Medtronic plc
Irish Annual Report
Financial Year Ended April 28, 2023

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Directors' Report

For the Financial Year Ended April 28, 2023

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 28, 2023, which are set out on pages 45 to 117, and audited entity financial statements of Medtronic plc (the Company or Medtronic) for the financial year ended April 28, 2023, which are set out on pages 118 to 128.

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). 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 20 On Hatch, Lower Hatch Street, Dublin 2, 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 28, 2023 (fiscal year 2023) and April 29, 2022 (fiscal year 2022) 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 Dublin, Ireland, is the leading global healthcare technology company. Medtronic was founded in 1949 and today serves healthcare systems, physicians, clinicians, and patients in more than 150 countries worldwide. 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 good 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 — everything 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, which was effective February 2021, simplified our organization to accelerate decision making, improve commercial execution, and more effectively leverage the scale of our Group.

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

Medical Surgical Portfolio The Medical Surgical Portfolio is made up of the Surgical Innovations and Respiratory, Gastrointestinal, & Renal 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.

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.

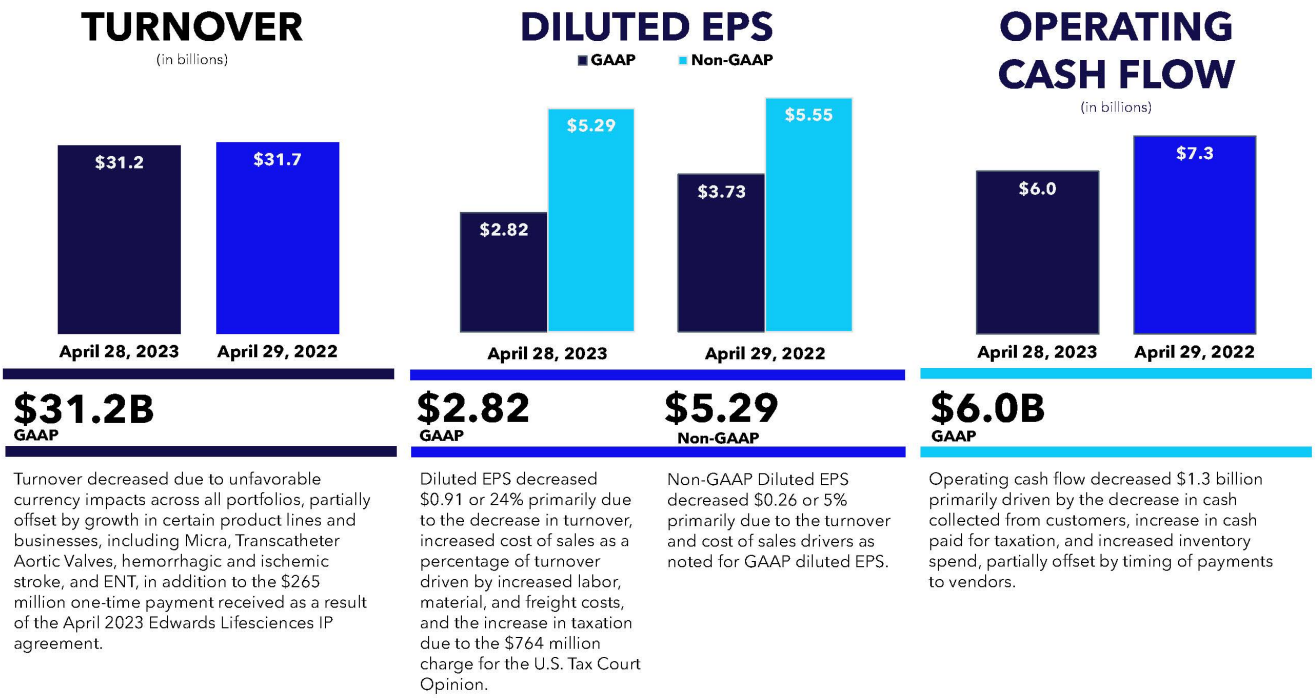
Diabetes Operating Unit The Diabetes Operating Unit develops, manufactures, and markets products and services for the management of Type 1 and Type 2 diabetes. The primary medical specialists who use and/or prescribe our Diabetes products are endocrinologists and primary care physicians.

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 2023 and 2022:



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 2023 and 2022.

	Fiscal year ended April 28, 2023				
(in millions, except per share data)	**Profit Before Taxation**	**Taxation**	**Profit for the Financial Year**	**Diluted EPS**	**Effective Tax Rate**
GAAP	$ 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 [1]	647	139	507	0.38	21.5
Acquisition-related items [2]	110	21	89	0.07	19.1
Divestiture and separation-related items [3]	235	8	227	0.17	3.4
Certain litigation charges, net [4]	(30)	(8)	(23)	(0.02)	26.7
(Gain)/loss on minority investments [5]	(33)	2	(29)	(0.02)	(6.1)
Medical device regulations [6]	150	30	120	0.09	20.0
Debt redemption premium and other charges [7]	53	11	42	0.03	20.8
Certain tax adjustments, net [8]	—	(910)	910	0.68	—
Non-GAAP	$ 8,194	$ 1,128	$ 7,045	$ 5.29	13.8 %

(in millions, except per share data)	Fiscal year ended April 29, 2022				
	Profit Before Taxation	Taxation	Profit for the Financial Year	Diluted EPS	Effective Tax Rate
GAAP	$ 5,517	$ 456	$ 5,039	$ 3.73	8.3 %
Non-GAAP Adjustments:					
Amortization of intangible assets	1,733	266	1,467	1.09	15.3
Restructuring and associated costs [(1)]	335	54	281	0.21	16.1
Acquisition-related items [(2)]	(43)	5	(48)	(0.04)	(11.6)
Certain litigation charges	95	17	78	0.06	17.9
(Gain)/loss on minority investments [(5)]	(12)	—	(9)	(0.01)	—
Medical device regulations [(6)]	102	16	86	0.06	15.7
MCS impairment / costs [(9)]	881	220	661	0.49	25.0
Certain tax adjustments, net [(10)]	—	50	(50)	(0.04)	—
Non-GAAP	$ 8,609	$ 1,084	$ 7,505	$ 5.55	12.6 %

(1) Associated costs include costs incurred as a direct result of the restructuring program, such as salaries for employees supporting the program and consulting expenses.

(2) The charges primarily include business combination costs and changes in fair value of contingent consideration.

(3) 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 1, 2023 sale of half of the Group's Renal Care Solutions (RCS) business; charges related to the impending separation of the Patient Monitoring and Respiratory Interventions businesses within our Medical Surgical Portfolio in the fourth quarter of fiscal year 2023; and charges related to an exit of a business which are primarily comprised of inventory write-downs.

(4) 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 on April 12, 2023.

(5) 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.

(6) The charges represent estimated 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 period.

(7) The charges relate to the early redemption of approximately $2.3 billion of debt and were recorded within interest payable and similar expenses, net within the consolidated profit and loss account.

(8) The charge primarily relates to a $764 million reserve adjustment that was a direct result of the U.S. Tax Court opinion, issued on August 18, 2022, on the previously disclosed litigation regarding the allocation of profit 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.

(9) The charges relate to the Group’s June 2021 decision to stop the distribution and sale of the Medtronic HVAD System within the Mechanical Circulatory Support Operating Unit (MCS). The charges included $515 million of non-cash impairments, primarily related to $409 million of intangible asset impairments, as well as $366 million for commitments and obligations in connection with the decision, including patient support obligations, restructuring, and other associated costs. We are committed to serving the needs of patients currently implanted with the HVAD System.

(10) The net benefit primarily relates to the deferred taxation impact associated with a step up in tax basis for Swiss Cantonal purposes and a change in tax rates on deferred taxation associated with intellectual property, which are partially offset by the amortization on previously established deferred tax assets from intercompany intellectual property transactions and a charge related to a change in the Group's permanent reinvestment assertion on certain historical profit.

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:

	Fiscal Year	
(in millions)	**2023**	**2022**
Net cash provided by operating activities	$ 6,039	$ 7,346
Additions to tangible assets	(1,459)	(1,368)
Free cash flow	$ 4,580	$ 5,978

Turnover

The table below includes turnover by segment and division for fiscal years 2023 and 2022:

(in millions)	Turnover by Fiscal Year 2023	Turnover by Fiscal Year 2022	Percent Change
Cardiac Rhythm & Heart Failure	$ 5,835	$ 5,908	(1)%
Structural Heart & Aortic	3,363	3,055	10
Coronary & Peripheral Vascular	2,375	2,460	(3)
Cardiovascular	11,573	11,423	1
Surgical Innovations	5,663	6,060	(7)
Respiratory, Gastrointestinal, & Renal	2,770	3,081	(10)
Medical Surgical	8,433	9,141	(8)
Cranial & Spinal Technologies	4,451	4,456	—
Specialty Therapies	2,815	2,592	9
Neuromodulation	1,693	1,735	(2)
Neuroscience	8,959	8,784	2
Diabetes	2,262	2,338	(3)
Total	$ 31,227	$ 31,686	(1)%

The table below includes turnover by market geography for each of our segments for fiscal years 2023 and 2022:

	U.S.[1]			Non-U.S. Developed Markets[2]			Emerging Markets[3]		
(in millions)	Fiscal Year 2023	Fiscal Year 2022	% Change	Fiscal Year 2023	Fiscal Year 2022	% Change	Fiscal Year 2023	Fiscal Year 2022	% Change
Cardiovascular	$ 5,848	$ 5,545	5 %	$ 3,564	$ 3,866	(8)%	$ 2,161	$ 2,012	7 %
Medical Surgical	3,658	3,862	(5)	3,080	3,373	(9)	1,694	1,905	(11)
Neuroscience	6,018	5,753	5	1,658	1,801	(8)	1,283	1,229	4
Diabetes	849	974	(13)	1,106	1,085	2	307	279	10
Total	$ 16,373	$ 16,135	1 %	$ 9,408	$ 10,126	(7)%	$ 5,446	$ 5,426	— %

(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.

The decline in turnover for fiscal year 2023 was primarily driven by unfavorable currency impacts, impact of volume-based procurement tenders and COVID-19 resurgence in China, as well as supply chain challenges in certain businesses, particularly in the first quarter of fiscal year 2023. Currency had an unfavorable impact of $1.2 billion on non-U.S. developed markets and $262 million on emerging markets. The decline in turnover was partially offset by growth in certain product lines and businesses, including Micra, Transcatheter Aortic Valve replacements (TAVR), hemorrhagic and ischemic stroke, and ENT, in addition to the $265 million one-time payment received as a result of the Intellectual Property Agreement entered into with Edwards Lifesciences, as further discussed in the Cardiovascular turnover section below.

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

- Competitive product launches and pricing pressure, geographic macro-economic risks including fluctuations in currency exchange rates, general price inflation, rising interest rates, reimbursement challenges, impacts from changes in the mix of our product offerings, delays in product registration approvals, and replacement cycle challenges;
- National and provincial/state tender decisions, including around pricing, for certain products, particularly in China;
- The uncertain and uneven impact of COVID-19 on future procedural volumes, supply constraints including certain electronic components and semiconductors, healthcare staffing in certain regions, and resulting impacts on demand for our products and therapies; and
- 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 2023, including on trade debtors and inventory reserves, was not material, and for fiscal year 2023, 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.

Cardiovascular

Cardiovascular products include pacemakers, insertable cardiac monitors, cardiac resynchronization therapy devices, implantable cardioverter defibrillators (ICD), 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 2023 was $11.6 billion, an increase of 1 percent as compared to fiscal year 2022. The turnover increase was primarily due to the strong performance of Micra, TAVR, and Diagnostics, partially offset by unfavorable currency impact of $569 million and supply chain challenges in certain businesses.

Cardiac Rhythm & Heart Failure turnover decreased 1 percent in fiscal year 2023 as compared to fiscal year 2022. The decrease was driven by Cardiac Ablation Solutions experiencing competitive pressures in Western Europe, as well as the pending volume-based procurement (VBP) tenders in China, offset by continued adoption of Micra AV, TYRX antibacterial envelopes, LINQ II implants, and growth from Arctic Front cryoblation catheters in the U.S.

Structural Heart & Aortic turnover increased 10 percent in fiscal year 2023 as compared to fiscal year 2022. The increase was led by growth in transcatheter aortic valve replacement (TAVR), including the U.S. and Japan. Results include $265 million of turnover from a one-time payment received as a result of the Intellectual Property Agreement (agreement) entered into with Edwards Lifesciences (Edwards) on April 12, 2023. As part of this agreement, Edwards will also pay the Group royalty payments tied to future turnover of certain Edwards products. Turnover growth was negatively impacted by a field corrective action with the Harmony Transcatheter Pulmonary Valve and Delivery Catheter System.

Coronary & Peripheral Vascular turnover decreased 3 percent in fiscal year 2023 as compared to fiscal year 2022. The turnover declines were driven by market procedural volumes in Coronary remaining below pre-COVID levels in several major markets, headwinds related to U.S. hospital contrast shortages early in fiscal year 2023, and declines in Peripheral Vascular Health due to competitors re-entering the market and supply chain challenges. Turnover declines were partially offset by strong demand combined with improved product availability of the SpiderFX embolic protection device (EPD) and strong performance of our superficial venous product portfolio, including the VenaSeal system.

Medical Surgical

Medical Surgical’s products span the entire continuum of patient care from diagnosis to recovery, with a focus on diseases of the gastrointestinal tract, lungs, pelvic region, kidneys, obesity, 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, ventilators, airway products, renal care products, and sensors and monitors for pulse oximetry, capnography, level of consciousness and cerebral oximetry. Medical Surgical’s turnover for fiscal year 2023 was $8.4 billion, a decrease of 8 percent as compared to fiscal year 2022. The turnover decrease was primarily driven by unfavorable currency impact of $454 million, provincial volume-based procurement (VBP) stapling tenders in China, and a decline in ventilator turnover due to the high COVID-19 demand in the corresponding

period in the prior fiscal year. Supply chain disruptions, particularly in Surgical Innovations, also contributed to the turnover decrease for fiscal year 2023.

Surgical Innovations turnover for fiscal year 2023 decreased 7 percent as compared to fiscal year 2022. The turnover decline was led by Advanced Surgical instruments, driven by global supply chain challenges, including resins, semiconductors, and packaging trays, which impacted energy and stapling products, and provincial VBP stapling tenders and COVID-19 lockdowns in China. These declines were partially offset by growth in Advanced Energy in the fourth quarter of fiscal year 2023.

Respiratory, Gastrointestinal, & Renal (RGR) turnover for fiscal year 2023 decreased 10 percent as compared to fiscal year 2022. RGR turnover declines were largely due to declines in ventilator demand when compared to the corresponding period in the prior fiscal year as demand dropped below pre-pandemic levels, as well as declines in RCS driven by product availability challenges in the first three quarters of fiscal year 2023, and only two months of turnover in the fourth quarter of fiscal year 2023 as a result of the April 1, 2023 contribution of half of the Group's RCS business to form Mozarc Medical. These declines were partially offset by growth in Gastrointestinal driven by strength in turnover of GI Genius.

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, urinary retention, fecal incontinence. 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 2023 was $9.0 billion, an increase of 2 percent as compared to fiscal year 2022. The turnover increase was primarily due to growth in U.S. Core Spine, Neurovascular, ENT, and continued supply risk mitigation, partially offset by unfavorable currency impact of $281 million and supply chain challenges in certain businesses.

Cranial & Spinal Technologies turnover for fiscal year 2023 was flat as compared to fiscal year 2022 as growth within U.S. Core Spine was offset by turnover declines in Biologics and unfavorable currency impact. The growth in U.S. Core Spine products was driven by the continued adoption of the Aible ecosystem of spine products. The turnover increase was also attributable to strong turnover of StealthStation Navigation and Midas Rex powered surgical instruments. The decline in turnover in Biologics was due to supply chain challenges throughout the year.

Specialty Therapies turnover for fiscal year 2023 increased 9 percent as compared to fiscal year 2022. The increase was driven by growth in hemorrhagic and ischemic stroke, flow diversion and access delivery products. The turnover increase was also driven by benefits from the May 2022 acquisition of Intersect ENT.

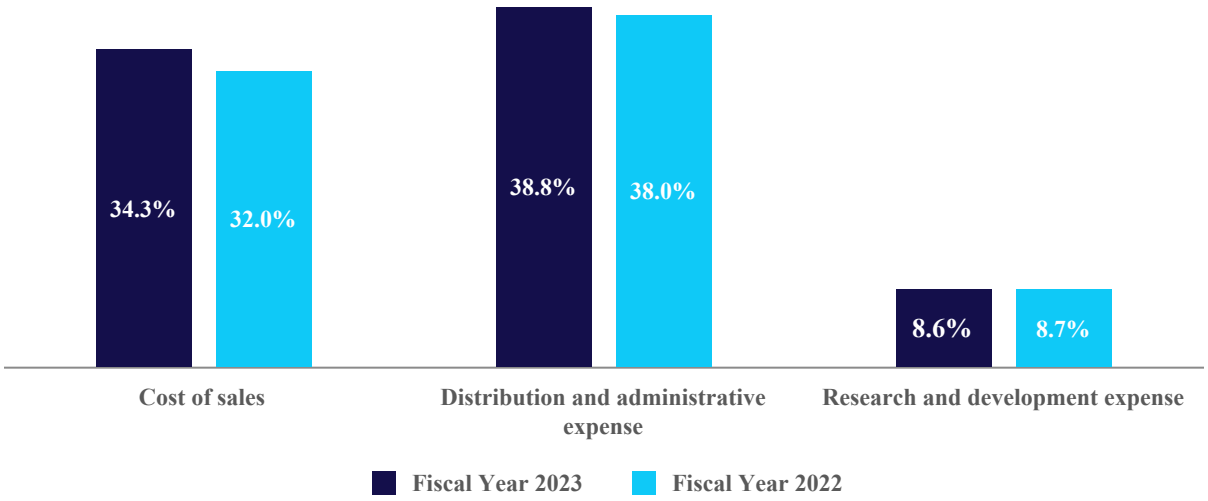
Neuromodulation turnover for fiscal year 2023 decreased 2 percent as compared to fiscal year 2022. The decline in turnover was largely due to declines of Brain Modulation replacement devices and supply chain challenges in Interventional, which has recently seen improvements in product availability. The decline was partially offset by growth within Pain Stim and to a lesser extent, Targeted Drug Delivery.

Diabetes

Diabetes' products include insulin pumps, continuous glucose monitoring (CGM) systems, consumables, and smart insulin pen systems. Diabetes' turnover for fiscal year 2023 was $2.3 billion, a decrease of 3 percent as compared to fiscal year 2022. The decrease in turnover was primarily driven by unfavorable currency impact of $133 million and declines in the U.S. The turnover declines were partially offset by strong international growth primarily driven by the continued international expansion of the MiniMed 780G insulin pump system and integrated CGM. During April 2023, the U.S. Food and Drug Administration (FDA) lifted the warning letter received in December 2021.

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 2023 was $10.7 billion as compared to $10.1 billion for fiscal year 2022. 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 and supply chain challenges, increased freight due to higher fuel costs and expedited shipments for backorders resulting from supply chain challenges, as well as increased inventory reserves. Fiscal year 2022 included $58 million of inventory write-downs associated with our June 2021 decision to stop the distribution and sale of Medtronic's HVAD System (MCS charges). Looking forward, our cost of sales likely will be further negatively impacted by inflation and higher labor and direct material costs. We continue to focus on reducing our costs of production through supplier management, manufacturing improvements, and optimizing our manufacturing network.

Distribution and Administrative Expense Our goal is to continue to leverage distribution and administrative expense 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, divestiture and separation-related costs, and restructuring expenses. Distribution and administrative expense for fiscal year 2023 was $12.1 billion as compared to $12.0 billion for fiscal year 2022. The increase in distribution and administrative expense as a percentage of turnover was primarily driven by employee travel, and to a lesser extent by lower turnover, partially offset by a reduction in professional services.

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 for fiscal years 2023 and 2022 was $2.7 billion. Fiscal year 2022 included $101 million of expense related to acquisitions of, and license payments for, technology not approved by regulators, primarily in our Diabetes segment.

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

	Fiscal Year	
(in millions)	2023	2022
Restructuring charges, net	$ 375	$ 60
Certain litigation charges	(30)	95
Other operating (income) expense, net	(131)	862
Other non-operating income, net	(515)	(318)
Interest payable and similar expenses, net	636	553

Restructuring Charges, Net

In fiscal years 2023 and 2022, restructuring costs primarily related to Enterprise Excellence and Simplification restructuring programs, both of which were substantially completed as of the end of this fiscal year.

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 all programs, employee-related costs primarily consist of termination benefits provided to employees who have been involuntarily terminated and voluntary early retirement benefits. Associated costs primarily include salaries and wages of employees that are fully-dedicated to restructuring programs and consulting fees.

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 2023 and 2022, we recognized a net $30 million of certain litigation profit and $95 million of certain litigation charges, respectively, related to probable and estimable damages for significant legal matters.

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

The change in other operating (income) expense, net was primarily driven by MCS charges recorded in fiscal year 2022. The MCS charges of $823 million primarily included $409 million of intangible asset impairments and $366 million for commitments and obligations, including customer support obligations, restructuring, and other associated costs. Additionally, the change was driven by the net currency impact of remeasurement expense and our hedging programs, which resulted in a net gain of $466 million combined for fiscal year 2023 as compared to a net gain of $70 million for fiscal year 2022. During fiscal year 2023, the Group also recorded non-cash pre-tax 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. Additional information regarding the MCS and RCS charges is described in Note 3 and Note 9, respectively, 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 increase in other non-operating income, net for fiscal year 2023 is primarily attributable to an increase in interest receivable and similar income, driven by higher returns on investments and an increase in rates on our global liquidity structures. Interest receivable and similar income was $386 million and $186 million for fiscal year 2023 and 2022, 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 2023 was primarily due to an increase in rates on our global liquidity structures, the issuance of four tranches of Euro-denominated Senior Notes with an aggregate principal of €3.5 billion in September 2022, and 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. The Group's commercial paper activity and the issuance of two tranches of USD-denominated Senior Notes with an aggregate principal of $2.0 billion in March 2023 also increased interest payable and similar expenses, net. Partially offsetting the increase for fiscal year 2023 was $107 million in after-tax unrealized gains representing amounts excluded from the effectiveness assessment of certain net investment hedges, and benefits from foreign exchange rates.

Certain Tax Adjustments

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 on August 18, 2022, on the 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.

During fiscal year 2022, the net benefit from certain tax adjustments of $50 million, recognized in *taxation* in the consolidated profit and loss account, included the following:

- A benefit of $82 million associated with a step up in tax basis for Swiss Cantonal purposes.
- A benefit of $82 million related to a change in tax rates on intangible assets.
- A cost of $47 million associated with the amortization of the previously established deferred tax assets from intercompany intellectual property transactions.
- A cost of $41 million associated with a change in the Group's permanent reinvestment assertion on certain historical profits.
- A net cost of $26 million primarily associated with an intercompany sale of assets.

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.

Subsequent to year-end, on June 1, 2023 the Israeli Central-Lod District Court issued its decision in Medtronic Ventor Technologies Ltd (Ventor) v. Kfar Saba Assessing Office. The court determined that there was a deemed taxable transfer of intellectual property. As a result, the Group has recorded a $187 million income tax charge during the three months ended July 28, 2023. At this time, the Group is evaluating whether or not it will appeal the decision.

Liquidity and Capital Resources

We are currently in a strong financial position, and we believe our balance sheet and liquidity as of April 28, 2023 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:

	Fiscal Year	
(in millions)	2023	2022
Cash provided by (used in):		
Operating activities	$ 6,039	$ 7,346
Investing activities	(3,493)	(1,659)
Financing activities	(4,960)	(5,336)
Effect of exchange rate changes on cash at bank and in hand	243	(231)
Net change in cash at bank and in hand	$ (2,171)	$ 121

Operating Activities The $1.3 billion decrease in net cash provided was primarily driven by a decrease in cash collected from customers, an increase in cash paid for taxation and an increase in spend on inventory. The decrease in net cash provided was partially offset by timing of payments to vendors. The decrease in cash collected from customers was primarily related to timing of turnover, slower collections and supply chain challenges, as compared to the prior fiscal year. The increase in cash paid for taxation was due to estimated taxation payments including a cash deposit associated with the U.S. Tax Court Opinion, and the increase in spend for inventory was due to inflationary impacts to direct labor and material costs. For more information about the taxation cash deposit paid, refer to Note 6 of the consolidated financial statements.

Investing Activities The $1.8 billion increase in net cash used was primarily attributable to an increase in cash paid for acquisitions of $1.8 billion as compared to fiscal year 2022. For more information on the acquisitions, refer to Note 9 of the consolidated financial statements.

Financing Activities The $376 million decrease in net cash used as compared to fiscal year 2022 was primarily driven by a decrease of $1.9 billion in share redemptions, offset by debt transactions. 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 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 28, 2023 was $24.4 billion, as compared to $24.1 billion at April 29, 2022. The increase in total debt was driven by issuance of Euro-denominated and USD-denominated Senior Notes, and fluctuations in exchange rates, offset by repayment of Euro-denominated and USD-denominated Senior Notes.

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.

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. There is no specific time period associated with these redemption authorizations. During fiscal years 2023 and 2022, we redeemed a total of 6 million and 22 million shares, respectively, under these programs at an average price of $91.31 and $113.11, respectively. At April 28, 2023, we had approximately $2.4 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 28, 2023 included $1.5 billion of cash at bank and in hand and $6.4 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 both April 28, 2023 and April 29, 2022, we had no commercial paper outstanding. 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 2027. 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 28, 2023 and April 29, 2022, 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 [1]	
	April 28, 2023	April 29, 2022
Standard & Poor's Ratings Services		
Long-term debt	A	A
Short-term debt	A-1	A-1
Moody's Investors Service		
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 28, 2023 were unchanged as compared to the ratings at April 29, 2022. 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 28, 2023 and April 29, 2022 was $22.0 billion and $13.8 billion, respectively. At April 28, 2023, these contracts were in a net unrealized gain position of $132 million. Additional information regarding our currency exchange rate derivative instruments is in 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 28, 2023 and April 29, 2022 indicates that, if the U.S. dollar uniformly strengthened/weakened by 10 percent against all currencies, it would have the following impact on the fair value of these contracts:

	Increase (decrease)	
(in millions)	2023	2022
10% appreciation in the U.S. dollar	$ 1,548	$ 903
10% depreciation in the U.S. dollar	(1,548)	(903)

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 28, 2023 was comprised of debt predominantly denominated in U.S. dollars and Euros, of which substantially all is 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 10 basis point change in interest rates, as compared to interest rates at April 28, 2023 and April 29, 2022, would have the following impact on the fair value of these instruments:

	Increase (decrease)	
(in millions)	2023	2022
10 basis point increase in interest rates	$ 63	$ 53
10 basis point decrease in interest rates	(63)	(53)

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.

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,
- 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. Further, 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. Given these factors, we cannot guarantee that we will be able to compete effectively or continue our level of success.

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. In particular, the preventative and precautionary measures that we and other businesses, communities, and governments have taken to mitigate the spread of the disease has led to restrictions on, and disruptions in, business and personal activities in certain countries and regions, including China, which comprises approximately seven percent of our total turnover. These restrictions have reduced customer demand for certain of our products. We expect medical procedure rates to continue to vary by therapy and country, and could be impacted by regional COVID-19 case volumes, healthcare system staffing shortages and supply chain issues that affect their

ability to provide care, patients' ability or willingness to schedule deferrable procedures, travel restrictions, transportation limitations, quarantine restrictions, vaccine and booster immunization rates, and new COVID-19 variants.

Together with the preventative and precautionary measures being taken, as well as the corresponding need to adapt to new and improved methods of conducting business, such as increased remote monitoring, COVID-19 has had, and 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. Some of our products are more sensitive to reductions in deferrable and emergent medical procedures, and certain medical procedures have been and may continue to be suspended or postponed. It is not possible to predict the timing of deferrable medical procedures and, to the extent individuals and hospital systems de-prioritize, delay or cancel these procedures, our business, results of operations, financial condition, and cash flows could continue to be negatively affected.

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 strict regulatory requirements. We manufacture the majority of our products and procure important 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 a sole supplier. 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 be interrupted or insufficient. In addition, due to the stringent regulations and requirements of regulatory agencies, including the U.S. Food and Drug Administration (FDA), regarding the manufacturing of our products, we may not be able to quickly establish additional or replacement sources. Additionally, many regulatory agencies are imposing regulatory requirements on safe use of chemicals 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 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 have been adversely impacted by, and may continue to be adversely impacted by, the global COVID-19 pandemic and the 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 limited alternate facilities. If an event occurs that results in 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 the relevant products to the required quality specifications or at all. Because of 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 lost.

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. Physicians assist us as researchers, marketing and product consultants, inventors and public speakers. In addition, as a result of the COVID-19 pandemic, our access to these professionals has been limited at times, and travel restrictions, shutdowns and similar measures have impacted our ability to maintain these relationships, thereby affecting our ability to develop, market and sell new and improved products. 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. Over the course of the past fiscal year, interest rate increases in the U.S. and Europe, and recent disruptions in the financial services industry, caused periods of tightened credit availability and volatility in borrowing terms. 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 value of our debt outstanding will fluctuate based on several factors including foreign currency exchange rate and interest rate movements.

Failure to integrate acquired businesses into our operations successfully, or challenges related to the Group's strategic initiatives, including divestitures, as well as liabilities or claims relating to such acquired businesses or divestitures, 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 and divestitures in recent years, and may make additional acquisitions and divestitures in the future. Our integration of the operations of acquired 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 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 by the Group may not be realized or may take longer to realize than expected, including but not limited to:

- The Group's ability to consummate the planned separation of the combined Patient Monitoring and Respiratory Interventions businesses from the Medical Surgical Portfolio,
- The Group's ability to realize the anticipated benefits from the recent contribution of half of the Group's RCS business to Mozarc Medical,
- The Group's performance under various transaction 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 inspectional observations on the U.S. FDA's Form 483, warning letters, or other forms of enforcement. 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 European Union (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.

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 payers, 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 payers 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 U.S. Health and Human Services (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 are 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 payers. 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 or 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, non-disclosure and non-competition agreements) to protect our business and proprietary intellectual property. We also operate in an industry characterized by extensive patent litigation. Patent 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 patent infringement actions, the outcomes of which may not be known for prolonged periods of time. While it is not possible to predict the outcome of patent 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 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.

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.

Quality problems could 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, if they were to occur, could result in an unsafe condition or injury to, or death of, a patient. These problems could lead to recall of, or issuance of a safety alert relating to, our products, and could result in 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. Further, we may be exposed to additional potential product liability risks related to products designed, manufactured and/or marketed in response to the COVID-19 pandemic, and unpredictable or accelerated changes in demand for certain of our products in connection with COVID-19 and its related impacts could increase the risk of regulatory enforcement actions, product defects or related claims, as well as adversely impact our customer relationships and reputation.

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.

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 payers globally, including the U.S. federal and state governments, 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, 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. 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. Medtronic is constantly monitoring geopolitical events or issues (i.e., U.S.-China tensions) which may increase cybersecurity risks on a global basis, and we take appropriate measures to counter any threats. 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. 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. This enables us to keep pace with continuing changes in information processing technology, evolving legal and regulatory standards, the increasing need to protect patient and customer information, changes in the techniques used to obtain unauthorized access to data and information systems, and the information technology needs associated with our changing products and services. There can be no assurance that our extensive efforts (including, but not limited to, consolidating, protecting, upgrading, and expanding our systems and capabilities, continuing to build security into the design of our products, and developing new systems to keep pace with continuing changes in information processing technology, including, but not limited to, generative artificial intelligence platforms) 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/region. 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, 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 from natural disasters and extreme weather conditions, such as hurricanes, tornadoes, earthquakes, wildfires or flooding. Such extreme weather conditions and other conditions caused by or related to climate change could 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. Concerns over climate change could have an impact on customer demand for our products and result in new legal or regulatory requirements designed to mitigate the effects of climate change on the environment. Although it is difficult to predict and adequately prepare to meet the challenges to our business posed by climate change, if new laws or regulations are more stringent than current legal or regulatory requirements, 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 an increased focus from our stakeholders, as well as regulatory authorities in the U.S., European Union (EU) and other global jurisdictions in which we operate, on ESG practices and disclosure. If we do not succeed, or are perceived to have fallen short, in any number of ESG matters, such as environmental stewardship, inclusion, diversity and equity (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 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.

We are subject to taxation, as well as non-income based taxes, in the U.S., Ireland, and various other jurisdictions in which we operate. The tax laws 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.

The Organization for Economic Cooperation and Development (OECD) secured agreement from 142 countries to push forward with proposals to fundamentally rewrite International Tax rules which will likely impact the amount of tax multinationals such as Medtronic pay in the future. Certain countries have already enacted or are in the process of enacting legislation in line with guidance provided by the OECD. Ireland is subject to E.U. Directives and as a consequence has committed to enact legislation by December 31st, 2023. As a result the first year Medtronic is expected to be impacted by these changes is fiscal year 2025.

The aggressive nature of the timeline set by the OECD may mean that all implications for business may not have been fully worked through or fully understood before rules are finalized. We continue to monitor the implications potentially resulting from this guidance. This action together with other legislative changes in many countries on the mandatory sharing of company information (financial and operational) with taxing authorities on a local and global basis under various information sharing initiatives, could lead to disagreements between jurisdictions associated with the proper allocation of profits between such jurisdictions.

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 Medtronic, Inc. tax court proceeding outcome could have a material adverse impact on our financial condition.

In March 2009, the Internal Revenue Service (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 on August 18, 2022, and it remains subject to appeal by either or both parties. At this time, the Group is evaluating whether to file an appeal. 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 tax 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 2022 Annual General Meeting, our Shareholders authorized our Directors to issue up to 33% of our issued ordinary shares and further authorized our Directors to issue up to 10% of such shares for cash without first offering them to our existing shareholders (provided that with respect to 5% of such shares, such allotment is to be used for the purposes of a specified capital investment). Both of these authorizations will expire on June 8, 2024, unless renewed by shareholders for a further period. We anticipate seeking new authorizations at our 2023 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. Irish Revenue typically updates the amount of this tax-free threshold on an annual basis.

Economic and Industry Risks

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

We have experienced, and may continue to experience, decreasing prices for certain of our goods and services due to pricing pressure from managed care organizations and other third-party payers on our customers, increased market power of our customers as the medical device industry consolidates 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 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 taxation, 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 wars and insurrections,
- the expiration and non-renewal of foreign tax rulings and/or grants,
- 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. Materials like palladium and neon, which are both dependent on Russia supply, are part of broader semiconductor shortages in industry. Additional sanctions, export restrictions, and potential countermeasures within Russia may lead to greater uncertainty and geopolitical shifts in Asia 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.

The COVID-19 pandemic, and the responses of business and governments to the pandemic, have at times resulted in reduced availability of air transport, port closures, increased border controls or closures, increased transportation costs and increased security threats to our supply chain, and countries may continue to close borders, impose prolonged quarantines, and further restrict travel and other activities. Our business could be adversely impacted if we are unable to successfully manage these and other risks of global operations.

Finally, changes in currency exchange rates may impact the reported value of our turnover, expenses, and cash flows. 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.

Instability in the financial sector could adversely affect our turnover, results of operations, or financial condition.

Recent disruptions in the financial services industry caused periods of tightened credit availability and volatility in borrowing terms. If these conditions were to recur or worsen, we may experience reduced demand for a number of our products. In addition, we could experience loss of turnover and profits due to delayed payments or insolvency of healthcare professionals, hospitals and other customers, suppliers and vendors facing liquidity issues. As a result, our business and liquidity may be adversely impacted, and we may be compelled to take additional measures to preserve our cash flow.

Consolidation in the healthcare industry 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 they can use to negotiate price concessions. If we must reduce our prices because of industry consolidation, or if we lose customers as a result of consolidation, 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 payers, 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 payers of healthcare costs to contain or reduce these costs could lead to patients being unable to obtain approval for payment from these third-party payers. If third-party payer 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

Richard H. Anderson, Craig Arnold, Scott C. Donnelly, Lidia Fonseca, Andrea J. Goldsmith, Randall J. Hogan, III, 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 2023, and each of their terms expire at the 2023 annual general meeting of shareholders. Ms. Fonseca's service as a director of the Group became effective during fiscal year 2023. Michael O. Leavitt's and James T. Lenehan's service ended on December 9, 2021. There were no other changes in directors holding office in fiscal years 2023 or 2022.

Directors' and Corporate Secretary's Interests in Shares

The interests of the Directors and corporate secretary holding office at April 28, 2023 and April 29, 2022 in the ordinary shares of the Group were as follows:

	April 28, 2023		April 29, 2022	
	Ordinary Shares	Options/Share Units[1]	Ordinary Shares	Options/Share Units[1]
Directors:				
Richard H. Anderson	85,138	33,607	83,836	32,193
Craig Arnold	32,722	1,754	31,620	1,364
Scott C. Donnelly	11,101	4,134	9,999	3,676
Lidia Fonseca [3]	—	—	—	—
Andrea J. Goldsmith	2,745	1,754	1,652	1,364
Randall J. Hogan, III	39,534	1,754	38,432	1,364
Kevin E. Lofton	677	1,754	—	838
Geoffrey S. Martha	30,359	1,275,798	30,359	1,004,177
Elizabeth G. Nabel	10,121	1,754	9,019	1,364
Denise M. O'Leary	36,009	36,070	34,907	34,577
Kendall J. Powell	15,902	25,332	14,800	24,184
Corporate Secretary:				
Ivan K. Fong[2]	7,126	333,386	—	263,922

(1) Includes unvested and vested stock options, unvested restricted stock units, deferred stock units, and unvested performance share 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.
(2) Mr. Fong became Corporate Secretary on February 1, 2022. Mr. Fong had no interests as of the date of hire.
(3) Ms. Fonseca became a director of the Group on June 27, 2022. Ms. Fonseca did not have any awards during fiscal year 2023.

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 2023 or 2022.

Dividends

Ordinary cash dividends declared and paid during fiscal years 2023 and 2022 were $3.6 billion and $3.4 billion, respectively. On a per share basis, ordinary cash dividends declared and paid totaled $0.68 per share for each quarter of fiscal year 2023 and $0.63 per share for each quarter of fiscal year 2022. 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. 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 28, 2023, we had approximately $2.4 billion remaining under the share redemption program. Upon redemption, shares are cancelled by us, therefore, we did not hold any treasury shares at April 28, 2023 or April 29, 2022.

The following redemptions were made under the share redemption plan during fiscal year 2023:

Fiscal Year 2023	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	3,455,128	$ —	$ 96.48	$ 333	2,616,862,313
Quarter 2	921,101	—	92.74	85	2,531,435,318
Quarter 3	793,550	—	79.70	63	2,468,187,908
Quarter 4	1,095,680	—	82.20	90	2,378,119,960
Total	6,265,459	$ —		$ 572	

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, the impacts of COVID-19 and healthcare system staffing shortages on future procedural volumes, supply constraints, demand for our products, customers' and suppliers' financial condition, 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 31, 2023, 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.

EOFlow Co. Ltd Acquisition

Subsequent to fiscal year 2023, on May 25, 2023, the Group entered into a set of definitive agreements to acquire EOFlow Co. Ltd. (EOFlow), manufacturer of the EOPatch device – a tubeless, wearable and fully disposable insulin delivery device. The acquisition expands the Diabetes segment portfolio of products. To the extent that all the public shares participate in the tender offer, the total consideration for the acquisition of the shares in EOFlow would be KRW 971 billion, or $738 million, at exchange rates on May 25, 2023. The acquisition is expected to close in the second half of calendar year 2023 subject to the satisfaction of the minimum tender condition and certain customary closing conditions, including receipt of required regulatory clearances.

Refer to Note 6 for further information on the subsequent Israeli Central-Lod District Court decision.

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 forty-three percent 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. As of the end of fiscal year 2023, 40 percent of our U.S. workforce is ethnically diverse; women comprise 51 percent of our global workforce; and 43 percent of our manager and above employees are women. 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 2023, there were 13 ERGs and Diversity Networks across 300+ Network and ERG chapters in 70 countries with more than 35,000 members.

Pay Equity

In our most recent reported period available, in the United States we have achieved 100% pay equity for gender for the third consecutive year and 100% pay equity for ethnically diverse employees. Globally we have achieved 99% pay equity for gender. We are actively working to close any remaining pay gaps 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 incentives that provide the means to share in the Group's success. To attract 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 all employees have the opportunity to purchase stock at a significant discount.

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. Our investment in employee development has contributed to more than 32 percent of our open roles being filled with internal employees.

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 skill-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, 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 up 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 areas where we can improve in key priority areas: 1) Employee Engagement, 2) Inclusion, 3) Innovation, and 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 2023, more than 82 percent 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.

To enable our transformation to be the global healthcare technology leader, we introduced a reinvigorated and revived culture. 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 renewed 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, it is our responsibility 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 war, 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 2023. The Medtronic Employee Emergency Assistance Fund is supported by donations from employees and the Medtronic Foundation, and over the last five years has provided over $6 million in grants to employees experiencing unexpected events creating a financial hardship.

Trade Unions

We comply with global laws regarding freedom of association and collective bargaining agreements, including participation in work councils. Approximately 20 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 2022 performance disclosed in the 2022 Integrated Performance Report.

Sustainability Matters

Our environmental, social, and governance (ESG) strategy defines and drives our sustainability efforts. We prioritize action on our most material 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 company 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.
- In fiscal year 2022, we launched an updated cross-functional, enterprise quality plan established to drive improvement and enhance our quality performance — including driving consistency and increased rigor across the areas of risk assessment, product design, and quality systems.

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.
- 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.

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 Integrated Performance Report, we assess our ESG disclosures for alignment with best practice 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 Integrated Performance Report. These disclosures are based on global standards and frameworks for reporting and disclosure issued by the Global Reporting Initiative, the Sustainability Accounting Standards Board, Carbon Disclosure Project (CDP), and the Task Force on Climate-related Financial Disclosures.

A full listing of our principal risks and uncertainties are set out on pages 16 to 28 of this report.

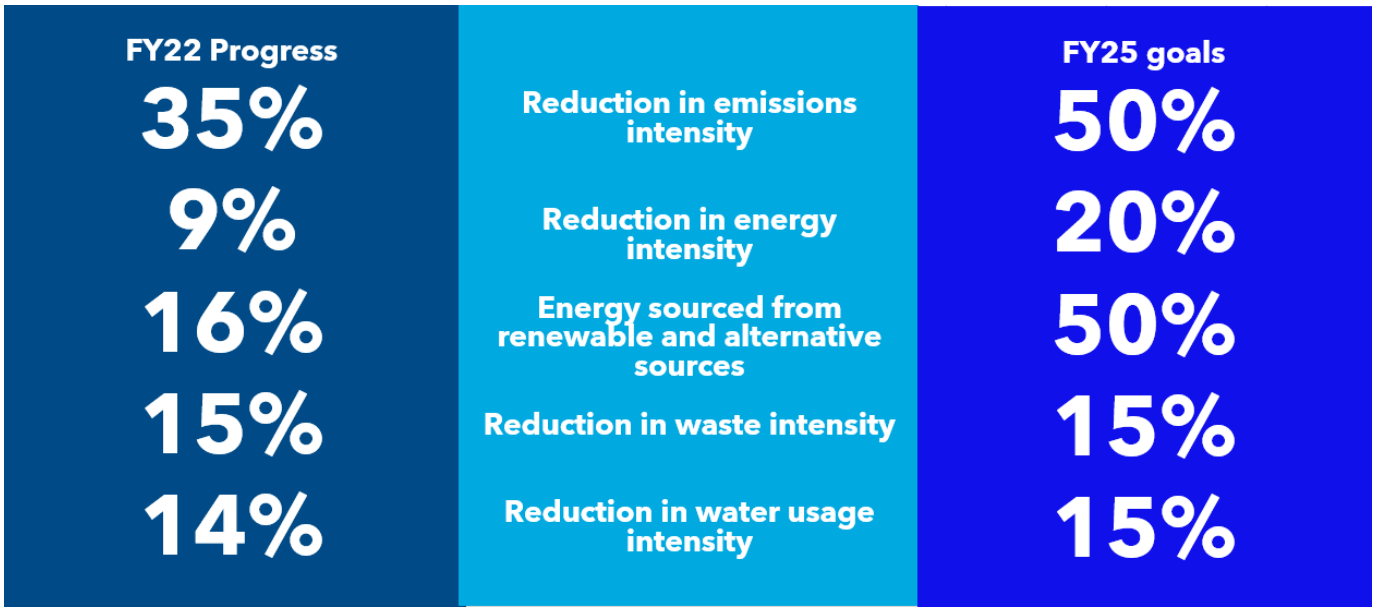
Environmental Matters

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 16 to 28 of this report.

Climate Resilience and Business Continuity

Unexpected events, such as public health crises, political turmoil, extreme weather, and civil unrest can disrupt our business 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 uncertainty. We stay nimble and prepared through three key programs:

- Enterprise risk management (ERM): Our overarching approach helps ensure risk management activities are consistent across Medtronic. We continue 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.
- 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.

- Crisis management (CM): The CM team prioritizes and coordinates our response, including resource allocation, to crises that affect our people, operations, and/or reputation. The executive committee sponsors the CM program, with more support provided from the Medtronic Global Command Center and leadership.

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 our mechanism for identifying and mitigating the potential risks in our supply chain. This approach helps us meet regulatory requirements 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 2021 review, we assessed the top 200 suppliers by spend and confirmed that 37 percent of those publish sustainability reports, 8 percent have sustainability goals published online, and 26 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 2022, we directed approximately 36 percent, or $2.7 billion, of our U.S. supplier spend to small and diverse companies.

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 2022, 63 of our suppliers reported red-flag smelters or refineries in their supply chain, an increase of 13 percent compared with calendar year 2021. In such instances, we request that the supplier work to eliminate 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, and our Conflict Minerals Policy is available on 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. In fiscal year 2021, we further enhanced our policy and programs to increase transparency on payments to physician-owned entities. In the United States, payment disclosures are published on the U.S. Centers for Medicare and Medicaid Services open payments site. Our actions in fiscal year 2022 included providing an updated mobile app to help our employees comply with spending limits on business meals with healthcare professionals. We also launched the Capital Equipment Optimization Project, which delivers consistent training and other guidance on appropriate practices governing capital equipment arrangements.

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 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 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	
	2022[1]	2021
Full-time equivalent employees supporting anti-corruption efforts	179	215
Third-party distributors receiving anti-corruption training	99 %	99 %
Third-party distributors receiving onsite monitoring	15 %	13 %

(1) Beginning in fiscal year 2022, we removed nonlegal/compliance employees from this count, leading to a decrease from prior year.

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	
	2022	2021
Employees receiving code of conduct training and certification[1]	99 %	69 %

(1) Live training at manufacturing facilities was suspended due to COVID-19, which depressed the training completion amount in fiscal year 2021.

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. In fiscal year 2022, we launched a cross-functional, enterprise-wide product quality plan to drive consistency and accountability across the company, 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.

Product Quality The Group utilizes the Medtronic 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 achieves a 90 percent reduction of high-business-impact risks and quality instabilities.

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 2,000 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:

	Fiscal Year	
(in millions)	**2023**	**2022**
Corporate cash donations	$ 53	$ 51
Product donations	16	13

Approved by the Board of Directors and signed on its behalf on August 31, 2023 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 28, 2023 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 28, 2023;
- the Company Balance Sheet as at April 28, 2023;
- 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 significant accounting policies.

Basis for opinion

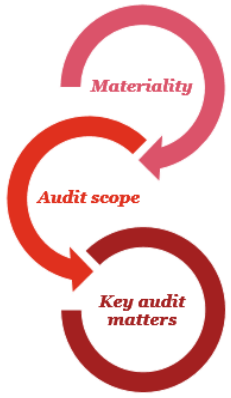
We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law. Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe 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



Overall materiality

- $300 million (2022: $300 million) - Consolidated financial statements
- Equates to circa 1% of turnover (2022: circa 1% of turnover).
- $378 million (2022: $397 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.
- Based on circa 0.5% of net assets (2022: circa 0.5% of net assets).

Performance materiality

- $225 million (2022: $225 million) - Consolidated financial statements.
- $283.5 million (2022: $297.75 million) - Company financial statements.

Audit scope

- One component was identified as a significant component and a full scope audit was performed on this component.
- Audit procedures were performed on specific account balances or classes of transactions in 9 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 in excess of 80% of consolidated turnover.

Key audit matters

- Income tax reserves for uncertain tax positions related to Puerto Rico manufacturing.

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	*How our audit addressed the 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 between Medtronic, Inc. and its wholly owned subsidiary operating in Puerto Rico, which is one of the Group's manufacturing sites. These reserves are subject to a high degree of estimation and management judgement. During fiscal year 2023, the Group recognized an increase of $764 million associated with the August 18, 2022 U.S. Tax Court (Tax Court) Opinion on the previously disclosed litigation related to the allocation of income 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 the purposes of determining the intercompany royalty rate between Puerto Rico and the U.S., the Tax Court determined that the royalty rate should be higher, thereby increasing income allocated to the U.S. and consequently subject to U.S. tax. This case relates only to fiscal years 2005 and 2006. The Opinion remains subject to appeal by either or both parties. The Company has assumed the Tax Court findings will be applied for all years following fiscal year 2006. Total reserves relating to uncertain tax positions as of April 28, 2023 were $2.682 billion, of which the Puerto Rico manufacturing reserve makes up a significant portion. 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.	We tested the effectiveness of controls relating to the recognition and measurement of the Puerto Rico reserve for uncertain tax positions. We evaluated management's process for determining the reserve. 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 and examined relevant documents related to the tax court case. 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 the financial statements in relation to these matters.

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 comprised of 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 9 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 in excess of 80% 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:

	Consolidated financial statements	***Company financial statements***
Overall materiality	$300 million (2022: $300 million).	$378 million (2022: $397 million).
	Equates to circa 1% of turnover (2022: circa 1% of turnover).	Based on circa 0.5% of net assets.
Rationale for benchmark applied	We considered a number of materiality benchmarks including “turnover”, “profit before taxation” and “profit before taxation adjusted for impairment charges and the loss on debt extinguishment and redemption” in calculating our overall materiality level. 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.	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. Financial statement line items that do not eliminate on consolidation have been audited to overall materiality for the consolidated financial statements.

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 $283.5 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) (2022: $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;
- evaluation of management's assessment of the impact which COVID-19 may continue to have through 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 28, 2023 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 committees where considered relevant;
- 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

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.

Paul Barrie
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
31 August 2023

Medtronic plc
Consolidated Profit and Loss Account

(in millions, except per share data)	Note	Fiscal Year 2023	Fiscal Year 2022
Turnover	2	$ 31,227	$ 31,686
Cost of sales		10,719	10,145
Gross Profit		20,508	21,541
Distribution and administrative expense		12,113	12,025
Research and development expense		2,696	2,746
Restructuring charges, net	3	375	60
Certain litigation charges, net	4	(30)	95
Other operating (income) expense, net		(131)	862
Operating profit		5,485	5,752
Other non-operating income, net		(515)	(318)
Interest payable and similar expenses, net	5	636	553
Profit before taxation		5,364	5,517
Taxation	6	1,580	456
Profit after taxation		3,784	5,062
Noncontrolling interests		(26)	(22)
Profit for the financial year		$ 3,758	$ 5,039
Basic earnings per ordinary share	7	$ 2.83	$ 3.75
Diluted earnings per ordinary share	7	$ 2.82	$ 3.73

Medtronic plc
Consolidated Statement of Comprehensive Income

(in millions)	Fiscal Year 2023	2022
Profit after taxation	$ 3,784	$ 5,062
Other comprehensive income (loss), net of taxation:		
Unrealized loss on investment securities	(49)	(301)
Translation adjustment	(240)	(2,086)
Net investment hedge	(596)	2,299
Net change in retirement obligations	32	574
Unrealized (loss) gain on cash flow hedges	(381)	727
Other comprehensive (loss) income	(1,234)	1,213
Comprehensive income including noncontrolling interests	2,549	6,274
Comprehensive income attributable to noncontrolling interests	(26)	(16)
Comprehensive income attributable to Medtronic	$ 2,524	$ 6,258

Medtronic plc
Consolidated Balance Sheet

(in millions)	Note	April 28, 2023	April 29, 2022
Fixed assets			
Intangible assets	8	$ 56,269	$ 56,097
Tangible assets	10	5,569	5,413
Right of use assets	11	1,041	854
Financial assets	12	1,641	915
Total fixed assets		64,520	63,279
Current assets			
Inventories	13	5,293	4,616
Debtors	14	13,176	12,513
Short-term investments	12	6,416	6,859
Cash at bank and in hand		1,543	3,714
Total current assets		26,428	27,702
Creditors (amounts falling due within one year)	16	7,299	10,823
Net current assets		19,129	16,879
Total assets less current liabilities		83,649	80,158
Creditors (amounts falling due after more than one year)	16	28,452	23,878
Provisions for liabilities	18	3,532	3,559
Net assets		$ 51,665	$ 52,722
Capital and reserves			
Called-up share capital presented as equity	20	$ —	$ —
Share premium account		38,208	37,967
Accumulated other comprehensive loss	22	(3,499)	(2,265)
Profit and loss account		16,775	16,849
Total shareholders' equity		51,483	52,551
Noncontrolling interests		182	171
Total equity		$ 51,665	$ 52,722

Approved by the Board of Directors and signed on its behalf on August 31, 2023 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
April 30, 2021	1,345	$ —	$ 37,637	$ 17,276	$ (3,485)	$ 51,428	$ 174	$ 51,602
Profit for the financial year	—	—	—	5,039	—	5,039	22	5,062
Other comprehensive income	—	—	—	—	1,219	1,219	(6)	1,213
Dividends to shareholders ($2.52 per ordinary share)	—	—	—	(3,383)	—	(3,383)	—	(3,383)
Issuance of shares under stock purchase and award plans	7	—	329	—	—	329	—	329
Redemption and cancellation of ordinary shares	(21)	—	—	(2,442)	—	(2,442)	—	(2,442)
Stock-based compensation	—	—	—	359	—	359	—	359
Changes to noncontrolling ownership interests	—	—	1	—	—	1	(19)	(18)
April 29, 2022	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)
April 28, 2023	1,331	$ —	$ 38,208	$ 16,775	$ (3,499)	$ 51,483	$ 182	$ 51,665

Medtronic plc
Consolidated Statement of Cash Flows

(in millions)	Fiscal Year 2023	2022
Operating Activities:		
Profit after taxation	$ 3,784	$ 5,062
Adjustments to reconcile profit for the financial year to net cash provided by operating activities:		
Depreciation and amortization	2,697	2,707
Provision for doubtful debtors	73	58
Deferred taxation	(226)	(604)
Stock-based compensation	355	359
Loss on debt extinguishment	53	—
MCS asset impairment and inventory write-down	—	515
Other, net	270	138
Change in operating assets and liabilities, net of acquisitions and divestitures:		
Trade debtors	(576)	(477)
Inventories, net	(939)	(560)
Creditors and provisions	696	213
Other operating assets and liabilities	(148)	(65)
Net cash provided by operating activities	6,039	7,346
Investing Activities:		
Acquisitions, net of cash acquired	(1,867)	(91)
Additions to tangible assets	(1,459)	(1,368)
Purchases of short-term investments and financial assets	(7,514)	(9,882)
Sales and maturities of short-term investments and financial assets	7,343	9,692
Other investing activities, net	4	(10)
Net cash used in investing activities	(3,493)	(1,659)
Financing Activities:		
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)	(1)
Dividends to shareholders	(3,616)	(3,383)
Issuance of ordinary shares	308	429
Redemption of ordinary shares	(645)	(2,544)
Other financing activities	(409)	163
Net cash used in financing activities	(4,960)	(5,336)
Effect of exchange rate changes on cash at bank and in hand	243	(231)
Net change in cash at bank and in hand	(2,171)	121
Cash at bank and in hand at beginning of period	3,714	3,593
Cash at bank and in hand at end of period	$ 1,543	$ 3,714
Supplemental Cash Flow Information		
Cash paid for:		
Taxation	$ 1,548	$ 996
Interest	606	540

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 Dublin, 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 20 On Hatch, Hatch Street Lower, Dublin 2, 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 28, 2023, 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. 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, intangible assets, and liability valuations. Actual results may or may not differ from those estimates.

Medtronic plc
Notes to the Consolidated Financial Statements

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.

These uncertainties include, but are not limited to, the impacts of COVID-19 and healthcare system staffing shortages on future procedural volumes, supply constraints, demand for our products, customers' and suppliers' financial condition, 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 28, 2023 and April 29, 2022 and for each of the fiscal years ended April 28, 2023 (fiscal year 2023) and April 29, 2022 (fiscal year 2022). Fiscal years 2023 and 2022, were each a 52-week year.

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 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 historical financial statements and projected 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.

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 2-7, up to 15
Computer software	Up to 5
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 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 financial 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 test for impairment of goodwill requires the Group to make several estimates related to projected future cash flows to determine the fair value of the goodwill reporting units. The Group calculates the excess of each reporting unit's fair value over its carrying amount, including goodwill, utilizing a discounted cash flow analysis. Internal operational budgets and long-range strategic plans are used as a basis for the cash flow analysis. The Group also utilizes assumptions for working capital, capital expenditures, and terminal growth rates. The discount rate applied to the cash flow analysis is based on the weighted average cost of capital (“WACC”) for each reporting unit. 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 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 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 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 (income) expense, 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 and marketable 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, certificate 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.

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 certain debt funds, equity and fixed income commingled trusts, 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 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 $351 million and $354 million in fiscal years 2023 and 2022, 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 for loss contingencies 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.

Taxation The Group has deferred taxation that arises 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 (Income) Expense, Net Other operating (income) expense, net primarily includes royalty expense, currency remeasurement and derivative gains and losses, Puerto Rico excise taxes, changes in fair value of contingent consideration, changes in amounts accrued for certain contingent liabilities for a past acquisition, MCS charges, RCS charges, impairment charges, 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 receivable and similar 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 (income) expense, 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.

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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

For fiscal year 2023, there were no newly adopted accounting standards that had a material impact 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, renal 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.

The table below illustrates turnover by segment and division for fiscal years 2023 and 2022.

	Turnover by Fiscal Year	
(in millions)	2023	2022
Cardiac Rhythm & Heart Failure	$ 5,835	$ 5,908
Structural Heart & Aortic	3,363	3,055
Coronary & Peripheral Vascular	2,375	2,460
Cardiovascular	11,573	11,423
Surgical Innovations	5,663	6,060
Respiratory, Gastrointestinal, & Renal	2,770	3,081
Medical Surgical	8,433	9,141
Cranial & Spinal Technologies	4,451	4,456
Specialty Therapies	2,815	2,592
Neuromodulation	1,693	1,735
Neuroscience	8,959	8,784
Diabetes	2,262	2,338
Total	$ 31,227	$ 31,686

The table below illustrates turnover by market geography and segment for fiscal years 2023 and 2022.

	U.S.[1]		Non-U.S. Developed Markets[2]		Emerging Markets[3]	
(in millions)	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2022
Cardiovascular	$ 5,848	$ 5,545	$ 3,564	$ 3,866	$ 2,161	$ 2,012
Medical Surgical	3,658	3,862	3,080	3,373	1,694	1,905
Neuroscience	6,018	5,753	1,658	1,801	1,283	1,229
Diabetes	849	974	1,106	1,085	307	279
Total	$ 16,373	$ 16,135	$ 9,408	$ 10,126	$ 5,446	$ 5,426

(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.

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. At April 29, 2022, $981 million of rebates were classified as *provisions for liabilities,* and $548 million of rebates were classified as a reduction of *debtors* in the consolidated balance sheet. During fiscal year 2023, 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 28, 2023 and April 29, 2022 was $405 million and $399 million, respectively. At April 28, 2023 and April 29, 2022, $314 million and $305 million was included in *creditors (amounts falling due within one year)*, respectively, and $91 million and $94 million was included in *creditors (amounts falling due after more than one year)*, respectively. During the fiscal year ended April 28, 2023, the Group recognized $240 million of turnover that was included in deferred revenue as of 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 28, 2023, 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 $0.6 billion. The Group expects to recognize turnover on the majority of these remaining performance obligations over the next three years.

3. Restructuring Charges

In fiscal years 2023 and 2022, restructuring costs primarily related to Enterprise Excellence and Simplification restructuring programs, both of which were substantially completed as of the end of this fiscal year. 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 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 pre-taxation 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 all programs, employee-related costs primarily consist of termination benefits provided to employees who have been involuntarily terminated and voluntary early retirement benefits. Associated costs primarily include salaries and wages of employees that are fully-dedicated to restructuring programs and consulting fees.

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

	Fiscal year	
(in millions)	**2023**	**2022**
Cost of sales	$ 97	$ 117
Distribution and administrative expense	173	158
Restructuring charges, net	375	60
Total restructuring and associated costs	$ 647	$ 335

(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.

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The following table summarizes the activity related to restructuring programs for fiscal years 2023 and 2022:

(in millions)	Employee Termination Benefits[1]	Associated Costs[2]	Asset Write-downs	Other Costs	Total
April 30, 2021	$ 123	$ 22	$ —	$ 1	$ 146
Charges	80	274	—	—	354
Cash payments	(109)	(269)	—	—	(378)
Provision adjustments[3]	(13)	—	—	—	(13)
April 29, 2022	81	27	—	1	110
Charges	285	271	1	7	564
Cash payments	(150)	(274)	(1)	(6)	(433)
Provision adjustments[3]	(11)	—	—	(1)	(12)
April 28, 2023	$ 204	$ 23	$ —	$ 1	$ 230

(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) Associated costs include costs incurred as a direct result of the restructuring program, such as salaries for employees supporting the program and consulting expenses.
(3) 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.

Mechanical Circulatory Support (MCS)

In June 2021, the Group announced the decision to stop the distribution and sale of the Medtronic HVAD System in light of a growing body of observational clinical comparisons indicating a lower frequency of neurological adverse events and mortality with another circulatory support device available to patients compared to the HVAD system. In connection with this decision, the Group recorded charges of $726 million (MCS charges) within the Cardiovascular segment during the first quarter of fiscal year 2022, including $58 million recognized in *cost of sales* and $668 million recognized within *other operating (income) expense, net* in the consolidated profit and loss account. The charges included $515 million of non-cash impairments and write-downs primarily related to $409 million of intangible asset impairments and $58 million of inventory write-downs. The Group also recorded charges of $211 million for commitments and obligations associated with the decision, which included charges for patient support obligations, restructuring, and other associated costs. During the fourth quarter of fiscal year 2022, the Group recorded additional charges of $155 million within *other operating (income) expense, net* primarily related to incremental commitments and obligations associated with the exit of the business. As of April 28, 2023, accruals were recorded in the consolidated balance sheet for these obligations, with $172 million reflected in *provisions for liabilities*.

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 2023 and 2022, the Group recognized a net $30 million of certain litigation profit and $95 million of certain litigation charges, respectively. At April 28, 2023 and April 29, 2022, accrued litigation was approximately $0.3 billion. 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.

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

Pelvic Mesh Litigation

The Group is currently involved in litigation in various state and federal courts against manufacturers of pelvic mesh products alleging personal injuries resulting from the implantation of those products. Two subsidiaries of Covidien supplied pelvic mesh products to one of the manufacturers, C.R. Bard (Bard), named in the litigation. The litigation includes a federal multi-district litigation in the U.S. District Court for the Northern District of West Virginia and cases in various state courts and jurisdictions outside the U.S. Generally, complaints allege design and manufacturing claims, failure to warn, breach of warranty, fraud, violations of state consumer protection laws and loss of consortium claims. In fiscal year 2016, Bard paid the Group $121 million towards the settlement of 11,000 of these claims. In May 2017, the agreement with Bard was amended to extend the terms to apply to up to an additional 5,000 claims. That agreement does not resolve the dispute between the Group and Bard with respect to claims that do not settle, if any. As part of the agreement, the Group and Bard agreed to dismiss without prejudice their pending litigation with respect to Bard's obligation to defend and indemnify the Group. The Group estimates law firms representing approximately 16,200 claimants have asserted or may assert claims involving products manufactured by Covidien's subsidiaries. As of August 2, 2023, the Group had reached agreements to settle approximately 15,900 of these claims. The Group's provisions for this matter are included within accrued litigation as discussed above.

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 2, 2023, the Group and certain of its subsidiaries have been named as defendants in lawsuits filed on behalf of approximately 7,450 individual plaintiffs, and certain plaintiffs' law firms have advised the Group that they may file additional cases in the future. Approximately 6,400 plaintiffs have filed lawsuits in a coordinated proceeding in Massachusetts state court, where they have been consolidated before a single judge. Approximately 500 plaintiffs have filed lawsuits in a coordinated action in Minnesota state court, and there are approximately 550 actions coordinated in a federal Multidistrict Litigation in the U.S. District Court for the District of Massachusetts. 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 August 3, 2023, 63 individual plaintiffs have filed lawsuits, 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.

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

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. Oral argument for the Appeal occurred in March 2018. 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, which it concluded in June 2021. The Tax Court issued its opinion on August 18, 2022, and it remains subject to appeal by either or both parties. At this time, the Group is evaluating whether to file an appeal.

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 2019.

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 28, 2023 or any amended financial period incorporating the said financial year.

- Makani II Unlimited Company
- Covidien Limited
- 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

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 28, 2023, primarily related to funding of minority investments, royalty and milestone payments, interest on debt obligations, and other commitments and contractual obligations.

At April 28, 2023, aggregate obligations for commitments related to the funding of minority investments, estimated milestone payments, and royalty obligations was $397 million, of which $155 million relates to fiscal year 2024. 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 $7.5 billion at April 28, 2023, of which $531 million relates to fiscal year 2024. See Note 17 for additional discussion of debt obligations.

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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 28, 2023, aggregate obligations for these commitments was $2.0 billion, of which $688 million relates to fiscal year 2024.

5. Interest Payable and Similar Expenses, Net

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

	Fiscal Year	
(in millions)	**2023**	**2022**
Interest charges related to financing arrangements	$ 583	$ 553
Loss on debt extinguishment and redemption	53	—
Interest payable and similar expenses, net	$ 636	$ 553

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 fiscal year ended April 28, 2023, the Group recognized $107 million 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.

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:

	Fiscal Year	
(in millions)	**2023**	**2022**
U.S.	$ 1,295	$ 436
International	4,069	5,081
Profit before taxation	$ 5,364	$ 5,517

Taxation consists of the following:

	Fiscal Year	
(in millions)	**2023**	**2022**
Current taxation:		
U.S.	$ 1,303	$ 467
International	530	599
Total current taxation	1,833	1,066
Deferred taxation (benefit):		
U.S.	(336)	(402)
International	83	(209)
Net deferred taxation benefit	(253)	(611)
Taxation	$ 1,580	$ 456

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

(in millions)	April 28, 2023	April 29, 2022
Deferred tax assets:		
Intangible assets	$ 2,259	$ 2,334
Net operating loss, capital loss, and credit carryforwards	10,803	5,982
Capitalization of research and development	971	597
Other accrued liabilities	458	483
Accrued compensation	312	332
Pension and post-retirement benefits	66	66
Stock-based compensation	141	146
Inventory	135	146
Lease obligations	150	92
Federal and state benefit on uncertain tax positions	79	60
Interest limitation	377	386
Unrealized gain on available-for-sale securities and derivative financial instruments	39	—
Other	277	374
Gross deferred tax assets	16,067	10,998
Valuation allowance	(11,311)	(6,583)
Total deferred tax assets	4,756	4,415
Deferred tax provisions:		
Intangible assets	(1,551)	(1,488)
Realized loss on derivative financial instruments	(70)	(66)
Right of use leases	(147)	(89)
Accumulated depreciation	(109)	(121)
Outside basis difference of subsidiaries	(119)	(129)
Other	(80)	(70)
Total deferred tax provisions	(2,076)	(1,963)
Prepaid income taxes	480	474
Income tax receivables	494	358
Tax assets, net	$ 3,654	$ 3,284
Reported as (after valuation allowance and jurisdictional netting):		
Debtors	$ 4,362	$ 4,168
Provisions for liabilities	(708)	(884)
Tax assets, net	$ 3,654	$ 3,284

Deferred taxation activity for fiscal year 2023 was as follows:

(in millions)	Deferred Taxation
April 29, 2022	$ 3,284
Provisions	253
Acquisitions	(118)
Charges to equity	75
Currency translation and other	161
April 28, 2023	$ 3,654

No deferred taxation has been provided on the approximately $83.7 billion and $79.3 billion of undistributed profits of the Group's subsidiaries at April 28, 2023 and April 29, 2022, 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 28, 2023, the Group had approximately $43.4 billion of net operating loss carryforwards in certain non-U.S. jurisdictions, of which $20.3 billion have no expiration, and the remaining $23.1 billion will expire during fiscal years 2024 through 2040. Included in these net operating loss carryforwards are $16.2 billion of 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 $17 billion of 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 $10.2 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 28, 2023, the Group had $545 million of U.S. federal net operating loss carryforwards, of which $359 million have no expiration. The remaining loss carryforwards will expire during fiscal years 2024 through 2036. For U.S. state purposes, the Group had $1.8 billion of net operating loss carryforwards at April 28, 2023, $207 million of which have no expiration. The remaining U.S. state loss carryforwards will expire during fiscal years 2024 through 2043.

At April 28, 2023, the Group also had $347 million of tax credits available to reduce future income taxes payable, of which $146 million have no expiration. The remaining credits will expire during fiscal years 2024 through 2042.

The Group has established valuation allowances of $11.3 billion and $6.6 billion at April 28, 2023 and April 29, 2022, 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 2023 is primarily related to the generation of certain net losses resulting from intercompany reorganization. These valuation allowances would result in a taxation reduction in the consolidated profit and loss account if they are ultimately not required.

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

	Fiscal Year	
	2023	2022
U.S. Federal statutory tax rate	21.0 %	21.0 %
Increase (decrease) in tax rate resulting from:		
U.S. state taxes, net of federal tax benefit	0.1	0.2
Research and development credit	(1.9)	(1.3)
Puerto Rico excise tax	(1.0)	(1.1)
International	(8.2)	(11.2)
Stock based compensation	0.2	(0.8)
Interest on uncertain tax positions	0.7	0.5
Base erosion anti-abuse tax	—	0.9
Foreign derived intangible income benefit	(1.2)	(1.0)
Certain tax adjustments	17.0	(0.9)
U.S. tax on foreign profit	2.5	2.2
Other, net	0.3	(0.2)
Effective tax rate	29.5 %	8.3 %

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 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 Opinion remains subject to appeal by either or both parties. 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.

During fiscal year 2022, the net benefit from certain tax adjustments of $50 million, recognized in *taxation* in the consolidated profit and loss account, included the following:

- A benefit of $82 million associated with a step up in tax basis for Swiss Cantonal purposes.
- A benefit of $82 million related to a change in tax rates on intangible assets.
- A cost of $47 million associated with the amortization of the previously established deferred tax assets from intercompany intellectual property transactions.
- A cost of $41 million associated with a change in the Group's permanent reinvestment assertion on certain historical profit.
- A net cost of $26 million primarily associated with an intercompany sale of assets.

Subsequent to year-end, on June 1, 2023 the Israeli Central-Lod District Court issued its decision in Medtronic Ventor Technologies Ltd v. Kfar Saba Assessing Office. The court determined that there was a deemed taxable transfer of intellectual

property. As a result, the Group has recorded a $187 million income tax charge during the three months ended July 28, 2023. At this time, the Group is evaluating whether or not it will appeal the decision.

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 $115 million and $248 million in fiscal years 2023 and 2022, respectively, and diluted earnings per share by $0.09 and $0.18 in fiscal years 2023 and 2022, 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 2024 and 2035. The Group's historical practice has been to renew, extend, or obtain new tax incentive grants upon expiration of existing tax incentive grants. If the Group is not able to renew, extend, or obtain new tax incentive grants, the expiration of existing tax incentive grants could have a material impact on the Group's financial results in future periods. The tax incentive grants which expired during fiscal year 2023 did not have a material impact on the Group's consolidated financial statements.

The Group had $2.7 billion and $1.7 billion of gross unrecognized tax benefits at April 28, 2023 and April 29, 2022, respectively. A reconciliation of the beginning and ending amount of unrecognized tax benefits for fiscal years 2023 and 2022 is as follows:

	Fiscal Year	
(in millions)	**2023**	**2022**
Gross unrecognized tax benefits at beginning of fiscal year	$ 1,661	$ 1,668
Gross increases:		
Prior year tax positions	980	1
Current year tax positions	89	40
Gross decreases:		
Prior year tax positions	(12)	(29)
Settlements	(4)	(8)
Statute of limitation lapses	(32)	(11)
Gross unrecognized tax benefits at end of fiscal year	2,682	1,661
Cash advance paid to taxing authorities	(918)	(859)
Gross unrecognized tax benefits at end of fiscal year, net of cash advance	$ 1,764	$ 802

If all of the Group's unrecognized tax benefits at April 28, 2023 and April 29, 2022 were recognized, $2.5 billion and $1.6 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 $10 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. The Group had $61 million and $117 million of accrued gross interest and penalties at April 28, 2023 and April 29, 2022, respectively. During fiscal years 2023 and 2022, the Group recognized gross interest receivable and similar income of $55 million and interest payable and similar expense of $17 million, respectively, in *taxation* in the consolidated profit and loss account.

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.

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

Jurisdiction	Earliest Year Open
United States - federal and state	2005
Australia	2018
Brazil	2018
Canada	2013
China	2015
Costa Rica	2019
Dominican Republic	2019
France	2020
Germany	2014
India	2002
Ireland	2012
Israel	2010
Italy	2018
Japan	2019
Korea	2022
Luxembourg	2018
Mexico	2014
Puerto Rico	2014
Singapore	2018
Switzerland	2010
United Kingdom	2019

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.

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

(in millions, except per share data)	Fiscal Year 2023	2022
Numerator:		
Profit for the financial year attributable to ordinary shareholders	$ 3,758	$ 5,039
Denominator:		
Basic – weighted average shares outstanding	1,329.8	1,342.4
Effect of dilutive securities:		
Employee stock options	1.5	6.6
Employee restricted stock units	1.0	1.6
Employee performance share units	0.5	0.8
Diluted – weighted average shares outstanding	1,332.8	1,351.4
Basic earnings per ordinary share	$ 2.83	$ 3.75
Diluted earnings per ordinary share	$ 2.82	$ 3.73

The calculation of weighted average diluted shares outstanding excludes options to purchase approximately 23 million and 5 million ordinary shares in fiscal years 2023 and 2022, 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 2023 was as follows:

(in millions)	Goodwill	Acquired IPR&D	Total
April 29, 2022	$ 40,502	$ 293	$ 40,795
Additions as a result of acquisitions	1,340	300	1,640
Transfers	—	(355)	(355)
Impairments	—	(5)	(5)
Purchase accounting adjustments	(5)	—	(5)
Sale of RCS business	(208)	—	(208)
Currency translation and other	(204)	—	(204)
April 28, 2023	$ 41,425	$ 232	$ 41,657

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 (income) expense, net* in the consolidated profit and loss account. The Group did not recognize any goodwill impairment charges during fiscal year 2022.

Indefinite-lived intangible asset impairment charges were not significant for fiscal year 2023 or 2022. Indefinite-lived intangible asset impairment charges are recognized in *other operating (income) expense, net* in the consolidated profit and loss account. 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.

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

(in millions)	Cardiovascular	Medical Surgical	Neuroscience	Diabetes	Total
April 29, 2022	$ 7,160	$ 19,957	$ 11,132	$ 2,254	$ 40,502
Goodwill as a result of acquisitions	726	—	615	—	1,340
Purchase accounting adjustments	(6)	—	2	—	(5)
Sale of RCS business	—	(208)	—	—	(208)
Currency translation and other	(6)	(170)	(30)	1	(204)
April 28, 2023	$ 7,873	$ 19,579	$ 11,718	$ 2,255	$ 41,425

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
Cost:					
April 29, 2022	$ 16,953	$ 10,802	$ 473	$ 80	$ 28,308
Additions as a result of acquisitions	—	693	13	56	762
Transfers	—	346	—	—	346
Retired intangible assets	—	(14)	—	(2)	(16)
Sale of RCS business	—	(165)	(1)	(15)	(181)
Currency translation and other	3	(3)	—	(1)	(1)
April 28, 2023	$ 16,956	$ 11,659	$ 486	$ 116	$ 29,217
Accumulated Amortization:					
April 29, 2022	$ (7,005)	$ (5,667)	$ (266)	$ (69)	$ (13,006)
Amortization expense	(971)	(700)	(15)	(10)	(1,696)
Retired intangible assets	—	14	—	2	16
Sale of RCS business	—	71	1	5	77
Currency translation and other	(1)	6	1	1	6
April 28, 2023	$ (7,979)	$ (6,277)	$ (280)	$ (69)	$ (14,605)
Net Book Value:					
April 29, 2022	$ 9,948	$ 5,135	$ 207	$ 11	$ 15,302
April 28, 2023	8,977	5,382	206	47	14,612

The Group did not recognize any definite-lived intangible asset impairment charges during fiscal year 2023. During fiscal year 2022, the Group recognized $409 million of definite-lived intangible asset impairment charges in connection with MCS within the Cardiovascular Portfolio. The intangible asset impairment charge primarily related to purchased technology and patents. Refer to Note 3 for additional information on what led to the impairment.

Definite-Lived Intangible Asset Amortization

Intangible asset amortization expense was $1.7 billion for fiscal years 2023 and 2022. 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 28, 2023, excluding any possible future amortization associated with acquired IPR&D which has not met technological feasibility, is as follows:

(in millions)	Amortization Expense
2024	$ 1,676
2025	1,654
2026	1,641
2027	1,616
2028	1,565

9. Acquisitions and Dispositions

The Group had acquisitions during fiscal years 2023 and 2022 that were accounted for as business combinations. The assets and liabilities of 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 pro forma impact of acquisitions during fiscal years 2023 and 2022 was not significant, either individually or in the aggregate, to the consolidated results of the Group. 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. Purchase price allocation adjustments for fiscal years 2023 and 2022 business combinations were not significant.

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. Based upon a preliminary acquisition valuation, 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.

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. Based upon a preliminary acquisition valuation, the Group acquired $660 million of goodwill and $300 million of in-process research and development, 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. Based upon preliminary valuations, 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.

Fiscal Year 2022

The acquisition date fair value of net assets acquired during fiscal year 2022 was $125 million, consisting of $154 million of assets acquired and $29 million of liabilities assumed. Assets acquired were primarily comprised of $50 million of technology-based intangible assets with estimated useful lives ranging from 15 to 16 years, and $80 million of goodwill. The goodwill is not deductible for tax purposes. The Group recognized $31 million of contingent consideration liabilities in connection with business combinations during fiscal year 2022, which are comprised of turnover and regulatory milestone-based payments.

Acquired In-Process Research & Development (IPR&D)

IPR&D with no alternative future use acquired outside of a business combination is expensed immediately. During fiscal year 2023, IPR&D acquired in connection with asset acquisitions was not significant. During fiscal year 2022, the Group acquired $101 million of IPR&D in connection with asset acquisitions of technology not approved by regulators, which was recognized in *research and development expense* in the consolidated profit and loss account.

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 (income) expense, net* in the consolidated profit and loss account.

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The fair value of contingent consideration at April 28, 2023 and April 29, 2022 was $206 million and $119 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:

	Fiscal Year	
(in millions)	2023	2022
Beginning Balance	$ 119	$ 270
Purchase price contingent consideration	274	31
Purchase price allocation adjustments	—	7
Payments	(154)	(86)
Change in fair value	(24)	(103)
Divestiture-related and other	(8)	—
Ending Balance	$ 206	$ 119

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 28, 2023	Unobservable Input	Range	Weighted Average [1]
Turnover and other performance-based payments	$ 80	Discount rate	11.2% - 27.2%	17.5%
		Projected fiscal year of payment	2024 - 2027	2025
Product development and other milestone-based payments	$ 126	Discount rate	3.9% - 5.5%	4.1%
		Projected fiscal year of payment	2024 - 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.

Renal Care Solutions disposition

On May 25, 2022, the Group and DaVita Inc. (“DaVita”) entered into a definitive agreement for the Group to sell half of its Renal Care Solutions (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. RCS was part of the Group’s Medical Surgical portfolio. At closing, the Group received $45 million cash consideration, recorded non-cash contingent consideration receivables valued at $195 million due based on the achievement of certain turnover, regulatory, and profitability milestones, 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 the aforementioned milestones, with potential payouts starting in fiscal year 2025 through 2029. The Group recorded total 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 (income) expense, 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.

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10. Tangible Assets

Tangible assets activity for fiscal year 2023 was as follows:

(in millions)	Land and Land Improvements	Buildings and Leasehold Improvements	Equipment	Computer Software	Construction in Progress	Total Tangible Assets
Cost:						
April 29, 2022	$ 170	$ 2,351	$ 6,489	$ 2,617	$ 1,737	$ 13,365
Additions	1	9	329	28	1,030	1,397
Disposals	(4)	(19)	(314)	(38)	(13)	(388)
Acquisitions	—	4	11	1	1	17
Transfers	—	167	422	342	(932)	—
Currency translation and other	(5)	(25)	(230)	2	(68)	(328)
April 28, 2023	$ 162	$ 2,487	$ 6,707	$ 2,952	$ 1,754	$ 14,062
Accumulated depreciation:						
April 29, 2022	$ (30)	$ (1,285)	$ (4,845)	$ (1,791)	$ —	$ (7,952)
Depreciation expense	(1)	(110)	(635)	(253)	—	(999)
Disposals	—	12	230	34	—	276
Currency translation and other	(1)	—	181	1	—	182
April 28, 2023	$ (32)	$ (1,383)	$ (5,069)	$ (2,009)	$ —	$ (8,493)
Net book value:						
April 29, 2022	$ 140	$ 1,066	$ 1,644	$ 826	$ 1,737	$ 5,413
April 28, 2023	130	1,104	1,638	943	1,754	5,569

Capital expenditures are expected to be approximately $1.7 billion in fiscal year 2024.

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 2023 and 2022 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 28, 2023 or April 29, 2022 or for fiscal year 2023 or 2022. 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.

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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 28, 2023 and April 29, 2022:

(in millions)	Balance Sheet Classification	April 28, 2023	April 29, 2022
Right-of-use assets	Right of use assets	$ 1,041	$ 854
Current liability	Creditors (amounts falling due within one year)	180	167
Non-current liability	Creditors (amounts falling due after more than one year)	869	703

The following table summarizes the weighted-average remaining lease term and weighted-average discount rate for the Group's operating leases at April 28, 2023 and April 29, 2022:

	April 28, 2023	April 29, 2022
Weighted-average remaining lease term	9.1 Years	7.3 Years
Weighted-average discount rate	2.4%	2.0%

The following table summarizes the components of total operating lease cost for fiscal year 2023 and 2022:

	Fiscal Year	
(in millions)	2023	2022
Operating lease cost	$ 211	$ 195
Short-term lease cost	62	65
Total operating lease cost	$ 273	$ 260

Right of use asset activity for fiscal year 2023 was as follows:

	Fiscal Year
(in millions)	2023
April 29, 2022	$ 854
Additions	417
Amortization	(231)
Currency translation and other	1
April 28, 2023	$ 1,041

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 2023 and 2022:

	Fiscal Year	
(in millions)	2023	2022
Cash paid for amounts included in the measurement of operating lease liabilities	$ 210	$ 174
Right-of-use assets obtained in exchange for operating lease liabilities	417	78

The following table summarizes the maturities of the Group's operating leases at April 28, 2023:

(in millions) Fiscal Year	Operating Leases
2024	$ 204
2025	171
2026	144
2027	121
2028	94
Thereafter	426
Total expected lease payments	1,160
Less: Imputed interest	(111)
Total lease liability	$ 1,049

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 28, 2023 and April 29, 2022.

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 28, 2023 and April 29, 2022:

	April 28, 2023					
	Valuation				Balance Sheet Classification	
(in millions)	Cost	Unrealized Gains	Unrealized Losses	Fair Value	Short-term Investments	Financial Assets
Level 1:						
U.S. government and agency securities	$ 527	$ —	$ (22)	$ 505	$ 505	$ —
Level 2:						
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	—
Level 3:						
Auction rate securities	36	—	(3)	33	—	33
Total available-for-sale debt securities	$ 6,748	$ 6	$ (305)	$ 6,449	$ 6,416	$ 33

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	April 29, 2022					
	Valuation				Balance Sheet Classification	
(in millions)	Cost	Unrealized Gains	Unrealized Losses	Fair Value	Short-term Investments	Financial Assets
Level 1:						
U.S. government and agency securities	$ 533	$ 1	$ (15)	$ 518	$ 518	$ —
Level 2:						
Corporate debt securities	4,457	4	(140)	4,321	4,321	—
U.S. government and agency securities	910	—	(41)	869	869	—
Mortgage-backed securities	592	—	(35)	558	558	—
Non-U.S. government and agency securities	17	—	—	17	17	—
Certificates of deposit	20	—	—	20	20	
Other asset-backed securities	567	—	(11)	556	556	—
Total Level 2	6,563	4	(227)	6,341	6,341	—
Level 3:						
Auction rate securities	36	—	(3)	33	—	33
Total available-for-sale debt securities	$ 7,131	$ 5	$ (245)	$ 6,893	$ 6,859	$ 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 28, 2023 and April 29, 2022:

	April 28, 2023			
	Less than 12 months		More than 12 months	
(in millions)	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	$ 401	$ (8)	$ 4,760	$ (297)

	April 29, 2022			
	Less than 12 months		More than 12 months	
(in millions)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Corporate debt securities	$ 222	$ (1)	$ 2,993	$ (139)
U.S. government and agency securities	—	—	945	(56)
Mortgage-backed securities	—	—	507	(35)
Other asset-backed securities	—	—	526	(11)
Auction rate securities	—	—	33	(3)
Total	$ 222	$ (1)	$ 5,004	$ (244)

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 28, 2023 and April 29, 2022. 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 securities portfolio is as follows:

(in millions)	April 28, 2023	April 29, 2022
Proceeds from sales and maturities	$ 7,321	$ 9,611
Gross realized gains	10	15
Gross realized losses	(43)	(18)

The April 28, 2023 balance of available-for-sale debt securities by contractual maturity is 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)	April 28, 2023
Due in one year or less	$ 1,267
Due after one year through five years	3,704
Due after five years through ten years	803
Due after ten years	676
Total debt securities	$ 6,449

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 historical financial statements and projected 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.

The following table summarizes the Group's equity and other investments at April 28, 2023 and April 29, 2022, which are classified as *financial assets* in the consolidated balance sheet:

(in millions)	April 28, 2023	April 29, 2022
Investments with readily determinable fair value (marketable equity securities)	$ 115	$ 64
Investments for which the fair value option has been elected	531	—
Investments without readily determinable fair values	872	732
Equity method and other investments	89	85
Total equity and other investments	$ 1,607	$ 881

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 28, 2023, there were $56 million of net unrealized gains on equity securities and other investments still held at April 28, 2023. During the fiscal year ended April 29, 2022, there were $8 million of net unrealized gains on equity securities and other investments still held at April 29, 2022.

Interest receivable and similar income is recognized in *other non-operating income, net*, in the consolidated profit and loss account. During the fiscal year ended April 28, 2023, there was $386 million of interest receivable and similar income. During the fiscal year ended April 29, 2022, there was $186 million of interest receivable and similar income.

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Mozarc Medical Investment

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. Please refer to Note 9 to the consolidated financial statements for additional information on this transaction. 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 earnings each reporting period in *other non-operating income, net* in the consolidated profit and loss account.

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 2023
Beginning Balance	$ —
Initial valuation	307
Additional cash investment	224
Ending Balance	$ 531

13. Inventories

Inventory balances, net of reserves, were as follows:

(in millions)	April 28, 2023	April 29, 2022
Finished goods	$ 3,440	$ 3,070
Work-in-process	789	682
Raw materials	1,063	864
Total	$ 5,293	$ 4,616

14. Debtors

Debtors consisted of the following:

(in millions)	April 28, 2023	April 29, 2022
Amounts falling due within one year:		
Trade debtors, less allowances and credit losses of $176 and $230, respectively	$ 5,998	$ 5,551
Tax assets (note 6)	885	765
Derivative contracts receivable (note 15)	335	527
Interest receivable	42	31
Other debtors and prepayments	1,163	995
Total amounts falling due within one year	8,423	7,870
Amounts falling due after more than one year:		
Long-term tax assets (note 6)	3,477	3,403
Derivative contracts receivable (note 15)	33	168
Other debtors	1,243	1,072
Total amounts falling due after more than one year	4,753	4,643
Total debtors	$ 13,176	$ 12,513

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.

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Cash Flow Hedges

The Group uses foreign currency forward exchange 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 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 28, 2023 and April 29, 2022, the Group had $93 million and $474 million in after-tax unrealized gains, respectively, associated with cash flow hedging instruments recorded in *accumulated other comprehensive loss*. The Group expects that $140 million of after-tax net unrealized gains at April 28, 2023 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.

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 28, 2023, the Group recognized $107 million 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:

		As of	
(in billions)	**Designation**	**April 28, 2023**	**April 29, 2022**
Currency exchange rate contracts	Cash flow hedge	$ 9.1	$ 8.8
Currency exchange rate contracts[(1)]	Net investment hedge	7.2	—
Foreign currency-denominated debt[(2)]	Net investment hedge	17.6	17.0
Currency exchange rate contracts	Undesignated	5.8	4.9

(1) At April 28, 2023, includes derivative contracts with a notional value of €4.5 billion, or $4.9 billion, designated as hedges of a portion of our net investment in certain European operations and derivative contracts with a notional value of ¥297 billion, or $2.2 billion, designated as hedges of a portion of our net investment in certain Japanese operations. These derivative contracts mature in fiscal years 2024 through 2033.

(2) At April 28, 2023, includes €16.0 billion, or $17.6 billion, of outstanding Euro-denominated debt 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 our hedging instruments and the classification of those gains and losses within our consolidated financial statements for fiscal years 2023 and 2022 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		
	2023	2022	2023	2022	
Cash flow hedges					
Currency exchange rate contracts	$ (161)	$ (953)	$ (703)	$ (144)	Other operating (income) expense, net
Currency exchange rate contracts	(79)	18	(3)	61	Cost of sales
Net investment hedges					
Foreign currency-denominated debt	524	(2,299)	—	—	N/A
Currency exchange rate contracts	73	—	—	—	N/A
Total	$ 356	$ (3,234)	$ (706)	$ (83)	

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 2023 and 2022 were as follows:

(in millions)	(Gain) Loss Recognized in Profit		Location of (Gain) Loss in Consolidated Profit and Loss Account
	Fiscal Year		
	2023	2022	
Derivatives not designated as hedging instruments			
Currency exchange rate contracts	$ 31	$ (54)	Other operating (income) expense, net
Total return swaps	1	1	Other operating (income) expense, net
Total	$ 32	$ (53)	

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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 28, 2023 and April 29, 2022. 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.

	Fair Value - Assets			Fair Value - Liabilities		
(in millions)	April 28, 2023	April 29, 2022	Balance Sheet Classification	April 28, 2023	April 29, 2022	Balance Sheet Classification
Derivatives designated as hedging instruments						
Currency exchange rate contracts	$ 318	$ 481	Debtors	$ 109	$ 43	Creditors (amounts falling due within one year)
Currency exchange rate contracts	33	168	Debtors	117	16	Creditors (amounts falling due after more than one year)
Total derivatives designated as hedging instruments	351	649		226	60	
Derivatives not designated as hedging instruments						
Currency exchange rate contracts	17	46	Debtors	10	49	Creditors (amounts falling due within one year)
Total return swaps	—	—	Debtors	—	20	Creditors (amounts falling due within one year)
Total derivatives not designated as hedging instruments	17	46		10	69	
Total derivatives	$ 368	$ 695		$ 236	$ 129	

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

	April 28, 2023		April 29, 2022	
(in millions)	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
Level 1	$ 368	$ 236	$ 695	$ 109
Level 2	—	—	—	20
Total	368	236	695	129

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.

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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.

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

	April 29, 2022			
		Gross Amount Not Offset on the Balance Sheet		
(in millions)	Gross Amount of Recognized Assets (Liabilities)	Financial Instruments	Cash Collateral (Received) Posted	Net Amount
Derivative assets:				
Currency exchange rate contracts	$ 695	$ (109)	$ (254)	$ 332
Derivative liabilities:				
Currency exchange rate contracts	(109)	109	—	—
Total return swaps	(20)	—	—	(20)
	(129)	109	—	(20)
Total	$ 566	$ —	$ (254)	$ 312

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 28, 2023 and April 29, 2022 the Group received net cash collateral of $11 million and $254 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.

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16. Creditors

Creditors consisted of the following:

(in millions)	April 28, 2023	April 29, 2022
Amounts falling due within one year:		
Financing arrangements (note 17)	$ 20	$ 3,742
Trade creditors	2,662	2,276
Accrued payroll and employee benefits	1,797	1,985
Income taxes payable (note 6)	840	704
Deferred revenue (note 2)	314	305
Operating lease liabilities (note 11)	180	167
Payables on derivatives and hedges (note 15)	119	112
Accrued interest	181	109
Other creditors including tax and social insurance [(1)]	1,187	1,423
Total amounts falling due within one year	$ 7,299	$ 10,823
Amounts falling due after more than one year:		
Financing arrangements (note 17)	$ 24,344	$ 20,372
Income taxes payable (note 6)	2,360	2,087
Operating lease liabilities (note 11)	869	703
Accrued employee benefits	556	544
Deferred revenue (note 2)	91	94
Payables on derivatives and hedges (note 15)	117	16
Accruals and other creditors	115	61
Total amounts falling due after more than one year	$ 28,452	$ 23,878

[(1)] Includes amounts for value added and other non-income related taxes of approximately $199 million and $225 million as well as social insurance of approximately $70 million and $59 million for fiscal years 2023 and 2022, respectively.

17. Financing Arrangements

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

(in millions)	April 28, 2023	April 29, 2022
Bank borrowings	$ 13	$ 12
0.000 percent three-year 2019 senior notes	—	798
0.375 percent four-year 2019 senior notes	—	1,596
0.000 percent two-year 2020 senior notes	—	1,330
Finance lease obligations	7	6
Financing arrangements	$ 20	$ 3,742

Bank Borrowings Outstanding bank borrowings at April 28, 2023 and April 29, 2022 were not significant.

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 no commercial paper outstanding at April 28, 2023 and April 29, 2022. 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. During fiscal year 2022, the weighted average original maturity of the commercial paper outstanding was approximately 15 days and the weighted average interest rate was 0.70 percent. The issuance of commercial paper reduces the amount of credit available under the Group's existing credit facility, defined below.

Line of Credit On December 12, 2022, 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 2027.

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 Group 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 28, 2023 and April 29, 2022, 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.

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

(in millions, except interest rates)	Maturity by Fiscal Year	April 28, 2023 Amount	April 28, 2023 Effective Interest Rate	April 29, 2022 Amount	April 29, 2022 Effective Interest Rate
3.500 percent ten-year 2015 senior notes	2025	$ —	— %	$ 1,890	3.74 %
0.250 percent six-year 2019 senior notes	2026	1,097	0.44	1,064	0.45
2.625 percent three-year 2022 senior notes	2026	549	2.86	—	—
0.000 percent five-year 2020 senior notes	2026	1,097	0.23	1,064	0.25
1.125 percent eight-year 2019 senior notes	2027	1,646	1.25	1,596	1.26
3.350 percent ten-year 2017 senior notes	2027	—	—	368	3.53
4.250 percent five-year 2023 senior notes	2028	1,000	4.42	—	—
3.000 percent six-year 2022 senior notes	2029	1,097	3.09	—	—
0.375 percent eight-year 2020 senior notes	2029	1,097	0.51	1,064	0.52
1.625 percent twelve-year 2019 senior notes	2031	1,097	1.75	1,064	1.75
1.000 percent twelve-year 2019 senior notes	2032	1,097	1.06	1,064	1.06
3.125 percent nine-year 2022 senior notes	2032	1,097	3.25	—	—
0.750 percent twelve-year 2020 senior notes	2033	1,097	0.81	1,064	0.81
4.500 percent ten-year 2023 senior notes	2033	1,000	4.62	—	—
3.375 percent twelve-year 2022 senior notes	2035	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	1,097	2.34	1,064	2.35
6.500 percent thirty-year 2009 senior notes	2039	158	6.56	158	6.56
1.500 percent twenty-year 2019 senior notes	2040	1,097	1.58	1,064	1.59
5.550 percent thirty-year 2010 senior notes	2040	224	5.58	224	5.58
1.375 percent twenty-year 2020 senior notes	2041	1,097	1.46	1,064	1.47
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	1,097	1.87	1,064	1.88
1.625 percent thirty-year 2020 senior notes	2051	1,097	1.75	1,064	1.76
Finance lease obligations	2024-2036	57	9.91	56	9.15
Debt discount, net	2026-2051	(64)	—	(52)	—
Deferred financing costs	2026-2051	(124)	—	(109)	—
Financing arrangements		$ 24,344		$ 20,372	

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 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, resulting in cash proceeds of approximately $7.2 billion, net of discounts and issuance costs. The Group used the net proceeds of the offering to fund the early redemption of $4.3 billion of Medtronic Inc. and CIFSA Senior Notes and €1.5 billion of Medtronic Luxco Senior Notes for $6.3 billion of total consideration in October 2020. Additionally, the Group used the proceeds to repay its €750 million floating rate senior notes at maturity in March 2021. The Group recognized a loss on debt extinguishment of $308 million in fiscal year 2021,

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.

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.

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.

The Euro-denominated debt issued in September 2020 and 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)	
2024	$ 20
2025	7
2026	2,750
2027	1,652
2028	1,005
Thereafter	19,119
Total	$ 24,553

Financial Instruments Not Measured at Fair Value

At April 28, 2023, the estimated fair value of the Group’s Senior Notes was $21.7 billion compared to a principal value of $24.5 billion. At April 29, 2022 the estimated fair value was $22.9 billion compared to a principal value of $24.2 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.

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18. Provisions for Liabilities

Provisions for liabilities were as follows:

(in millions)	April 28, 2023	April 29, 2022
Rebates	$ 1,066	$ 981
Deferred taxes, as adjusted (note 6)	708	884
Retirement benefit obligations (note 19)	526	555
Accrued certain litigation charges	259	291
MCS costs (note 3)	172	233
Warranty obligations	126	156
Contingent consideration liabilities (note 9)	206	119
Right of return	104	96
Restructuring reserves (note 3)	213	84
Other provisions	153	160
Total provision for liabilities	$ 3,532	$ 3,559

Provisions activity for fiscal year 2023 was as follows:

(in millions)	Rebates	Accrued Certain Litigation Charges	MCS Costs	Warranty Obligations	Right of Return	Other[1]
April 29, 2022	$ 981	$ 291	$ 233	$ 156	$ 96	$ 160
Provisions	1,927	8	—	42	235	690
Utilization and payments	(1,845)	(42)	(58)	(65)	(221)	(692)
Currency translation and other	2	3	(3)	(7)	(7)	(5)
April 28, 2023	$ 1,066	$ 259	$ 172	$ 126	$ 104	$ 153

[1] The provisions and utilization/payments primarily relate to insurance reserves for medical and dental.

19. Retirement Benefit Obligations

Pension and similar obligations, net were as follows:

(in millions)	April 28, 2023	April 29, 2022
U.S. defined benefit pension plan (obligations) assets, net	$ (53)	$ 33
Non-U.S. defined benefit pension plan assets (obligations), net	115	(8)
Post-retirement benefit plan assets, net	41	49
Other	(31)	(29)
Total retirement benefit assets (obligations), net[1]	$ 72	$ 45

[1] Includes the net impact of total retirement benefit plan assets of approximately $627 million and $629 million for fiscal years 2023 and 2022, 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 $494 million and $459 million in fiscal years 2023 and 2022, 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.

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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 28, 2023 and April 29, 2022, the funded status of the Group’s benefit plans was $103 million overfunded and $74 million overfunded, respectively.

During fiscal year 2023, the Company 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.

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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:

	U.S. Pension Benefits[2]		Non-U.S. Pension Benefits	
	Fiscal Year		Fiscal Year	
(in millions)	2023	2022	2023	2022
Accumulated benefit obligation at end of year:	$ 3,348	$ 3,396	$ 1,422	$ 1,638
Change in projected benefit obligation:				
Projected benefit obligation at beginning of year	$ 3,526	$ 3,979	$ 1,740	$ 2,294
Service cost	77	98	43	64
Interest cost	142	102	38	26
Employee contributions	—	—	9	12
Plan curtailments, settlements, and amendments	(19)	—	(8)	(11)
Actuarial (gain) loss[1]	(210)	(513)	(303)	(394)
Benefits paid	(140)	(141)	(63)	(48)
Special termination benefits[3]	74	—	—	—
Currency exchange rate changes and other	—	—	43	(203)
Projected benefit obligation at end of year	$ 3,451	$ 3,526	$ 1,499	$ 1,740
Change in plan assets:				
Fair value of plan assets at beginning of year	$ 3,559	$ 3,660	$ 1,732	$ 1,900
Actual return on plan assets	(43)	15	(163)	(12)
Employer contributions	22	24	57	70
Employee contributions	—	—	9	12
Plan settlements	—	—	(8)	(1)
Benefits paid	(140)	(141)	(63)	(48)
Currency exchange rate changes and other	—	—	50	(188)
Fair value of plan assets at end of year	$ 3,398	$ 3,559	$ 1,614	$ 1,732
Funded status at end of year:				
Fair value of plan assets	$ 3,398	$ 3,559	$ 1,614	$ 1,732
Benefit obligations	3,451	3,526	1,499	1,740
Over (under) funded status of the plans	(53)	33	115	(8)
Recognized asset (liability)	$ (53)	$ 33	$ 115	$ (8)
Amounts recognized on the consolidated balance sheet consist of:				
Debtors falling due after one year	$ 221	$ 313	$ 350	$ 240
Provisions for liabilities	(274)	(280)	(234)	(248)
Recognized asset (liability)	$ (53)	$ 33	$ 115	$ (8)
Amounts recognized in accumulated other comprehensive loss:				
Prior service cost (credit)	$ (19)	$ —	$ (3)	$ (4)
Net actuarial loss	891	854	76	161
Ending balance	$ 873	$ 854	$ 73	$ 157

(1) Actuarial gains and losses result from changes in actuarial assumptions (such as changes in the discount rate and revised mortality rates). The actuarial gain in fiscal year 2023 and 2022 was primarily related to increases in discount rates.

(2) 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.

(3) This represents a portion of the total voluntary early retirement package charges for fiscal year 2023.

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 28, 2023 and April 29, 2022. U.S. and non-U.S. pension plans with accumulated benefit obligations in excess of plan assets consist of the following:

	Fiscal Year	
(in millions)	2023	2022
Accumulated benefit obligation	$ 731	$ 830
Projected benefit obligation	772	880
Plan assets at fair value	301	356

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

	Fiscal Year	
(in millions)	2023	2022
Projected benefit obligation	$ 1,285	$ 907
Plan assets at fair value	776	379

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

	U.S. Pension Benefits		Non-U.S. Pension Benefits	
	Fiscal Year		Fiscal Year	
(in millions)	2023	2022	2023	2022
Service cost	$ 77	$ 98	$ 43	$ 64
Interest cost	142	102	38	26
Expected return on plan assets	(224)	(226)	(58)	(64)
Amortization of prior service cost	—	—	(1)	(1)
Amortization of net actuarial loss	20	64	2	22
Settlement and curtailment loss (gain)	—	—	2	(10)
Special termination benefits	74	—	—	—
Net periodic benefit cost	$ 89	$ 39	$ 26	$ 37

The other changes in plan assets and projected benefit obligations recognized in *other comprehensive income* for fiscal year 2023 are as follows:

(in millions)	U.S. Pension Benefits	Non-U.S. Pension Benefits
Net actuarial loss (gain)	$ 58	$ (82)
Prior service cost (credit)	(19)	—
Amortization of prior service credit	—	1
Amortization and settlement recognition of actuarial loss	(20)	(4)
Effect of exchange rates	—	3
Total recognized in other comprehensive income	$ 19	$ (82)
Total recognized in net periodic benefit cost and other comprehensive income	$ 108	$ (57)

The actuarial assumptions are as follows:

	U.S. Pension Benefits		Non-U.S. Pension Benefits	
	Fiscal Year		Fiscal Year	
	2023	2022	2023	2022
Critical assumptions – projected benefit obligation:				
Discount rate	4.73% - 4.99%	4.23% - 4.48%	1.30% - 10.70%	0.60% - 25.40%
Rate of compensation increase	3.90%	4.83%	2.75%	2.70%
Critical assumptions – net periodic benefit cost:				
Discount rate – benefit obligation	4.23% - 4.48%	2.80% - 3.46%	0.60% - 25.40%	0.25% - 12.80%
Discount rate – service cost	4.12% - 4.51%	2.50% - 3.51%	0.60% - 25.40%	0.24% - 12.80%
Discount rate – interest cost	3.90% - 4.23%	2.08% - 2.87%	0.60% - 25.40%	0.08% - 12.80%
Expected return on plan assets	5.30% - 7.20%	5.60% - 7.40%	3.48%	3.67%
Rate of compensation increase	3.90%	3.90% - 4.83%	2.70%	2.90%

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 28, 2023 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 28, 2023 or April 29, 2022.

The Group's U.S. plans target asset allocations at April 28, 2023, compared to the U.S. plans actual asset allocations at April 28, 2023 and April 29, 2022 by asset category, are as follows:

U.S. Plans

	Target Allocation	Actual Allocation	
	April 28, 2023	April 28, 2023	April 29, 2022
Asset Category:			
Equity securities	34 %	36 %	36 %
Debt securities	51	46	45
Other	15	19	19
Total	100 %	100 %	100 %

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: 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 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.

Partnership units: Valued based on the year-end net asset values of the underlying partnerships. The net asset values of the partnerships are based on the fair values of the underlying investments of the partnerships. Quoted market prices are used to value the underlying investments of the partnerships, where the partnerships consist of the investment pools which invest primarily in common stocks. Partnership units include partnerships, private equity investments, and real estate investments. Partnerships primarily include long/short equity and absolute return strategies. These investments may be redeemed monthly with notice periods ranging from 45 to 95 days. At April 28, 2023, there are no funds in the process of liquidation. Private equity investments consist of common stock and debt instruments of private companies. For private equity funds, the sum of the unfunded commitments at April 28, 2023 is $233 million, and the estimated liquidation period of these funds is expected to be one to 15 years. Real estate investments consist of illiquid real estate holdings. These investments have investment and liquidation periods expected to total 3 years to 10 years in aggregate. At April 28, 2023, there are no real estate investments in the process of liquidation. Valuation procedures are utilized to arrive at fair value if a quoted market price is not available for a partnership investment.

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.

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.

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 28, 2023 and April 29, 2022.

U.S. Pension Benefits

(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	—
	$ 3,398	$ 227	$ —	$ 992	$ 2,179

(in millions)	Fair Value at April 29, 2022	Fair Value Measurements Using Inputs Considered as			Investments Measured at Net Asset Value
		Level 1	Level 2	Level 3	
Short-term investments	$ 73	$ 73	$ —	$ —	$ —
Mutual funds	125	125	—	—	—
Equity commingled trusts	1,281	—	—	—	1,281
Fixed income commingled trusts	1,069	—	—	—	1,069
Partnership units	1,011	—	—	1,011	—
	$ 3,559	$ 197	$ —	$ 1,011	$ 2,350

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 30, 2021	$ 860
Total realized gains, net	28
Total unrealized gains, net	72
Purchases and sales, net	51
April 29, 2022	$ 1,011
Total realized gains, net	67
Total unrealized gains, net	151
Purchases and sales, net	(238)
April 28, 2023	$ 992

Non-U.S. Pension Benefits

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

(in millions)	Fair Value at April 29, 2022	Fair Value Measurements Using Inputs Considered as Level 1	Level 2	Level 3	Investments Measured at Net Asset Value
Registered investment companies	$ 1,689	$ —	$ —	$ —	$ 1,689
Insurance contracts	43	—	—	43	—
	$ 1,732	$ —	$ —	$ 43	$ 1,689

Non-U.S. pension benefit assets that are valued using significant unobservable inputs (Level 3) was $44 million and $43 million as of April 28, 2023 and April 29, 2022, respectively. The decrease in the fair value of the assets was due to insurance contracts being sold.

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 28, 2023 and April 29, 2022.

Retirement Benefit Plan Funding It is the Group's policy to fund retirement costs within the limits of allowable tax deductions. During fiscal year 2023, the Group made discretionary contributions of approximately $22 million to the U.S. pension plan. Internationally, the Group contributed approximately $57 million for pension benefits during fiscal year 2023. The Group anticipates that it will make contributions of $24 million and $43 million to its U.S. pension benefit plans and non-U.S. pension benefit plans, respectively, in fiscal year 2024. 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 2024 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)	Gross Payments	
Fiscal Year	U.S. Pension Benefits	Non-U.S. Pension Benefits
2024	$ 168	$ 64
2025	178	62
2026	188	62
2027	200	68
2028	213	69
2029 – 2033	1,171	411

Post-retirement Benefit Plans The net periodic benefit cost associated with the Group’s post-retirement benefit plans was profit of $11 million and $20 million in fiscal years 2023 and 2022, respectively. The Group’s projected benefit obligation for all post-retirement benefit plans was $261 million and $276 million at April 28, 2023 and April 29, 2022, respectively. The Group’s fair value of plan assets for all post-retirement benefit plans was $302 million and $325 million at April 28, 2023 and April 29, 2022, respectively. The post-retirement benefit plan assets at both April 28, 2023 and April 29, 2022 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 $390 million and $403 million in fiscal years 2023 and 2022, respectively.

Effective May 1, 2005, the Group froze participation in the original defined benefit pension plan in the U.S. and implemented two new plans: an additional defined benefit pension plan, the Personal Pension Account (PPA), and a new defined contribution plan, the Personal Investment Account (PIA). Employees in the U.S. hired on or after May 1, 2005 but before January 1, 2016 had the option to participate in either the PPA or the PIA. Participants in the PPA receive an annual allocation of their salary and bonus on which they will receive an annual guaranteed rate of return, which is based on the ten-year Treasury bond rate. Participants in the PIA also receive an annual allocation of their salary and bonus; however, they are allowed to determine how to invest their funds among identified fund alternatives. The cost associated with the PPA is included in U.S. Pension Benefits in the tables presented earlier. The defined contribution cost associated with the PIA was approximately $43 million and $48 million in fiscal years 2023 and 2022, respectively.

Effective January 1, 2016, the Group froze participation in the existing defined benefit (PPA) and contribution (PIA) pension plans in the U.S. and implemented a new form of benefit under the existing defined contribution plan for legacy Covidien employees and employees in the U.S. hired on or after January 1, 2016 or rehired after July 1, 2020. Participants in the Medtronic Core Contribution (MCC) also receive an annual allocation of their salary and bonus and are allowed to determine how to invest their funds among identified fund alternatives. The defined contribution cost associated with the MCC was approximately $93 million and $83 million in fiscal years 2023 and 2022, respectively.

20. Shareholders' Equity

Authorized and allotted shares were as follows:

(in millions, except share data)	April 28, 2023		April 29, 2022	
Authorized:	**Shares**	**Amount**	**Shares**	**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
Total authorized		$ 27		$ 27
Allotted, called up and fully paid:				
Ordinary Shares, $0.0001 par value	1,330,809,036	$ —	1,330,743,395	$ —
Total allotted, called up and fully paid		$ —		$ —

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 2023 and 2022, the Group redeemed approximately 6 million and 22 million shares, respectively, at an average price of $91.31 and $113.11, respectively.

In March 2019, the Group's Directors authorized $6.0 billion for redemption of the Group's ordinary shares. There is no specific time-period associated with these authorizations. At April 28, 2023, the Group had used $3.6 billion of the $6.0 billion authorized under the program, leaving approximately $2.4 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 28, 2023 and April 29, 2022.

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 2023, 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 28, 2023, there were approximately 108 million shares available for future grants under the 2021 Plan.

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 2023 and 2022:

	Fiscal Year	
(in millions)	**2023**	**2022**
Stock options	$ 77	$ 70
Restricted stock	166	184
Performance share units	74	66
Employee stock purchase plan	38	39
Total stock-based compensation expense	$ 355	$ 359
Cost of sales	$ 36	$ 36
Research and development expense	39	40
Distribution and administrative expense	280	283
Total stock-based compensation expense	355	359
Taxation	(60)	(62)
Total stock-based compensation expense, net of taxation	$ 295	$ 297

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.

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	
	2023	**2022**
Weighted average fair value of options granted	$ 17.76	$ 22.83
Assumptions used:		
Expected life (years)	6.0	6.0
Risk-free interest rate	2.70 %	0.90 %
Volatility	24.05 %	23.04 %
Dividend yield	2.92 %	1.95 %

The following table summarizes stock option activity during fiscal year 2023:

	Options (in thousands)	Wtd. Avg. Exercise Price	Wtd. Avg. Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Outstanding at April 29, 2022	28,263	$ 92.00		
Granted	5,470	92.96		
Exercised	(1,513)	59.15		
Expired/Forfeited/Cancelled	(1,354)	102.93		
Outstanding at April 28, 2023	30,866	93.30	5.1	$ 154
Expected to vest at April 28, 2023	8,685	103.48	8.5	1
Exercisable at April 28, 2023	21,468	88.90	3.7	153

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 2023 and 2022:

	Fiscal Year	
(in millions)	2023	2022
Cash proceeds from options exercised	$ 77	$ 209
Intrinsic value of options exercised	42	174
Tax benefit related to options exercised	9	40

Unrecognized compensation expense related to outstanding stock options at April 28, 2023 was $92 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. 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 2023:

	Units (in thousands)	Wtd. Avg. Grant Price
Nonvested at April 29, 2022	5,370	$ 108.92
Granted	2,862	91.83
Vested	(2,471)	103.75
Forfeited/Cancelled	(572)	105.33
Nonvested at April 28, 2023	5,189	102.34

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 2023 and 2022:

	Fiscal Year	
(in millions, except per share data)	2023	2022
Weighted-average grant-date fair value per restricted stock	$ 91.83	$ 127.47
Fair value of restricted stock vested	256	194
Tax benefit related to restricted stock vested	45	52

Unrecognized compensation expense related to restricted stock as of April 28, 2023 was $338 million and is expected to be recognized over a weighted average period of 2.6 years.

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Performance Share Units Beginning in fiscal year 2021, the Group granted performance share units to officers and key employees. 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 2023:

	Units (in thousands)	Wtd. Avg. Grant Price
Nonvested at April 29, 2022	1,581	$ 138.95
Granted	1,204	98.17
Performance adjustments[(1)]	(515)	129.58
Forfeited/Cancelled	(227)	124.53
Nonvested at April 28, 2023	2,043	119.88

(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 2023 and 2022:

	Fiscal Year	
(in millions, except per share data)	2023	2022
Weighted-average grant-date fair value per performance share units	$ 98.17	$ 149.16
Fair value of performance share units vested	—	—
Tax benefit related to performance share units vested	—	—

Unrecognized compensation expense related to performance share units as of April 28, 2023 was $84 million and is expected to be recognized over a weighted average period of 1.8 years.

Employees Stock Purchase Plan The Medtronic plc Amended and Restated 2014 Employees Stock Purchase 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 ESPP is equal to the 15 percent discount the employee receives. Employees purchased 3 million shares at an average price of $69.92 per share in fiscal year 2023. At April 28, 2023, approximately 4 million ordinary shares were available for future purchase under the ESPP.

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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 30, 2021	$ 92	$ (519)	$ (1,458)	$ (1,347)	$ (253)	$ (3,485)
Other comprehensive income (loss) before reclassifications	(304)	(2,080)	2,299	514	781	1,210
Reclassifications	3	—	—	60	(54)	9
Other comprehensive income (loss)	(301)	(2,080)	2,299	574	727	1,219
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)

The taxation on gains and losses on investment securities in other comprehensive income before reclassifications during fiscal years 2023 and 2022 was a benefit of $21 million and $51 million, respectively. During fiscal years 2023 and 2022 realized gains and losses on investment securities reclassified from AOCI were reduced by taxation of $9 million and $1 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 2023 and 2022 taxation on cumulative translation adjustment was a benefit of $5 million and $8 million, respectively.

During fiscal years 2023 and 2022 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 2023 and 2022 resulted in an expense of $6 million and $134 million, respectively. During fiscal years 2023 and 2022 the gains and losses on defined benefit and pension items reclassified from AOCI were reduced by taxation of $9 million and $20 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 2023 and 2022 was an expense of $56 million and $152 million, respectively. Amounts reclassified from AOCI related to cash flow hedges included taxation of $133 million and $26 million for fiscal years 2023 and 2022, respectively. When realized, gains and losses on currency exchange rate contracts reclassified from AOCI are recognized within *other operating (income) expense, 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 28, 2023. The Group's four principal operating and reportable segments are as follows: Cardiovascular Portfolio, Medical Surgical Portfolio, Neuroscience Portfolio, and Diabetes Operating Unit.

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

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 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.

As of the beginning of fiscal year 2024, the Group realigned the operating segment structure as a result of changes in segment leadership and how the Group makes operating decisions and assesses business performance. We continue to have four reportable segments: Cardiovascular Portfolio, Medical Surgical Portfolio, Neuroscience Portfolio, and Diabetes Operating Unit; however, the transition activities from the previously divested businesses in the Medical Surgical Portfolio segment are now in an all other reporting segment.

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 payable and similar expenses, net, amortization of intangible assets, centralized distribution costs, non-operating income or expense items, certain corporate charges, and other items not allocated to the segments.

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.

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Segment Operating Profit

(in millions)	Fiscal Year 2023	2022
Cardiovascular	$ 4,435	$ 4,512
Medical Surgical	2,856	3,572
Neuroscience	3,617	3,765
Diabetes	378	583
Segment operating profit	11,286	12,432
Interest payable and similar expenses, net	(636)	(553)
Other non-operating income, net	515	318
Amortization of intangible assets	(1,698)	(1,733)
Corporate	(1,763)	(1,724)
Centralized distribution costs	(1,624)	(1,822)
Currency	465	70
Restructuring and associated costs	(647)	(335)
Acquisition-related items	(110)	43
Divestiture and separation-related items	(235)	—
Certain litigation charges, net	30	(95)
MCS impairment / costs	—	(881)
IPR&D charges	—	(101)
Medical device regulations	(150)	(102)
Commitments to the Medtronic Foundation and Medtronic LABS	(70)	—
Profit before taxation	$ 5,364	$ 5,517

Total Assets and Depreciation Expense

(in millions)	Total Assets April 28, 2023	April 29, 2022	Depreciation Expense 2023	2022
Cardiovascular	$ 16,051	$ 14,490	$ 212	$ 214
Medical Surgical	36,248	36,940	202	200
Neuroscience	18,346	16,917	267	265
Diabetes	3,930	3,797	80	67
Segments	74,575	72,144	761	746
Corporate	16,373	18,837	238	228
Total	$ 90,948	$ 90,981	$ 999	$ 974

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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 2023 and 2022 and tangible assets at April 28, 2023 and April 29, 2022 for the Group's country of domicile, countries with significant concentrations, and all other countries:

	Turnover		Tangible assets	
(in millions)	2023	2022	April 28, 2023	April 29, 2022
Ireland	$ 98	$ 101	$ 184	$ 177
United States	16,373	16,135	4,083	3,821
Rest of world	14,756	15,450	1,302	1,415
Total other countries, excluding Ireland	31,129	31,585	5,385	5,236
Total	$ 31,227	$ 31,686	$ 5,569	$ 5,413

No single customer represented over 10 percent of the Group’s consolidated turnover in fiscal years 2023 or 2022.

Employee Information

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

	Fiscal Year	
	2023	2022[1]
Cardiovascular	38,484	37,441
Medical Surgical	32,907	33,297
Neuroscience	22,182	21,306
Diabetes	8,909	8,603
Corporate	7,886	7,461
Total	110,367	108,107

(1) Prior period amounts have been recast to reallocate the average number of full-time equivalent persons to conform to classifications used in the current year.

Total employee costs consisted of the following:

	Fiscal Year	
(in millions)	2023	2022
Wages and salaries	$ 8,754	$ 8,292
Social insurance	826	752
Stock-based compensation	355	359
Retirement benefit obligations	494	459
Other[1]	708	756
Total	$ 11,137	$ 10,618

(1) Includes other employee benefits such as costs relating to group insurance, employee stock ownership plans, saving plans, and retirement plans.

Employee costs capitalized, and subsequently not expensed, during fiscal years 2023 and 2022 were $1.3 billion and $1.1 billion, respectively.

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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.

	Fiscal Year	
(in millions)	2023	2022
Aggregate emolument paid to or receivable by directors in respect of qualifying services	$ 5	$ 7
Money or value of other assets, including shares but excluding share options, paid to or receivable by the Directors under long-term incentive schemes	10	10
Aggregate amount of gains by the Directors on the exercise of share options	—	2
Contributions to defined contribution retirement benefit plans[(1)]	—	—
Contributions to defined benefit retirement benefit plans[(2)]	—	—
Total remuneration	$ 15	$ 19

(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 $147 thousand and $161 thousand for fiscal years 2023 and 2022, 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:

	Fiscal Year	
(in millions)	2023	2022
Audit of the Group financial statements	$ 17	$ 16
Other assurance services	5	—
Tax advisory services	1	1
Total remuneration	$ 24	$ 18

Auditors' remuneration (including expenses) for all professional services rendered by the statutory auditor PricewaterhouseCoopers Ireland was as follows:

	Fiscal Year	
(in thousands)	2023	2022
Audit of the Group financial statements	$ 738	$ 693
Other assurance services	11	11
Tax advisory services	—	5
Total remuneration	$ 749	$ 709

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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
AI Biomed Corp	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Affera, Inc.	Healthcare	100	320 Nevada Street Suite 401 Newton, MA 02460
Aircraft Medical Ltd.	Healthcare	100	9-10 St. Andrew Square Edinburgh, GB EH2 2AF
Airox	Healthcare	100	11 Rue Marechal Foch Pau, FR 64000
Airox, Inc.	Healthcare	100	15 Hampshire Street Mansfield, MA 02048
Arterial Vascular Engineering Canada, Company	Healthcare	100	Charles Reagh, 1741 Lower Water Street P.O Box 997 Halifax, Nova Scotia, CA B3J 2X2
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, 11º andar São Paula CEP, BR 04576-010
Avenu Medical, Inc.	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Bandaid 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
Beacon Endoscopic LLC	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	Saray Mh. Esnaf Cad. No:2 Da:6 Akkom Ofis Prk. Laodik Plz.B Bl Ãœmraniye 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	Saray Mh. Esnaf sok. Akkom Ofis Park Laodik Plaza No: 2 K-1/0/1/2, Ãœmraniye Istanbul Istanbul, TR
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 Kendall (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
Covidien AG	Healthcare	100	Victor von Bruns-Strasse 19 Neuhausen am Rheinfall, CH 8212
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 Deutschland GmbH	Healthcare	100	Gewerbepark 1 Neustadt/Donau, DE 93333
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	Appleby, Canon's Court 22 Victoria Street Hamilton, BM HM12
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 Israel Holdings Ltd	Healthcare	100	Hamada St. 10 Herzliya, IL 46733
Covidien Israel Investments Ltd	Healthcare	100	Hamada St. 10 Herzliya, IL 46733
Covidien Israel Surgical Research Ltd	Healthcare	100	7 Hamarpe Street Jerusalem, IL 4612001
Covidien Japan Inc.	Healthcare	100	1-2-70 Konan, Minato-ku, Tokyo, JP 108-0075
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 Services Europe Limited	Healthcare	100	Block 3090-3094 Lake Drive, Citywest Business Campus Dublin, IE D24 XN47
Covidien Swiss Holding GmbH	Holding Company	100	Victor von Bruns-Strasse 19 Neuhausen am Rheinfall, CH 8212
Covidien UK Holding Ltd	Holding Company	100	Building 9 Croxley Park, Hatters Lane Watford, GB WD18 8WW
Covidien Limited	Healthcare	100	20 Lower Hatch Street Dublin 2, IE
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 (Los Angeles) LLC	Healthcare	100	5860 Uplander Way Culver City, CA 90230
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 5A of 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
HET Systems, LLC	Healthcare	100	15 Hampshire Street Mansfield, MA 02048
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 LLC	Healthcare	100	Building 5 53 Dubininskaya Street Moscow, RU 115054

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	Saray Mh. Esnaf Cd. No:2 Da:9 Akkom Ofis Park Laodik Plaza B BI Ümraniye Istanbul 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	Camino La Loica 5031 Lo Barnechea Santiago, CL
Integrated Health Solutions International Sàrl	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
Invatec Technology Center GmbH	Healthcare	100	RP Treuhand und Wirtschaftsprufung 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 Innovadores en Cuidados al Paciente S.A.	Healthcare	100	Global Park- Parkway 50-Altos del Scottiabank La Aurora Heredia, CR 40104
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
KMS Colon, Panama, S.A.	Healthcare	100	LAROC, Edificio 9122, Oficino 1 Area especial Panama Pacifico Ciudad de Panama, PA
KMS Montevideo, Uruguay, S.A.	Healthcare	100	Lavalleja Ruta 8 Km. 17500 Edif. Costa Park ZonamÃcrica Montevideo, UY 33126
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	20 Lower Hatch Street Dublin 2, IE
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	Saray Mah. Esnaf Cad. Akkom Ofis Prk. Laodik Plz. Sit. B Bl. Apt. No.2/8 Ümraniye 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 LLC	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 c/o Codan (Cayman) Limited, Cricket Square, Hutchins Drive PO Box 2681 Grand Cayman, KY KY1-1111
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	Talstrasse 9 Münchenbuchsee, CH 3053
Medtronic (Shanghai) Ltd.	Healthcare	100	Room 502-1 Building No.3, No.2388 Chen Hang Road Min Hang Area Shanghai, CN 200000
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.l 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.I.	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
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 LLC	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
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 3800Annapolis 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	67	Conyers Trust Co (Cayman) Cricket Square Hutchins Drive PO Box 2681 Grand Cayman, KY KY1-1111
Medtronic China, LLC	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic China, LLC. Beijing Representative Office	Healthcare	100	Room 2302 Floor 4th, No.9 Guanghua Road Chaoyang District Beijing, CN 100020
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, 11Âº andar Sao Paulo, BR CEP04576-010
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 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 llc	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-Nopales 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	Lentäjäntie 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
Medtronic Holding, Inc.	Holding Company	100	710 Medtronic Parkway Minneapolis, MN 55432
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 Mineapolis, MN 55432
Medtronic International Holding LLC	Holding Company	100	710 Medtronic Parkway Minneapolis, MN 55432
Medtronic International Investment LLC	Healthcare	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 NE 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 Invatec LLC	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
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 Ltd.	Healthcare	100	17th Floor (Glass Tower, Daechi-dong), 534, Teheran-ro, Gangnam-gu, Seoul, KR
Medtronic Labs PBC	Healthcare	100	710 Medtronic Parkway NE Minneapolis, MN 55432
Medtronic Lateral, Inc.	Healthcare	100	710 Medtronic Parkway NE 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	Naberezhnaya Tower, Tower C Presnenskaya Naberezhnaya 10 Moscow, RU 123317
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 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	Building G, Unit B "Zeta" Industrial Park, Santo Domingo Santa Rosa Heredia, CR
Medtronic Medikal Teknoloji Ticaret Limited Sirketi	Healthcare	100	Saray Mh. Esnaf Cad. No:2 Da:8 Akkom Ofis Prk Laodik Plz. B Bl Äœmraniye 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	3 Floor Injaz Building 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	826 Coal Creek Circle Louisville, CO 80027
Medtronic New Zealand Limited	Healthcare	100	Webb Henderson, Level 3, 110 Customs Street West, 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	1st Floor 20 On Hatch Lower Hatch Street Dublin, IE 2
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	Healthcare	100	Victor von Bruns-Strasse 19 Neuhausen am Rheinfall, CH 8212
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	Building B 20 San Jose Alajuela, San José, Zona Franca Coyol 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 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 South Africa (Proprietary) Limited	Healthcare	100	Waterfall Distribution Campus, CNR K101 and Bridal Veil Road Pretoria Main Road Midrand, ZA 1685
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	Larixplein 4 Eindhoven, NL 5616 VB
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 Ventor Technologies Ltd.	Healthcare	100	Ha'Carmel Street 3 Yokneam Ilit, IL
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 NE 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	100	710 Medtronic Parkway Minneapolis, MN 55432
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 Electronic Equipment Trading (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
N.O.K. Nederlandse Obesitas Kliniek B.V.	Healthcare	75	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	100	Amersfoortseweg 43 Huis ter Heide, NL 3712 BA
Nederlandse Obesitas Kliniek Zuid B.V.	Healthcare	51	Amersfoortseweg 43 Huis ter Heide, NL 3712BA
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
New Wave Surgical, LLC	Healthcare	100	555 Long Wharf Drive New Haven, CT 06511
Nutrino Health Ltd.	Healthcare	100	58 Harakevet Tel Aviv-Jaffa, IL 6777016
Obesitas International B.V.	Holding Company	75	Amersfoortseweg 43 Huis ter Heide, NL 3712BA

Obesitas Nederland B.V.	Holding Company	51	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, LC 300 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 Paraiso 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
PTB International LLC	Healthcare	100	15 Hampshire Street Mansfield, MA 02048
Quro Obesity Center Poly Clinic LLC	Healthcare	37	PO BOX 54045 Parcel ID 375-6402 , AE
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
Reverse Medical LLC	Healthcare	100	15 Hampshire Street Mansfield, MA 02048
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 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 Rollamd Paris, FR 75014
Sofradim Production	Healthcare	100	115 Avenue de Formans Trevoux, FR 01600
SonarMed Inc.	Healthcare	100	710 Medtronic Parkway Minneapolis, MN 55432
Sophono, Inc.	Healthcare	100	Suite 100 5744 Central Avenue Boulder, CO 80301
Spinalgraft Technologies, LLC	Healthcare	100	4340 Swinnea Road Memphis, TN 38118
Stichting Beste Zorg	Healthcare	75	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	34	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	60	Suite 99 Unit E99, 2F, North Building, A1 218 Xinghu Street, Suzhou Industrial Park Suzhou, CN 215123
Suzhou Mei Zhong Capital Investment Management Co., Ltd.	Healthcare	100	2 Floor Unit E100, 2F, North Building, A1 No.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. (Puerto Rico Branch)	Healthcare	100	Cricket Square Hutchins Drive PO Bo 2681 Grand Cayman, KY KY1-1111
U.S.S.C. Puerto Rico (NY), Inc.	Healthcare	100	201 Sabanetas Industrial Park Ponce, PR 00716-4401
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
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 505 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	75	Amersfoortseweg 43 Huis ter Heide, NL 3712BZ

At April 28, 2023, 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
Medtronic AG atstovybė	Lithuania
Covidien Private Limited, Sri Lanka Liaison Office	Sri Lanka
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 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 Organiczona Opdowiedzialnoscia -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 31, 2023, 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.

EOFlow Co. Ltd Acquisition

Subsequent to fiscal year 2023, on May 25, 2023, the Group entered into a set of definitive agreements to acquire EOFlow Co. Ltd. (EOFlow), manufacturer of the EOPatch device – a tubeless, wearable and fully disposable insulin delivery device. The acquisition expands the Diabetes segment portfolio of products. To the extent that all the public shares participate in the tender offer, the total consideration for the acquisition of the shares in EOFlow would be KRW 971 billion, or $738 million, at exchange rates on May 25, 2023. The acquisition is expected to close in the second half of calendar year 2023 subject to the satisfaction of the minimum tender condition and certain customary closing conditions, including receipt of required regulatory clearances.

Refer to Note 6 for further information on the subsequent Israeli Central-Lod District Court decision.

28. Approval of Financial Statements

The Directors approved the financial statements on August 31, 2023.

Medtronic Public Limited Company
Company Financial Statements
Financial Year Ended April 28, 2023

Medtronic plc
Company Balance Sheet

(in millions)	Note	April 28, 2023	April 29, 2022
Fixed assets			
Financial assets	3	$ 95,899	$ 95,544
Current assets			
Debtors	4	78	76
Total current assets		78	76
Creditors (amounts falling due within one year)	5	42	42
Net current assets		36	34
Total assets less current liabilities		95,935	95,578
Creditors (amounts falling due after more than one year)	5	20,326	16,024
Net assets		$ 75,609	$ 79,554
Capital and reserves			
Called-up share capital presented as equity	6	$ —	$ —
Share premium account	6	56,282	55,734
Profit and loss account	6	19,327	23,820
Total equity		$ 75,609	$ 79,554

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 for financial year 2023 and financial year 2022, as determined in accordance with Irish GAAP (FRS 102), was $593 million and $213 million, respectively.

Approved by the Board of Directors and signed on its behalf on August 31, 2023 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
April 30, 2021	1,345	$ —	$ 54,822	$ 29,593	$ 84,415
Issuance of shares under stock purchase and award plans	7	—	912	(94)	818
Total comprehensive loss for the financial year	—	—	—	(213)	(213)
Dividends paid ($2.52 per ordinary share)	—	—	—	(3,383)	(3,383)
Share-based compensation	—	—	—	359	359
Redemption and cancellation of shares	(21)	—	—	(2,442)	(2,442)
April 29, 2022	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)
April 28, 2023	1,331	$ —	$ 56,282	$ 19,327	$ 75,609

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 20 On Hatch, Hatch Street Lower, Dublin 2, D02 XH02, 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 51 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 equaled fair value on the date of the completion of the Transaction, based on the market capitalization of Medtronic, Inc. and Covidien plc. This is the Company's cost basis for its investment in its subsidiary undertakings. 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 29, 2022	$ 95,544
Capital contribution in respect of share-based compensation plans	355
April 28, 2023	$ 95,899

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 market capitalization 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 Luxembourg Global Holdings S.a.r.l.	Holding Company	100	40 Avenue Monterey, L-2163, Luxembourg
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 28, 2023**	**April 29, 2022**
Amounts falling due within one year:		
Due from subsidiary undertakings	$ 69	$ 63
Other debtors and prepayments	9	13
Total amounts falling due within one year	$ 78	$ 76

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 28, 2023	April 29, 2022
Amounts falling due within one year:		
Income taxes payable	$ 30	$ 31
Accruals and other creditors	12	11
Total amounts falling due within one year	$ 42	$ 42

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.

Creditors consisted of the following for amounts falling due after more than one year:

(in millions)	April 28, 2023	April 29, 2022
Amounts falling due after more than one year:		
Due to subsidiary undertakings	$ 20,326	$ 16,024
Total amounts falling due after more than one year	$ 20,326	$ 16,024

At the balance sheet date, the amounts falling due after more than one year relates to a revolving loan the Company has with a subsidiary undertaking. On June 9, 2022, the Company fully repaid the previously outstanding principal and interest of another intercompany loan, totaling $1.3 billion The total interest expense arising from the intercompany loans for financial years 2023 and 2022 was $513 million and $120 million, respectively. The existing loan is due to mature in 2025 and has variable interest rates based on 90 - day U.S. dollar Secured Overnight Financing Rate (SOFR) plus a spread of 55 basis points.

6. Shareholders' Funds

Authorized and allotted shares were as follows:

(in millions, except share data)	April 28, 2023		April 29, 2022	
Authorized:	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
Total authorized		$ 27		$ 27
Allotted, called up and fully paid:				
Ordinary Shares, $0.0001 par value	1,330,809,036	$ —	1,330,743,395	$ —
A Preferred Shares, $1.00 par value	—	—	—	—
Total allotted, called up and fully paid		$ —		$ —

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 28, 2023 and April 29, 2022, 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 $3.6 billion and $3.4 billion for financial years 2023 and 2022, respectively. The dividend per Ordinary Share was $2.72 and $2.52 for financial years 2023 and 2022, respectively.

7. Guarantees and Contingencies

The Company has the following contingent liabilities, estimated to amount to a potential maximum of $24.5 billion and $24.2 billion at April 28, 2023 and April 29, 2022, 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 $24.5 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.

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.

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. At April 28, 2023 and April 29, 2022, the Company had no commercial paper outstanding.

Line of Credit On December 12, 2022, 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 2027.

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 28, 2023 and April 29, 2022, 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:

	Financial Year	
(in thousands)	**2023**	**2022**
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 31, 2023, 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 31, 2023.