclassifications	29	(846)	633	205	438	457
Reclassifications	17	—	—	7	(302)	(278)
Other comprehensive income (loss)	46	(846)	633	212	136	180
April 26, 2024	<u>\$ (212)</u>	<u>\$ (3,686)</u>	<u>\$ 878</u>	<u>\$ (529)</u>	<u>\$ 229</u>	<u>\$ (3,318)</u>

The taxation on gains and losses on investment securities in other comprehensive income before reclassifications during fiscal years 2024 and 2023 was an expense of \$4 million and a benefit of \$21 million, respectively. During fiscal years 2024 and 2023 realized gains and losses on investment securities reclassified from AOCI were reduced by taxation of \$5 million and \$9 million, respectively. When realized, gains and losses on investment securities reclassified from AOCI are recognized within *other non-operating income, net*. Refer to Note 12 for additional information.

During fiscal years 2024 and 2023 taxation on cumulative translation adjustment was an expense of \$3 million and a benefit of \$5 million, respectively.

During fiscal years 2024 and 2023 there were no tax impacts on net investment hedges. Refer to Note 15 for additional information.

The net change in retirement obligations in other comprehensive income includes amortization of net actuarial losses included in net periodic benefit cost. The taxation on the net change in retirement obligations in other comprehensive income before reclassifications during fiscal years 2024 and 2023 resulted in an expense of \$79 million and \$6 million, respectively. During fiscal years 2024 and 2023 the gains and losses on defined benefit and pension items reclassified from AOCI were reduced by taxation of \$2 million and \$9 million, respectively. When realized, net gains and losses on defined benefit and pension items reclassified from AOCI are recognized within *other non-operating income, net*. Refer to Note 19 for additional information.

The taxation on unrealized gains and losses on cash flow hedges in other comprehensive income before reclassifications during fiscal years 2024 and 2023 was an expense of \$103 million and \$56 million, respectively. Amounts reclassified from AOCI related to cash flow hedges included taxation of \$66 million and \$133 million for fiscal years 2024 and 2023, respectively. When realized, gains and losses on currency exchange rate contracts reclassified from AOCI are recognized within *other operating expense (income), net* or *cost of sales*. Refer to Note 15 for additional information.

#### 23. Segment, Geographic, and Employee Information

There were no changes to the reportable segments during the fiscal year ended April 26, 2024. We continue to have four reportable segments: Cardiovascular Portfolio, Neuroscience Portfolio, Medical Surgical Portfolio, and Diabetes Operating Unit. However, there were changes to the operating segments during fiscal year 2024 as a result of how the Chief Operating Decision Maker (CODM) assesses business performance. During the first quarter of fiscal year 2024, the Medical Surgical Portfolio was separated into two operating segments as a result of the previously contemplated separation of the PMRI businesses, which were aggregated based upon similar economic and operating characteristics. In addition, there were certain prior Medical Surgical businesses that were moved to the Other line, which primarily relates to the Group's RCS business that was contributed to Mozarc Medical in April 2023. As a result of the February 2024 decision to exit the Group's ventilator product line and retain and combine the remaining PMRI businesses into one business unit as further discussed in Note 9, the two operating segments within the Medical Surgical Portfolio were recombined into one operating segment, and the Group's ventilator product line, which was in the Medical Surgical Portfolio, was moved to the Other line during the fourth quarter of fiscal year 2024. Prior period amounts have been recast to reflect the new reporting structure.

## **Medtronic plc**

### **Notes to the Consolidated Financial Statements**

The Group's management has chosen to organize the entity based upon therapy solutions provided by each segment. The four principal segments are strategic businesses that are managed separately, as each one develops and manufactures products and provides services oriented toward targeted therapy solutions.

The primary products and services from which the Cardiovascular Portfolio segment derives its turnover include products for the diagnosis, treatment, and management of cardiac rhythm disorders and cardiovascular disease, as well as services to diagnose, treat, and manage heart and vascular-related disorders and diseases.

The primary products and services from which the Neuroscience Portfolio segment derives its turnover include those focused on neurostimulation therapies and drug delivery systems for the treatment of chronic pain, as well as various areas of the spine and brain, along with pelvic health and conditions of the ear, nose, and throat.

The primary products and services from which the Medical Surgical Portfolio segment derives its turnover include those focused on diseases of the respiratory system, gastrointestinal tract, lungs, pelvic region, obesity, and other preventable complications.

The primary products from which the Diabetes Operating Unit segment derives its turnover include those focused on diabetes management, including insulin pumps, continuous glucose monitoring systems and sensors, and smart insulin pens.

Segment disclosures are on a performance basis, consistent with internal management reporting. Turnover of the Group's segments include end-customer turnover from the sale of products the segment develops, manufactures, and distributes. Refer to Note 2 for discussion on turnover by segment. There are certain corporate and centralized expenses that are not allocated to the segments. The Group's management evaluates the performance of the segments and allocates resources based on turnover and segment operating profit. Segment operating profit represents profit before taxation, excluding interest income and similar receivables or interest payable and similar expenses, net, amortization of intangible assets, centralized distribution costs, currency impact of remeasurement and hedging, non-operating income or expense items, certain corporate charges, stock-based compensation, and other items not allocated to the segments. Prior period amounts have been recast to reallocate certain expenses from segment operating profit to centralized distribution costs to conform to classifications used in the current year as a result in a change to the segment operating profit metric used by the CODM to assess business performance and allocate resources.

The accounting policies of the segments are the same as those described in Note 1. Certain depreciable assets may be recorded by one segment, while the depreciation expense is allocated to another segment. The allocation of depreciation expense is based on the proportion of the assets used by each segment.

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

**Segment Operating Profit**

(in millions)	Fiscal Year	
	2024	2023
Cardiovascular	\$ 4,474	\$ 4,522
Neuroscience	3,940	3,712
Medical Surgical	3,170	3,048
Diabetes	394	383
Reportable segment operating profit	11,979	11,664
Other operating segment <sup>(1)</sup>	10	(89)
Corporate	(1,784)	(1,763)
Interest payable and similar expenses, net	(719)	(636)
Other non-operating income, net	412	515
Amortization of intangible assets	(1,693)	(1,698)
Stock-based compensation	(393)	(355)
Centralized distribution costs	(1,609)	(1,558)
Currency <sup>(2)</sup>	68	465
Restructuring and associated costs	(389)	(647)
Acquisition and divestiture-related items	(777)	(345)
Certain litigation charges, net	(149)	30
Medical device regulations	(119)	(150)
Commitments to the Medtronic Foundation and Medtronic LABS	—	(70)
Profit before taxation	\$ 4,837	\$ 5,364

(1) Includes the historical operations and ongoing transition agreements from businesses the Group has exited or divested, which primarily includes the Group's ventilator product line and the Renal Care Solutions business.

(2) Includes the net impact of remeasurement and the Group's hedging programs recorded in other operating expense (income), net.

**Total Assets and Depreciation Expense**

(in millions)	Total Assets		Depreciation Expense	
	April 26, 2024	April 28, 2023	2024	2023
Cardiovascular	\$ 16,128	\$ 16,036	\$ 199	\$ 209
Neuroscience	18,270	18,346	252	267
Medical Surgical	33,586	34,926	194	203
Diabetes	3,996	3,930	94	80
Total reportable segments	71,980	73,238	739	759
Other operating segment <sup>(1)</sup>	547	1,337	—	2
Corporate	17,455	16,373	215	238
Total	\$ 89,981	\$ 90,948	\$ 954	\$ 999

(1) Includes the historical operations and ongoing transition agreements from businesses the Group has exited or divested, which primarily includes the Group's ventilator product line and the Renal Care Solutions business.

## Medtronic plc

### Notes to the Consolidated Financial Statements

#### Geographic Information

Turnover is attributed to the country based on the location of the customer taking possession of the products or in which the services are rendered. Geographic tangible assets are attributed to the country based on the physical location of the assets.

The following table presents turnover for fiscal years 2024 and 2023 and tangible assets at April 26, 2024 and April 28, 2023 for the Group's country of domicile, countries with significant concentrations, and all other countries:

(in millions)	Turnover		Tangible assets	
	2024	2023	April 26, 2024	April 28, 2023
Ireland	\$ 113	\$ 98	\$ 252	\$ 184
United States	16,562	16,373	4,593	4,083
Rest of world	15,689	14,756	1,286	1,302
Total other countries, excluding Ireland	32,251	31,129	5,879	5,385
Total	\$ 32,364	\$ 31,227	\$ 6,131	\$ 5,569

No single customer represented over 10 percent of the Group's consolidated turnover in fiscal years 2024 or 2023.

#### Employee Information

The average number of full-time equivalent persons employed by the Group during the year was as follows:

	Fiscal Year	
	2024	2023
Cardiovascular	38,192	38,319
Neuroscience	21,492	22,182
Medical Surgical	29,720	31,403
Diabetes	9,215	8,909
Total reportable segments	98,619	100,813
Other operating segment <sup>(1)</sup>	264	1,669
Corporate	7,167	7,886
Total	106,050	110,367

(1) Includes the historical operations and ongoing transition agreements from businesses the Group has exited or divested, which primarily includes the Group's ventilator product line and the Renal Care Solutions business.

Total employee costs consisted of the following:

(in millions)	Fiscal Year	
	2024	2023
Wages and salaries	\$ 8,903	\$ 8,754
Social insurance	906	826
Stock-based compensation	393	355
Retirement benefit obligations	451	494
Other <sup>(1)</sup>	842	708
Total	\$ 11,495	\$ 11,137

(1) Includes other employee benefits such as costs relating to group insurance, saving plans, and retirement plans.

Employee costs capitalized, and subsequently not expensed, was \$1.4 billion and \$1.3 billion for fiscal years 2024 and 2023, respectively.

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

**24. Directors' Remuneration**

The amounts below include compensation for Mr. Martha's service as President and Chief Executive Officer and Chairman of the Board, as well as compensation to all non-employee directors in their capacities as such. Mr. Martha was not provided additional compensation for his service as a director. There were no contributions made to retirement benefit schemes or compensation paid for loss of office to non-executive directors during the periods presented.

(in millions)	Fiscal Year	
	2024	2023
Aggregate emolument paid to or receivable by directors in respect of qualifying services	\$ 7	\$ 5
Money or value of other assets, including shares but excluding share options, paid to or receivable by the Directors under long-term incentive schemes	12	10
Aggregate amount of gains by the Directors on the exercise of share options	28	—
Contributions to defined contribution retirement benefit plans <sup>(1)</sup>	—	—
Contributions to defined benefit retirement benefit plans <sup>(2)</sup>	—	—
Total remuneration	\$ 47	\$ 15

(1) Includes contributions to the President and CEO and Chairman of the Board; no contributions were made to non-executive directors in the periods presented. Contributions to Mr. Martha were \$82 thousand and \$147 thousand for fiscal years 2024 and 2023, respectively.

(2) No contributions were made to the President and CEO and Chairman of the Board in the periods presented.

**Indemnification Agreements** Medtronic has entered into deeds of indemnification (the “Deeds of Indemnification”) with the Directors and corporate secretary of Medtronic. The Deeds of Indemnification provide indemnification to such directors and the corporate secretary to the fullest extent permitted by the laws of Ireland, and in accordance with Medtronic’s memorandum and articles of association, for all expenses and other amounts actually incurred in any action or proceeding in which the director or corporate secretary is or may be involved by reason of the fact that he or she is or was a Medtronic director or corporate secretary or otherwise serving Medtronic or other entities at Medtronic’s request, on the terms and conditions set forth in the Deeds of Indemnification. Further, Medtronic agrees, to the fullest extent permitted by the laws of Ireland, to advance expenses incurred in defense of these proceedings, on the terms and conditions set forth in the Deeds of Indemnification. The Deeds of Indemnification also provide procedures for requesting and obtaining indemnification and advancement of expenses.

**25. Auditors Remuneration**

Auditors' remuneration (including expenses) for all professional services rendered by PricewaterhouseCoopers Ireland and its affiliated firms was as follows:

(in millions)	Fiscal Year	
	2024	2023
Audit of the Group financial statements	\$ 17	\$ 17
Other assurance services	2	5
Tax advisory services	1	1
Total remuneration	\$ 21	\$ 24

Auditors' remuneration (including expenses) for all professional services rendered by the statutory auditor PricewaterhouseCoopers Ireland was as follows:

(in thousands)	Fiscal Year	
	2024	2023
Audit of the Group financial statements	\$ 808	\$ 738
Other assurance services	23	11
Total remuneration	\$ 831	\$ 749

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**
**26. Subsidiary Undertakings**

Name	Nature of Business	Group Share Percent	Registered Office and Location of Incorporation
2074417 Alberta ULC	Healthcare	100	99 Hereford Street Brampton, ON L6Y 0R3
A&E Products de Honduras S.A.	Healthcare	100	Zoli Zip Calpules, Km.7 Carretera a La Lima San Pedro Sula, HN
A&E Products do Brasil Ltda.	Healthcare	50	Rua Viscondde de Piraja 550 SL/2110 Ipanema Rio de Janerio, BR CEP
A&E Products Group, Inc.	Healthcare	100	15 Hampshire Street Mansfield, Bristol County, MA 02048
Advanced Medical Technologies GmbH	Healthcare	100	Earl-Bakken-Platz 1 Meerbusch, DE 40670
Affera, Inc.	Healthcare	100	320 Nevada Street Suite 401 Newton, MA 02460
AI Biomed Corp	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Aircraft Medical Ltd.	Healthcare	100	c/o Duncan Robertson Murrell Cottage, Aberdour Fife, GB KY3 0RN
Airox	Healthcare	100	11 Rue Marechal Foch Pau, FR 64000
Arterial Vascular Engineering Canada, Company	Healthcare	100	Suite 600 1741 Lower Water Street Halifax, NS B3J 0J2
Arterial Vascular Engineering UK Limited	Healthcare	100	Building 9 Croxley Park Hatters Lane Watford, GB WD18 8WW
Auto Suture do Brasil Ltda.	Healthcare	100	Avenida Jornalista Roberto Marinho, 85, 09 e 10º andar São Paulo CEP, BR São Paula CEP, BR 04576-010
Avenu Medical, Inc.	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Bandaïd II Merger Corp.	Merger Sub	100	710 Medtronic Parkway Minneapolis, MN 55432
Batts LLC	Healthcare	100	15 Hampshire Street Mansfield, MA 02048
Batts, Inc.	Healthcare	100	15 Hampshire Street Mansfield, MA 02048
Between Investeringsgroep B.V.	Healthcare	75	Amersfoortseweg 43 Huis ter Heide, NL 3712BA
Biostar Biomedikal Mühendislik Anonim Sirketi	Healthcare	100	Inkilap Mah. Esnaf Cad. No:2 Da:6 Akkom Ofis Park Laodik Plaza B Bl Umraniye Istanbul, TR 34768
Bo Yao (Shanghai) Medical Device Co. Ltd.	Healthcare	100	Part A, 4/F, No. 180 Rijing Road Free Trade Pilot Zone Shanghai, CN
Cardioinsight Technologies Inc.	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Carlisle Philippines, Inc.	Healthcare	100	3rd Floor East Chem Building No.14 Ilang-Ilang Street New Manila, Quezon City, PH
Carmel Biosensors Ltd.	Healthcare	100	c/o Yigal Aron & Co. 1 Azriel Center Tel Aviv, IL 67021
CCI Istanbul Teknolojik Hizmetler Limited Sirketi	Healthcare	100	Inkilap Mah. Esnaf Cad. No:2 Da:5 Akkom Ofis Park Laodik Plaza B Bl Umraniye Istanbul, TR
Changzhou Chuangzhihui Incubator Management Co.,Ltd.	Healthcare	100	2nd Floor Building 2, No. 11, Changjiang North Road, Sanjing Street, Xinbei District Changzhou City, Jiangsu Province, CN 213022
Changzhou Kangdi Medical Stapler Co., Ltd.	Healthcare	100	No. 16 Kunlun Road, Xinbei Zone Changzhou City, Jiangsu Province, CN 213033
Changzhou Kanghui Medical Innovation Co., Ltd.	Healthcare	100	No.11 North Changjiang Road, Xinbei District Changzhou City, Jiangsu Province, CN 213022
CircuLite, Inc.	Healthcare	100	500 Old Connecticut Path Framingham, MA 01701
Comercial Medtronic Chile Limitada	Healthcare	100	Rosario Norte 532 piso 12 Las Condes, CL
Companion Medical, Inc.	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Covidien (China) Medical Devices Technology Co., Ltd.	Healthcare	100	Rooms 501, 502, 601, 602, No. 3 Building No. 2388, Chen Hang Road Min Hang District Shanghai, CN 201114
Covidien (Shanghai) Management Consulting Co., Ltd.	Healthcare	100	3rd & 4th Floor Tyco Plaza Caohejing Hi-Tech Park, 99 Tian Zhou Road Shanghai, CN 200233
Covidien Adhesives Italia S.r.l.	Healthcare	100	Corso Vercelli 40 Milan, IT 20145



**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

Covidien AG	Healthcare	100	Victor von Bruns-Strasse 19 Neuhausen am Rheinflall, CH 8212, Switzerland
Covidien Argentina S.A.	Healthcare	100	Vedia 3616 - 2do piso Ciudad Autónoma de Buenos Aires, AR C1430DAH
Covidien Canada Holdings LLC	Holding Company	100	15 Hampshire Street Mansfield, MA 02048
Covidien Caribbean, Inc.	Healthcare	100	15 Hampshire Street Mansfield, MA 02048
Covidien Delaware VI Corp.	Healthcare	100	15 Hampshire Street Mansfield, MA 02048
Covidien Eurasia LLC	Healthcare	100	1 2nd Syromyatnichesky pereulok Premises I, Room 35, Moscow, RU 105120
Covidien France Holdings, Inc.	Holding Company	100	15 Hampshire Street Mansfield, MA 02048
Covidien Group Holdings Limited	Healthcare	100	3 Bermudiana Road Hamilton, BM HM08
Covidien Group S.à r.l.	Holding Company	100	Ground Floor Espace Monterey 40, Av Monterey, LU L-2163
Covidien Healthcare International Trading (Shanghai) Co., Ltd.	Healthcare	100	Part 102, Building 2, No. 556 Fasai Road Pilot Free Trade Zone Shaghani, CN
Covidien Holding Inc.	Healthcare	100	15 Hampshire Street Mansfield, MA 02048
Covidien Holdings International Corporation	Healthcare	100	15 Hampshire Street Mansfield, MA 02048
Covidien Holdings S.à r.l.	Holding Company	100	Ground Floor Espace Monterey 40, Av Monterey, LU L-2163
Covidien International (US) Holdings A, LLC	Holding Company	100	15 Hampshire Street Mansfield, MA 02048
Covidien International Finance S.A.	Holding Company	100	Ground Floor Espace Monterey 40, Av Monterey, LU L-2163
Covidien International S.à r.l.	Healthcare	100	Ground Floor Espace Monterey 40, Av Monterey, LU L-2163
Covidien Ireland Limited	Healthcare	100	IDA Business and Technology Park Tullamore Offaly, IE
Covidien Israel Holdings Ltd	Healthcare	100	Hamada St. 10 Herzliya, IL 46733
Covidien Israel Investments Ltd	Healthcare	100	7 Hamarpe St Jerusalem, IL 9777407
Covidien Israel Surgical Research Ltd	Healthcare	100	8 HaMenofim St. Herzliya, IL 4612001
Covidien Japan Inc.	Healthcare	100	1-2-70 Konan, Minato-ku, Tokyo, JP 108-0075
Covidien Limited	Healthcare	100	Building Two, Parkmore Business Park West, Galway, Ireland
Covidien llc	Healthcare	100	15 Hampshire Street Mansfield, MA 02048
Covidien LP	Healthcare	100	15 Hampshire Street Mansfield, MA 02048
Covidien Manufacturing Grenoble	Healthcare	100	16 avenue du Général de Gaulle Le Pont-de-Claix, FR 38 800
Covidien Medical Products (Shanghai) Manufacturing L.L.C.	Healthcare	100	Building #10, No. 789 Puxing Road, Caohejing EPZ Pujiang Town, Minhang District Shaghai, CN
Covidien Peru S.A.	Healthcare	100	Av. Javier Prado Este N° 492, Interior distrito de San Isidro, Lima, PE 1401-1402
Covidien Philippines, Inc.	Healthcare	100	Unit 1905-1906 Hanston Square San Miguel Avenue, Ortigas Center Pasig City, PH 1605
Covidien Private Limited	Healthcare	100	50 Pasir Panjang Road #04-51 Mapletree Business City, SG 117384
Covidien Pty Limited	Healthcare	100	2 Alma Road Macquarie Park, AU NSW 2113
Covidien Sales LLC	Healthcare	100	15 Hampshire Street Mansfield, MA 02048
Covidien Swiss Holding GmbH	Holding Company	100	Victor von Bruns-Strasse 19 Neuhausen am Rheinflall, CH 8212, Switzerland
Covidien UK Holding Ltd	Holding Company	100	Building 9 Croxley Park, Hatters Lane Watford, GB WD18 8WW

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

Covidien Uruguay S.A.	Healthcare	100	3rd Floor Sarandí # 693 Montevideo, UY 11000
Covidien US Holdings, Inc.	Holding Company	100	15 Hampshire Street Mansfield, MA 02048
Covidien Ventures Ltd.	Healthcare	100	Ocorian Services Victoria Place, 4th Floor, 31 Victoria Street Hamilton HM, BM HM10
Davis & Geck Caribe Limited	Healthcare	100	Cricket Square, Hutchins Drive PO BOX 2681 Grand Cayman, KY KY1-1111
Diabeter Nederland B.V.	Healthcare	100	Blaak 6 Rotterdam, NL 3011 TA
Digital Surgery Limited	Healthcare	100	4th Floor 226-236 City Road London, GB EC1V 2QY
Drogon Merger Corp.	Merger Sub	100	710 Medtronic Parkway Minneapolis, MN 55432
EPiX Therapeutics, Inc.	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
EV3, Inc.	Healthcare	100	15 Hampshire Street Mansfield, MA 02048
First Lafayette Holdings LLC	Holding Company	100	15 Hampshire Street Mansfield, MA 02048
Floreane Medical Implants	Healthcare	100	9, boulevard Romain Rolland Paris, FR 75014
FN1 Merger Sub, Inc.	Merger Sub	100	710 Medtronic Parkway Minneapolis, MN 55432
FN2 Merger Sub, Inc.	Merger Sub	100	710 Medtronic Parkway Minneapolis, MN 55432
GC Holdings, Inc.	Holding Company	100	15 Hampshire Street Mansfield, MA 02048
Georgia Packaging LLC	Healthcare	100	918 8th Avenue PO Box 1158 Columbus, GA 31902-1158
Given Imaging B.V.	Healthcare	100	Earl Bakkenstraat 10 Heerlen, NL 6422PJ
Given Imaging Ltd.	Healthcare	100	2 Hacarmel Street New Industrial Park, POB 258 Yokneam, IL 20692
Given Imaging Vietnam Co., Ltd.	Healthcare	100	Unit 4A, 4th Floor 5A, 5th Floor and 6th Floor, Standard Factory Building, 14th Street Tan Thuan Export Processing Zone, Tan Thuan Dong Ward, District 7 Ho Chi Minh City, VN
Given Imaging, Inc.	Healthcare	100	15 Hampshire Street Mansfield, MA 02048
Graphic Controls (Barbados), Ltd.	Healthcare	100	Bridgetown, BB PO Box 169W
HeartWare International LLC	Healthcare	100	500 Old Connecticut Path Framingham, MA 01701
HeartWare, Inc.	Healthcare	100	500 Old Connecticut Path Framingham, MA 01701
IHS Argentina S.A.	Healthcare	100	Cerrito 1070 Piso 3° Oficina 71 Ciudad Autónoma de Buenos Aires, AR
IHS Health Services Egypt LLC	Healthcare	100	5th Floor on the Plot No. (A2 - 14b01) Cairo Festival City Al Futtaim Land - Taha Hussein Street - Fifth Settlement New Cairo City, EG
IHS Health Services Lebanon Sarl	Healthcare	100	2nd Floor 29 Moumneh Street Achrafieh Beirut, LB
IHS Health Services Pakistan (Private) Limited	Healthcare	100	21st Floor Ocean Tower, Plot # G-3, Khayaban-e-Iqbal, Block 9, Clifton Karachi, Sindh- Karachi, PK 75600
IHS Managed Services SAS	Healthcare	100	Avenida Calle 116 No. 7-15 Oficina 1101 Bogotá D.C., CO 110111
IHS Saglik Hizmetleri LTD STI	Healthcare	100	Inkilap Mah. Esnaf Cad. No:2 Da:9 Akkom Ofis Park, Laodik Plaza B BI Umraniye Istanbul, TR
India Medtronic Private Limited	Healthcare	100	1261, Solitaire Corporate Park, Building Number 12 6th Floor, Andheri-Ghatkopar Link Road, Andheri (E) Mumbai City, Maharashtra, IN 400093
Integrated Health Solutions Chile S.A.	Healthcare	100	Av. La Dehesa 181 Office 213, Comuna de Lo Barnechea Santiago, CL
Integrated Health Solutions International Sarl	Healthcare	100	Route du Molliau 31 Tolochenaz, CH 1131
Intersect ENT, Inc.	Healthcare	100	1555 Adams Drive Menlo Park, CA 94025
Invatec S.p.A.	Healthcare	100	Via Martiri della Liberta 7 Roncadelle, Brescia, IT 25030

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

Invatec Technology Center GmbH	Healthcare	100	RP Treuhand und Wirtschaftsprüfung Marktstrasse 28 Weinfelden, CH 8570
Kendall de Mexico, S.A. de C.V.	Healthcare	100	Insurgentes Sur #863 Pisos 15 y 16, Col. Nápoles Del. Benito Juárez, Mexico, MX DF 03810
Kendall de Venezuela, C.A.	Healthcare	100	Edificio Centro Caroni, Piso #3 Urb. Las Mercedes, VE
Kendall S.A.	Healthcare	100	8th Floor Llano Bonito, Santa Maria Business District Corcione Business Plaza Panama City, PA
KLHC, Inc.	Healthcare	100	15 Hampshire Street Mansfield, MA 02048
Klue, Inc.	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Kyphon South Africa (Proprietary) Ltd.	Healthcare	100	Corner of K101 & Bridal Veil Road Waterfall Distribution Center Midrand, ZA 1685
Life Design Systems, Inc.	Healthcare	100	15 Hampshire Street Mansfield, MA 02048
Makani II Unlimited Company	Healthcare	100	Building Two, Parkmore Business Park West, Galway, Ireland
Mallinckrodt DAR S.r.l.	Healthcare	100	via Bove n. 2/4/6/8 Mirandola (MO), IT
Mallinckrodt Holdings B.V.	Holding Company	100	Earl Bakkenstraat 10 Heerlen, NL 6422PJ
Mallinckrodt Holdings, LLC	Holding Company	100	15 Hampshire Street Mansfield, MA 02048
Mallinckrodt Medical Unlimited Company	Healthcare	100	Cornamaddy Industrial Estate Athlone, Co. Westmeath, IE
Mallinckrodt US LLC	Healthcare	100	15 Hampshire Street Mansfield, MA 02048
Marblehead Medical LLC	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Mazor Robotics Ltd	Healthcare	100	HaEshel 1, Building C Southern Industrial Area Caesarea, IL 3079830
MDT Hungária Kereskedelmi Korlátolt Felelősségű Társaság	Healthcare	100	Bocskai út 134-146. Budapest, HU 1113
MDT Turkey Finansal Danışmanlık Limited Şirketi	Healthcare	100	Inkilap Mah. Esnaf Cad. No:2 Da:8 Akkom Ofis Park Laodik Plaza B Bl Umraniye Istanbul, TR
Medical Education Y.K.	Healthcare	100	1-2-70 Konan, Minato-ku, Tokyo, JP 108-0075
Medical Medtronic Nigeria Limited	Healthcare	100	3rd Floor c/o Regus Business Centre, 39 Alfred Rewane Road Mulliner Towers Ikoyi, Lagos, NG
Medicrea Australia Pty Ltd	Healthcare	100	2 Alma Road, Macquarie Park, AU NSW 2113
Medicrea International	Holding Company	100	5389 Route de Strasbourg Vancia Rillieux la Pape, FR 69140
Medicrea USA, Corp	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Medina Medical, Inc.	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Medinse S. de R.L. de C.V.	Healthcare	100	Avenida Insurgentes Sur 863 Pisos 15 y 16 Colonia Nápoles Ciudad de México, MX 03810
Medtronic – Sequoia (Cayman) Innovation Investment Management Partners, Ltd	Healthcare	60	Suite Registered Office Conyers Trust Company (Cayman) Limited P.O. Box 2681, Cricket Square, Hutchins Drive George Town, Grand Cayman, KY
Medtronic (Africa) (Proprietary) Limited	Healthcare	100	Corner of K101 & Bridal Veil Road Waterfall Distribution Center Midrand, ZA 1685
Medtronic (Changzhou) Medical Devices Technology Co., Ltd.	Healthcare	100	Building 3 11 Changjiang North Road Xinbei District Changzhou, CN 213000
Medtronic (Chengdu) Management Consulting Co., Ltd.	Healthcare	100	4 Floor Building No.3 No.58 Tianqin East St. West Hi-Tech Zone Chengdu, CN 611731
Medtronic (Schweiz) A.G. (Medtronic (Suisse) S.A.)	Healthcare	100	Weltpoststrasse 5 Bern, CH 3015
Medtronic (Shanghai) Ltd.	Healthcare	100	Room 502-1 Building No.3, No.2388 Chen Hang Road Min Hang Area Shanghai, CN 200000

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

Medtronic (Shanghai) Management Co. Ltd.	Healthcare	100	Floor 16, Building B, The New Bund World Trade Center Phase I No.5, Lane 255, Dong Yu Road, Pudong, Shanghai 200126, P.R.China Shanghai, CN 200126
Medtronic (Taiwan) Ltd.	Healthcare	100	2 Floor No. 2, Sec.1 Dunhua S. Road, Songshan Dist. Taipei, CN
Medtronic (Thailand) Limited	Healthcare	100	319 Chamchuri Square, 27th Floor, Unit 1-16, Phayathai Road, Pathumwan, Bangkok, TH 10330
Medtronic Ablation Frontiers LLC	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic Adriatic d.o.o.	Healthcare	100	Folnegoviceva 1c Zagreb, HR 10000
Medtronic Advanced Energy LLC	Healthcare	100	180 International Drive Portsmouth, NH 03801-6837
Medtronic Advanced Energy Luxembourg S.à r.l.	Healthcare	100	Ground Floor Espace Monterey 40, Av Monterey, LU L-2163
Medtronic AF Luxembourg S.à r.l.	Healthcare	100	Ground Floor Espace Monterey 40, Av Monterey, LU L-2163
Medtronic AG	Holding Company	100	Victor von Bruns-Strasse 19 Neuhausen am Rheinfall, CH 8212, Switzerland
Medtronic Aktiebolag	Healthcare	100	Box 1034 Kista, SE 164 21
Medtronic Arabia Regional Headquarter	Healthcare	100	Building 6897 King Fahd Rd 3388 Al Olaya District Riyadh, SA 12211
Medtronic Ardian Luxembourg S.à r.l.	Healthcare	100	Ground Floor Espace Monterey 40, Av Monterey, LU L-2163
Medtronic ATS Medical, Inc.	Healthcare	100	Suite 175 3800 Annapolis Lane N. Plymouth, MN 55447-5473
Medtronic Australasia Pty Ltd	Healthcare	100	2 Alma Road Macquarie Park, AU NSW 2113
Medtronic B.V.	Healthcare	100	Earl Bakkenstraat 10 Heerlen, NL 6422PJ
Medtronic Bakken Research Center B.V.	Healthcare	100	Endepolsdomein 5 Maastricht, NL 6229GW
Medtronic Bangladesh Pvt. Ltd.	Healthcare	100	Suite 603, Level-6, Shanta Western Tower, 186 Gulshan-Tejgaon Link Road, Tejgaon I/A Dhaka, BD
Medtronic Belgium S.A./N.V.	Healthcare	100	Burgemeester Etienne Demunterlaan 5 (Avenue du Bourgmestre Etienne Demunter 5) Jette, Brussels, BE 1090
Medtronic BioPharma B.V.	Healthcare	100	Earl Bakkenstraat 10 Heerlen, NL 6422PJ
Medtronic BioPharma Sàrl	Healthcare	100	Route du Molliau 31 Tolochenaz, CH 1131
Medtronic Bulgaria EOOD	Healthcare	100	7th Floor Bd Sitnyakovo 48 Sofia, BG 1505
Medtronic Canada ULC	Healthcare	100	99 Hereford Street Brampton, ON L6Y 0R3
Medtronic Care Management Services, LLC	Healthcare	100	7980 Century Blvd Chanhassen, MN 55317
Medtronic Cash Pool LLC	Holding Company	100	15 Hampshire Street Mansfield, MA 02048
Medtronic Changzhou Medical Device Co., Ltd.	Healthcare	100	11 #, North Changjiang Road, Xinbei District, Changzhou, Jiangsu, CN 213033
Medtronic China Kanghui Holdings	Holding Company	100	Suite Codan Services (Cayman) Limited Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman, KY KY1-1111
Medtronic China Venture Fund (Cayman), L.P.	Healthcare	100	Conyers Trust Company (Cayman) Limited P.O. Box 2681, Cricket Square, Hutchins Drive George Town, Grand Cayman, KY
Medtronic China, LLC	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic Colombia S.A.	Healthcare	100	Avenida Calle 116 N° 7 15 Piso 11 Oficina 1101 Bogota D.C., CO
Medtronic Comercial Ltda.	Healthcare	100	Avenida Jornalista Roberto Marinho, 85, 11Â andar Sao Paulo, BR CEP04576-010
Medtronic Comercial Panamá, S.A.	Healthcare	100	LAROC, Edificio 9122, Oficino 1 Area especial Panama Pacifico Ciudad de Panama, PA
Medtronic Communities Foundation	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic CoreValve LLC	Healthcare	100	1851 East Deere Avenue Santa Ana, CA 92705

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

Medtronic Costa Rica. S.A.	Healthcare	100	Building VMG, 1 floor, office 18, Guachipelin, Escazu San José, CR 40104
Medtronic CryoCath LP	Healthcare	100	9000 Rte Transcanadienne Pointe-Claire Quebec, CA H9R 5Z8
Medtronic CV Luxembourg S.à r.l.	Healthcare	100	Ground Floor Espace Monterey 40, Av Monterey, LU L-2163
Medtronic Czechia s.r.o.	Healthcare	100	Prosecka 852/66 Prosek Point, Budova B Praha 9, CZ 190 00
Medtronic Danmark A/S	Healthcare	100	Arne Jacobsens Alle 17 Copenhagen S, DK 2300
Medtronic Diabetes (Chengdu) Co., Ltd.	Healthcare	100	No. 1, 1F, Building 1, No. 4, 3rd Keyuan Road, Chengdu, Sichuan, CN
Medtronic do Brasil Ltda.	Healthcare	100	Rua Monsenhor Arruda, Carmara, 53 Suite 2, Vila Ede Turcuruvi Sao Paulo, BR CEP 02203-020
Medtronic Dominican Republic S.A.S.	Healthcare	100	Suite 1103 John F. Kennedy, No. 88 Jardines del Norte Santo Domingo, DO
Medtronic Dominicana (Manufactura), S.A.	Healthcare	100	Parque Zona Franca San Isidro Santo Domingo, DO
Medtronic EA, Inc.	Merger Sub	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic Egypt Ilc	Healthcare	100	Ring Road, Al-Futtaim Property Taha Hussien St. Cairo Festival City Parcel No 14b01-A2 – 5th settlement Cairo, EG
Medtronic Empalme, S. de R.L. de C.V.	Healthcare	100	Carretera Internacional Guadalajara-Nogales KM 1969 KM2, Empalme Sonora, MX C.P. 85340
Medtronic Engineering and Innovation Center Private Limited	Healthcare	100	3rd Floor, Block-1, BSR IT / ITES SEZ, Nanakramguda Village Serilingampally Mandal, Hyderabad, Ranga Reddy Telangana, IN 500008
Medtronic Europe Limited	Healthcare	100	85 St John Street Valletta, MT 1165
Medtronic Europe Sàrl	Healthcare	100	Route du Molliau 31 Tolochenaz, CH 1131
Medtronic Fabrication	Healthcare	100	Route d'Anor Zone Industrielle Fourmies, FR 59610
Medtronic Finance Holdings ULC	Holding Company	100	Cricket Square, Hutchins Drive PO BOX 2681 Grand Cayman, KY KY1-1111
Medtronic Finance Hungary Kft.	Healthcare	100	Bocskai ut 134-146 Budapest, HU 1113
Medtronic Finland Oy	Healthcare	100	Lentäjantie 3 Vantaa, FI 01530
Medtronic France	Healthcare	100	9, boulevard Romain Rolland Paris, FR 75014
Medtronic Global Health Foundation	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic Global Holdings GP S.à r.l.	Holding Company	100	Ground Floor Espace Monterey 40, Av Monterey, LU L-2163
Medtronic Global Holdings S.C.A.	Holding Company	100	Ground Floor Espace Monterey 40, Av Monterey, LU L-2163
Medtronic GmbH	Healthcare	100	Earl-Bakken-Platz 1 Meerbusch, DE 40670
Medtronic Group Holding, Inc.	Holding Company	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic Hellas Medical Devices Commercial Single Member Societe Anonyme	Healthcare	100	Kifisias Avenue 24B Marousi Attikis Athens, GR 15125
Medtronic Holding B.V.	Holding Company	100	Earl Bakkenstraat 10 Heerlen, NL 6422PJ
Medtronic Holding Company Sàrl	Holding Company	100	Route du Molliau 31 Tolochenaz, CH 1131
Medtronic Holding Hungary Kft.	Healthcare	100	Bocskai ut 134-146 Budapest, HU 1113
Medtronic Holding Switzerland GmbH	Holding Company	100	Victor von Bruns-Strasse 19 Neuhausen am Rheinfall, CH 8212, Switzerland
Medtronic Holding, Inc.	Holding Company	100	710 Medtronic Parkway Minneapolis, MN 55432

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

Medtronic Holdings France	Healthcare	100	9, boulevard Romain Rolland Paris, FR 75014
Medtronic Holdings S.à r.l.	Healthcare	100	Ground Floor Espace Monterey 40, Av Monterey, LU L-2163
Medtronic Hong Kong Medical Limited	Healthcare	100	Suite 1104-11/F Tower 1, Kowloon, HK
Medtronic Hungaria Kereskedelmi Kft	Healthcare	100	Bocskai út 134-146 Budapest, HU 1113
Medtronic Iberica S.A.	Healthcare	100	Calle Maria de Portugal 11 Madrid, ES 28050
Medtronic Innovation Center (Israel) Ltd	Healthcare	100	2 Hacarmel Sreet Yokneam, IL 2066724
Medtronic Integrated Health Solutions LLC	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic International Holding LLC	Holding Company	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic International Technology, Inc.	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic International Trading Holding LLC	Holding Company	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic International Trading Pte. Ltd.	Healthcare	100	50 Pasir Panjang Road #04-51 Mapletree Business City, SG 117384
Medtronic International Trading Sàrl	Healthcare	100	Route du Molliau 31 Tolochenaz, CH 1131
Medtronic International Trading, Inc.	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic International, Ltd.	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic Interventional Vascular, Inc.	Healthcare	100	35a Cherry Hill Drive Danvers, MA 01923-5186
Medtronic IP Holding International Luxembourg S.à r.l.	Holding Company	100	Ground Floor Espace Monterey 40, Av Monterey, LU L-2163
Medtronic Ireland Limited	Healthcare	100	Block 3090-3094, Lake Drive, Citywest Business Campus Dublin 24, IE D24 XN47
Medtronic Ireland Manufacturing Unlimited Company	Healthcare	100	Arthur Cox Building 10 Earlsfort Terrace Dublin 2, IE DO2 T380
Medtronic Italia S.p.A.	Healthcare	100	Via Varesina 162 Milan, IT 20156
Medtronic Japan Co., Ltd.	Healthcare	100	1-2-70 Konan, Minato-ku, Tokyo, JP 108-0075
Medtronic Jolife LLC	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic Kazakhstan Limited Liability Partnership	Healthcare	100	5th , office 5/07, Floor Abylai Khan avenue 53, Business center “ABYLAI KHAN PLAZA»”, Almaty, KZ 050004
Medtronic KL Holdings LLC	Holding Company	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic Korea Holdings Ltd.	Healthcare	100	20th Floor (Glass Tower, Daechi-dong) 534, Teheran-ro, Gangnam-gu, Seoul, KR
Medtronic Korea Ltd.	Healthcare	100	17th Floor (Glass Tower, Daechi-dong) 534, Teheran-ro, Gangnam-gu, Seoul, KR
Medtronic Labs PBC	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic Lateral, Inc.	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic Latin America, Inc.	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic Limited	Healthcare	100	Building 9 Croxley Park, Hatters Lane Watford, GB WD18 8WW
Medtronic LLC	Healthcare	100	10, Presnenskaya nab., Presnensky Municipal District Moscow, RU 123112
Medtronic Logistics LLC	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic Luxembourg Global Holdings S.à r.l.	Holding Company	100	Ground Floor Espace Monterey 40, Av Monterey, LU L-2163

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

Medtronic Malaysia Sdn. Bhd.	Healthcare	100	B-23-01, The Ascent, Paradigm, No. 1 Jalan SS7/26A Petaling Jaya Selangor Darul Ehsan, MY 47301
Medtronic Medical C.R. S. de R.L.	Healthcare	100	Coyol Free Zone, #7, El Coyol San José, Alajuela, CR
Medtronic Medikal Teknoloji Ticaret Limited Sirketi	Healthcare	100	Inkilap Mah. Esnaf Cad. No:2 Da:8 Akkom Ofis Park Laodik Plaza B Bl Umraniye Istanbul, TR 34768
Medtronic Mediterranean Offshore SAL	Healthcare	100	6th Floor Omar Daouk Street St. Charles City Center Beirut, LB 2020-0908
Medtronic META FZ-LLC	Healthcare	100	3rd Floor Injaz Building, 301 Dubai Knowledge Park Dubai, AE
Medtronic Mexico S. de R.L. de C.V.	Healthcare	100	Paseo Cucapah #10510 El Lago, Tijuana B.C. México, MX 22210
Medtronic MiniMed, Inc.	Healthcare	100	18000 Devonshire Street Northridge, CA 91325
Medtronic Monitoring, Inc.	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic Navigation Israel Ltd.	Healthcare	100	3 Hacarmel Street New Industrial Park Yoqneam, IL 2069206
Medtronic Navigation, Inc.	Healthcare	100	200 Medtronic Drive Lafayette, CO 80027
Medtronic New Zealand Limited	Healthcare	100	Webb Henderson, Level 17, Hsbc Tower, 188 Quay Street Auckland, NZ 1010
Medtronic Norge AS	Healthcare	100	Hoffsveien 1a Oslo, NO 0275
Medtronic Oesterreich GmbH	Healthcare	100	Handelskai 94-96 Millenium Tower OG 20 Wien, AT 1200
Medtronic Pacific Trading, Inc.	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic Pakistan (Private) Limited	Healthcare	100	21st Floor Ocean Tower,Plot # G-3, Khayaban-e-Iqbal, Block 9, Clifton Karachi, Sindh- Karachi, PK 75600
Medtronic Philippines, Inc.	Healthcare	100	Unit 2901-B One World Place, 32nd Street, Bonifacio Global City, Taguig City, PH 1634
Medtronic plc	Healthcare	100	Building Two, Parkmore Business Park West, Galway, Ireland
Medtronic Poland Finance Sp. z o.o.	Healthcare	100	ul. Polna, 11 Warszawa, PL 00-633
Medtronic Poland Sp. z o.o.	Healthcare	100	ul. Polna, 11 Warszawa, PL 00-633
Medtronic Portugal, Lda	Healthcare	100	Centro Empresarial Torres de Lisboa Rua Tomas da Fonseca, Torre E, 11° Lisbon, PT 1600-209
Medtronic PS Medical, Inc.	Healthcare	100	125 Cremona Drive Goleta, CA 93117
Medtronic Puerto Rico Operations Co.	Healthcare	100	Building PRIMARY Ceiba Norte Industrial park 50 Road 31 KM 24.4 Juncos, PR 00777-3869
Medtronic RCS Holding GmbH	Holding Company	100	Victor von Bruns-Strasse 19 Neuhausen am Rheinfall, CH 8212, Switzerland
Medtronic Romania SRL	Healthcare	100	2nd Floor 42 - 44 Bucuresti-Ploiesti Road, Building B, B2 Wing Baneasa Business & Technology Park, District 1 Bucharest, RO 013696
Medtronic S. de R.L. de C.V.	Healthcare	100	Insurgentes Sur 863 Piso 15 y 16 Col. Nápoles, Del. Benito Juárez Ciudad de México, MX 03810
Medtronic S.A.I.C.	Healthcare	100	Av. Madero 1020, 5° Piso Ciudad Autónoma de Buenos Aires, AR
Medtronic Saudi Arabia Company	Healthcare	50	PO Box 10213 Al Olaya District Riyadh, SA 11433
Medtronic Servicios S. de R.L. de C.V.	Healthcare	100	Insurgentes Sur 863 Piso 15 y 16 Col. Nápoles. Delegación Benito Juárez. Mexico city, MX 03810
Medtronic SG, LLC	Holding Company	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic Shared Services Americas, S.A.S.	Healthcare	100	Building A Calle 25G No. 73B - 90 Piso 2 Bogota D.C., CO
Medtronic Shared Services SRL	Healthcare	100	Coyol Free Zone, Building B 20 El Coyol, San José, Alajuela,, CR
Medtronic Singapore Operations Pte. Ltd.	Healthcare	100	49 Changi South Avenue 2, Nasaco Tech Centre , SG 486056
Medtronic Slovakia s.r.o.	Healthcare	100	Karadzicova 12 Bratislava, SK 821 08

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

Medtronic SN OUS, LLC	Merger Sub	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic SN US, LLC	Merger Sub	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic Sofamor Danek Co., Ltd.	Healthcare	100	2-70, Konan 1-chome, Minato-ku Tokyo, JP
Medtronic Sofamor Danek Deggendorf GmbH	Healthcare	100	Ulrichsberger Strasse 17 Deggendorf, DE 94469
Medtronic Sofamor Danek USA, Inc.	Healthcare	100	2600 Sofamor Danek Drive Memphis, TN 38132
Medtronic Sofamor Danek, Inc.	Healthcare	100	2600 Sofamor Danek Drive Memphis, TN 38132
Medtronic Srbija d.o.o. Beograd-Novi Beograd	Healthcare	100	Bulevar Zorana Dindica 64a Belgrade, RS 11070
Medtronic Sweden Finance AB	Healthcare	100	Gustav III:s Boulevard 42 Solna, SE 169 73
Medtronic Trading Ltd	Healthcare	100	Hamada St. 10 Herzliya, IL 46733
Medtronic Trading NL B.V.	Healthcare	100	Schimmelt 2 Eindhoven, NL 5611 ZX
Medtronic Ukraine Limited Liability Company	Healthcare	100	4 Mykoly Grinchenka Street Kiev, UA 03038
Medtronic ULN, LLC	Merger Sub	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic USA, Inc.	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic Vascular Galway Unlimited Company	Healthcare	100	Arthur Cox Building 10 Earlsfort Terrace Dublin 2, IE DO2 T380
Medtronic Vascular, Inc.	Healthcare	100	3576 Unocal Place Santa Rosa, CA 95403
Medtronic Venter Technologies Ltd.	Healthcare	100	14 H'melacha St Netanya, IL 4250549
Medtronic Vietnam Company Limited	Healthcare	100	11th Floor Tower B, Royal Center Building 235 Nguyen Van Cu Street, Nguyen Cu Trinh Ward, District 1 Ho Chi Minh City, VN
Medtronic VT, LLC	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic World Trade Corporation	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic Xomed LLC	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic Xomed, Inc.	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic, Inc.	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic, trgovina z medicinsko tehnologijo in opremo d.o.o.	Healthcare	100	Ameriska ulica 008 Ljubljana, SI 1000
Merger Sub 5720, Inc.	Merger Sub	100	710 Medtronic Parkway Minneapolis, MN 55432
Michigan Critical Care Consultants, Inc.	Healthcare	100	Suite 600 3410 Belle Chase Way Lansing, MI 48911
Micro Therapeutics, Inc.	Healthcare	100	15 Hampshire Street Mansfield, MA 02048
M-Indigo Merger Corp.	Merger Sub	100	710 Medtronic Parkway Minneapolis, MN 55432
MiniMed Distribution Corp.	Healthcare	100	18000 Devonshire Street Northridge, CA 91325
MiniMed Pty Ltd.	Healthcare	100	2 Alma Road Macquarie Park, AU NSW, 2113
MMJ, S.A. de C.V.	Healthcare	100	Ave. Henequen # 1181, Desarrollo Salvarcar Ciudad Juarez Chihuahua, MX 32573
MSCH LLC	Healthcare	100	15 Hampshire Street Mansfield, MA 02048
M-SMART Medical Technology (Shanghai) Co. Ltd.	Healthcare	100	Room 5v-5393, Building 2 Floor No. 753 Yuyuan Road, Chang Ning District Shanghai, CN 200000
N.G.C. Medical S.r.l.	Healthcare	100	Via Salvo D'Acquisto, 8/14 Turate (CO), IT 22078



**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

N.O.K. Nederlandse Obesitas Kliniek B.V.	Healthcare	100	Amersfoortseweg 43 Huis ter Heide, NL 3712BA
NayaMed International Sàrl	Healthcare	100	Route du Molliau 31 Tolochenaz, CH 1131
Nederlandse Obesitas Kliniek West B.V.	Healthcare	51	Amersfoortseweg 43 Huis ter Heide, NL 3712BA
Nederlandse Obesitas Kliniek Zeeland B.V.	Healthcare	51	Amersfoortseweg 43 Huis ter Heide, NL 3712BA
Nederlandse Obesitas Kliniek Zuid B.V.	Healthcare	51	Amersfoortseweg 43 Huis ter Heide, NL 3712BA
Nellcor Puritan Bennett GmbH	Healthcare	100	Victor von Bruns-Strasse 19 Neuhausen am Rheinfall, CH 8212, Switzerland
Nellcor Puritan Bennett Ireland Holdings Unlimited Company	Holding Company	100	Michael Collins Road Mervue Galway, IE
Nellcor Puritan Bennett Ireland Unlimited Company	Healthcare	100	Michael Collins Road Mervue Galway, IE
Nellcor Puritan Bennett LLC	Healthcare	100	5920 Longbow Drive Boulder, CO 80301
Nellcor Puritan Bennett Mexico, S.A. de C.V.	Healthcare	100	Blvd. Insurgentes 19030 Colonia Libramiento, Tijuana Baja California, MX CP 22225
Nellcor Puritan Bennett UK Limited	Healthcare	100	280 Bishopsgate London, GB EC2M 4RB
New Wave Surgical, LLC	Healthcare	100	555 Long Wharf Drive New Haven, CT 06511
NPB Belgium B.V.	Merger Sub	100	Burgemeester Etienne Demunterlaan 5 Jette, BE 1090
NPB Finland Oy	Merger Sub	100	c/o Waselius & Wist Eteläesplanadi 24 A, 4th Floor Helsinki, FI 00130
NPB Germany GmbH	Healthcare	100	Earl Bakken Platz 1 Meerbusch, DE 40670
NPB Japan Co., Ltd.	Healthcare	100	2-70, Konan 1-chome Minato-ku Tokyo, JP
Nutrino Health Ltd.	Healthcare	100	58 Harakevet Tel Aviv-Jaffa, IL 6777016
Obesitas International B.V.	Holding Company	100	Amersfoortseweg 43 Huis ter Heide, NL 3712BA
Obesitas Nederland B.V.	Holding Company	100	Amersfoortseweg 43 Huis ter Heide, NL 3712BA
Old Colony State Insurance Company	Healthcare	100	Suite 301 463 Mountain View Drive 3rd Floor Colchester, VT 05446
Oridion Capnography, Inc.	Healthcare	100	15 Hampshire Street Mansfield, MA 02048
Oridion Medical 1987 Ltd.	Healthcare	100	7 Hamarpe Street Jerusalem, IL 9777407
Oridion Systems Ltd.	Healthcare	100	7 Hamarpe Street Jerusalem, IL 9777407
Osteotech, Inc.	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Plastics Holding Corporation	Healthcare	100	15 Hampshire Street Mansfield, MA 02048
Polyken Technologies Europe, Inc.	Healthcare	100	15 Hampshire Street Mansfield, MA 02048
Polysuture Industria e Comercio Ltda.	Healthcare	100	Avenida Gabriel Ramos da Silva, 245, Parque Industrial II. Sao Sebastiao do Paraíso Minas Gerais, BR
Project Copernicus Merger Sub, Inc.	Merger Sub	100	710 Medtronic Parkway Minneapolis, MN 55432
Project Time LLC	Merger Sub	100	710 Medtronic Parkway Minneapolis, MN 55432
PT. Covidien Indonesia	Healthcare	100	Talavera Office Park, Suite Lantai 19, Jl. Letjen TB. Simatupang Kav.22-26 RT.001 / RW.001 Kelurahan Cilandak Barat, Kecamatan Cilandak, Jakarta Selatan, ID 12430
PT. Medtronic Indonesia	Healthcare	100	Gandaria 8 Office Tower 36th Floor, Unit A, Jalan Sultan Iskandar Muda, Kebayoran Lama Utara, Kebayoran Lama, Jakarta Selatan, ID 12240

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

PTB International LLC	Healthcare	100	15 Hampshire Street Mansfield, MA 02048
Raychem Tecnologías, S. de R.L. de C.V.	Healthcare	100	Calle 11 Norte No 11002 Cd. Industrial Neuter Tijuana, Tijuana, B.C. Calf. Mexico, MX 22500
Retail Group de Mexico S.A. de C.V.	Healthcare	100	Calle 9 Sur 1113 Tijuana, BC, MX 4558-704
RF Surgical Systems LLC	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Sanatis GmbH	Healthcare	100	Kirchstrasse 9 Rosbach v.d.Höhe, DE 61191
Sapheon LLC	Healthcare	100	15 Hampshire Street Mansfield, MA 02048
Shanghai MedTech Service Co., Ltd.	Healthcare	100	Room 402-3 Building 3, No.2388 Chen Hang Road Min Hang Area Shanghai, CN 200000
Shanghai Medtronic Zhikang Medical Devices Co., Ltd.	Healthcare	100	Room 3048 and 3049 3rd Floor, No.12 Factory No.1566, Xin Yang Road, Lin Gang, Free Trade Zone Shanghai, CN 200000
Shanghai Mei Jing Mei Zhong Venture Capital Partnership (Limited Partnership)	Healthcare	100	Room 301 South Floor, 3rd Floor, Building 1, No. 24 Jiafeng Road, China (Shanghai) Pilot Free Trade Zone Shanghai, CN 200131
Shanghai Mei Zhong Private Fund Management Co., Ltd.	Healthcare	100	Room 301 South, 3rd Floor, Building 1, No. 24, Jiafeng Road, China (Shanghai) Pilot Free Trade Zone Shanghai, CN 200131
Shanghai MyanCor Medical Ltd.	Healthcare	100	Building 10 Xin Yang Road No.860 Lin Gang New City Shanghai, CN 200000
Sherwood Medical Company I	Healthcare	100	15 Hampshire Street Mansfield, MA 02048
Singapore MyanCor Medical Pte. Ltd.	Healthcare	100	49 Changi South Avenue 2 Nasaco Tech Centre , SG 486056
Societe De Fabrication de Materiel Orthopedique En Abrege Sofamor	Healthcare	100	9, Boulevard Romain Rolland Paris, FR 75014
Sofradim Production	Healthcare	100	116 Avenue du Formans Trévoux, FR 01600
SonarMed Inc.	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
SpinalGraft Technologies, LLC	Healthcare	100	4340 Swinnea Road Memphis, TN 38118
Stichting Beste Zorg	Healthcare	100	Amersfoortseweg 43 Huis ter Heide, NL 3712BA
Superdimension, Inc.	Healthcare	100	555 Long Wharf Drive New Haven, CT 6511
Suzhou Medtronic Venture Capital Partnership Enterprise (L.P.)	Healthcare	100	2 Floor Unit E98, North Building, A1 218 Xinghu Street, Suzhou Industrial Park Suzhou, CN 215123
Suzhou Medtronic-Sequoia Innovation Investment Management Co., Ltd.	Healthcare	100	Suite 99 Unit E99, 2F, North Building, A1 218 Xinghu Street, Suzhou Industrial Park Suzhou, CN 215123
Times Square Merger Corp	Merger Sub	100	710 Medtronic Parkway Minneapolis, MN 55432
Tissue Science Laboratories Limited	Healthcare	100	Building 9 Croxley Park, Hatters Lane Watford, GB WD18 8WW
Titan Spine, Inc.	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Twelve, Inc.	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
U.S.S.C. Puerto Rico (NY), Inc.	Healthcare	100	201 Sabanetas Industrial Park Ponce, PR 00716-4401
U.S.S.C. Puerto Rico (NY), Inc. (Puerto Rico Branch)	Healthcare	100	Cricket Square Hutchins Drive PO Bo 2681 Grand Cayman, KY KY1-1111
U.S.S.C. Puerto Rico, Inc.	Healthcare	100	Cricket Square Hutchins Drive PO Bo 2681 Grand Cayman, KY KY1-1111
U.S.S.C. Puerto Rico, Inc. (Cayman Islands) (Puerto Rico Branch)	Healthcare	100	Cricket Square Hutchins Drive PO Bo 2681 Grand Cayman, KY KY1-1111
United States Surgical Corporation	Healthcare	100	15 Hampshire Street Mansfield, MA 02048
USSC FSC, Inc.	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
USSC Medical GmbH	Healthcare	100	Earl-Bakken-Platz 1 Meerbusch, DE 40670

**Medtronic plc**  
**Notes to the Consolidated Financial Statements**

Valera Holdings S.à r.l.	Holding Company	100	Ground Floor Espace Monterey 40, Av Monterey, LU L-2163
Valleylab Holding Corporation	Holding Company	100	5920 Longbow Drive Boulder, CO 80301
Vascular Medcure, Inc.	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Visionsense Corp.	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Visionsense Ltd	Healthcare	100	20 Hamagshimim St. Petah Tikva, IL 4934829
Visualase, Inc.	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Vitatron Holding B.V.	Holding Company	100	Endepolsdomein 5 Maastricht, NL 6229GW
VNUS Medical Technologies II, Inc.	Healthcare	100	15 Hampshire Street Mansfield, MA 02048
Warsaw Orthopedic, Inc.	Healthcare	100	SDG Manufacturing 2500 Silveus Crossing Warsaw, IN 46582-8598
WEM Equipamentos Electronicos Ltda.	Healthcare	100	Rua Marechal Mascarenhas de Moraes 550 Ribeirao Preto Sao Paulo, BR 14095 - 120
World Heart Corporation	Healthcare	100	500 Old Connecticut Path Framingham, MA 01701
Zephyr Technology LLC	Healthcare	100	6135 Gunbarrel Avenue Boulder, CO 80301
Zorginitiatieven B.V.	Healthcare	100	Amersfoortseweg 43 Huis ter Heide, NL 3712BZ

At April 26, 2024, the Group had the following branches outside of Ireland:

Branch	Location
Branch of Covidien International Sarl (Dubai Science Park)	United Arab Emirates
Changzhou Kanghui Medical Innovation Co., Ltd. Shanghai Branch	China
Commercial Representative Office of Medtronic AG in Ethiopia	Ethiopia
Covidien AG (Kenya)	Kenya
Covidien AG Bureau of Representation Morocco	Morocco
Covidien AG Representative Office Jordan	Jordan
Covidien AG Representative Office Lebanon	Lebanon
Covidien AG Representative Office Saudi Arabia	Saudi Arabia
Covidien AG Scientific Office - Egypt	Egypt
Covidien AG succursale de Tolochenaz	Switzerland
Covidien AG, organizacni slozka	Czechia
Covidien AG, Representative office in Kurdistan, Iraq	Iraq
Covidien Caribbean, Inc. (Puerto Rico Branch)	Puerto Rico
Covidien Group S.à r.l., Luxembourg (LU) (Neuhausen am Rheinfall Branch)	Switzerland
Covidien Healthcare International Trading (Shanghai) Co., Ltd., Beijing Branch	China
Covidien Healthcare International Trading (Shanghai) Co., Ltd., Chengdu Branch	China
Covidien Healthcare International Trading (Shanghai) Co., Ltd., Guangzhou Branch	China
Covidien Healthcare International Trading (Shanghai) Co., Ltd., Hangzhou Branch	China
Covidien Healthcare International Trading (Shanghai) Co., Ltd., Jinan Branch	China
Covidien Healthcare International Trading (Shanghai) Co., Ltd., Nanjing Branch	China
Covidien Healthcare International Trading (Shanghai) Co., Ltd., Shenyang Branch	China
Covidien Healthcare International Trading (Shanghai) Co., Ltd., Wuhan Branch	China
Covidien Healthcare International Trading (Shanghai) Co., Ltd., Xi'an Branch	China
Covidien Healthcare International Trading (Shanghai) Co.,Ltd. 1st Branch	China
Covidien Private Limited, Sri Lanka Liaison Office	Sri Lanka

**Medtronic plc****Notes to the Consolidated Financial Statements**

Davis & Geck Caribe Limited (Dominican Republic Branch)	Dominican Republic
Medtronic (Shanghai) Management Co., Ltd. Beijing Branch	China
Medtronic (Shanghai) Management Co., Ltd. Branch	China
Medtronic (Shanghai) Management Co., Ltd. Hangzhou Branch	China
Medtronic (Shanghai) Management Co., Ltd. Wuhan Branch	China
Medtronic AG atstovybė	Lithuania
Medtronic AG Branch in Tanzania	Tanzania, United Republic Of
Medtronic AG Branch of Ghana	Ghana
Medtronic AG Kuwait Representative Office	Kuwait
Medtronic AG Liaison Office in Pakistan	Pakistan
Medtronic AG Representative Office in Ivory Coast	Cote d'Ivoire
Medtronic B.V. Representative Office Baltics	Latvia
Medtronic B.V. Representative Office Moscow	Russian Federation
Medtronic B.V. Representative Office Ukraine	Ukraine
Medtronic Financial Management Office (DIFC), branch of Medtronic Finance Hungary Kft.	United Arab Emirates
Medtronic International, Ltd. (Singapore Branch)	Singapore
Medtronic Latin America Inc. (Argentina Branch)	Argentina
Medtronic Medikal Teknoloji Ticaret Limited Şirketi Gebze Şubesi	Turkey
Medtronic Poland Spolka Z Organicznoscia Opodowiedzialnoscia -Oddzial SSC W Warszawie	Poland
Medtronic Saudi Arabia Company - Dammam Branch	Saudi Arabia
Medtronic Saudi Arabia Company - Jeddah Branch	Saudi Arabia
Medtronic Saudi Arabia Company - Riyadh Branch	Saudi Arabia
Medtronic Vietnam Company Limited - Branch in Hanoi City	Vietnam
Medtronic World Trade Corporation (Israel Branch)	Israel
Representative Office of Medtronic AG (Swiss Confederation) in the Republic of Belarus	Belarus
Representative Office of Medtronic AG in Angola	Angola
Representative Office of Medtronic AG in Senegal	Senegal
The Representative Office of Covidien Private Limited in Ho Chi Minh City	Vietnam
The Representative Office of Medtronic B.V. in Ho Chi Minh City	Vietnam

**27. Post-Balance Sheet Events**

Subsequent events have been evaluated through August 27, 2024, the date this report was approved by the Directors and Group's Audit Committee. There were no adjustments made to the consolidated financial statements based on subsequent events.

Subsequent to year-end, on June 3, 2024, Medtronic Inc. issued four tranches of EUR-denominated Senior Notes with an aggregate principal of €3.0 billion, with maturities ranging from fiscal year 2030 to 2054, resulting in cash proceeds of approximately \$3.2 billion, net of discounts and issuance costs. Refer to Note 17 for further information on the issuance.

**28. Approval of Financial Statements**

The Directors approved the financial statements on August 27, 2024.

**Medtronic Public Limited Company  
Company Financial Statements  
Financial Year Ended April 26, 2024**

**Medtronic plc**  
**Company Balance Sheet**

(in millions)	Note	April 26, 2024	April 28, 2023
<b>Fixed assets</b>			
Financial assets	3	\$ 113,760	\$ 95,899
<b>Current assets</b>			
Debtors	4	64	78
<b>Total current assets</b>		<b>64</b>	<b>78</b>
Creditors (amounts falling due within one year)	5	397	42
<b>Net current (liabilities) assets</b>		<b>(333)</b>	<b>36</b>
<b>Total assets less current liabilities</b>		<b>113,427</b>	<b>95,935</b>
Creditors (amounts falling due after more than one year)	5	—	20,326
<b>Net assets</b>		<b>\$ 113,427</b>	<b>\$ 75,609</b>
<b>Capital and reserves</b>			
Called-up share capital presented as equity	6	\$ —	\$ —
Share premium account	6	56,751	56,282
Profit and loss account	6	56,676	19,327
<b>Total equity</b>		<b>\$ 113,427</b>	<b>\$ 75,609</b>

In accordance with Section 304 of the Companies Act 2014, the Company is availing of the exemption from presenting and filing its individual profit and loss account. Medtronic plc's loss after tax for financial year 2024 and 2023, as determined in accordance with Irish GAAP (FRS 102), was \$1.3 billion and \$593 million, respectively. Included within other comprehensive income for the financial year 2024, was a gain, recorded on the sale of a subsidiary undertaking, of \$44.1 billion. Further details are included in note 3.

Approved by the Board of Directors and signed on its behalf on August 27, 2024 by:

/s/ Denise M. O'Leary  
 Director

/s/ Geoff Martha  
 Director

**Medtronic plc**  
**Company Statement of Changes in Equity**

(in millions)	Ordinary Share Number	Called-up Share Capital Presented as Equity	Share Premium Account	Profit and Loss Account	Total
<b>April 29, 2022</b>	1,331	\$ —	\$ 55,734	\$ 23,820	\$ 79,554
Issuance of shares under stock purchase and award plans	6	—	548	(68)	480
Total comprehensive loss for the financial year	—	—	—	(593)	(593)
Dividends paid (\$2.72 per ordinary share)	—	—	—	(3,616)	(3,616)
Share-based compensation	—	—	—	355	355
Redemption and cancellation of shares	(6)	—	—	(571)	(571)
<b>April 28, 2023</b>	1,331	\$ —	\$ 56,282	\$ 19,327	\$ 75,609
Issuance of shares under stock purchase and award plans	6	—	469	(52)	417
Total comprehensive income for the financial year	—	—	—	42,758	42,758
Dividends paid (\$2.76 per ordinary share)	—	—	—	(3,666)	(3,666)
Share-based compensation	—	—	—	393	393
Redemption and cancellation of shares	(25)	—	—	(2,084)	(2,084)
<b>April 26, 2024</b>	1,311	\$ —	\$ 56,751	\$ 56,676	\$ 113,427

## **1. Basis of Presentation and Summary of Significant Accounting Policies**

Medtronic plc (the Company), headquartered in Ireland, is the leading global healthcare technology company – alleviating pain, restoring health, and extending life for millions of people around the world. The Company was incorporated in Ireland on June 12, 2014 as a private limited company and was re-registered effective January 26, 2015 as a public limited company. The Company was established for the purpose of facilitating the acquisition of Covidien plc (Covidien), a public limited company organized under the laws of Ireland and Medtronic, Inc., a U.S. incorporated entity, (collectively, the Transaction). Upon completion of the Transaction on January 26, 2015, Medtronic plc replaced Medtronic, Inc., as the ultimate holding company of the Medtronic group.

Medtronic plc is incorporated as a company limited by shares in the Republic of Ireland (registration number 545333). The address of its registered office is Building Two, Parkmore Business Park West, Galway, Ireland.

**Statement of Compliance** The entity financial statements have been prepared on a going concern basis and in accordance with accounting standards issued by the Financial Reporting Council of the UK and the Companies Act 2014. The entity financial statements comply with Financial Reporting Standard 102, ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ (FRS 102) and the Companies Act 2014.

**Significant Accounting Policies** The significant accounting policies used in the preparation of the entity financial statements are set out below. These policies have been consistently applied to all financial years presented.

**Basis of Preparation** The entity financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date. It also requires the Directors to exercise their judgment in the process of applying the Company’s accounting policies. Estimates and judgments made in the process of preparing the entity financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Exemption for Qualifying Entities Under FRS 102** FRS 102 allows a qualifying entity, certain disclosure exemptions, to a member of a group where the parent of that group prepares publicly available consolidated financial statements which are intended to give a true and fair view (of the assets, liabilities, financial position and profit or loss) and that member is included in the consolidation. The Company is a qualifying entity and has taken advantage of the below disclosure exemptions:

1. Exemption from the requirements of Section 7 of FRS 102 and FRS 102 paragraph 3.17(d) to present a statement of cash flows;
2. Exemption from the financial instrument disclosure requirements of Section 11 paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), and 11.48(c) and Section 12 paragraphs 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A of FRS 102 providing the equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated;
3. Exemption from certain disclosure requirements of Section 26 of FRS 102 (paragraphs 26.18(b), 26.19 to 26.21 and 26.23), in respect of share-based payments; and
4. Exemption from the requirement of FRS 102 paragraph 33.7 to disclose key management personnel compensation in total.

**Critical Accounting Estimates** The Directors make estimates and assumptions concerning the future in the process of preparing the entity financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year primarily relate to the carrying value of the investment in subsidiary undertakings. See Note 2 for further information on critical accounting estimates for the Company.

**Going Concern** As the Company’s operational existence relies on the activities of the Company and its subsidiaries as a group (collectively, the “Group”), a going concern assessment performed at the Group level was deemed relevant to support the Company’s ability to continue as a going concern. The Company’s Directors formed a judgment at the time of approving these financial statements that there was a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the next twelve months. In arriving at this conclusion, the Company’s Directors took account of current and anticipated uncertainties driven by certain macro-economic and geopolitical factors (as described in greater detail under the heading “Going Concern” on page 48 of Note 1 of the consolidated financial statements) in its going concern assessment and believed that these uncertainties would not have a material impact on the Company’s ability to continue as a going concern. For this reason, the going concern basis continues to be adopted in the preparation of the Company’s financial statements.



**Currency Translation and Exchange Gains and Losses** The Company's functional and presentation currency is the U.S. dollar. Transactions denominated in currencies other than the functional currency are translated into U.S. dollars using the spot exchange rates at the dates of the transactions.

At the end of each financial year, monetary items are translated to the U.S. dollar using the closing exchange rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction, and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Currency exchange gains and losses are recognized in the profit and loss account as they arise.

**Investment in Subsidiary Undertakings** Investment in subsidiary undertakings is recorded at cost, which equated fair value on the date of the completion of the Transaction. The investment is tested for impairment if circumstances or indicators suggest that an impairment may exist. There were no circumstances or indicators suggesting impairment of the Company's investment in subsidiary undertakings in either the current or prior financial years.

**Cash at Bank and In-Hand** Cash at bank and in hand includes all cash balances and deposits which are repayable upon demand.

**Share-based Payments** The Company operates an equity-settled, share-based compensation plan for employees of some of its subsidiaries. The fair value of the employee services received in exchange for the equity instruments granted in each of the subsidiaries of the Company is recognized as an addition to the investment with a corresponding increase in equity as a contribution by the Company.

The proceeds received by the Company when share options are exercised are credited to share capital (nominal value) and the balance to share premium.

**Financial Instruments** The Company has chosen to apply the provisions of Sections 11 and 12 of FRS 102 to account for all of its financial instruments.

#### *Financial assets*

Basic financial assets, including trade and other debtors, cash at bank and in hand, receivables from fellow group companies and short-term deposits, are initially recognized at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial asset is initially measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

Trade and other debtors, cash at bank and in hand and financial assets from arrangements which constitute financing transactions are subsequently measured at amortized cost using the effective interest method.

At the end of each financial year, financial assets measured at amortized cost are assessed for impairment. If there is objective evidence that a financial asset measured at amortized cost is impaired, an impairment loss is recognized in the profit and loss account. The impairment loss is the difference between the financial asset's carrying amount and the present value of the financial asset's estimated cash inflows discounted at the asset's original effective interest rate.

If, in a subsequent financial year, the amount of an impairment loss decreases, and the decrease can be objectively related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment loss not previously been recognized. Any impairment reversal is recognized in the profit and loss account.

Financial assets are derecognized when (a) the contractual rights to the cash flows from the asset expire or are settled, (b) substantially all the risks and rewards of ownership of the financial asset are transferred to another party, or (c) control of the financial asset has been transferred to another party who has the practical ability to unilaterally sell the financial asset to an unrelated third party without imposing additional restrictions.

#### *Financial liabilities*

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares, are initially recognized at transaction price, unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial liability is initially measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Trade and other creditors, bank loans, loans from fellow group companies, preference shares and financial liabilities from arrangements which constitute financing transactions are subsequently carried at amortized cost, using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is treated as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as due within one year if payment is due within one year or less. If not, they are presented as falling due after more than one year. Trade creditors are recognized initially at transaction price and subsequently measured at amortized cost using the effective interest method.

Financial liabilities are derecognized when the liability is extinguished, that is when the contractual obligation is discharged, cancelled, or expires.

**Contingencies** Contingent liabilities, arising as a result of past events, are not recognized as a liability if it is not probable that the Company will be required to transfer economic benefits in settlement of the obligation, or the amount cannot be reliably measured. Possible but uncertain obligations are not recognized as liabilities but are contingent liabilities. Contingent liabilities are disclosed in the financial statements unless the probability of payment is remote. Contingent liabilities are considered a critical accounting estimate.

The Company has guaranteed certain liabilities and credit arrangements of the Company's subsidiaries. The Company reviews the status of these guarantees at each reporting date and considers whether it is required to make a provision for payment on those guarantees based on the probability of the commitment being called.

**Share Capital** Equity shares issued are recognized at the proceeds received. Incremental costs directly attributable to the issue of new equity shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**Taxation** Taxation for the financial year comprises current and deferred tax recognized in the financial year. Current or deferred tax assets and provisions are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the financial year or past financial years. Current tax is measured at the amount of current tax that is expected to be paid using tax rates and laws that have been enacted or substantively enacted by the end of the financial year.

Deferred tax is recognized in respect of all timing differences, which are differences between taxable profits and total comprehensive income as stated in the financial statements except in certain circumstances. Unrelieved tax losses and other deferred tax assets are recognized only when it is probable that they will be recovered against the reversal of deferred tax provisions or other future taxable profits. These timing differences arise from the inclusion of income and expenses in tax assessments in financial years different from those in which they are recognized in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the end of each financial year end and that are expected to apply to the reversal of the timing difference.

**Dividends** Dividends may only be declared and paid out of the profits available for distribution in accordance with accounting practice generally accepted in Ireland and applicable Irish company law. Any dividends, if and when declared, will be declared and paid in U.S. dollars. Dividends declared by the Directors are recognized when paid.

## **2. Critical Accounting Estimates and Judgments**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

### *Estimated impairment of investment in subsidiary undertakings*

The Company assesses whether investment in subsidiary undertakings have suffered any impairment in line with the accounting policies stated. The determination of recoverable amounts requires the use of estimates. The Company's judgments in relation to the impairment of investment in subsidiary undertakings are included in Note 3.

### 3. Financial Assets

#### *Investment in subsidiary undertakings*

The principal activity of the Company is investment holding.

(in millions)

April 28, 2023	\$ 95,899
Capital contribution in respect of share-based compensation plans	393
Sale of subsidiary undertaking	(95,318)
Investment in subsidiary undertaking	112,786
<b>April 26, 2024</b>	<b>\$ 113,760</b>

On April 22, 2024, as part of a planned internal re-organization, the Company executed a number of steps in relation to its subsidiary undertakings; 1) the Company sold the shares of its direct subsidiary, Medtronic Luxembourg Global Holdings S.a.r.l., to its other direct subsidiary, Medtronic Global Holdings GP S.a.r.l in exchange for the assumption of an intercompany debt and the issuance of an on demand convertible loan note ("Note A") and 2) the Company converted Note A into new shares issued by Medtronic Global Holdings GP S.a.r.l. and related share premium. As a result of the sale of the shares of Medtronic Luxembourg Global Holdings S.a.r.l., the Company recorded a gain of \$44.1 billion in financial year 2024.

The Directors consider the recoverable amount of the investment in subsidiary undertakings to be in excess of the carrying value of the investments having considered the fair market value of the Group.

Details of the Company's directly owned subsidiaries are as follows:

Name	Nature of Business	Group Share %	Registered Office and Country of Incorporation
Medtronic Global Holdings GP S.a.r.l	Holding Company	100	40 Avenue Monterey, L-2163, Luxembourg
Integrated Health Solutions International S.a.r.l	Healthcare	100	Route du Molliau 31, 1131 Tolochenaz, Switzerland

### 4. Debtors

Debtors consisted of the following:

(in millions)

	April 26, 2024	April 28, 2023
<b>Amounts falling due within one year:</b>		
Due from subsidiary undertakings	\$ 57	\$ 69
Other debtors and prepayments	7	9
Total amounts falling due within one year	<u>\$ 64</u>	<u>\$ 78</u>

Amounts owed to the Company from subsidiary undertakings are unsecured, non-interest bearing, and payable on demand.

### 5. Creditors

Creditors consisted of the following for amounts falling due within one year:

(in millions)

	April 26, 2024	April 28, 2023
<b>Amounts falling due within one year:</b>		
Income taxes payable	\$ 33	\$ 30
Accruals and other creditors	16	12
Due to subsidiary undertakings	348	—
Total amounts falling due within one year	<u>\$ 397</u>	<u>\$ 42</u>

Other creditors are payable at various dates after the end of the financial year in accordance with the creditors usual and customary credit terms. Creditors for tax are payable in the timeframe set down in the relevant legislation.

**Medtronic plc**  
**Notes to the Company Financial Statements**

The amount due to subsidiary undertakings relates to balances outstanding on intercompany deposit agreements between the Company and Medtronic Global Holdings S.C.A. and Covidien Group S.a.r.l., Luxembourg (Neuhausen am Rheinfeld branch), entered into during the financial year. The balances bear interest based on the USD SOFR compound average 30-day rate and the applicable deposit spread. The interest expense arising from the intercompany deposits for financial years 2024 and 2023 was \$70 million and nil, respectively.

Creditors consisted of the following for amounts falling due after more than one year:

(in millions)	April 26, 2024	April 28, 2023
<b>Amounts falling due after more than one year:</b>		
Due to subsidiary undertakings	\$ —	\$ 20,326
<b>Total amounts falling due after more than one year</b>	<b>\$ —</b>	<b>\$ 20,326</b>

At the balance sheet date, there were no amounts falling due after more than one year. On April 4, 2024, the Company fully repaid the previously outstanding principal and interest of the intercompany loan it held with Medtronic Global Holdings S.C.A, totaling \$25.1 billion. The total interest expense arising from the intercompany loans for financial years 2024 and 2023 was \$1.2 billion and \$513 million, respectively.

**6. Shareholders' Funds**

Authorized and allotted shares were as follows:

(in millions, except share data)	April 26, 2024		April 28, 2023	
<b>Authorized:</b>	Number	Amount	Number	Amount
Ordinary Shares, \$0.0001 par value	2,600,000,000	\$ —	2,600,000,000	\$ —
Euro Deferred Shares, €1.00 par value	40,000	—	40,000	—
Preferred Shares, \$0.20 par value	127,500,000	26	127,500,000	26
A Preferred Shares, \$1.00 par value	500,000	1	500,000	1
<b>Total authorized</b>		<b>\$ 27</b>		<b>\$ 27</b>
<b>Allotted, called up and fully paid:</b>				
Ordinary Shares, \$0.0001 par value	1,311,337,531	\$ —	1,330,809,036	\$ —
A Preferred Shares, \$1.00 par value	—	—	—	—
<b>Total allotted, called up and fully paid</b>		<b>\$ —</b>		<b>\$ —</b>

**Ordinary Shares** The rights and restrictions attaching to the Ordinary Shares shall be as follows: subject to the right of the Company to set record dates for the purposes of determining the identity of members entitled to notice of and/or to vote at a general meeting and any rules or regulations applicable to the conduct of any general meeting of the Company, the right to attend and speak at any general meeting of the Company and to exercise one vote per Ordinary Share held at any general meeting of the Company; the right to participate pro rata in all dividends declared by the Company with respect to the Ordinary Shares; and the right, in the event of the Company's winding up, to participate pro rata with all other Ordinary Shares in the total assets of the Company.

The rights attaching to the Ordinary Shares shall be subject to the terms of issue of any series or class of Preferred Shares allotted by the Directors from time to time. All Ordinary Shares shall rank *pari passu* with each other in all respects.

**Euro Deferred Shares** The authorized share of capital of the Company includes 40 thousand Euro Deferred Shares, with a par value of €1.00 per share. There are no Euro Deferred Shares issued or outstanding in either the current or prior financial years.

**Preferred Shares** The Directors are authorized to issue all or any of the authorized but unissued Preferred Shares from time to time in one or more classes or series, and to fix for each such class or series such voting power, full or limited, or no voting power, and such designations, preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions adopted by the Directors. No Preferred Shares are in issue in either the current or prior financial years.

**A Preferred Shares** The authorized share capital of the Company includes 500 thousand A Preferred Shares, with a par value of \$1.00 per share. At April 26, 2024 and April 28, 2023, there were no A Preferred Shares outstanding.

**Share Premium and significant transactions impacting the share premium account** In connection with the completion of the Transaction, the Company issued a total of 436 million Ordinary shares of \$0.0001 each to the former Covidien shareholders and certain former Covidien award holders and the Company and Makani II Unlimited Company (Makani) paid, in aggregate, to the former Covidien shareholders and award holders approximately \$16.0 billion in cash. In consideration for the issuance of such Ordinary shares, the Company and Makani received 455 million Ordinary shares of Covidien plc and the benefit of the cancellation of the share awards. As the price paid for the Covidien Ordinary shares in connection with the completion of the Transaction was \$108.75 per share, the total value received by the Company and Makani, for the Covidien shares and for the benefit of the cancellation of the share awards, was in the amount of \$49.4 billion, of which \$33.3 billion was share premium on shares issued by the Company.

In addition to the issue of Ordinary shares to the former Covidien shareholders and certain former Covidien award holders in connection with the Transaction, on January 26, 2015, on completion of the Transaction and pursuant to the terms of the merger, the Company also issued 986 million Ordinary shares of \$0.0001 at a premium, which shares were, pursuant to the merger, transferred to the former Medtronic, Inc. shareholders on a one-for-one basis in exchange for each share of Medtronic, Inc. stock held immediately prior to the merger. As a result of the foregoing, Medtronic, Inc., became an indirect subsidiary of the Company. As the closing price of the Medtronic, Inc. common stock on the NYSE as at the trading day immediately prior to the completion of the Transaction was \$76.95 per share, the total value of the consideration received by the Company as consideration for the Ordinary shares issued by the Company was in the amount of \$75.9 billion of share premium.

On February 27, 2015, the Irish High Court approved the creation of distributable reserves of Medtronic plc through the reduction of the share premium account by \$59.2 billion. This resulted in a transfer of reserves from the share premium account to the profit and loss account of the same amount.

Share premium records amounts received, greater than the par value on issuances of the Company's ordinary share capital.

**Profit and Loss Account** The profit and loss account refers to the portion of accumulated comprehensive income and losses which are retained by the Company rather than being distributed to shareholders as dividends. Amounts related to the granting of shares under the stock compensation plan are also accounted for in this account.

**Dividends** During the year, the Company paid a dividend of \$3.7 billion and \$3.6 billion for financial years 2024 and 2023, respectively. The dividend per Ordinary Share was \$2.76 and \$2.72 for financial years 2024 and 2023, respectively.

## **7. Guarantees and Contingencies**

The Company has the following contingent liabilities, estimated to amount to a potential maximum of \$24.0 billion and \$24.5 billion at April 26, 2024 and April 28, 2023, respectively, arising from the Company's guarantee of the Group debt outlined below.

**Senior Notes** On January 26, 2015, Medtronic plc and Medtronic Global Holdings S.C.A., an entity organized under the laws of Luxembourg ("Medtronic Luxco"), each provided a full and unconditional guarantee of the obligations of Medtronic, Inc. under the Medtronic Senior Notes (as defined below) and of Covidien International Finance S.A., a Luxembourg company ("CIFSA") under the CIFSA Senior Notes (as defined below). The Company also provides a full and unconditional guarantee of the obligations of Medtronic Global Holdings S.C.A under the Luxco Senior Notes (as defined below).

Of the \$24.0 billion, Medtronic, Inc. has \$4.7 billion aggregate principal amount issued and outstanding consisting of the following; \$1.9 billion aggregate principal amount of 4.375 percent senior notes due 2035, \$158 million aggregate principal amount of 6.500 percent senior notes due 2039, \$224 million aggregate principal amount of 5.550 percent senior notes due 2040, \$105 million aggregate principal amount of 4.500 percent senior notes due 2042, \$305 million aggregate principal amount of 4.000 percent senior notes due 2043, \$127 million aggregate principal amount of 4.625 percent senior notes due 2044, and \$1.8 billion aggregate principal of 4.625 senior notes due 2045 (collectively, the "Medtronic Senior Notes").

CIFSA has \$253 million aggregate principal amount issued and outstanding, consisting of \$253 million aggregate principal of 6.550 percent senior notes due 2038 (the "CIFSA Senior Notes").

In March 2019, Medtronic Luxco issued six tranches of Euro-denominated Senior Notes with an aggregate principal of €7.0 billion with maturities ranging from fiscal year 2021 to fiscal year 2039, resulting in cash proceeds of approximately \$7.8 billion, net of discounts and issuance costs (collectively, the 2019 Senior Notes). The issuance included €500 million of floating rate Senior Notes due in fiscal year 2021, €1.5 billion of 0.000 percent Senior Notes due in fiscal year 2021, €1.5 billion of 0.375 percent Senior Notes due in fiscal year 2023, €1.5 billion of 1.125 percent Senior Notes due in fiscal year 2027, €1.0 billion of 1.625 percent Senior Notes due in fiscal year 2031, and €1.0 billion of 2.250 percent Senior Notes due in fiscal year 2039. The Company is party to a guarantee for the obligations of Medtronic Luxco for these issuances. €3.5 billion of the original issuance remains outstanding.

In June 2019, Medtronic Luxco issued six tranches of Euro-denominated Senior Notes with an aggregate principal of €5.0 billion with maturities ranging from fiscal year 2021 to fiscal year 2050, resulting in cash proceeds of approximately \$5.6 billion, net of discounts and issuance costs. The issuance included €250 million of floating rate Senior Notes due in fiscal year 2021, €750 million of 0.000 percent Senior Notes due in fiscal year 2023, €1.0 billion of 0.250 percent Senior Notes due in fiscal year 2026, €1.0 billion of 1.000 percent Senior Notes due in fiscal year 2032, €1.0 billion of 1.500 percent Senior Notes due in fiscal year 2040, and €1.0 billion of 1.750 percent Senior Notes due in fiscal year 2050. The Company is also a party to a guarantee for the obligations of Medtronic Luxco for these issuances. €4.0 billion of the original issuance remains outstanding.

In September 2020, Medtronic Luxco issued six tranches of Euro-denominated Senior Notes with an aggregate principal of €6.3 billion with maturities ranging from fiscal year 2023 to fiscal year 2051. The issuance included €1.25 billion of 0.000 percent Senior Notes due in fiscal year 2023, €1.0 billion of 0.000 percent Senior Notes due in fiscal year 2026, €1.0 billion of 0.375 percent Senior Notes due in fiscal year 2029, €1.0 billion of 0.750 percent Senior Notes due in fiscal year 2033, €1.0 billion of 1.375 percent Senior Notes due in fiscal year 2041, and €1.0 billion of 1.625 percent Senior Notes due in fiscal year 2051. The Company is a party to a guarantee for the obligations of Medtronic Luxco for these issuances. €5.0 billion of the original issuance remains outstanding.

In September 2022, Medtronic Luxco issued four tranches of Euro-denominated Senior Notes with an aggregate principal of €3.5 billion, with maturities ranging from fiscal year 2026 to 2035, resulting in cash proceeds of approximately \$3.4 billion, net of discounts and issuance costs. The issuance included the following; €500 million of 2.625 percent Senior Notes due in fiscal year 2026, €1.0 billion of 3.000 percent Senior Notes due in fiscal year 2029, €1.0 billion of 3.125 percent Senior Notes due in fiscal year 2032 and €1.0 billion of 3.375 percent Senior Notes due in fiscal year 2035. The Company used the net proceeds to repay at maturity €750 million of Medtronic Luxco Senior Notes for \$772 million of total consideration in December 2022 and €2.8 billion of Medtronic Luxco Senior Notes for \$2.9 billion of total consideration in March 2023. All of the original issuance remains outstanding.

In March 2023, Medtronic Luxco issued two tranches of USD-denominated Senior Notes with an aggregate principal of \$2.0 billion, with maturities ranging from fiscal year 2028 to 2033, resulting in cash proceeds of approximately \$2.0 billion, net of discounts and issuance costs. The issuance included the following; \$1.0 billion of 4.250 percent Senior Notes due in fiscal year 2028 and \$1.0 billion of 4.500 percent Senior Notes due in fiscal year 2033. The Company used the net proceeds supplemented by additional cash to repay the ¥297 billion Fiscal 2023 Loan Agreement discussed below for \$2.3 billion of total consideration.

Subsequent to year-end, on June 3, 2024, Medtronic Inc. issued four tranches of EUR-denominated Senior Notes with an aggregate principal of €3.0 billion, with maturities ranging from fiscal year 2030 to 2054, resulting in cash proceeds of approximately \$3.2 billion, net of discounts and issuance costs. The issuance included the following; €850,000,000 of 3.650% Senior Notes due in fiscal year 2030, €850,000,000 of 3.875% Senior Notes due in fiscal year 2037, €600,000,000 of 4.150% Senior Notes due in fiscal year 2044, and €700,000,000 of 4.150% Senior Notes due in fiscal year 2054. The Company is a party to a guarantee for the obligations of Medtronic Inc. for these issuances. All of the original issuance remains outstanding.

**Commercial Paper** On January 26, 2015, Medtronic Luxco entered into various agreements pursuant to which, it may issue United States Dollar denominated unsecured commercial paper notes (the 2015 CP Program) on a private placement basis and on January 31, 2020, Medtronic Luxco entered into various agreements pursuant to which Medtronic Luxco may issue Euro-denominated unsecured commercial paper notes (the 2020 CP Program) on a private placement basis. The maximum aggregate amount outstanding at any time under the 2015 CP Program and the 2020 CP Program together may not exceed the equivalent of \$3.5 billion. The Company is a party to a guarantee for the obligations of Medtronic Luxco under the 2015 CP Program and the 2020 CP Program. There was \$1.1 billion commercial paper outstanding at April 26, 2024 (April 28, 2023; nil).

**Line of Credit** On December 12, 2023, Medtronic Luxco, as borrower, entered into an amendment of its amended and restated credit agreement (Credit Facility), by and among the Company, Medtronic, Inc., Medtronic Luxco, the lenders from time to time party thereto, and Bank of America, N.A., as administrative agent and issuing bank, extending the maturity date of the Credit Facility to December 2028.

The Credit Facility provides for a \$3.5 billion five-year unsecured revolving credit facility (Credit Facility). At each anniversary date of the Credit Facility the Company can request a one-year extension of the maturity date. The Credit Facility provides the Company with the ability to increase its borrowing capacity by an additional \$1.0 billion at any time during the term of the agreement. The Company and Medtronic, Inc. have guaranteed the obligations of the borrowers under the Credit Facility, and Medtronic Luxco will also guarantee the obligations of any designated borrower. The Credit Facility includes a multi-currency borrowing feature for certain specified foreign currencies. At April 26, 2024 and April 28, 2023, no amounts were outstanding under the Credit Facility.

**Term Loan Agreements** In May 2022, Medtronic Luxco entered into a term loan agreement (Fiscal 2023 Loan Agreement) by and among Medtronic Luxco, Medtronic plc, Medtronic, Inc., and Mizuho Bank, Ltd. as administrative agent and as lender. The Fiscal 2023 Loan Agreement provides an unsecured term loan in an aggregate principal amount of up to ¥300 billion with a term of 364 days. Borrowings under the Fiscal 2023 Loan Agreement bear interest at the TIBOR Rate (as defined in the Fiscal 2023 Loan Agreement) plus a margin of 0.40% per annum. Medtronic plc and Medtronic, Inc. have guaranteed the obligations of Medtronic Luxco under the Fiscal 2023

Loan Agreement. In May and June 2022, Medtronic Luxco borrowed an aggregate of ¥297 billion, or approximately \$2.3 billion, of the term loan, under the Fiscal 2023 Loan Agreement. The Company used the net proceeds of the borrowings to fund the early redemption of \$1.9 billion of Medtronic Inc.'s 3.500% Senior Notes due 2025 for \$1.9 billion of total consideration, and \$368 million of Medtronic Luxco's 3.350% Senior Notes due 2025 for \$376 million of total consideration. During the fourth quarter of fiscal year 2023, the Company repaid the term loan in full, including interest.

The Company and some of its subsidiaries are involved in a number of legal actions involving product liability, intellectual property disputes, shareholder derivative actions, securities class actions, and other class actions. The outcomes of these legal actions are not within the Company's complete control and may not be known for prolonged periods of time. In some actions, the claimants seek damages, as well as other relief (including injunctions barring the sale of products that are the subject of the lawsuit), that could require significant expenditures or result in lost turnover. The Company records a liability in its financial statements for loss contingencies when a loss to the Company is known or considered probable and the amount can be reliably estimated. Estimates of probable losses resulting from litigation and governmental proceedings involving the Company are inherently difficult to predict, particularly when the matters are in early procedural stages, with incomplete scientific facts or legal discovery; involve unsubstantiated or indeterminate claims for damages; potentially involve penalties, fines or punitive damages; or could result in a change in business practice. While it is not possible to predict the outcome for most of these matters, the Company believes it is possible that costs associated with them could have a material adverse impact on the Company's profit, financial position, or cash flows. For further information related to specific litigation the Company and its subsidiaries are involved in refer to the consolidated financial statements Note 4.

## **8. Related-Party Transactions**

The Company has not disclosed related party transactions between the Company and subsidiaries of Medtronic Plc, as it has availed of the exemption available under Schedule 3(67), paragraph 3, Companies Act 2014, which exempts disclosure of transactions entered into between two or more members of a group, provided that any subsidiary undertaking which, is a party to the transaction, is wholly owned by a member of that group.

## **9. Auditors' Remuneration**

Remuneration (including expenses) for the statutory audit carried out for the Company by the Company's auditors in respect of the parent company financial statements is as follows:

(in thousands)	Financial Year	
	2024	2023
Audit of Company financial statements (including expenses)	\$ 28	\$ 28

Note 25 to the consolidated financial statements provides additional details of fees paid by the Group to the statutory auditor, PricewaterhouseCoopers Ireland.

## **10. Subsequent Events**

Subsequent events have been evaluated through August 27, 2024, the date this report was approved by the Directors. There have been no material events of note, since year end, other than those noted in Note 27 of the consolidated financial statements.

## **11. Approval of Financial Statements**

The Directors approved the financial statements on August 27, 2024.